

Bulletin

April 13, 2007

Minnesota Department of Human Services P.O. Box 64941 St. Paul, MN 55164-0941

OF INTEREST TO

- County Directors
- County Fiscal Supervisors
- County Social Service Supervisors

ACTION/DUE DATE

Please review and note changes for 2007.

EXPIRATION DATE

December 31, 2007

DHS SUMMARIZES 2007 MENTAL HEALTH GRANT FISCAL REPORTING REQUIREMENTS

TOPIC

Mental Health Grants fiscal information for 2007.

PURPOSE

- Provide an overall summary of 2007 mental health grants fiscal reporting requirements
- Replaces Bulletin No. 06-32-04 (March 31, 2006)

CONTACT

Ray Truelson, Financial Operations Division, (651) 431-3780,
ray.truelson@state.mn.us

SIGNED

CHRISTINE BRONSON
Deputy Commissioner
Department of Human Services

Introduction

This calendar year (CY) 2007 bulletin is an overall guide to fiscal reporting of both adult and children's mental health (MH) grants awarded by DHS. It includes the general fiscal reporting requirements for ongoing MH grants. In addition to these general requirements, there may be additional fiscal reporting requirements specified in the grant award letters. Please check the grant award letters for any specific reporting requirements.

For one-time grant awards, fiscal reporting requirements will be provided in the grant award letter or a subsequent letter from DHS.

This bulletin also updates any changes to BRASS-based reporting requirements for Mental Health Grants. Included are four attachments: Attachment A is a fiscal summary for adult mental health; Attachment B is a fiscal summary for children's mental health; Attachment C is a copy of the BRASS-Based Grant Fiscal Report (DHS-2895); and new this year is Attachment D which is a copy of the County Mental Health Maintenance of Effort (MOE) Report .

BRASS-Based Grant Fiscal Report (DHS-2895)

A copy of the BRASS-Based Fiscal Report (DHS-2895) is included as Attachment C to this bulletin. This form is used for fiscal reporting of all MH grants. The instructions for its completion are included on the report.

Mental Health Grants Fiscal Summary

Attachments A and B provide fiscal summaries of the adult mental health grants and the children's mental health grants. Please note that these summaries include only those mental health grants accounted for in the Social Service Fund - see DHS Bulletin No. 05-32-02 dated March 21, 2005 (or most recent Bulletin), for further information on what is included in the Social Service Fund.

Please review the fiscal summaries of each grant your county receives. Fiscal information for each grant is shown in a separate column. The fiscal information includes:

1. SEAGR Revenue Schedule entries
2. Number of counties receiving the grant
3. Reference to DHS Social Service Allocations Bulletin
4. Grant award period
5. Funding source
6. Fiscal report process
7. Payment process
8. Eligible BRASS service codes

Note: In some cases, eligible BRASS service codes are limited by your approved grant application budget.

Grant Award Updates

A. Grant Award Letters

Grant award letters for CY 2007 were sent to all counties by the Adult and Children's Mental Health Divisions by March of 2007. Amended grant awards for individual counties may be sent throughout the calendar year.

Most MH grants were also included in the "HUMAN SERVICE ALLOCATIONS FOR 2007" Bulletin No. 06-32-10 (September 8, 2006). Counties, however, should regard their award letters as the most up-to-date information relating to their grants.

B. Mental Health – Targeted Case Management (MH-TCM)

In accordance with MH-TCM statute, counties receive the former state share of medical assistance for child and adult mental health case management. This amount is included as part of your county's Children's Mental Health Combined Grant and either your Adult Rule 78 Community Support Program (CSP) or Adult Integrated Fund Grant. Legislation requires an annual adjustment of MH grants based on numbers of clients receiving MH Targeted Case Management Services. The annual adjustment of the MH-TCM grants took place as part of the CY 2007 grant award process. Counties were notified of changes by letters sent out through March 2007.

C. Children's Mental Health Combined Grant

The Children's Mental Health (CMH) Combined Grant includes awards from both competitive and non-competitive categorical grant programs to the county as a single grant, simplifying fiscal reporting and monitoring of grant funds. Quarterly reporting for all expenditures attributable to grants contributing to the Children's Mental Health Combined Grant is done on a single form DHS 2895.

