

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** February 15, 2017

**SUBJECT:** Vaya Health – Quarterly Fiscal Monitoring Report (FMR)  
for the quarter ended December 31, 2016

**PRESENTER:** J. Carey McLelland, Finance Director

**ATTACHMENTS:** Fiscal Monitoring Report (FMR) – December 31, 2016

**SUMMARY OF REQUEST:**

N.C.G.S. 122C-117(c) requires the staff of the local area mental health authority to provide the County Finance Officer with the quarterly Fiscal Monitoring Report (FMR) within 30 days of the end of the quarter. The County Finance Officer is then required to provide the FMR to the Board of Commissioners at the next regularly scheduled meeting of the board. The attached FMR for Vaya Health was received by the County Finance Director on January 31, 2017.

**BOARD ACTION REQUESTED:**

Request that the Board consider approving the Fiscal Monitoring Report from Vaya Health for the quarter ended December 31, 2016.

***Suggested Motion:***

***I move that the Board of Commissioners approve the Vaya Health Fiscal Monitoring Report for the quarter ended December 31, 2016.***

LME / MCO NAME:

VAYA HEALTH

FOR THE PERIOD ENDING:

December 31, 2016

# of month in the fiscal year (July = 1, August = 2, . . . , June = 12) =====>

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1. REPORT OF BUDGET VS. ACTUAL

