



PROVIDER

FINANCIAL REPORTING GUIDE

**Effective July 1, 2010
for Reports Submitted after January 1, 2011**

**Maricopa County
Regional Behavioral Health Authority**

**TABLE OF
CONTENTS**

DEFINITIONS	3
OVERVIEW	4
GENERAL ACCOUNTING ISSUES	
Financial Standards	4
Fiscal Monitoring	4
Requirements for Reporting	4
Reporting Packages & Time Frames.....	5
Sanctions	7
Reporting Issues	7
UNAUDITED ANNUAL & QUARTERLY REPORTS	
Certification Statement.....	8
Statement of Financial Position	9
Statement of Financial Position – Disclosures	9
Statement of Activities	9
Statement of Changes in Net Assets	11
ANNUAL REPORTS	
Annual Report	11
Supplemental Schedules	11
OMB Circular A-133 Reports.....	12
ATTACHMENTS	
Attachment A – Certification Statement.....	14
Attachment B – Statement of Financial Position	15
Attachment C – Statement of Financial Position Disclosures	16
Attachment D – Statement of Activities/Supplemental Schedule	17
Attachment E – Extension Request Form.....	19

DEFINITIONS

<u>TERM</u>	<u>DEFINITION</u>
ADHS	Arizona Department of Health Services
AHCCCS	Arizona Health Care Cost Containment System
AICPA	American Institute of Certified Public Accountants
A.R.S.	Arizona Revised Statutes
CMHS	Community Mental Health (Block Grant)
DBHS	Division of Behavioral Health Services
DBT	Dialectic Behavioral Therapy
FASB	Financial Accounting Standards Board
FFS	Fee-For-Service
FTE	Full Time Equivalent employee (both contracted and non-contracted)
GAAP	Generally Accepted Accounting Principles
IBNR	Incurred But Not Reported (claim)
IOP	Intensive Outpatient
PAH	Provider Assisted Housing
RBHA	Regional Behavioral Health Authority (Contractor)
RBUC	Reported But Unpaid Claim
SAPT	Substance Abuse Prevention and Treatment (Block Grant)
SFAS	FASB Statement of Financial Accounting Standards
SMI	Seriously Mentally Ill
	Magellan Health Services of Arizona, Inc. the Regional Behavioral Health Authority (RBHA) for Maricopa County

OVERVIEW

The purpose of this reporting guide is to outline the quarterly and annual financial reports required for any service provider receiving contract revenue from Magellan Health Services of Arizona, Inc. The primary objectives of this reporting guide are to establish consistency and uniformity in financial reporting and to provide guidelines to assist providers in meeting contractual reporting requirements.

GENERAL ACCOUNTING ISSUES

A. **Financial Standards**

Financial Statements must be prepared and presented in accordance with GAAP and all other applicable authoritative literature. It is the provider's responsibility to ensure that all reports submitted are accurate, complete and timely. An explanation of adjustments made for prior periods and any auditor's adjustments made are to be disclosed on "Attachment C – Disclosures".

B. **Fiscal Monitoring**

Magellan Health Services of Arizona has a mandated responsibility to monitor providers, to report applicable financial information to ADHS/DBHS, and to review the operational and financial systems of providers. The format and content of the required reports are subject to change. Providers will be given a reasonable time period for review and comment regarding any proposed changes.

Questions regarding the content or format of a report are to be directed to the Magellan of Arizona Chief Financial Officer and submitted in writing to Magellan Health Services of Arizona, Inc. Finance Department.

C. **Requirements for Reporting**

Providers are subject to the following reporting requirements based on the level of contract revenue received from Magellan Health Services of Arizona, Inc. or on request:

a) **Contract revenues less than \$250,000**

Provider must submit annual unaudited financial statements to the Magellan Health Services of Arizona, Inc. Finance Department 30 days after the contract year-end, ending 06/30/xx or provider termination date. Final reconciliations (inclusive of any year-end adjustments) for annual unaudited statements are due no later than 120 days after the contract year-end. Provider must comply with interim financial report requests.