The CMH Combined Grant includes the MH-TCM Local Share Transfer for each county and the appropriated funds for the Child Welfare/Juvenile Justice Screening Grant to support screening, assessment and services to children in the child welfare and juvenile justice systems. Special project grants awarded to counties are also administered through the CMH Combined Grant.

Eligible expenditures for this grant are outlined by BRASS code in Attachment B.

D. Adult Integrated Fund

For many years, the Department of Human Services has had the authority to allow counties to integrate their Adult Mental Health Funding. A number of counties have requested to do so and this has given them additional flexibility in how they use their grant funding. If you have questions about the advantages or disadvantages to having an integrated fund, or would like to know how you could request to have your funding integrated, please contact the Mental Health Program Consultant assigned to your area.

E Rule 78 Adult Community Support Program (CSP)

Counties not receiving an Adult Integrated Fund allocation receive their CSP funding through the Rule 78 Adult Community Support Grant. As in previous years, counties that did not report enough expenditures to meet the ten percent match requirement and earn all of their grant will be given an opportunity to report matching fund expenditures from their provider(s). This will allow these counties to maximize their grant earnings. Forms will be mailed to the affected counties. Direct any questions to Ray Truelson at (651) 431-3780 or ray.truelson@state.mn.us.

F. Rule 12 Grant Category Combined with Adult Mental Health Initiative (AMHI) Funding

The funding category formerly known as Rule 12 has been discontinued. The total amount of funding remaining in this area has steadily got smaller over the past years. This was due to the fact that most counties receiving Rule 12 funding have integrated their Adult Mental Health funding and that much of the former Rule 12 funding has been transferred into AHMI grants or used to satisfy the non-federal share of Medical Assistance for ACT and IRTS. Effective CY 2007, the Rule 12 base funding was transferred into the Adult Mental Health Initiative category for both integrated and non-integrated fund counties.

G. Supplemental ACT Grants – AMHI

In 2007, the department initiated a source of funding to pay for non-Medical Assistance reimbursable services provided by Assertive Community Treatment (ACT) teams. Supplemental ACT Grants were made to all counties hosting ACT teams. These funds were included in the AMHI grant category. Services funded by the Supplemental ACT Grant should be accounted for under the ACT BRASS service code - 438x Assertive Community Treatment (ACT). Additional information about the ACT Supplemental Grants can be found on the department's web page at:

Program Summaries

Counties receiving MH grants will continue receiving a Program Summary of Mental Health Grants. This summary lists the county's MH grant awards, reported expenditures, grant earnings and payments. It will be mailed shortly after the quarterly advance/reimbursement is made.

County Mental Health Maintenance of Effort (MOE) Report

Legislation in 2006 included a Maintenance of Effort (MOE) provision for mental health services that require each year's county expenditures to be at least equal to their base year expenditures. The base year established in the legislation is each county's average expenditures for mental health services for calendar years 2004 and 2005. A county's base level for minimum required expenditures may also be adjusted each year by the amount of any increase or decrease in that county's state mental health grants or other non county revenues for mental health services. More information about this new County Mental Health MOE legislation can be found in Bulletin 06-53-02.

To help counties monitor their progress in meeting their MOE expenditure requirements, DHS will begin sending to each county a County MOE Report each quarter beginning in 2007. A sample of this County MOE Report is included in Attachment D. The following is an explanation of some of the lines referenced on the County MOE Report in Attachment D:

- 1) Basic Mental Health Expenditures - This is each county's average of county-reported social service expenditures for mental health services for calendar years 2004-2005 (exclusive of sex offender holds and treatment costs). This amount was previously reported in Bulletin 06-53-02.
- 2) Projected Revenue Changes Due To Allocations – This amount is the projected net increase or decrease for each county of the sum of their Children's Mental Health Combined Allocation, Adult Mental Health Allocation and CCSA Allocation from the Base Year (CY2004 and CY 2005 average) to the current year (CY 2007). The Attachment notes the BRASS Codes that were used to make this calculation. Note that not all of the Children's Mental Health Combined and CCSA Revenues were allocated to Mental Health BRASS Codes under the SEAGR revenue allocation process. Each county's percentage of each of these revenues that were allocated to Mental Health BRASS Codes in the base years will also be shown on the County MOE Report.
- 3) Adjustments For Other Revenues – These adjustments are for major revenue sources not part of the allocation process. The SEAGR Revenue Code is identified in parenthesis as well as the percentage of this revenue which was allocated to Mental Health BRASS Codes in the base years. The total of for this section is the net increase or decrease for each county of various other non-allocation related revenues

