

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** June 5, 2017

**SUBJECT:** Vaya Health – Quarterly Fiscal Monitoring Report (FMR)  
for the quarter ended March 31, 2017

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

**ATTACHMENTS:** Fiscal Monitoring Report (FMR) – March 31, 2017

**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 May 1, 2017.

**BOARD ACTION REQUESTED:**

Request that the Board consider approving the Fiscal Monitoring Report from Vaya Health for the quarter ended March 31, 2017.

***Suggested Motion:***

***I move that the Board of Commissioners approve the Vaya Health Fiscal Monitoring Report for the quarter ended March 31, 2017.***

LME / MCO NAME:

VAYA HEALTH

FOR THE PERIOD ENDING:

March 31, 2017

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

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1. REPORT OF BUDGET VS. ACTUAL

ITEM	Basis of Accounting: (check one)	Modified Accrual Accrual	X	PRIOR YEAR		CURRENT YEAR		ANNUALIZED PERCENTAGE **	
				2015-2016		ACTUAL	BALANCE		
				BUDGET	ACTUAL	BUDGET	YR-TO-DATE		(Col. 3-4)
<b>REVENUE</b>									
Service Fees from LME-Delivered Services				370,416	385,087	359,750	412,249	(52,499)	152.79%
Medicaid Pass Through Funds				60,000	50,344	80,000	42,164	37,836	70.27%
Interest Earned				141,000	229,841	221,000	180,626	40,374	108.97%
Rental Income				53,772	53,772	53,772	40,329	13,443	100.00%
Budgeted Fund Balance *(Detail in Item 4, below)				17,736,308	-	36,867,355	-	36,867,355	0.00%
Other Local				4,670,325	3,734,467	2,578,849	1,729,244	849,605	89.41%
<b>Total Local Funds</b>				<b>23,031,821</b>	<b>4,453,511</b>	<b>40,160,726</b>	<b>2,404,612</b>	<b>37,756,114</b>	<b>7.98%</b>

County Appropriations (by county, includes ABC Funds):									
Alexander	County			37,825	37,825	50,000	37,500	12,500	100.00%
Alleghany	County			115,483	115,483	115,483	86,612	28,871	100.00%
Ashe	County			189,566	189,566	189,566	142,175	47,392	100.00%
Avery	County			89,600	89,600	89,600	67,200	22,400	100.00%
Buncombe	County			600,000	600,000	600,000	450,000	150,000	100.00%
Caldwell	County			118,538	119,377	119,628	89,713	29,915	99.99%
Cherokee	County			75,000	75,000	75,000	56,250	18,750	100.00%
Clay	County			15,000	15,000	15,000	11,250	3,750	100.00%
Graham	County			6,000	6,000	6,000	4,500	1,500	100.00%
Haywood	County			101,900	116,762	101,900	75,450	26,450	98.72%
Henderson	County			528,612	528,612	528,612	396,459	132,153	100.00%
Jackson	County			123,081	123,081	123,081	92,311	30,770	100.00%
Macon	County			106,623	106,623	106,623	79,967	26,656	100.00%
Madison	County			30,000	30,000	30,000	22,500	7,500	100.00%
McDowell	County			67,856	67,856	67,856	50,892	16,964	100.00%
Mitchell	County			18,000	18,000	18,000	13,500	4,500	100.00%
Polk	County			76,991	78,314	77,991	58,873	19,118	100.65%
Rutherford	County			102,168	102,168	102,168	76,626	25,542	100.00%
Swain	County			25,000	25,799	32,260	19,492	12,768	80.56%
Transylvania	County			99,261	99,261	99,261	74,446	24,815	100.00%
Watauga	County			171,195	171,195	171,194	128,396	42,799	100.00%
Wilkes	County			264,200	266,718	266,810	199,419	67,391	99.66%
Yancey	County			26,000	26,000	26,000	19,500	6,500	100.00%
<b>Total County Funds</b>				<b>2,987,899</b>	<b>3,008,241</b>	<b>3,012,033</b>	<b>2,253,031</b>	<b>759,002</b>	<b>99.73%</b>

LME Systems Admin. Funds (Cost Model)									
DMH/DD/SAS Administrative Funds (% basis)				2,441,587	2,441,587	-	-	-	
DMH/DD/SAS Services Funding				64,720,453	62,587,966	56,144,467	40,336,966	15,807,501	95.79%
DMA Capitation Funding				304,657,129	307,814,900	317,256,176	238,684,422	78,571,754	100.31%
DMA Risk Reserve Funding				6,217,492	6,258,689	6,474,616	4,809,132	1,665,484	99.04%
All Other State/Federal Funds				101,000	80,566	17,000	15,945	1,055	125.06%
<b>Total State and Federal Funds</b>				<b>378,137,661</b>	<b>379,183,708</b>	<b>379,892,259</b>	<b>263,846,465</b>	<b>96,045,794</b>	<b>102.66%</b>

<b>TOTAL REVENUE</b>				<b>404,157,381</b>	<b>386,645,460</b>	<b>423,065,018</b>	<b>288,504,108</b>	<b>134,560,910</b>	<b>90.93%</b>
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EXPENDITURES:									
System Management/Administration/Care Coordination				52,065,620	46,275,865	58,774,212	34,066,846	24,707,368	77.28%
LME Provided Services				4,042,644	2,850,572	2,997,722	2,412,334	585,388	107.30%
Provider Payments (State Funds)				335,399,045	324,388,145	347,863,781	245,133,014	102,730,767	93.96%
Provider Payments (Federal Funds)				7,853,268	6,677,173	8,581,767	7,142,892	1,438,875	110.98%
Provider Payments (County/Local)				3,235,764	3,016,429	3,284,486	2,360,272	924,214	95.81%
All Other				1,561,040	1,296,009	1,583,050	854,086	708,964	72.86%
<b>TOTAL EXPENDITURES</b>				<b>404,157,381</b>	<b>384,504,193</b>	<b>423,065,018</b>	<b>291,969,444</b>	<b>131,095,574</b>	<b>92.02%</b>