b) **Contract revenues between \$250,000 and \$499,999**

Provider must submit four (4) quarterly (contract year-to-date) unaudited financial statements to the Magellan Health Services of Arizona, Inc. Finance Department 30 days after the quarter-end, or provider termination date. Final reconciliations (inclusive of any year-end adjustments) for the 4th quarter (contract year-to-date) unaudited statements are due no later than 120 days after the contract year-end

c) Contract revenues of \$500,000 or more

Provider must submit four (4) quarterly (contract year-to-date) unaudited financial statements 30 days after the quarter-end, or provider termination date and two (2) copies of an annual audited financial report along with any management letters to the Magellan Health Services of Arizona, Inc. Finance Department 120 days after the contract year- end.

d) OMB Circular A-133 audit.

Some providers may receive substantial Federal funding (\$500,000 or more, SAPT or CMHS) through Magellan Health Services of Arizona, Inc. and other sources, or otherwise be deemed a sub-recipient of Federal funds and required to obtain an OMB Circular A-133 audit. In such cases, the provider must submit two (2) copies of the A-133 audit report to the Magellan Health Services of Arizona, Inc. Finance Department within 30 days after receipt of the audit report and no later than 120 days after the contract year-end.

All providers must comply with updates, supplemental and interim financial report requests.

D. Reporting Packages & Time Frames

a) Quarterly & Annual Unaudited Financial Statements

Quarterly and/or annual unaudited financial statements are due to Magellan Health Services of Arizona, Inc. 30 days after the end of each period and must include the following reports:

- Certification Statement (Attachment A)
- Statement of Financial Position (Attachment B)
- Statement of Financial Position Disclosures (Attachment C)
- Statement of Activities (contract year-to-date) (Attachment D)
- Statement of Cash Flows (Indirect Method)
- Statement of Changes in Net Assets (no specified format)
- Cost Allocation Plan (only required with first submission of contract year)

<u>Report</u>	<u>Report Period</u>	<u>Reports Due</u>
Quarterly	7/1/10 to 9/30/10	10/30/11
Quarterly	7/1/10 to 12/31/10	1/31/11
Quarterly	7/1/10 to 3/31/11	4/31/11
Quarterly	7/1/10 to 6/30/11	7/30/11
Annual	7/1/10 to 6/30/11	7/30/11

Magellan Health Services of Arizona, Inc. recognizes that interim financial statements are based on information available at the end of the reporting period, which may be incomplete. Revisions to a prior period will invalidate the previously submitted report. If material revisions are submitted after the Magellan Health Services of Arizona, Inc. due date, then sanctions may be imposed for untimely reporting. Final reconciliations (inclusive of any year-end adjustments) for annual unaudited financial statements and 4th quarter unaudited financial statements are due no later than 120 days after the contract year-end.

b) Audited Annual Financial Statements (no OMB Circular A-133 audit required)

Due to Magellan Health Services of Arizona, Inc. 120 days after the contract year-end and must include the following reports:

- Two (2) copies of an annual certified financial audit report along with any management and opinion letters
- Supplemental Statement of Financial Position Disclosures (Attachment C)
- Supplemental Statement of Activities (Attachment D)

Providers required to submit annual audit reports 120 days after year-end must also submit unaudited 4th quarter statements 30 days after year-end.

c) Audited Annual Financial Statements (OMB Circular A-133 audit required)

Due to Magellan Health Services of Arizona, Inc. within 30 days after receipt of the audit report and no later than 120 days after the contract year-end and must include the following reports:

- Two (2) copies of an annual certified financial audit report along with any management and opinion letters
- Supplemental Statement of Financial Position Disclosures (Attachment C)
- Supplemental Statement of Activities (Attachment D)
- Two (2) copies of an OMB Circular A-133 audit and program specific schedules

Providers required to submit annual audit reports 120 days after year-end must also submit unaudited 4th quarter statements 30 days after quarter-end.