from the Base Year to the current year. Note that for purposes of measuring how a county is meeting its projected MOE spending requirements for the entire year, the county's interim quarterly MOE Reports will divide its Base Year Other Revenues by four and allocate them equally to each quarter.

- 4) Adjusted Spending Target To Meet Mental Health MOE – this amount represents the minimum level of spending required for the county to satisfy its mental health MOE requirement for the year. It is the sum of (1), (2), and (3) above.
- 5) 400's SEAGR Expenditures – These are the actual mental health expenditures reported by the county during the current year as measured by the total reported expenditures in the series 400 BRASS Codes on the county's SEAGR report.
- 6) Sex Offender Costs – These costs are the sex offender holds and treatment costs which are required by statute to be removed from both the Base Year and current year mental health expenditures for purposes of measuring compliance with MOE spending requirements
- 7) Expenditures To Date – These are the adjusted actual county mental health expenditures for the current year. It is the difference of (5) – (6) above. This amount should be equal to or greater than the Adjusted Spending Target To Meet Mental Health MOE listed in (4) above.

All counties that do not meet their minimum MOE spending requirements for mental health (i.e. (4) above is greater than (7) above) are required by Minnesota Statutes, section 245.4835, to "...develop a corrective action plan according to a format and timeline established by the commissioner." There may be situations where the failure to meet the MOE spending requirement under the above calculation may simply be due to various revenue/expenditure timing differences, fluctuations or other factors that adversely affect the calculation's reliability for that county as a measure of the county's MOE compliance in the current year. These types of situations, along with any more substantive problems contributing to non compliance by a county with the MOE minimum spending requirements, should be addressed in the corrective action plan process.

This Report examines the changes in major revenue streams which represent approximately 85% of the revenue allocated to Mental Health codes through SEAGR. Examination of changes to other revenue streams will be done during the corrective action process.

Delay in Second Quarter Payment for CY 2007

Pursuant to legislation enacted in 2002, the full value of mental health payments for the second calendar quarter made in May 2007 will be paid in July of 2007.

Questions

Please direct any fiscal questions concerning mental health grants to:

Ray Truelson
DHS Financial Operations Division
Human Services Building
444 Lafayette Road
St. Paul, MN 55164-0940
Telephone: (651) 431-3780
Email: ray.truelson@state.mn.us

Special Needs

This information is available in other forms to people with disabilities by contacting us at 651-431-3777 or through the Minnesota Relay Service at 1-800-627-3529 (TDD), 7-1-1 or 1-877-627-3848 (speech to speech relay service).

CY 2007 Adult Mental Health Grants Fiscal Summary Table (01/07 version) Grants* ----->	Rule 78 Adult CSP	Adult Integrated Fund	Adult MH Initiative
CY07 SEAGR Revenue Schedule entries	S25	S30 F62	S59 F35
Number of counties receiving grant (Multi-county consortiums counted as one.)	43	37	16
Reference to DHS Bulletin (2007 Social Service Allocations) (Grant award letters are issued for each grant establishing the actual county funding level.)	Attach.C	Attach. C	Attach. C
Grant award period	calendar year	calendar year	calendar year
Funding source(s) (Federal CFDA number is shown in parenthesis.)	state	state & fed (93.958) (93.150)	state & federal (93.958)
Fiscal report (All reports are CY quarterly reports, due 30 days following end of quarter. See instructions provided with each report. Submit to the address below.)	DHS 2895	DHS- 2895	DHS- 2895
Grant earnings calculation (Expressed as a percentage of eligible expend- itures. Eligible expenditures corresponds to expenditures approved in the grant application budget and reported in an eligible BRASS code.)	90%	100%	100%
Payments	quarterly advance/ year-end settlement	quarterly advance/ year-end settlement	quarterly advance/ year-end settlement

