

# FISCAL OFFICER TRAINING MANUAL

## NYS DELIVERABLES AND SANCTIONS - OMH

### **Business Process: (what is it?)**

The Office of Mental Health (OMH) relies on budgeting and cost reporting tools to monitor and analyze the fiscal operations of counties and mental health providers who receive Aid to Localities State Aid funding. A county Local Government Unit (LGU) or county contracted provider that fails to meet the reporting deadlines may be subject to sanctions by the NYS OMH through State Aid or Medicaid payment withholds. The LGU is responsible for ensuring that its subcontracted providers comply with reporting requirements.

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

The OMH requires three types of financial reports to be submitted annually. These are the Preliminary Allocation Summary (PAS), the Consolidated Budget Report (CBR) and the Consolidated Fiscal Report (CFR). The LGU submits the county PAS. Both the county-operated provider and the county's subcontracted providers are required to submit a CBR and a CFR. The LGU approves county-operated and subcontracted providers' CBRs and a subcomponent of their CFRs, the Consolidated Claiming Report (CCR).

### **PAS, CBR, CCR**

When the LGU fails to meet the required deadlines for submission and approvals, the local Field Office may contact the LGU for clarification. Note: LGU approval with errors does not satisfy reporting requirements. Noncompliance can include failure to submit the required documents or failure to revise a submission that has errors which prevent OMH approval.

A delinquent county may be requested to develop and submit a Plan of Corrective Action (POCA) to the appropriate Field Office for review and approval. The POCA identifies what steps the LGU will take to come into compliance.

Before each scheduled quarterly advance, the NYS OMH sends a letter notifying the LGU County Mental Health Director of an impending withhold for failure to come into compliance with OMH's financial reporting requirements. A copy of the letter is sent to the County Fiscal Officer, the County Treasurer, and corresponding Field Office. If the LGU fails to comply with all reporting requirements prior to the scheduled payment date, the NYS OMH applies the payment withhold for the next quarterly State Aid payment advance.

State Aid withholds remain in place for each quarterly payment until the Field Office identifies that the reporting requirements have been met. When the past due documents are submitted and approved by the LGU and the Field Office has determined the documents are sufficient, the State Aid payment withhold will be removed.

### **CFR**

Additionally, for outstanding CFR documents, the OMH will impose sanctions on individual Article 31 providers through a withholding of a portion of the provider's Medicaid payments. For a CFR that is overdue, a letter will be sent by the OMH CFR Unit to the provider warning of the application of a Medicaid Withhold that will be imposed if the provider fails to come into compliance within a specified timeframe, typically the end of the next month. Once the final deadline has passed, the CFR Unit will instruct the New York State Department of Health (DOH) to apply a Medicaid withhold to the delinquent providers beginning at 20% of the payment amount. If the provider remains delinquent, the percentage to be withheld is increased by 10% each month. When the provider has submitted a CFR and is in compliance, OMH will notify DOH to discontinue the Medicaid withhold and restore the payment percentage to 100%, thereby restoring all funds being held in escrow to the provider.

### **Frequency:**

The OMH deliverables are due annually. The financial reports must be submitted with LGU approvals, where applicable, by the following due dates:

Preliminary Allocation Summary (PAS):

- October 1st for LGUs on a July 1st to June 30th reporting cycle (NYC).
- April 1st for LGUs on a January 1st to December 31st reporting cycle (Upstate/Long Island).

Consolidated Budget Reports:

- May 1st for county-operated and county subcontracted providers on a July 1st to June 30th reporting cycle (NYC).
- November 1st for county-operated and county subcontracted providers on a January 1st to December 31st reporting cycle (Upstate/Long Island).

Consolidated Fiscal Report/Consolidated Claiming Report:

- November 1st for county-operated and county subcontracted providers on a July 1st to June 30th reporting cycle (NYC).
- May 1st for county-operated and county subcontracted providers on a January 1st to December 31st reporting cycle (Upstate/Long Island).
- A 30 day extension may be submitted online to the OMH for CFR submissions.

**Instructions:**

It is recommended that counties require their subcontracted agencies to submit CBR or CFR/CCRs prior to the OMH due date to allow time for LGU review, revisions and approval.

Counties that anticipate late submissions, or have missed the reporting deadline, should contact the local Field Office to identify the outstanding issues which prevent the completed submission and approval. The county should outline the issues causing the delay and identify the action, with target dates, that it will take to resolve the delinquency. In some cases, it may be necessary for the county to withhold payment from a delinquent provider. In rare instances, at the request of the county, OMH may facilitate an application of a Medicaid payment withhold to a single subcontracted provider whose delinquency prevents the county from being up-to-date.

Contact the CFR Unit for questions related to outstanding issues on the CFR core-schedules.

\* Please note that the reporting process and deadlines may be different for Direct Contracts with the OMH.

**Resources:**

New York State Office of Mental Health

1. Spending Plan Guidelines - <http://www.omh.state.ny.us/omhweb/spguidelines/selectletter.asp>
2. Consolidated Budget and Reporting Manual - <http://www.omh.state.ny.us/omhweb/cbr/manual.pdf>
3. Consolidated Fiscal Reporting and Claiming Manual - [http://www.oms.nysed.gov/rsu/Manuals\\_Forms/Manuals/CFRManual/CurrentYear/Cal2010/1210CFRMANUAL.pdf](http://www.oms.nysed.gov/rsu/Manuals_Forms/Manuals/CFRManual/CurrentYear/Cal2010/1210CFRMANUAL.pdf)

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