If report due dates fall on a weekend or State recognized holiday, the reports will be due the next business day. All reports are due by 4:30 p.m. on the due date and are not considered received until actually delivered to the Magellan Health Services of Arizona, Inc. Finance Department. The preferred method for submission is via email. Magellan Health Services of Arizona, Inc. requests providers to submit all quarterly and annual unaudited financial statements in an electronic format. Acceptable formats are Microsoft Excel (.xls) for all financial statements and Adobe (.pdf) for the Certification Statement. However, two (2) hard copies of annual audit reports and OMB Circular A-133 audit reports are still required. Financial reports may be emailed, faxed, mailed, or hand delivered and should be sent to the following address:

Magellan Health Services of Arizona, Inc.
Finance Department
Attention: Myra Alpert
4129 East Van Buren Street, Suite 150
Phoenix, Arizona 85008
Email: MaricopaFinance@MagellanHealth.com

E. Sanctions

Magellan Health Services of Arizona, Inc. has the right to impose sanctions or financial penalties on providers for failure to perform their contractual obligations. Failure of a provider to submit accurate, complete, reliable, and timely financial reports may result in one or more sanctions listed in the contract. It is Magellan Health Services of Arizona, Inc. and ADHS/DBHS policy to sanction in the full amount if reports are not accurate, complete, reliable, and received on their due date; there will be no proration of sanctions. It is the responsibility of providers to comply with these requirements.

Extensions may be granted, and must be requested using the Magellan Health Services of Arizona, Inc. extension request form (see Attachment E). Requests for extensions of two (2) weeks or less should be sent via e-mail to Magellan Health Services of Arizona, Inc., Finance Department at: MaricopaFinance@MagellanHealth.com

Requests for extensions greater than two (2) weeks must be submitted to the Magellan Health Services of Arizona, Inc. Chief Financial Officer. Requests must be received at least five (5) business days prior to the Magellan Health Services of Arizona, Inc. filing date and must include the reason for the extension and the revised filing date. Requests for filing extensions will be reviewed and adjudicated on a case by case basis. At most, only one (1) extension will be permitted per financial statement submission.

If a provider does not submit their required financial statements in the designated formats by the filing date, Magellan Health Services of Arizona, Inc. will notify the provider via postal service and/or e-mail that the provider is not in compliance with the financial reporting guidelines. The letter will indicate that financial sanctions of \$500 per day will be applied beginning with the 3rd business day after the missed due date and ending on the date the statements have been received. No extensions will be granted after the due date has passed.

F. Reporting Issues

Magellan Health Services of Arizona, Inc. has designated certain formats for the following submitted financial statements:

- Certification Statement (Attachment A)
- Statement of Financial Position (Attachment B)
- Statement of Financial Positions Disclosures (Attachment C)
- Statement of Activities (contract year-to-date) (Attachment D)

For providers required to submit annual audit reports:

- Supplemental Statement of Financial Position Disclosures (Attachment C)
- Supplemental Statement of Activities (contract year-to-date) (Attachment D)

Please see Attachments A-D for examples of these formats. Providers may alter the formats of the Certification Statement, Statement of Financial Position, and Statement of Financial Position Disclosures provided that all information in the sample format is still present in the provider amended version. It is important that the specific items requested are included as it allows Magellan Health Services of Arizona, Inc. to perform comparative analyses between providers. There is no specific format for the Statement of Changes in Net Assets. All financial statements must be prepared and presented in accordance with GAAP.

Providers must include contract year-to-date data when compiling financial reports. If a provider's fiscal year differs from the contract year, they may report based on their fiscal year end for Annual Audited Financial submission only. Quarterly and unaudited annual submissions must be on a contract year-to-date basis. All financial reports should clearly identify the time period by listing the start and end dates.

An explanation of adjustments made for prior periods or other items are to be disclosed in a footnote to the subject statement and disclosed on Attachment C. Material items included as "other" must be itemized on a supporting schedule.

Quarterly and annual reports are required by Magellan Health Services of Arizona, Inc's contract with ADHS/DBHS and by contracts with the providers. If there are any inconsistencies between this reporting guide and any contract provision, the contract provisions shall prevail. Any inconsistencies should be reported to the Magellan Health Services of Arizona, Inc. Finance Department. This reporting guide is neither intended to limit the scope of audit procedures performed during the provider's annual certified audit nor to replace the independent certified public accountant's judgment as to the work performed. It is merely a supplement to the contract.