MH BRASS service codes (eligible codes x'c			
401 Information and Referral		x	x
402 Comm. Education and Prevention	x	x	x
403 Client Outreach-CSP	x	x	x
408 Adult Outpatient Diagnostic Assessment	x	x	x
416 Adult Transportation	x	x	x
431 Adult MH Crisis Assessment & Intervention S	x	x	x
434 Other Community Support Program Services	x	x	x
436 Adult Crisis Stabilization	x	x	x
438 Assertive Community Treatment (ACT)	x	x	x
443 Housing Subsidy	x	x	x
446 Basic Living/Social Skills and Community Inte	x	x	x
451 Adult Emergency Service		x	x
452 Adult Outpatient Psychotherapy		x	x
454 Adult Outpatient Medication Mgmt.	x	x	x
458 Approved Pilot Projects	x	x	x
468 Adult Day Treatment Services	x	x	x
469 Partial Hospitalization	x	x	x
474 Adult Residential Treatment - MH		x	x
491 Adult Rule 79 Case Management	x	x	x
493 Adult General Case Management		PATH Only	

Submit fiscal reports to: DHS Financial Operations Divisor
 Attention: Ray Truelson
 Human Services Building
 444 Lafayette Road
 St. Paul, MN 55164-0940

Program Accountant:
 Ray Truelson (651) 431-3780
 Mental Health Division Contacts:
 Sharon Autio (651)-431-2228
 John Zakelj (651) 431-2231

CY 2007 Children's Mental Health Grants Fiscal Summary Table (01/07 version) Grants* ----->	CMH Combined Grant
CY06 SEAGR Revenue Schedule entries	S63 F60
Number of counties receiving grant (Multi-county consortiums counted as one.)	84
Reference to DHS Bulletin (2007 Social Service Allocations) (Grant award letters are issued for each grant establishing the actual county funding level.)	Attach. D (partial listing)
Grant award period	calendar year
Funding source(s) (Federal CFDA number is shown in parenthesis.)	State & Federal
Fiscal report (All reports are CY quarterly reports, due 30 days following end of quarter. See instructions provided with each report. Submit to the address below.)	DHS- 2895
Grant earnings calculation (Expressed as a percentage of eligible expend- itures. Eligible expenditures correspond to expenditures approved in the grant application budget and reported in an eligible BRASS code.)	100%
Payments	quarterly advance/ year-end settlement

Eligible BRASS service codes (eligible codes x'd)		
197	Local Collab. Unique Services - Child	x
401	Information and Referral	x
402	Comm. Education and Prevention	x
404	Client Outreach-FCSS	x
405	Outpatient Diagnostic Assessment Child	x
407	Early ID & Intervention	x
417	Transportation Child	x
430	Other Family FCSS	x
432	Child MH Crisis Services	x
451	Emergency Response Service	x
453	Child Outpatient Psychotherapy	x
455	Outpatient Medication Mgmt. Child.	x
462	Family-Based Services-MH	x
467	Child Day Treatment Services	x
489	MH - Respite Care	x
490	Child Rule 79 Case Management	x

* only includes grants accounted for in the Social Services Fund

Submit fiscal reports to: DHS Financial Operations Division

Attention: Ray Truelson
Human Services Building
444 Lafayette Road
St. Paul, MN 55164-0940

Program Accountant:
Ray Truelson (651) 431-3780
CMH Division Contact:
Gary Cox (651) 431-2327

BRASS-Based Grant Fiscal Report

Grant Award Name		Quarter Ending (MM/DD/YY)	
County		No.	
Grant Period (MM/DD/YY-MM/DD/YY)			

(A)	(B)	(C)	(D)	(E)
ELIGIBLE BRASS CODES	BUDGETED EXPENDITURES FROM GRANT APPLICATION	CURRENT QUARTER GRANT EXPENDITURES	CUMULATIVE GRANT PERIOD EXPENDITURES	CURRENT QUARTER COUNTY TOTAL FROM SEAGR REPORT
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
TOTAL	0	0	0	

General Instructions:

