



Ohio Department of Mental Health

30 East Broad Street
Columbus, Ohio 43215-3430

DATE: 08/03/07 NUMBER: C-08-08-01 ORIGINATOR & TITLE: Holly Wilson, Budget Analyst

OFFICE:
Administrative Services

APPROVED BY:
Donald C. Anderson, Deputy Director:

DISTRIBUTION:
 BHO's Boards Provider Agencies Shareholder Organizations

SUBJECT:
 Allocations Certification Critical Information Licensure
 MACSIS Medicaid MSPA Policy
 Procedure Other (specify):
Emergency funds

TITLE OF CORRESPONDENCE: Announcement of the Availability of FY 2008 Emergency Medicaid Match Funds (previously referred to as Safety-Net Funds)

CONTENT: The purpose of FY 2008 Emergency Medicaid Match Funds is to prevent a board from entering Medicaid Default.

MEDICAID DEFAULT is the inability of a board, after the use of its reserves less an amount necessary to maintain financial solvency, to pay for Medicaid services for Medicaid-eligible consumers in its Board Area from July 1, 2007 to June 30, 2008.

Boards that believe they are or will be in Medicaid Default at any time during FY 2008 and wish to establish eligibility for Emergency Medicaid Match funding must identify themselves to the Office of Fiscal Administration, in writing, by August 31, 2007. Please provide the following information:

1. Last two audited annual financial statements – If your CMH/ADAMH Board’s annual audit is part of your County’s Single Audit but the financial statements within that report do not indicate your Board’s financial condition, then ODMH may conduct an onsite visit to validate your submission packet.
2. Unrestricted reserve (Fund balance) for FYs 2005, 2006, and 2007. Unrestricted reserve is defined as the Board’s Unrestricted Net Assets as reported in their financial statements. Unrestricted Net Assets are equity that is available for use based on Board management’s discretion. Restricted Net Assets are equity that has limitations imposed on their use by constitutional provisions, enabling legislation, or some other

external restrictions placed by creditors, grantors, laws and/or regulations of other governments.

3. Any reserve balance accounts established by the Board of Directors
4. Last four quarterly financial statements, including an income statement, balance sheet and cash flow statement – If your CMH/ADAMH Board prepares your financial statements in the “Cash Basis” rather than the “Accrual Basis,” then you will be required to provide equivalent statements. Since the “Cash Basis” of accounting does not properly match up Assets vs. Liabilities and/or Revenue vs. Expenses, ODMH may request other documentation and/or conduct an onsite visit to determine the materiality of your financial condition. If your CMH/ADAMH Board prepares your financial statements in the “Modified Accrual Basis,” then you may be required to provide a reconciliation statement that reconciles your “Fund Accounting” financial statements to your “Government-wide” financials.

Upon submission of this documentation, the Department of Mental Health will prepare a thorough and individual analysis of each Board’s financial status in terms of meeting its obligation to pay Medicaid match. Additional documentation necessary for this analysis will be established upon request.

REQUIRED ACTION: Boards that believe they are or will be in Medicaid Default at any time during FY 2008 and wish to establish eligibility for Emergency Medicaid Match funding must identify themselves in writing to Dalon K. Myricks, Chief Financial Officer, and provide required documentation, by August 31, 2007.

DATES FOR REQUIRED ACTION: August 31, 2007

NAME, TELEPHONE NO., AND EMAIL OF CONTACT PERSON(S):

Dalon K. Myricks

614-644-8219

myricksd@mh.state.oh.us

cc: ODMH Leadership Support Team

Dalon K. Myricks

Holly Wilson

ODMH Area Directors

Cheri Walter, CEO, OACBHA