

POLICIES AND PROCEDURE MANUAL

Chapter:	Financial Management		
Title:	Fiscal Monitoring and Oversight		
Policy: <input type="checkbox"/>	Review Cycle: Biennial	Adopted Date:	Related Policies: Financial Management Quality: Monitoring and Oversight Policy
Procedure: <input checked="" type="checkbox"/>	Author: Finance Team	Review Date: 05.09.2023	
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Purpose

In accordance with the MSHN Monitoring and Oversight Policy, MSHN will conduct a financial review of the Substance Use Disorder Service Provider (SUDSP) Network in conjunction with Quality Assurance and Performance Improvement (QAPI) reviews. The type of review (full/interim) is based on the QAPI scheduled.

Procedure:

Full Financial Review:

- A.** This full financial review is conducted biennially unless otherwise identified by MSHN Leadership or Financial Staff. The full financial review is based on the following seven standards:
 1. VI.1.1 – Confirm compliance with previous financial Corrective Action Plan (CAP).
 2. VI.1.2 – Financial management policies and procedures review.
 3. VI.1.3 – Opinion review for Financial Audit and Single Audit (if applicable) conducted by a Certified Public Accounting (CPA) firm.
 4. VI.2.1 - Review organizational chart and all financial Job Descriptions and ensure proper segregation of duties.
 5. VI.2.2 - General ledger documentation to support the billed/reported on the Financial Status Report (FSR). MSHN will request expenditure documentation to support FSR billings for any time frame within the fiscal year of the funding.
 6. VI.2.3 – Verification of two samples of financial reports reviewed and approved by the provider’s Board of Directors.
 7. VI.2.4 – Evaluation of Risk Management Plan and liability insurance with corresponding contracts.
- B.** The financial review tool and reviewer responses are documented in the audit module in REMI.
- C.** The completed fiscal review tool is saved in REMI and uploaded to Box under the provider’s final reports for sharing with provider and monitoring corrective action plan progress.
- D.** Scoring for Full Financial Review:
 1. Each met standard is scored and weighted as follows:
 - a. VI.1.1 – 2 points.
 - b. VI.1.2 – 2 points.
 - c. VI.1.3 – 4 points.
 - d. VI.2.1 – 4 points.
 - e. VI.2.2 – 2 points.
 - f. VI.2.3 – 2 points.
 - g. VI.2.4 – 2 points.
 2. Partial Met point value is half of the Met point value.

3. Acceptable threshold percentage allows for a 3-point deduction or 85% as indicated in the scoring table below.
4. Acceptable threshold includes CPA Financial Audit. The provider will automatically drop below the acceptable percentage if an Audit is not submitted. This will result in a required CAP.
5. Acceptable threshold assumes all questions are applicable to provider. Scores may vary based on total points applicable.

Results – Standard VI Financial Management				
Total Score	÷	Total Applicable	=	Percentage Met
20	÷	20	=	100%
19	÷	20	=	95%
18	÷	20	=	90%
17	÷	20	=	85%
16	÷	20	=	80%
15	÷	20	=	75%
14	÷	20	=	70%
13	÷	20	=	65%
12	÷	20	=	60%
11	÷	20	=	55%
10	÷	20	=	50%
9	÷	20	=	45%
8	÷	20	=	40%
7	÷	20	=	35%
6	÷	20	=	30%
5	÷	20	=	25%
4	÷	20	=	20%
3	÷	20	=	15%
2	÷	20	=	10%
1	÷	20	=	5%
0	÷	20	=	0%

Corrective Action Plan for Full Financial Review:

1. If the percentage is 85% or below, a CAP will be issued. A CAP will also be issued for totals above the 85% threshold if any standard is scored at zero.
2. The provider’s corrective action plan will not be approved until all financial standards are in compliance.
3. CAP documentation submitted to MSHN may be approved prior to the provider’s next scheduled review.

Interim Financial Review:

- A. This abbreviated review is conducted biennially.
- B. All previous financial corrective actions will be reviewed and confirmed compliant prior to the provider submitting the Interim Review Attestation Form.
- C. This review includes an attestation form that identifies:
 1. All financial management policies and procedures are up to date and active based on the last full financial review conducted. Any policies and procedures containing substantive changes should be submitted with the attestation document.

2. The provider has submitted Fiscal Year (FY) 20XX financial audit within six (6) months following the close of their fiscal year conducted by a Certified Public Accounting (CPA) firm.
 3. MSHN will request expenditure documentation to support FSR billings for any time frame within the fiscal year of the funding.
- D.** This attestation must be occupied with the most recent fiscal year copy of the provider’s financial audit conducted by an independent CPA Firm.
- E.** Failure to comply with the above requirements will result in a CAP or other actions as outlined in MSHN’s Policies and Procedures.
- F.** Once the review is completed, MSHN Financial Staff will approve or deny attestation and upload to Box under the provider’s final reports for monitoring.

Please Note: Unless specifically allowed by an MDHHS grant, funding will not be provided for building renovations or improvements necessary to deliver consumer services 2 Code of Federal Regulations (CFR) 200.439 b3 Subpart E. Allowed renovations or improvements, such as those allowed for recovery residences, require a MSHN staff to visually confirm that work has been completed at the identified location.

Applies to

- All Mid-State Health Network Staff
- Selected MSHN Staff, as follows:
 - MSHN CMHSP Participants: Policy Only Policy and Procedure
 - Other: Sub-contract Providers

Definitions

N/A

Other Related Materials

Risk Assessment Form

References/Legal Authority

MDHHS Medicaid Managed Specialty Supports and Services 1115 Demonstration Waiver, 1915 (c)/(i) Waiver Program(s), the Healthy Michigan Program, the Flint 1115 Waiver and Substance Use Disorder Community Grant Programs

Change Log:

<u>Date Of Change</u>	<u>Description of Change</u>	<u>Responsible Party</u>
5.29.2020	New Procedure	Finance Team
01.2021	Biennial Review	Chief Financial Officer
01.2023	Procedure Update	Chief Financial Officer