1. This report is to be completed for each grant specified by DHS.
2. Enter the grant name, county name and number, quarter-ending date, and the period covered by the grant (usually twelve months).
3. Unless specified otherwise, this report covers a calendar quarter. It is due 30 days after the end of the quarter.
4. Amounts entered should be rounded to the nearest dollar.
5. Use the cash basis for this report. Report only expenditures actually paid by the county during the quarter, not expenses accrued.
6. The DHS-2895 must be signed by the director of a county or a county official authorized to sign in his or her absence.
7. Using lines 1 - 15 in Column A, enter the BRASS service code(s) eligible for this grant.
8. In Column B, enter the budgeted amount from your approved grant application budget for each BRASS service code(s). Unless there is a required match, budgeted amounts must not exceed grant award amount. (Complete column B only if grant application required BRASS-based budget.)
9. In Column C, for each eligible BRASS service code, enter the actual expenditures made from the grant in the current quarter that were approved by DHS in your grant application. Unless there is a match requirement, do not include expenditures funded from sources other than the grant. Do not include expenditures billed to Medical Assistance (MA).
10. In Column D, for each eligible BRASS service code, enter the cumulative actual expenditures made for the grant in the grant period that were approved by DHS in your grant application. Unless there is a match requirement, do not include expenditures funded from sources other than the grant. Do not include expenditures billed to Medical Assistance (MA).
11. In Column E, for each eligible BRASS service code, enter the total countywide expenditures for the quarter (from SEAGR Report). The amount in Column C must not exceed the amount in Column E.

There may be specific instructions for some grants. These specific instructions, if any, would be included in the grant award letter.

Director's Signature	Date
Prepared By	() Phone Number

**Memo**

Minnesota Department of Human Services_____

Financial Management Division**DATE:** 09/12/2006
TO: Statewide
 John Doe
 Fiscal Supervisor

FROM: Ray Truelson
 Mental Health Grants Fiscal Manager
SUBJECT: Mental Health MOE CY 2007**Summary:** Your county is on track to meet its MOE for Mental Health Programs**Mental Health MOE Calculation for CY 2007**

(1) Base Mental Health Expenditure	235,794,504
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(2) Projected Revenue Changes Due to Allocations	
CY 2007 Children's Mental Health Combined Allocations (92%)	9,260,721
CY 2007 Adult Mental Health Allocation(100%)	54,221,016
CY 2007 CCSA Allocation (19%)	19,057,190
Base Year Children's, Adult Mental Health and CCSA Allocation Revenue*	(83,151,650)
Net Change in Allocation Revenue	(612,723)

*note: revenue codes used to calculate F30, F35, F36, F56, S53, F60, F62, S24, S25, S30, S59, S60, S63

(3) Adjustments for other Revenues						
	Base Year	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Total
Actual CW-TCM (F05, 10%)		200,000	150,000			
Actual Rule 5, IVE (F28, 70%)		300,000	350,000			
Actual Rule 5, MA (F63, 70%)		300,000	325,000			
Actual Adult MH-TCM (F31)		3,400,000	3,200,000			
Actual Children's MH-TCM (F64)		1,500,000	1,450,000			
Base CW-TCM (F05, 10%)	(4,034,933)	(1,008,733)	(1,008,733)			
Base Rule 5, IVE (F28, 70%)	(1,532,358)	(383,090)	(383,090)			
Base Rule 5, MA (F63, 70%)	(1,293,371)	(323,343)	(323,343)			
Base Adult MH-TCM (F31)	(13,932,376)	(3,483,094)	(3,483,094)			
Base Children's MH-TCM (F64)	(5,376,017)	(1,344,004)	(1,344,004)			
Additional Adjustments		(842,264)	(1,067,264)			(1,909,528)

(4) Adjusted Spending Target to meet Mental Health MOE	233,272,253
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	Actual Q1 2007	Actual Q2 2007	Projected Q3 2007	Projected Q4 2007	Total Projected Expenditures
(5) 400's SEAGR Expenditures	59,136,319	66,089,562	62,612,000	62,612,000	250,449,881
(6) Sex Offender Costs	(1,300,000)	(1,400,000)	(1,350,000)	(1,350,000)	(5,400,000)
(7) Expenditures to Date:	57,836,319	64,689,562	61,262,000	61,262,000	245,049,881