**Mid-State Health Network (MSHN) Site Review Protocol- Financial**

**Calendar Year 2019**

|  |
| --- |
| **Standard VI : Financial Management** (Responsible Contact(s) – Brandilyn Mason)SUD PROVIDER NAME -  |
| **Ref #** | **Dimension/Indicator** |
| ***VI.1*** | ***Audits*** | **Method****of Review** | **Outcome (Point Value)** | **Suggested Evidence to be Submitted for Desk Audit****(Not all inclusive.)** |
| VI.1.1 | Corrective Action Plans: Provider has taken corrective action in all identified areas of concern/non-compliance on the previous MSHN review. | **Desk** [ ]  **Site** [ ]  | **Met (2)** [ ] **Part Met (1)** [ ] **Not Met (0)** [ ] **NA (2)** [ ]  |  |
| VI.1.2 | Provider has **current** policy(ies) that address all financial management standards/requirements. (34,60) **NOTE**: Policies must be reviewed and approved annually (mo/yr to mo/yr). ***Source:*** ***MSHN contract (accounting and internal controls)*** | **Desk** [ ]  **Site** [ ]  | **Met (2)** [ ] **Part Met (1)** [ ] **Not Met (0)** [ ] **NA** [ ]  |  |
| VI.1.3 | Provider’s Financial Audit has been performed, as required by MDHHS contract.  **If there are audit findings, please provide POC**.***Source:*** ***MSHN contract – Financial Review*** | **Desk** [ ]  **Site** [ ]  | **Met (4)** [ ] **Part Met (2)** [ ] **Not Met (0)** [ ] **NA** [ ]  | Submit a copy of the Financial Audit.**Audit findings: provide management response & updates to action plans.** |
| ***VI.2*** | ***Financial Management*** |
| VI.2.1 | The Provider has a Financial Management Plan that includes: * Separation of duties & responsibilities among employees
* Limited access to resources to authorized/necessary personnel
* A system of authorization & record keeping to control assets, liabilities, revenues & expenditures
* Practices to be followed in the performance of duties
* Qualified personnel that maintain level of competence
* Internal control techniques that are effective and efficient

***Source: 2 Code of Federal Regulations (CFR) 200 subpart D sections 200.301, 200.302, 200.303*** | **Desk** [ ]  **Site** [ ]  | **Met (4)** [ ] **Part Met (2)** [ ] **Not Met (0)** [ ] **NA** [ ]  | Submit an updated organizational chart.Submit all Financial Job Descriptions.Submit a list of staff with permissions for accessing their accounting software and functions allowed. Please include staff responsible for managing and granting authority to accounting software. |
| VI.2.2 | Provider’s Financial data is integrated w/IS to: * Reconcile care costs (GL) by units, episode, population, provider and administrative cost distribution (to perform costing/set rates & prepare state reports).
* Review of monthly FSR submissions
* Review process of managing services and risk within the funding assumptions.

***Source: MSHN contract (accounting and internal controls)*** | **Desk** [ ]  **Site** [ ]  | **Met (2)** [ ] **Part Met (1)** [ ] **Not Met (0)** [ ] **NA** [ ]  | Annual and a sample monthly report used for costing and reporting.Submit general ledger reconciliations to the FSR.Submit admin costs calculations and assumptions |
| VI.2.3 | Provider’s Financial management reports are available frequently to ensure ID of problem areas & systems in place for appropriate action, including: * Monthly financial statements to management and Board
* Aged accounts receivable
* Aged accounts payable
* General Ledger
* Balance Sheet
* Income Statement

***Source: MSHN contract Accounting and Internal Controls, 2 CFR 200 Subpart D Section 200.302*** | **Desk** [ ]  **Site** [ ]  | **Met (4)** [ ] **Part Met (2)** [ ] **Not Met (0)** [ ] **NA** [ ]  | Submit two samples of financial reports that were reviewed and approved by the board of directors. |
| VI.2.4 | The organization has documented processes to ensure: * Improvement to financial management system are made from QI methodology
* Financial risk protection plan in place
* Insurance requirements for AFCs/Contractors of the Board are adequate - $1M/occurrence-$3M per incident –Encouraging a very close review of insurance requirements
* Signed Copies of all contracts for contractors currently providing services - Encouraging a very close review of insurance requirements

***Source: MSHN contract – General responsibilities of providers – Notices to MSHN*** | **Desk** [ ]  **Site** [ ]  | **Met (2)** [ ] **Part Met (1)** [ ] **Not Met (0)** [ ] **NA** [ ]  | Submit a list of all Finance Improvements made via QI if applicable.Submit a copy of risk plan.Submit proof of liability insurance reviews for 3 contracts.Submit signature pages for external contracts. |

|  |  |
| --- | --- |
| **Result Interpretation** | **Percentage Threshold: 85% to successfully pass the Financial Review** |
|  | These are requirements not options. |
|  | Acceptable threshold percentage allows for a 3-point deduction. |
|  | Acceptable threshold includes Financial Audit. If the provider does not have a financial audit, then they will automatically drop below the acceptable percentage. This will result in a Corrective Action Plan (CAP). |
|  | If a provider did not have a previous CAP, the provider will not be penalized as standard VI.1.1 allows for the not applicable response to be scored (2 points) same as the met response. |

|  |
| --- |
| Results – Standard VI Financial Management |
| Total Score | ÷ | Total Applicable | = | Percentage Met |
| 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% |

|  |
| --- |
| 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% |