



PENINSULA RSN

FISCAL MANAGEMENT POLICIES AND PROCEDURES

Policy Name: ENROLLEE LIABILITY FOR PAYMENT

Policy Number: 8.01

Reference: 42 CFR 438.106

Effective Date: 7/2005

Revision Date(s): 3/2008

Approved by: PRSN Executive Board

CROSS REFERENCES

- Policy: Corrective Action Plan

PURPOSE

Medicaid enrollees shall not be held liable for the costs of covered services.

PROCEDURE

Medicaid enrollees shall not be financially liable for:

- Debts of the Peninsula Regional Support Network (PRSN) in the event of insolvency
- Costs of any covered service

If an enrollee is receiving community based inpatient services at the time an inpatient provider closes, the PRSN, through its provider network, shall arrange for continued services through an alternative provider.

MONITORING

This policy is a mandate by contract and federal regulation.

1. This policy will be monitored through use of PRSN:
 - Annual PRSN Provider and Subcontractor Administrative Review

- Annual PRSN Provider Fiscal Review
 - Monthly Provider Chart Review
 - Exhibit N Reports and Grievance Oversight
2. If a provider performs below expected standards during any of the reviews listed above a Corrective Action will be required for PRSN approval. Reference PRSN Corrective Action Plan policy.



PENINSULA RSN

FISCAL MANAGEMENT POLICIES AND PROCEDURES

Policy Name: FINANCIAL MANAGEMENT

Policy Number: 8.02

Reference: WAC 388-865-0270, -0325 and 1996 Waiver

Effective Date: 7/2005

Revision Date(s):

Approved by: PRSN Executive Board

CROSS REFERENCES

- Policy: Corrective Action Plan

PURPOSE

It is the policy of the Peninsula Regional Support Network (PRSN) to prudently manage public resources and employ accounting practices consistent with the rules of the referenced section, excepting those waived.

PROCEDURE

1. The PRSN, by Inter-local agreement, operates administratively under the auspices of the Kitsap County Personnel and Human Services Department.

PRSN financial resources are managed by the Kitsap County Personnel and Human Services Department Accounting section, which:

- Provides the PRSN, its administrator, and its Governing Body such monthly, quarterly or annual budgets, reports and other financial statements required to meet contractual agreement with the state.
 - Performs and evidences sound accounting procedures.
 - Maintains consistency with applicable state and federal requirements and accepted accounting procedures (GAAP).
2. By subcontract, providers agree to prudently manage public resources so that quality services are provided in a cost efficient and cost effective manner and to employ accounting procedures that are consistent with applicable state and federal requirements and generally accepted accounting principles (GAAP), to wit:

- Providers maintain readily accessible documents and records sufficient to provide an audit trail to the County.
 - Provider's documents identify contracted funds and their expenditures.
 - Providers document income and expenditures for contracted programs/services and/or funds.
 - Providers deliver requested documentation to the county/PRSN as required.
 - County maintains the right to review and monitor financial components of the program and will inform providers in writing of such requests.
3. The PRSN and its providers expend funds received by the department in accordance with the revenue contract with the department and only for the purposes that they are intended to achieve:
- The performance and outcome terms of the PRSN contract with the department.
 - Compliance with the requirements of WAC chapters 388-865, chapters 71.05, 71.24, and 71.34 RCW, and the intentions of the State Appropriations Act.
4. The PRSN and its providers deliver and/or purchase goods and services prudently consistent with state or county procurement procedures.
- PRSN complies with Kitsap County procurement procedures.
 - Providers designate policies and procedures which so comply.
5. The PRSN manages assets of the PRSN under applicable state and federal requirements and generally accepted accounting principles (GAAP) by maintaining:
- A list of the assets of the PRSN including property, equipment, vehicles, buildings, capital reserve funds, operating reserve funds, risk reserve funds, or self insurance funds.
 - An accounting of any interest accrued on funds; using any accrued interest to perform requirements of contract.
 - A physical inventory of property, equipment, vehicles, and buildings every two years. Proceeds from the disposal of any assets will be retained by the PRSN and its providers for purposes of contract performance.
 - Lists and inventories will be filed at the county and/or PRSN.

MONITORING

This policy is a mandate by contract and federal regulation.

1. This policy will be monitored through use of PRSN:
 - Annual PRSN Provider and Subcontractor Administrative Reviews
 - Annual PRSN Provider Fiscal Review
 - Monthly Provider Chart Reviews
2. If a provider performs below expected standards during any of the reviews listed above a Corrective Action will be required for PRSN approval. Reference PRSN Corrective Action Plan policy.