UNAUDITED ANNUAL & QUARTERLY REPORTS

A. Certification Statement

Unaudited annual and quarterly reports must contain a cover page, the Certification Statement, which is to be signed and dated by the Chief Financial Officer of the provider. This signature is confirmation the reports have been reviewed for accuracy and completeness. Unsigned or unlabeled reports will not be accepted. Electronic signatures are permitted. If the provider submits financial reports electronically, the Certification Statement may be faxed/mailed separately if electronic signatures are not available. A sample of the Certification Statement may be found in Attachment A.

B. Statement of Financial Position (Balance Sheet)

The Statement of Financial Position illustrates the financial position of the provider as of the reporting date. It is the primary source of information about liquidity and financial flexibility. Current and Non-Current Assets and Liabilities must be clearly identified. The required format for the Statement of Financial Position may be found in Attachment B.

C. Statement of Financial Position (Balance Sheet)-- Disclosures

The Statement of Financial Position Disclosures provides additional detail regarding items reported in the Statement of Financial Position which relate to Magellan Health Services of Arizona, Inc. Providers should submit this statement when there are accounts receivable, deferred revenue, or any other line-item that is specific to Magellan Health Services of Arizona, Inc. For example, if the Statement of Financial Position identifies deferred revenue, the Statement of Financial Position should be used to detail the amount of deferred revenue from Magellan Health Services of Arizona, Inc. The required format for the Statement of Financial Position Disclosures may be found in Attachment C.

In regards to deferred revenue, providers must clearly identify what amount of deferred revenue is attributable to Magellan Health Services of Arizona, Inc. Magellan Health Services of Arizona, Inc. deferred revenue should be further identified as prior contract year and/or current contract year. Any deferred revenue from a prior contract year should be reclassified on the Statement of Financial Position as a Payable to Magellan Health Services of Arizona, Inc. Any deferred revenue received during and remaining at the end of the current year should also be reclassified as a Payable to Magellan Health Services of Arizona, Inc. in the 4th quarter statements and annual audit report. Providers are not to spend any deferred revenue after the end of the contract year (June 30) without Magellan Health Services of Arizona, Inc. approval. Any request to do so should be directed to the Magellan Health Services of Arizona, Inc. Chief Financial Officer and submitted in writing to Magellan Health Services of Arizona, Inc. Finance Department. The designated format for the Statement of Financial Position Disclosures may be found in Attachment C.

D. Statement of Activities

The Statement of Activities section encompasses accumulated (year-to-date) and comprehensive revenue and expenses within geographic area (Maricopa County) for the provider. All items are to be reported using the accrual method of accounting. The intent of the statement is to capture, on an accrual basis, the revenue by program of the provider and to match that revenue with the related expenses. The revenues and expenses for Direct Magellan Health Services of Arizona, Inc. contracted programs must be clearly distinguished from Indirect Magellan contracts and non-Magellan contracts. An example of the required format for the Statement of Activities is included in Attachment D.

a) Statement of Activities Headers

The column headings in the Statement of Activities must represent a provider's contracted programs. Providers should categorize programs using their respective contracts and may add their own program descriptions to these headings if further clarification is desired. Providers should use their best judgment when reporting programs.

The Direct Magellan columns should be used by providers that hold contracts directly with Magellan Health Services of Arizona, Inc. The Indirect Magellan column(s) should be used by providers that hold contracts with a Direct Magellan contracted provider. For example, a Child Service Provider that holds a contract with a Provider Network Organization (PNO). Indirect providers must list each PNO separately for each contract held with that PNO. PNO contracted programs should be categorized using the same format as a Direct Magellan contract. Providers that hold both Direct Magellan contracts and Indirect Magellan contracts must list each contract and programs separately in their respective column headers.

b) Statement of Activities Revenue

Revenue lines must include service revenue by program and may include prior year adjustment, Other Revenue, Interest Income, and Unrelated Business Activities line items, with associated expenses.