ITEM	Modified Accrual Accrual	X	PRIOR YEAR		CURRENT YEAR			
			(1)	(2)	(3)	(4)	(5)	(6)
			BUDGET	ACTUAL	BUDGET	ACTUAL YR-TO-DATE	BALANCE (Col. 3-4)	ANNUALIZED PERCENTAGE **
<b>REVENUE</b>								
Service Fees from LME-Delivered Services			370,416	385,087	72,500	329,426	(256,926)	908.76%
Medicaid Pass Through Funds			60,000	50,344	60,000	42,164	17,836	140.55%
Interest Earned			141,000	229,841	211,000	114,014	96,986	108.07%
Rental Income			53,772	53,772	53,772	26,886	26,886	100.00%
Budgeted Fund Balance * (Detail in Item 4, below)			17,736,308	-	36,203,670	-	36,203,670	0.00%
Other Local			4,670,325	3,734,467	2,451,849	822,775	1,629,074	67.11%
<b>Total Local Funds</b>			<b>23,031,821</b>	<b>4,453,511</b>	<b>39,052,791</b>	<b>1,335,265</b>	<b>37,717,526</b>	<b>6.84%</b>
<b>County Appropriations (by county, includes ABC Funds):</b>								
Alexander County			37,825	37,825	50,000	25,000	25,000	100.00%
Alleghany County			115,483	115,483	115,483	57,742	57,742	100.00%
Ashie County			189,566	189,566	189,566	94,783	94,783	100.00%
Avery County			89,600	89,600	89,600	44,800	44,800	100.00%
Buncombe County			600,000	600,000	600,000	300,000	300,000	100.00%
Caldwell County			118,538	119,377	119,628	58,257	61,371	97.40%
Cherokee County			75,000	75,000	75,000	37,500	37,500	100.00%
Clay County			15,000	15,000	15,000	7,500	7,500	100.00%
Graham County			6,000	6,000	6,000	3,000	3,000	100.00%
Haywood County			101,900	116,762	101,900	50,429	51,471	98.98%
Henderson County			528,612	528,612	528,612	264,306	264,306	100.00%
Jackson County			123,081	123,081	123,081	61,541	61,541	100.00%
Macon County			106,623	106,623	106,623	53,312	53,312	100.00%
Madison County			30,000	30,000	30,000	15,000	15,000	100.00%
McDowell County			67,856	67,856	67,856	33,928	33,928	100.00%
Mitchell County			18,000	18,000	18,000	9,000	9,000	100.00%
Polk County			76,991	78,314	77,991	38,985	39,006	99.97%
Rutherford County			102,168	102,168	102,168	51,084	51,084	100.00%
Swain County			25,000	25,799	32,260	13,165	19,095	81.62%
Transylvania County			99,261	99,261	99,261	49,631	49,631	100.00%
Watauga County			171,195	171,195	171,194	85,597	85,597	100.00%
Wilkes County			264,200	266,718	266,810	132,308	134,502	99.18%
Yancey County			26,000	26,000	26,000	13,000	13,000	100.00%
<b>Total County Funds</b>			<b>2,987,899</b>	<b>3,008,241</b>	<b>3,012,033</b>	<b>1,499,865</b>	<b>1,512,167</b>	<b>99.59%</b>
<b>LME Systems Admin. Funds (Cost Model)</b>								
DMH/DD/SAS Administrative Funds (% basis)			2,441,587	2,441,587	-	-	-	-
DMH/DD/SAS Services Funding			64,720,453	62,587,966	55,411,881	27,431,237	27,980,644	99.01%
DMA Capitation Funding			304,657,129	307,814,900	316,414,894	158,118,208	158,296,686	99.94%
DMA Risk Reserve Funding			6,217,492	6,258,689	6,457,447	3,171,573	3,285,874	98.23%
All Other State/Federal Funds			101,000	80,566	128,000	131,030	(3,030)	204.73%
<b>Total State and Federal Funds</b>			<b>378,137,661</b>	<b>379,183,708</b>	<b>378,412,222</b>	<b>188,852,048</b>	<b>189,560,174</b>	<b>102.66%</b>
<b>TOTAL REVENUE</b>			<b>404,157,381</b>	<b>386,645,460</b>	<b>420,477,046</b>	<b>191,687,178</b>	<b>228,789,867</b>	<b>91.18%</b>
<b>EXPENDITURES:</b>								
System Management/Administration/Care Coordination			52,065,620	46,275,865	57,680,429	22,500,836	35,179,593	78.02%
LME Provided Services			4,042,644	2,850,572	2,235,179	1,823,397	411,782	163.15%
Provider Payments (State Funds)			335,399,045	324,388,145	348,435,621	159,487,250	188,948,371	91.54%
Provider Payments (Federal Funds)			7,853,268	6,677,173	7,323,207	4,969,684	2,353,523	135.72%
Provider Payments (County/Local)			3,235,764	3,016,429	3,284,486	1,621,695	1,662,791	98.75%
All Other			1,561,040	1,296,009	1,518,125	713,067	805,058	93.94%
<b>TOTAL EXPENDITURES</b>			<b>404,157,381</b>	<b>384,504,193</b>	<b>420,477,047</b>	<b>191,115,929</b>	<b>229,361,118</b>	<b>90.90%</b>
<b>Net Income (from Operations and Risk Reserve)</b>				<b>2,141,267</b>		<b>571,247</b>		
<b>Beginning Unrestricted/Unassigned Fund Balance</b>				<b>67,730,176</b>		<b>8,031,041</b>		
<b>Balance in Restricted DMA Risk Reserve</b>				<b>24,877,639</b>		<b>28,049,211</b>		
<b>Current Estimated Unrestricted/Unassigned Fund Balance and percent of budgeted expenditures</b>			<b>1.99%</b>	<b>8,031,041</b>	<b>-0.75%</b>	<b>(3,160,596)</b>	<b>(See Note Below about FB)</b>	
<b>2. CURRENT CASH POSITION</b>								
<b>Current Cash in Bank (Including Risk Reserve)</b>				<b>112,545,373</b>				
<b>3. SERVICE EXCEPTIONS ( Provided Based on System Capability)</b>								
<b>Services authorized but not billed (IBNR)</b>				<b>16,211,717</b>				

LME / MCO NAME:

VAYA HEALTH

FOR THE PERIOD ENDING:

December 31, 2016

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4. DETAIL ON BUDGETED FUND BALANCE		Budgeted	Utilized Year-to-Date	Remaining Balance	% Utilized
Payments to Providers	FY1516 MOE unspent-alloc to FY1617	170,735	85,368	85,368	50.00%
Payments to Providers	Single Stream Replacement Funding	20,622,914	10,311,457	10,311,457	50.00%
Other Initiatives	C3@356 Urgent Care Funding	2,850,000	1,574,837	1,275,163	55.26%
Other Initiatives	Western Region Crisis Expansion	100,000	0	100,000	0.00%
Other Initiatives	Northern Region Crisis Expansion	9,500	9,500	-	100.00%
Other Initiatives	Child Facility Based Crisis	500,000	0	500,000	0.00%
Other Initiatives	FBC in Caldwell County	100,000	0	100,000	0.00%
Other Initiatives	IDD Crisis Service Expansion	1,000,000	0	1,000,000	0.00%
Other Initiatives	Integrated Collab Care Svc Initiatives	4,545,619	1,141,241	3,404,378	25.11%
Other Initiatives	Admin Office - Relocation Fund	128,995	78,256	50,739	60.67%
Other Initiatives	Technology Enabled Care and Expo	61,900	22,187	39,713	35.84%
Other Initiatives	Youth Villages LifeSet Program	629,027	139,319	489,708	22.15%
Other Initiatives	Mediation, Transcription & Other Legal	470,000	142,441	327,559	30.31%
Other Initiatives	Equipment & Leasehold Improvements	807,338	80,145	727,193	9.93%
Other Initiatives	TCLI Legal Aid	450,000	187,500	262,500	41.67%
Other Initiatives	Replacement Bridge Funding	192,467	96,234	96,234	50.00%
Other Initiatives	Data Security Initiatives	200,945	89,092	111,853	44.34%
Other Initiatives	Medicaid Reform Readiness	125,000	33,605	91,395	26.88%
Other Initiatives	Community Engagement/Awareness	632,330	562,762	69,568	89.00%
Other Initiatives	Peer Run Recovery Centers	77,400	2,000	75,400	2.58%
Other Initiatives	MAHEC	330,000	1,198	328,802	0.36%
Other Initiatives	Jail Diversion	65,000	0	65,000	0.00%
Other Initiatives	Medication Assisted Tx for Opioid Users	250,000	62,500	187,500	25.00%
Other Initiatives	Project Search	70,000	18,217	51,783	26.02%
Other Initiatives	Substance Use Recovery Housing	200,000	53,528	146,472	26.76%
Other Initiatives	Veteran's Program	225,000	500	224,500	0.22%
Other Initiatives	Rebranding	1,389,500	239,827	1,149,673	17.26%
Other Initiatives	ADATC	0	31,106	(31,106)	-100.00%
<b>Total Fund Balance Appropriated/Utilized to Date</b>		<b>36,203,670</b>	<b>14,962,819</b>	<b>21,240,851</b>	<b>41.33%</b>

\* We certify (a) this report to contain accurate and complete information, (b) explanations are provided for any expenditure item with an annualized expenditure rate greater than 110% and for any revenue item with an annualized receipt rate of less than 90%, and (c) a copy of this report has been provided to each county manager in the catchment area".

LME / MCO Director \_\_\_\_\_ Date \_\_\_\_\_ LME/MCO Finance Officer \_\_\_\_\_ Date \_\_\_\_\_ Area Board Chair \_\_\_\_\_ Date \_\_\_\_\_

**Quarterly Fiscal Monitoring Report - Explanation of Revenue and Expenditure Variances**

VAYA HEALTH

For the period ending: December 31, 2016

ITEM Explanation

**Revenues Less than 90%**

Other Local (67.11%) Funds from Buncombe County for the C3@356 Project not received as of 12/31/2016.  
 Fund Balance Appropriated (0.00%) Fund Balance Appropriation is budgeted - but no actual will be recorded on the financial statements.  
 Swain County MOE (81.6%) Swain County ABC funds are under the estimated Budget amount as of 12/31/2016.

**Expenditures Exceeding 110%**

LME Provided Services (163.15%) There are Leasehold Improvement Expenses in the c3@356 project that do not have a budget at 12/31/2016.  
 Provider Payments (Federal Funds) (135.7%) In programs such as GERO and Housing - the Federal Portion is utilized first causing the overutilization as of 12/31/2016.  
 (This variance will get less and less as the year goes by)

**Other Notes**

County MOE funds are recorded on an accrual basis - therefore the amount shown in the report above may not reflect the actual amount of funds received from each county.

If County Funds of less than 50% of the Annual Budgeted amount have been received - the remaining has been accrued and is considered a receivable at 12/31/2016.

If County MOE funds in excess of 50% of the Annual Budgeted amount have been received - the excess has been deferred and not reflected as income as of 12/31/2016.

Please note that any ABC funds collected will be shown in the same line as MOE funds for that county. ABC Funds are recorded on a Cash Basis.

The reason that the Unrestricted/Unassigned Fund Balance at the beginning of FY 15-16 is so much lower than Unrestricted/Unassigned Fund Balance at the beginning of FY 16-17 is due to all the Commitments that the Board of Directors for Vaya Health have approved. These amounts have been removed from the Unrestricted/Unassigned Fund Balance Section and are now being considered Board Committed Fund Balance.

The Net Loss (Current Estimated Unrestricted/Unassigned Fund Balance) through 12/31/2016 is expected due to the use of Fund Balance for Community Reinvestment Initiatives and the \$20,622,914 reduction in Single Stream Funding for FY 16-17 that had to be replaced with Fund Balance.