PENINSULA RSN

FISCAL MANAGEMENT POLICIES AND PROCEDURES

Policy Name: THIRD PARTY LIABILITY AND
COORDINATION OF BENEFITS

Policy Number: 8.03

Reference: 42 CFR 438.208; DSHS contract

Effective Date: 10/2005

Revision Date(s):

Approved by: PRSN Executive Board

CROSS REFERENCES

- Policy: Corrective Action Plan

PURPOSE

To ensure that the Peninsula Regional Support Network's (PRSN) contracted community mental health agencies determine if an enrolled person has third party insurance before using public funds to provide services and to coordinate services and assign benefit coverage to third party payers when appropriate.

All funds recovered by the PRSN or network providers from third party resources are used as supplemental income to support the delivery of public mental health services.

DEFINITIONS

Third party liability refers to situations when an enrolled member also has behavioral health coverage with an insurance provider, other than Medicaid. The third party may be liable for paying some or all of the service cost.

Third parties include but are not limited to: private health insurance companies, Medicare, court judgments, or work related health insurance.

PROCEDURE

1. Determination of Benefits: Contracted providers within the PRSN will inquire about a person's health insurance coverage during the initial intake process.

Should an individual have third party coverage, the network provider is responsible for contacting the third party to verify benefits.

2. **Billing Requirements:** If it is determined that the individual has third party insurance, the network provider must maintain proper documentation in the clinical file to demonstrate that the third party has been assigned responsibility for the covered services provided and has been properly billed.
3. All third party revenue must be pursued prior to PRSN funding assignment. PRSN must be the payer of last resort.
 - a. Providers must submit a bill to the third party whenever third party benefits are available.
 - b. Documentation that such billing occurred must be present in the clinical file.
 - Such documentation must include a copy of the Remittance Advice or Explanation of Benefits (EOB) from the third party payer.
4. **Emergency Situations:** Emergency services shall be provided regardless of payment source, and prior to coordinating with third party payers.
5. **Coordination of Benefits:** Except in emergencies, the provider must refer the individual seeking services to a provider recommended by the third party payer for services covered by the third party payer.
 - When a third party payer requires utilization of a service provider outside the PRSN service network, the PRSN contracted provider shall coordinate care with the outside service provider in order to maximize therapeutic benefit.
6. Community mental health agencies contracted with the PRSN shall maximize the availability of third party payments by applying for preferred provider status with third party health plans when possible.

MONITORING

This policy is a mandate by contract and federal regulation.

1. This policy will be monitored through use of PRSN:
 - Annual PRSN Provider and Subcontractor Administrative Review
 - Annual PRSN Provider Fiscal Review
 - Monthly Provider Quality Chart Review

2. If a provider performs below expected standards during any of the reviews listed above a Corrective Action will be required for PRSN approval. Reference PRSN Corrective Action Plan policy.



PENINSULA RSN

ADMINISTRATION POLICIES AND PROCEDURES

Policy Name: MANAGEMENT ATTESTATION OF ACCURACY OF FISCAL REPORTS

Policy Number: 8.04

Reference: 42 CFR 438; DSHS Contract

Effective Date: 10/2005

Revision Date(s): 12/2007

Approved by: PRSN Executive Board

CROSS REFERENCES

- Policy: Corrective Action Plan

PURPOSE

To ensure that required Fiscal reports submitted by the Peninsula Regional Support Network (PRSN) to the Department are complete and accurate.

PROCEDURE

Certification Requirements

1. The Peninsula Regional Support Network (PRSN) must submit a completed certification form with each Revenue and Expenditure report submitted to the Department.
 - The form is completed and signed by the PRSN Administrator
2. The PRSN must submit a completed certification form with each Revenue and Expenditure report submitted to Department which certifies the availability of local match that was utilized to draw down additional Federal Medicaid funds.
 - The form is completed and signed by the PRSN Administrator

Management Review

Fiscal reports developed by the PRSN are reviewed for accuracy and completeness prior to submission to the Department.

1. Fiscal data is gathered by the PRSN administrator from network providers
2. Data regarding availability of local match is gathered from network providers
 - Providers each certify the availability of local match claimed.

Reporting Procedure

1. The PRSN Administrator compiles information necessary to complete the Revenue and Expenditure report from information gathered from network providers
2. The Administrator includes information regarding PRSN Administrative expenses and expenditures to non-network providers
3. Completed report is reviewed for accuracy and provided to state along with required certification.

MONITORING

This policy is a mandate by statute and contract.

1. This policy will be monitored through use of PRSN:
 - Semi-annual Provider Revenue and Expense Report
 - Reports are tracked over time for consistency, with significant variances followed up on by the PRSN Administrator.
2. If a provider performs below expected standards, a Corrective Action Plan will be required for PRSN approval. Reference PRSN Corrective Action Plan Policy



PENINSULA RSN

FISCAL MANAGEMENT POLICIES AND PROCEDURES

Policy Name: FISCAL MONITORING OF NETWORK

Policy Number: 8.05

Reference: WAC 388-865-0270, -0325; DSHS contract

Effective Date: 1/1/2008

Revision Date(s):

Approved by: PRSN Executive Board

PURPOSE

It is the policy of the Peninsula Regional Support Network (PRSN) to establish a standardized process for network provider and subcontractor fiscal reviews. This fiscal review is in addition to other PRSN monitoring activities.

