

FISCAL OFFICER TRAINING MANUAL

NYS CLOSEOUT REVIEW - OMH

Business Process (what is it?)

The NYS Office of Mental Health (OMH) closeout is a desk audit process that compares the State Aid claimed for allowable net operating costs to actual State Aid payments made using the latest State Aid Approval Letter, approved County Allocation Tracker (CAT) funding levels, and Consolidated Claiming Reports (CCR). The OMH closeout process is designed to determine the State Aid overpayment amount, by funding source code, to be recouped from a county due to unspent funds or spending inconsistent with applicable OMH rules.

Brief Description of Process: (how does it work?)

The final closeout package is available through the fiscal portal, called Aid to Localities Financial System or ALFS Web, to the counties, typically within a year after the end of the fiscal year. Upon issuance of a closeout package, a message notifying the ALFS user of a final OMH Closeout package will appear in the message board when the user logs into ALFS. The message board identifies a final closeout date 45 days from the date the closeout is issued. During this 45 day review period, the County Fiscal Officer reviews the closeout package, found in the State Aid Closeout Screen, for accuracy of approved claims.

The final closeout package includes a closeout letter addressed to the County Director of Community Mental Health Services or County Commissioner of Mental Health, a "Summary of Payments, Allowable Net Operating Costs and Over/(Under) Payment" report, a "Closeout County Recovery Summary" report and a "Closeout Adjustment" report.

- The closeout letter identifies the total overpayment amount and lists adjustments/disallowances by Provider Name, Funding Code, and Program Code/Program Name.
- The Summary of Payments, Allowable Net Operating Cost and Over/(Under) Payment report reflects State advances, Prior Period adjustments, final claims, disallowances, adjustments, final approved state aid, and any recovery amounts.
- The Closeout County Recovery Summary report displays the prior year's recoveries applied to State Aid payments made during the fiscal year of the closeout package. The report identifies the year and fund code in which the overpayment was generated, the recovery amount, and the voucher number and liability date in which the recovery was applied.
- The Closeout Adjustment report is included in the closeout package if adjustments were made by OMH to the claims during the closeout.

The Fiscal Officer should contact NYS OMH regarding any questions and requests for additional information. Revisions to CBR's and/or CCR's should be made to correct any errors that impact the closeout overpayment amount within the 45 day review period. Once the review period is closed, the NYS OMH applies any final overpayment to future scheduled State Aid Letter payments made to the county.

Frequency:

The NYS OMH closeout package is typically completed within 6 months to 2 years of final claims submission. Larger counties typically take longer to receive a package due to their multiple dynamics and complexities.

Instructions:

1. Review error reports for NYS OMH deliverables (CBR & CCR) and apply county approvals by the required deadlines. Counties should read Validation-Exception Report messages to identify potential disallowances. It is here that the county can make minor changes to the claims such as program index #'s and the correcting funding sources. This will avoid any potential disallowances during the NYS closeout process. Failure to appropriately approve deliverables will delay the closeout process and could result in sanctions from NYS OMH. See "CBR" "CCR" and "NYS Deliverables and Sanctions" procedure for further details.
2. Receive notification of a NYS Closeout package when logging into ALFS.

3. Print the NYS closeout package from ALFS. This package includes Closeout Letter and Summary of Payments, Allowable Net Operating Cost and Over/Under Payment report. Also included in the package are the Closeout County Recovery Summary and the Closeout Adjustments report.
4. Reconcile, by agency by program site, approved state aid amounts against submitted claim state aid amounts (and/or internal records). In ALFS, this may be done within CBR (only through 2010) or CCR windows by changing the version between 'County' version and 'NYS' version and reviewing the DMH-3 schedules. Note: reports are available within ALFS to print the details of the DMH-2 and DMH-3 schedules. *Note: may require creation of an offline worksheet*
5. Reconcile, by agency, approved state aid amounts against submitted claim state aid amounts (and/or internal records). *Note: may require creation of an offline worksheet*
6. Review, by agency by program site, any disallowances by NYS OMH (expenses that failed OMH budget control points – see Aid to Localities Spending Plan Guidelines link below). These amounts will appear by fund code in the Summary of Payments, Allowable Net Operating Cost and Over/Under Payment report.

Note: Disallowances do not always equate to an overpayment or recovery. Recovery amounts by fund code appear in the "Overpayments" column of the report. After review, determine if a disallowance that impacts the recovery of State Aid is an error that should be corrected.

7. If any discrepancy(s) or disallowance(s) exist between internal records/submitted claims and approved state aid funding, follow-up with the Local Field Office representative for clarification (the Field Office may direct the Fiscal Officer to contact NYS OMH representative in Albany directly). **Note: do so as quickly as possible to maximize the opportunity to make changes to claims or budgets, if appropriate.**
8. If follow-up results in the submission of claim or budget changes to NYS OMH, return to step #1 and repeat. **Note: Counties only have one (1) 45 day window for revisions, it does not restart upon resubmission of CBR's and CCR's, and the closeout becomes final after the 45 days window has expired and NYS review of any submitted corrections.**
9. If no follow-up with NYS OMH is required on claims or budgets, ensure that the Closeout County Recovery Summary report ties to County internal records. If the report is consistent with internal records, make any updates necessary to provider contracts and process final payments to/ recoup overpayments from contracted providers. If the report is not consistent with internal records, follow-up with NYS OMH Payment Unit for clarification.

FAQs:

How can I avoid unnecessary recoveries?

- Follow steps 4, 5 & 6 outlined above.
- Recheck claiming documents for mechanical errors such as program codes and program indexes that appear in the claim but do not appear in the budget/CAT.
- Review Spending Plan Guidelines when preparing budgets to remain consistent with updated funding rules.
- Track provider expenses in your county throughout the year to identify agencies that have been under spending and revise your allocations *before* the end of the fiscal year.

I want to fix an error on a CBR or CCR that is impacting State Aid. Why can't I import a new CBR/CCR into ALFS or remove my approval from the old one?

- NYS OMH approvals must be removed before a new CBR/CAT or CCR can be imported into ALFS. Any submission will sit in Traffic Cop until both NYS OMH and County approvals have been removed, see the following steps.
- Contact the OMH Field Office when making CBR revisions and the OMH Central Office Claims Unit for CCR revisions.
- The NYS OMH will require an explanation of the changes to be made and will require that a revised CBR or CCR be uploaded before the approvals will be removed.
- Once NYS OMH approvals are removed the county approvals must be removed and the Fiscal Officer must go to the Traffic Cop Screen in ALFS to import the new submission. ***It is recommended that the Fiscal Officer check a provider's submission for accuracy prior to importing a new CBR or CCR using the "Compare" button in Traffic Cop.***

Resources:

1. NYS OMH Aid to Localities Spending Plan Guidelines:
<http://www.omh.state.ny.us/omhweb/spguidelines/selectletter.asp>
2. NYS Contracts and Claims Unit: (518) 473-7885

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