If the provider assesses and collects co-payments, their value should be indicated on the Statement of Activities under the Other Revenue line item. Magellan Health Services of Arizona, Inc. recognizes that, depending on the fact pattern, the preferred GAAP method might be to record co-payments as a contra-expense. To maintain consistency with ADHS/DBHS and for our own reporting purposes, however, we require the co-payment information be listed under revenue. Providers should maintain a monthly member roster of all consumers who have been assessed and/or collected for co-payments. This roster should specifically tie to the values listed in the Statement of Activities and should be made available to Magellan Health Services of Arizona, Inc. upon request. Please refer to the Provider Manual, Section 3.4 for more information regarding co-payments.

c) Statement of Activities Expenses

Expenses should be grouped into one of three categories: Clinical Services Expenses, Clinical Support Expenses, or Administrative Expenses. Expenses in both the Clinical Services and Clinical Support categories are directly associated with the provision of behavioral health services to consumers. Clinical Services expenses are distinguished from Clinical Support expenses by being related, either directly or by allocation, to staff that engage in billable clinical activities. Clinical Support expenses relate, either directly or by allocation, to staff that engage in non-billable clinical activities such as supervision or clerical support of staff that generate billings. Administrative expenses are those indirect expenses incurred for the common benefit of multiple direct clinical activities. No administrative expense items should be included in Clinical Services or Clinical Support.

d) Statement of Activities Full-Time Equivalent Employees

Providers must report the number of full-time equivalent employees (FTE's). For reporting purposes, FTE's are full-time equivalent employees, both contracted and non-contracted. Providers must list the number of FTE's at the bottom of the Statement of Activities. However, in lieu of reporting FTE's with the Statement of Activities a provider may submit a current copy of a comparable FTE report corresponding to the timeframe of the accompanying financial statements.

E. Statement of Cash Flows

The primary purpose of the Statement of Cash Flows is to provide information about an entity's cash inflows and cash outflows during the accounting period. Cash flows are classified in terms of operating, investing and financing activities. Significant non-cash investing and financing activities not affecting cash must also be disclosed in the Statement of Cash Flows. The indirect method is used for financial reporting. For further guidance, providers should refer to SFAS 117.

F. Statement of Changes in Net Assets

The Changes in Net Assets includes changes due to provider activities and reflects the current impact of revenue and expenses on financial position of the provider. There is no designated format for this statement.

G. Cost Allocation Plan

All providers must submit a Cost Allocation Plan (CAP) for approval. The CAP must include an explanation for the allocation of costs (both by expense lines and across by program) with their first submitted statement of the fiscal year, or by October 31st of each year. Providers should allocate their expenses in accordance with a cost allocation plan which fulfills the requirements of OMB Circular A-122, Cost Principles for Non-Profit Organizations. The cost allocation plan should allow the provider to reasonably allocate costs between the Magellan Health Services of Arizona, Inc. service contract and other business in an unbiased manner.

AUDITED ANNUAL REPORTS

A. Audited Annual Report

The audited annual report package is due 120 days after the fiscal or contract year-end. This package must include the Supplemental Schedules described below.

If an audit confirmation is needed to complete the audit report, please submit any requests in writing to the Magellan Health Services of Arizona, Inc. Finance Department.

If the audit report will not be ready for submission within 120 days after the fiscal or contract-year-end, the provider must submit a letter from their auditing firm stating why and include the date the report will be submitted. This letter must be received by Magellan Health Services of Arizona, Inc. via postal service prior to the 120th day. Financial sanctions may be applied as described in Section E. Sanctions, above.

B. Supplemental Schedules

When submitting annual certified audit reports, providers must also include a Supplemental Schedule of Financial Position Disclosures and Supplemental Schedule of Activities. The Supplemental Schedules must be presented in the same formats as the 4th quarter unaudited statements submitted for the fiscal year (Attachments C & D).

The Supplemental Schedule of Financial Position Disclosures must clearly identify any deferred revenue as Magellan Health Services of Arizona, Inc. or non- Magellan Health Services of Arizona, Inc. The Supplemental Schedule of Activities must be organized by Magellan Health Services of Arizona, Inc. programs, clearly identify the revenues and expenses attributable to the Magellan Health Services of Arizona, Inc. contract, and reconcile any differences between the unaudited 4th quarter reports and the annual certified financial audit.

