

Baltimore

MENTAL HEALTH SYSTEMS, INC.

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August 21, 2008

Dear BMHS Providers,

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As you may recall from prior discussions, BMHS is implementing a new fiscal report and a new form for requesting budget revisions. Both are effective for Fiscal Year 2009.

The Quarterly Fiscal Report is applicable for all Cost Reimbursement and Fixed Price contracts. It replaces the semi-annual 440 report used in previous years. For Cost Reimbursement contracts, payments for future months will be based on the expenditures stated in the Quarterly Fiscal Report beginning with the first report submitted for FY 2009. BMHS will issue monthly payments after this report is received.

The Program Budget Modification Request form will be used for all official provider requests to change an approved program budget. A Program Budget Modification Request must be approved by BMHS, in writing, before you change your spending to implement the requested change(s).

Detailed instructions are included with each form. These forms are provided in Microsoft Excel format. The forms also are available electronically on the BMHS website (www.bmhsi.org) on the "Forms" page. Copies are also attached.

Appropriate staff members from your agency are invited to attend the training at no cost. Training will be held at BMHS during the dates and times listed below. Reservations will be filled on a first-come, first-serve basis. Please contact Maya Terrell at mterrell@bmhsi.org or at (410) 837-2647 to register.

September 16, 2008	12:45 P.M. to 2:00 P.M.; 2:30 P.M. to 3:45 P.M.
September 18, 2008	8:45 A.M. to 10:00 A.M.; 10:15 A.M. to 11:30 A.M.; 12:45 P.M. to 2:00 P.M.; 2:15 P.M. to 3:30 P.M.
September 22, 2008	8:45 A.M. to 10:00 A.M.; 10:15 A.M. to 11:30 A.M.; 12:45 P.M. to 2:00 P.M.; 2:15 P.M. to 3:30 P.M.

Attendees should review the forms and instructions before the training. Please ask attendees to arrive on time.

Additionally, for clarity and transparency, I would like to remind you of BMHS's policy for payment finalization at year-end for Cost Reimbursement contracts. Year-end payment finalization refers to payment reconciliation between the Provider and BMHS. The differences in provider spending during the contract year and the maximum contract award amount to be reimbursed by BMHS will be reconciled, as described below.

Reimbursements by BMHS to Providers:

Upon verification of the Provider's 4th Quarter Fiscal Report and the total amounts of funding received to date by the Providers, BMHS shall authorize payment that it owes the Provider for contracted services, as determined under the contract agreement. BMHS will issue the payment to the Providers within sixty (60) days of the receipt and the verification of the 4th Quarter Fiscal Report.

Refunds by Providers to BMHS:

Upon verification of the Provider's 4th Quarter Fiscal Report, if the total amount of funding received to date by the Providers exceeds the amount that is due under the contract agreement, BMHS shall notify the Providers of the exact amount that the Provider shall refund to BMHS. The Provider shall refund the amount due for such over reimbursements within sixty (60) days after notification by BMHS, except when the Provider can show just cause. A request for exception must be submitted to BMHS in writing. The request will be approved only where there is justified cause, as determined by BMHS.

If the Provider fails to refund the amount due to BMHS for an agreement year, BMHS may at its discretion take one of the following two actions. BMHS may withhold payments due to the Provider until the Provider has paid the amount that is due to BMHS under the contract agreement. Or, BMHS may deduct from payments due to the Provider, either in installments or in one lump sum, the amounts that are due to BMHS under the contract agreement.

The Provider's obligation to repay the amount of over reimbursement shall continue beyond the termination of the agreement.

I hope you will find this policy straightforward and our new fiscal forms easy to use. I look forward to working with you as we fully implement the fiscal

requirements for Fiscal Year 2009. With your continued support, we will be able to better manage mental health funding in Baltimore, allowing for greater flexibility in repurposing funding to programs in need during the contract year.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Bortner".

Donald Bortner
Chief Operating Officer

Attachments:

Quarterly Fiscal Report Form with Instructions

Program Budget Modification Request Form with Instructions