PROCEDURE

1. The PRSN fiscal reviews will:
 - a. Monitor subcontractors financial systems.
 - i. Expenditure reports will be tracked back to the contractor accounting records
 - ii. Allocation of costs between programs and cost centers will be reviewed
 - iii. Internal agency practices will be reviewed to ensure sufficient checks and balances.
 - b. Be conducted on-site annually by the PRSN and Kitsap County accounting staff.
 - c. Utilize a standard protocol.
2. For identified area of deficiencies or areas of improvement, a final report and corrective action plans will be required within thirty (30) days.

MONITORING

1. This policy is mandated by contract or statute. This policy will be monitored through use of PRSN:
 - Annual PRSN Provider and Subcontractor Administrative Review
 - Annual PRSN Provider Fiscal Review
 - Review of previous provider corrective action plans

2. If a provider performs below expected standards, a corrective action will be required for PRSN approval. Reference PRSN Corrective Action Plan policy.

FISCAL MONITORING QUESTIONNAIRE

Agency: _____ **Address:** _____

Phone Number: _____ **E-mail:** _____ **Contact:** _____

State of Washington Community Mental Health Program License Number: _____ Expiration Date: _____

List Services Licensed to Provide: _____

State of Washington Community Mental Health Certification Number: _____ Expiration Date: _____

List of Services Certified to Provide: _____

Materials Needed by PRSN Reviewers at Agency Monitoring Entrance Review:

- | | |
|---|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Agency Policies and Procedures <input type="checkbox"/> Personnel Records <input type="checkbox"/> Copy of Consumer Rights <input type="checkbox"/> List of Clinical/Medical Staff, MHPs, Specialists, DMHPs, Consultants (with signatures) <input type="checkbox"/> Staff Evaluation Records <input type="checkbox"/> Staff Credentialing Files/Records <input type="checkbox"/> Notice of Privacy Practices <input type="checkbox"/> Copy Applicable Liability Insurances (Commercial, Automobile, Managed Care, Professional) <input type="checkbox"/> Board of Directors and Subcommittee minutes <input type="checkbox"/> Admission Packet <input type="checkbox"/> Marketing Materials | <ul style="list-style-type: none"> <input type="checkbox"/> EPSDT Data <input type="checkbox"/> Quality Management Plan and Activities <input type="checkbox"/> Clinical Supervision Records <input type="checkbox"/> Crisis Log (if licensed for services) <input type="checkbox"/> Medication Inventory Records <input type="checkbox"/> Training Plans and Record <input type="checkbox"/> Sliding Fee Scale <input type="checkbox"/> Interim Financial Report <input type="checkbox"/> Fraud and Abuse Compliance Plan <input type="checkbox"/> Subcontracts <input type="checkbox"/> Business Associate Agreements |
|---|--|

Do you subcontract any portion of your PRSN contract? YES NO *If yes, provide PRSN with complete list.*

PRSN Contract Number	Contract Period	Contract \$ Award	Funding Source(s)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Personnel:

Total Number of Paid Employees: _____ *(attach list of employees, including title and pay rate)*

Total Number of Facilities: _____ *(attach list of location/address for each facility)*

1. Has the CMHA been accredited by a national accreditation agency? <i>If yes, please provide agency name and date of accreditation:</i> _____	<u>YES</u>	<u>NO</u>	<u>NA</u>	<u>COMMENTS</u>															
2. Is there a current organizational chart? <i>attach a copy of chart</i>																			
3. Does the CMHA have other grant awards? <i>If yes, identify and summarize:</i>																			
<table border="0" style="width: 100%;"> <tr> <td style="width: 33%;"><i>Other Grant Awarding Agency</i></td> <td style="width: 33%;"><i>Dollar Amount of Other Awards</i></td> <td style="width: 33%;"><i>Purpose of Award</i></td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </table>	<i>Other Grant Awarding Agency</i>	<i>Dollar Amount of Other Awards</i>	<i>Purpose of Award</i>	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____				
<i>Other Grant Awarding Agency</i>	<i>Dollar Amount of Other Awards</i>	<i>Purpose of Award</i>																	
_____	_____	_____																	
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_____	_____	_____																	
_____	_____	_____																	
FINANCIAL MANAGEMENT AUDITING	YES	NO	NA	COMMENTS															
1. Have auditing corrective actions and recommendations from the last PRSN On-site been addressed?																			
2. Has the CMHA been audited by an independent CPA within last year and the accounting system been reviewed and approved? <i>If the audit has not been submitted to the PRSN, supply a copy.</i>																			
3. Was the audit a fiscal audit only?																			
4. Did the audit report include a management letter? <i>If yes, submit a copy to PRSN.</i>																			
5. Has the CMHA been audited by an Accreditation Agency during the last two years? <i>If so, attach copy.</i>																			
6. Has the CMHA been audited by a federal audit agency (HEW, GAO, etc.) during the last two years? <i>If yes, attach a copy.</i>																			
7. Did any audit reports contain recommendations? <input type="checkbox"/> They have been implemented. <input type="checkbox"/> They have not been implemented. Explain.																			
8. Did any audit report include immaterial or material weaknesses or questioned costs? <input type="checkbox"/> They have been resolved. <input type="checkbox"/> They have not been resolved. Explain.																			
9. Does the CMHA have documentation verifying that its employees and subcontractors are absent of a history of exclusion or debarment from participation in Medicare, Medicaid or other state or federal health care programs?																			
INTERNAL CONTROLS	YES	NO	NA	COMMENTS															
1. Have internal control corrective actions and recommendations from last PRSN On-site been addressed?																			
2. Are personnel handling cash or checking accounts (paid and volunteer) bonded? <i>If yes, show amount of bond, and period covered.</i>																			
3. Does the CMHA maintain a policy manual covering such matters as signatures required to authorize financial transactions?																			