The Supplemental Schedules shall be reviewed as an integral part of each provider's annual certified audit. Magellan Health Services of Arizona, Inc. expects the auditors employed by the provider to test the provider's compliance with the cost allocation plan and any issues of non- compliance must be included in the certified audit report.

C. OMB Circular A-133 Reports (if applicable)

Non-Federal entities that receive \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Providers can identify the amount of federal funding they receive as part of their Magellan Health Services of Arizona, Inc. contract by referring to the funding section, Exhibit C. Any dollars attributable to SAPT Block Grants and/or Community Mental Health Block Grants ("CMHS") are federally funded.

An auditee may be a recipient, a subrecipient, and a vendor. Recipient means a non-Federal entity that expends Federal awards received directly from a Federal awarding agency to carry out a Federal program. Subrecipient means a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. Vendor means a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the Federal program.

Federal awards expended as a recipient or a subrecipient would be subject to an A-133 audit. The payments received for goods or services provided as a vendor would not be considered Federal awards. Together with our auditors, Magellan Health Services of Arizona, Inc. has determined that providers who receive SAPT Block Grant (CFDA number 93.959) or CMHS Block Grant (CFDA number 93.958) funding are considered to be a subrecipient. Medicaid Funds (Title XIX and XXI) are excluded from OMB Circular No. A-133. Although ADHS requires Magellan to include Title XIX and Title XXI funds in our OMB Circular A-133 Audit Reports, we do not currently require Providers to do so.

Providers who receive SAPT Block Grant or CMHS Block Grant funds will be notified via a Federal Award letter stating the amount of their federal funding, their sub-recipient status, the applicable CFDA title & number, and Issuing Agency; as well as an explanation of their requirements under OMB Circular No. A-133.

If your agency is required to submit an OMB Circular A-133 Audit Report, Magellan Health Services of Arizona, Inc. requires that you provide two (2) copies of the report to the Magellan Health Services of Arizona, Inc. Finance Department within 30 days after your agency receives it and no later than 120 days from the end of the fiscal year. These should include the reports presented by that Circular.

ENCOUNTER VALUE RECOUPMENT POLICY

A. Communication of Fiscal Provider Funding Levels

Barring any delays in the receipt of funding information from ADHS, Magellan will communicate annual block funding levels by mid-August of each fiscal year. While annual block funding levels are being established, Magellan will provide interim funding. Interim funding will be reconciled against final contract amounts for the fiscal year.

B. Retroactive Adjustments to Funding by ADHS

To the extent ADHS makes an adjustment to Magellan's funding, subsequent to the establishment of block provider funding levels, Magellan reserves the right to pass such adjustments on to providers. Providers will be notified in writing (or email) of such funding adjustments and shall receive sixty (60) days notice, prior to any retroactive reduction. Magellan's standard policy will be to apply retroactive reductions in funding over a three (3) month period. Refunds and lump-sum deductions will also be considered.

C. Encounter Value Reporting

Magellan will establish a secure website in which the providers can track their encounter value against funding. This website will be updated weekly. Until such time as the website has been established and operational, providers will be sent their encounter reporting, a minimum of once per month through their Provider Relations Liaison. Additionally on a quarterly basis, each provider will be sent their encounter value via email or hard-copy. In the event that a provider is in disagreement about the encounter values, the provider may request a meeting to review the encounters through their Provider Relations Liaison.

D. Interim Block Adjustments

a) Timing

Magellan will regularly monitor and review provider encounter levels and make adjustments prospectively, based on the providers encounter values against funding.

b) Notice

Prior to the imposition of prospective adjustments, Magellan will make every effort to schedule and hold an in-person meeting with the provider to notify him/her of the decision, explain the basis for the decision, and outline what he/she must do to have the adjustments rescinded.

c) Withhold of Funds

The application of these prospective interim block adjustments will continue until the provider has met the criteria established and communicated during the notice period. During the period in which a provider is having adjustments applied to his/her monthly block funding payments, further adjustments (upward or downward) can be applied based on the provider's progress in encounter values.