<b>Net Income (from Operations and Risk Reserve)</b>					2,141,267		(3,465,339)		
<b>Beginning Unrestricted/Unassigned Fund Balance</b>					67,730,176		8,031,041		
<b>Balance in Restricted DMA Risk Reserve</b>					24,877,639		29,686,771		
<b>Current Estimated Unrestricted/Unassigned Fund Balance and percent of budgeted expenditures</b>				1.99%	8,031,041	-2.11%	(8,917,698)	(See Note Below about FB)	

2. CURRENT CASH POSITION

Current Cash in Bank (Including Risk Reserve)					107,021,213				
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3. SERVICE EXCEPTIONS ( Provided Based on System Capability)

Services authorized but not billed (IBNR)					14,770,813				
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4. DETAIL ON BUDGETED FUND BALANCE		Budgeted	Utilized to-Date	Year-Remaining Balance	% Utilized
Payments to Providers	FY1516 MOE unspent-alloc to FY1617	170,735	128,051	42,684	75.00%
Payments to Providers	Single Stream Replacement Funding	20,622,914	15,467,186	5,155,729	75.00%
Other Initiatives	C3@356 Urgent Care Funding	2,943,481	2,180,804	762,677	74.09%
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%

LME / MCO NAME:		VAYA HEALTH		FOR THE PERIOD ENDING:		March 31, 2017	
# of month in the fiscal year (July = 1, August = 2, . . . , June = 12) =====>				9			
Other Initiatives	FBC in Caldwell County		100,000	28,014	71,986	28.01%	
Other Initiatives	IDD Crisis Service Expansion		1,000,000	73,987	926,013	7.40%	
Other Initiatives	Integrated Collab Care Svc Initiatives		4,735,933	2,049,040	2,686,893	43.27%	
Other Initiatives	Admin Office - Relocation Fund		167,920	124,465	43,455	74.12%	
Other Initiatives	Technology Enabled Care and Expo		104,460	24,587	79,873	23.54%	
Other Initiatives	Youth Villages LifeSet Program		629,027	364,157	264,870	57.89%	
Other Initiatives	Mediation, Transcription & Other Legal		470,000	148,845	321,155	31.67%	
Other Initiatives	Equipment & Leasehold Improvements		807,338	171,350	635,988	21.22%	
Other Initiatives	TCLI Legal Aid		450,000	300,000	150,000	66.67%	
Other Initiatives	Replacement Bridge Funding		192,467	144,350	48,117	75.00%	
Other Initiatives	Data Security Initiatives		322,890	200,881	122,009	62.21%	
Other Initiatives	Medicaid Reform Readiness		125,000	53,223	71,777	42.58%	
Other Initiatives	Community Engagement/Awareness		654,830	611,876	42,954	93.44%	
Other Initiatives	Peer Run Recovery Centers		77,400	48,195	29,205	62.27%	
Other Initiatives	MAHEC		358,960	207,826	151,134	57.90%	
Other Initiatives	Jail Diversion		65,000	0	65,000	0.00%	
Other Initiatives	Medication Assisted Tx for Opioid Users		250,000	156,250	93,750	62.50%	
Other Initiatives	Project Search		70,000	32,162	37,838	45.95%	
Other Initiatives	Substance Use Recovery Housing		200,000	102,359	97,641	51.18%	
Other Initiatives	Veteran's Program		225,000	500	224,500	0.22%	
Other Initiatives	Rebranding		1,389,500	371,668	1,017,832	26.75%	
Other Initiatives	WNC SU Alliance		125,000	75,974	49,026	60.78%	
<b>Total Fund Balance Appropriated/Utilized to Date</b>			<b>36,867,355</b>	<b>23,075,249</b>	<b>13,792,106</b>	<b>62.59%</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
			4/28/2017		

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

VAYA HEALTH

For the period ending: March 31, 2017

ITEM	Explanation
<b>Revenues Less than 90%</b>	
Medicaid Pass Through Funds (70.3%) Fund Balance Appropriated (0.00%)	Pass Through services not being used effective 12/31/16. Billing is direct between the Division and NCTracks. Fund Balance Appropriation is budgeted - but no actual will be recorded on the financial statements.
Other Local (89.4%)	SPC Grants and Buncombe County funds have been less than expected and the IDD Council Grant is a new grant that we haven't started drawing down yet.
Swain County MOE (80.6%)	Swain County ABC funds are under the estimated Budget amount as of 3/31/2017.

<b>Expenditures Exceeding 110%</b>	
Provider Payments (Federal Funds) (111.0%)	In programs such as GERO and Housing - the Federal Portion is utilized first causing the overutilization as of 3/31/2017. (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 75% of the Annual Budgeted amount have been received - the remaining has been accrued and is considered a receivable at 3/31/2017.

If County MOE funds in excess of 75% of the Annual Budgeted amount have been received - the excess has been deferred and not reflected as income as of 3/31/2017.

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 higher 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 3/31/2017 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.