

TEAM CHARTER

TEAM NAME: Finance Council
TEAM LEADER: Leslie Thomas MSHN CFO
ADOPTED:
LAST APPROVED: February 2023

This charter shall constitute the structure, operation, membership and responsibilities of the Finance Council.

Purpose of the Finance Council

The Finance Council shall make recommendations to the Mid-State Health Network (MSHN) Chief Finance Officer (CFO), Chief Executive Officer (CEO) and the Operations Council (OC) to establish all funding formulas not otherwise determined by law, allocation methods, and the Entity's budgets. The Finance Council may advise and make recommendations on contracts for personnel, facility leases, audit services, retained functions, and software. The Finance Council may advise and make recommendations on policy, procedure, and provider network performance. The Council will also regularly study the practices of the Entity to determine economic efficiencies to be considered.

Decision-Making Context and Scope

- a. The Finance Council provides counsel and input to the CEO and the OC, through the CFO. Council input is related to the defined purpose and may be strategic, operational or improvement focused in nature.
- b. The MSHN Board of Directors and CEO are the final authority for matters involving strategic plan (Mission, Vision, Values and Board Ends/Results), Board policy and budget.
- c. The CEO reserves final decision-making authority for operational matters.
- d. Members of the Finance Council will strive for consensus. When consensus is not immediately reached, discussion will continue to reword, resolve, or propose a resolution. If consensus cannot be reached a vote will be taken and presented to the Operations Council for resolution. The vote will be accompanied by a majority and minority opinion, and a MSHN CFO recommendation.

Defined Goals, Monitoring, Reporting and Accountability

Goals:

- FY 2022 Favorable fiscal and compliance audit: CMHSP and PIHP fiscal audits are performed between December 2022 and February 2023. The audits will be available to the PIHP once they are reviewed by their respective Board of Directors. The goal is to have all fiscal CMHSP reports by April 2023 and compliance exams by June 2023. A favorable fiscal audit will be defined as those issued with an unqualified

opinion. A favorable compliance audit will be defined as one that complies in all material aspects with relevant contractual requirements.

- Meet targeted goals for spending and reserve funds: Determination will be made when the FY 2022 Final Reports due to MDHHS March 31, 2023, are received from the CMHSPs to the PIHP. The goal for FY 2022 will be to spend at a level to maintain MSHN's anticipated combined reserves to 15% as identified by the board. This goal does not override the need to ensure consumers in the region receive medically necessary care.
- Work toward a uniform costing methodology: The PIHP CFO will participate in a Statewide workgroup initiated by MDHHS and Milliman to establish standard cost allocation methods. Regionally, Finance Council will review rates per service and costs per case for service codes identified in the Service Use and Analysis report suite. Finance Council will evaluate if action is needed based on State comparisons.
- Improve accuracy of interim reporting and projections in order to plan for potential risk related to use of reserve funds.
- Monitor changes related to 1115 waiver and its impact on the region's funding.
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Areas of responsibility:

- a. Budgeting – general accounting and financial reporting;
- b. Revenue analyses;
- c. Expense monitoring and management - service unit and recipient centered;
- d. Cost analyses and rate-setting;
- e. Risk analyses, risk modeling and underwriting;
- f. Insurance, re-insurance and management of risk pools;
- g. Supervision of audit and financial consulting relationships;
- h. Claims adjudication and payment; and
- i. Audits.

Monitoring and reporting of the following delegated financial management functions:

- a. Tracking of Medicaid expenditures;
- b. Data compilation and cost determination for rate setting;
- c. FSR, Administrative Cost Report, MUNC and Sub-element preparation;
- d. Verification of the delivery of Medicaid services; and
- e. Billing of all third-party payers.

Monitoring and reporting of the following retained financial management functions:

- a. PIHP capitated funds receipt, dissemination, and reserves;
- b. Region wide cost information for weighted average rates;
- c. MDHHS reporting; and
- d. Risk management plan.

Membership

- a. Community Mental Health Service Program (CMHSP) designees become members of the Finance Council through appointment by their respective CMHSP CEO/Executive Director.

- b. Membership shall be representative of the MSHN Region - Member CMHSP CFO and MSHN CFO each appointed as a function of their job

Roles and Responsibilities

- a. Chairperson – MSHN CFO Prepares the agenda, runs the meeting and maintains order; serves as the point of contact for the committee; is accountable for representing the council and making reports on behalf of the council. The Chairperson is not a voting member of the council.
- b. Recorder – The recorder shall capture discussions, problem solving and planning of the committee in an unbiased manner and shall prepare minutes following each meeting.
- c. Member – Members are expected to be fully engaged participants of planning, problem solving, and decision making. Members are expected to read agenda ahead of time and be prepared to fully participate. Members will submit items for the agenda. Members will solicit their CMHSP CEO and management team for agenda items. Members are voting members.
- d. Subject Matter Experts – Individuals may participate in the council meeting for the purpose of providing information, consultation, etc. Participation as a subject matter expert does not constitute authority to participate in decision making. Subject matter experts should typically leave once their expressed purpose is complete. Subject matter experts are not voting members.

Meetings

- a. Regular Meetings - Monthly meetings can be attended in person, by teleconference or videoconference. The Council's goal is to have at a minimum bi-monthly in person meetings to elicit more discussion on key decision points.
- b. Special Meetings – As needed during MDHHS reporting time or other times when projects are due. Special meetings may be called by the Chair or at the request of members.
- c. Attendance at Meetings – When a CFO cannot attend, they will send another delegate whenever possible. The delegate will have authority consistent with their respective member unless indicated otherwise for all items included in the initial agenda. For items that are added to the agenda during the meeting, the Chairperson will contact the member following the meeting as necessary. During periods of transition, delegates may attend in place of the CFO or with the CFO, however, there will only be one vote per CMHSP.
- d. Minutes of Proceedings - Taking of minutes by the Recorder will be handled by MSHN staff and reviewed/approved at the subsequent meeting.
- e. Member Conduct/Ground Rules - Members of the Finance Council seek a meeting culture that is professional, productive, and comfortable. To that end, the following ground rules have been adopted:
 - Only one person speaks at a time; no one will interrupt while someone is speaking.

- Each person expresses their own views, rather than speaking for others at the table or attributing motives to them.
- No sidebars or end-runs.
- Members will avoid grandstanding (i.e., extended comments/speaking), so that everyone has a fair chance to speak.
- No personal attacks. “Challenge ideas, not people.”
- Everybody will seek to focus on the merits of what is being said, making a good faith effort to understand the concerns of others. Questions of clarification are encouraged. Disparaging comments are discouraged
- Each person will seek to identify options or proposals that represent shared interests, without minimizing legitimate disagreements. Each person agrees to do their best to take account of the interests of the group as a whole.

Annual Evaluation Process

- a. Past Year’s Accomplishments
- b. Upcoming Goals