E. Review and Recoupment Process

a) Timing

Formal reviews of the Encounter values against funding will be performed in the months of August (interim) and February (final) of each year. The interim review in August will cover the months of service, July-December of the preceding year (allowing for 210 days of run-out for the period). The final review in February will cover all months in the preceding contract year (allowing for 210 days of run-out for the period).

b) Notice

Providers will be notified in writing (or email) of recoupment decisions and shall receive thirty (30) days notice, prior to any recoupment taking place. A meeting with the provider will be requested and setup through the Provider Relations Liaison.

c) Withhold of Funds

Magellan's standard policy will be to apply recoupments ratably over a 3 month period. Refunds and Lump-Sum deductions will also be considered. Providers will have the ability to earn back any Recoupments related to the interim review and recoupment process, based on their final encounter value for the fiscal year. The amount earned back, however, will not exceed the amount contracted for the respective fiscal year and will be subject to the 4% profit limitation outlined in provider contracts, subject to funding being available.

F. Timely Filing Extensions

Requests for timely filing extensions must be submitted in writing and be directed to their Provider Relations Liaison. These requests must outline the period(s) for which the extension is being requested, causal issues, a list of the RHBA staff that the provider has been working with to resolve the issue and the anticipated date the issue is to resolve. Magellan will consider, review and communicate a decision on the request, within 30 days.

G. Provider Deliverables

Key deliverables that providers are required to meet are listed within Section 10 of the Provider Manual. Providers will be held to the timelines and due dates outlined in Section 10. Failure to meet any of the required deliverables may result in the imposition of sanctions, as outlined in the Provider's contract.

ATTACHMENTS A-D

**FINANCIAL STATEMENTS
REQUIRED FORMATS**

**ATTACHMENT
A**

**PROVIDER
QUARTERLY CERTIFICATION STATEMENT
FOR THE QUARTER ENDED XXX XX, 2010**

Name of Preparer: First & Last Name

Title: Accountant

Phone No.: (xxx) xxx-xxxx

I hereby attest that the information submitted in the reports herein is current, complete and accurate to the best of my knowledge. I understand that whoever knowingly and willfully makes or causes to be made a false statement or representation with the reports may be prosecuted under applicable state and/or federal laws. In addition, knowingly and willfully failing to fully and accurately disclose the information requested might result in denial of a request to participate, or where the entity already participates, a termination of a provider agreement or contract with *Magellan*.

8/3/2010

Date Signed *Signature*

Name & Title

Phone No / Email

Address

ATTACHMENT B

(ENTITY NAME)

STATEMENT OF FINANCIAL POSITION

As of (_____, 20XX)

ASSETS

CURRENT ASSETS

Cash (disclose in Disclosures)	-
Current Investments	-
Accounts Receivable (net) (disclose in Disclosures) Notes Receivable (current portion)	-
Prepaid Expenses	-
Other Current Assets (disclose in Disclosures)	-
Total Current Assets	<u>\$ -</u>
Notes*	

NONCURRENT ASSETS

Total Property and Equipment Less: Accumulated Depreciation Net Property and Equipment	-
Notes Receivable (net of current portion)	-
Performance Bond	-
Long Term Investments	-
Deposits	-
Other Noncurrent Assets	-
Total Noncurrent Assets	<u>\$ -</u>
TOTAL ASSETS	<u>\$ -</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Incurred But Not Reported Claims	-
Reported But Unpaid Claims	-
Recoupment/Sanctions Liability	-
Other Amounts Payable to Providers	-
Trade Accounts Payable	-
Accrued Salaries and Benefits	-
Long-term Debt (current portion)	-
Deferred Revenue (disclose in Disclosures)	-
Other Current Liabilities (disclose in Disclosures)	-
Total Current Liabilities	<u>\$ -</u>

NONCURRENT LIABILITIES

Long-term Debt (net of current portion)	-
Other Noncurrent Liabilities	-
Total Noncurrent Liabilities	-
TOTAL LIABILITIES	-
NET ASSETS	-
Unrestricted	-
Temporarily Restricted	-
Restricted	-

TOTAL LIABILITIES AND NET ASSETS	<u>\$ -</u>
----------------------------------	-------------

*Footnote and Explain (In Detail) Each Adjustment.

ATTACHMENT C

(Entity Name)
Statement of Financial Position Disclosures
 As of _____, 20xx

ASSETS		LIABILITIES	
<u>Cash</u>	-	<u>Deferred/Unearned Revenue</u>	
Restricted	-	FYxx Magellan (Direct contract)	-
Unrestricted	-	FYxx PNO (Magellan Indirect contract)	-
Total	<u>-</u>	FYxx Provider (Magellan Indirect contract)	-
		Non-Magellan related	-
<u>Cash Equivalents</u>	-	Other	-
Total Cash and Cash Equivalents	<u><u>-</u></u>	Total Deferred/Unearned	<u><u>-</u></u>
 <u>Accounts Receivable</u>		 <u>Other Current Liabilities:</u>	
Magellan Health Services of Arizon	-	Magellan Health Services of Arizona, Inc.	-
Other	-	Other	-
less: Allowance Doubtful Accts	-		
Net Accounts Receivable	-		
Other Current Assets	<u>-</u>	Total Other Current Liab.	<u>-</u>
TOTAL Current Assets	<u><u>-</u></u>	TOTAL Current Liabilities	<u><u>-</u></u>

Prior Period Adjustments:

(Disclose and describe any adjustments made to previously submitted financial statements including those that affect the current month's financial statements.)

ATTACHMENT D

Entity Name

Statement of Activities

Supplemental Schedule of Revenue and Expenses By Program

Six Months Ended December 31, 2010

	Direct Magellan Contract					Indirect Magellan Contracts			Other / Total		
	Outpatient		Residential		SAPT	Magellan Subtotal	PNO 1 MMWIA	PNO 2 Youth Svc	Indirect Subtotal	Other non-Magellan	Total
	SMI	GMHSA	Level II	Level III							
REVENUE											
Magellan Revenue	-	-	-	-	-	-	-	-	-	-	-
Other Revenue											
Interest Income											
Unrelated Business Activities											
TOTAL REVENUE	-	-	-	-	-	-	-	-	-	-	-
EXPENSES											
Clinical Services:											
Labor Type											
BH Tech											
BH Professional											
Psychologist											
Subtotal Labor											
Employee Related											
Professional / Outside Services											
Travel / Transportation											
Facility / Occupancy											
Depreciation											
All Other Clinical Services Expenses											
Subtotal Clinical Services	-	-	-	-	-	-	-	-	-	-	-
Clinical Support:											
Labor Type											
Program Supervision											
Clinical Supervision											
Program Administrative Support											
Subtotal Labor											
Employee Related											
Professional / Outside Services											
Travel / Transportation											
Facility / Occupancy											
Depreciation											
All Other Clinical Support Expenses											
Subtotal Clinical Support	-	-	-	-	-	-	-	-	-	-	-
Total Clinical Services & Clinical Support	-	-	-	-	-	-	-	-	-	-	-
Administrative Expenses:											
Salaries											
Employee Related											
Professional / Outside Services											
Travel / Transportation											
Facility / Occupancy											
Depreciation											
All Other Indirect Expenses											
Subtotal Admin. Expenses	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	-	-	-	-	-	-	-	-	-	-	-
FTE's - Clinical Services (by program)	-	-	-	-	-	-	-	-	-	-	-
FTE's - Clinical Support (by program)	-	-	-	-	-	-	-	-	-	-	-
FTE's - Admin (by program)	-	-	-	-	-	-	-	-	-	-	-

NOTE - FTE's should include both non-contracted and contracted employees

ATTACHMENT E



**PROVIDER FINANCIAL REPORTING
REQUEST FOR EXTENSION**

Entity Name: _____

Date of Request: _____

Requestor Name / Title: _____

Contact Information: (phone/email) _____

Extension requested for the following reports: (check all that apply)

_____ Annual unaudited financial statements

_____ Quarterly unaudited financial statements

For year-to-date period ending _____

_____ Annual certified financial report / management letters

_____ A-133 audit report

Requested extension due date: _____

Please describe the reason for requesting an extension:

Please e-mail completed request form to Magellan Health Services of Arizona, Inc. at:
MaricopaFinance@MagellanHealth.com