INTERNAL CONTROLS (cont.)	<u>YES</u>	<u>NO</u>	<u>NA</u>	<u>COMMENTS</u>
4. Are duties and responsibilities separated so that no one employee has sole control over cash receipts, disbursements, reconciliation of bank accounts, receivables, etc.? <i>If no, give detailed explanation.</i>				
5. Are employees in key cash receiving and distribution positions required to take vacations? Are their duties then performed by others?				
6. More than one signature required on all checks?				
<input type="checkbox"/> Signing of checks in advance prohibited				
<input type="checkbox"/> Drawing checks to cash prohibited				
7. Is the sequence of check numbers accounted for when reconciling bank accounts?				
8. Are controls available to prevent expenditures prior to and subsequent to date of contract?				
9. Are checks ever issued on the basis of verbal authority?				
10. Is proper inventory control maintained over blank voided checks?				
<input type="checkbox"/> Safeguards over undistributed or unclaimed checks are in place				
11. Does the person who receives cash have authority to sign checks, reconcile bank accounts, or have access to accounting records other than cash receipts?				
12. Is the payroll prepared by personnel who are neither responsible for the time keeping function nor designated to deliver paychecks or cash to employees?				
13. Are payrolls approved by an authorized official of the CMHA?				
14. Is the distribution of paychecks (or cash) made by personnel who are not involved in time keeping or payroll preparation?				
15. Are payroll checks issued after receiving time and attendance reports?				
16. Are all disbursements made by check?				
17. Are cash receipts recorded and deposited daily?				
18. Are timesheets maintained, adequately safeguarded and approved only by properly designated officials? <i>If no, explain.</i>				
19. Are unpaid benefits and payroll costs properly accrued?				
20. Are remittances listed on a control sheet for comparison with the bank deposit slip?				
21. Does the cashier prepare duplicate deposit tickets so that one copy can be signed by the bank returned for checking against the cash receipts record by another person?				
22. Is the time elapsed between preparation of checks and checks clearing the bank accounts reasonable? <i>Specify average number of days.</i>				
23. Are there any special procedures (analytical reviews, reconciliation, comparison to budget, etc.) to ensure the completeness and accuracy of payroll information?				
Are all changes to standing payroll date authorized by a CMHA official?				

BUDGETARY CONTROLS	YES	NO	NA	COMMENTS
1. Have budgetary control corrective actions and recommendations from last PRSN On-site been addressed?				
2. Have line item budgets been established for each contract award?				
<input type="checkbox"/> Are supporting documents for budget estimates on file?				
<input type="checkbox"/> Is budget approved by top management? Board of Directors?				
3. Are actual expenditures periodically compared with budgeted costs?				
4. Are there controls to prevent expenditures or invoicing of funds in excess of approved budgeted amounts?				
5. Are cost category budget over runs (or under runs) within a program year analyzed and evaluated to determine reasons and possible corrective action required?				
<input type="checkbox"/> Is management approval required for variations?				
6. Audit provider reporting of FBG actual costs and monitoring to ensure only non-Medicaid clients receive State Plan services funded with FBG dollars.				
7. Mechanism to ensure a process for identifying all third-party billing resources (PIHP contract 1.3.12)				
PETTY CASH	YES	NO	NA	COMMENTS
1. Have petty cash corrective actions and recommendations from last PRSN On-site been addressed?				
2. Is an imprest fund(s) used? If yes, how many imprest funds are there? _____ Where are they located? _____				
3. Is the size of the fund specified? <i>If yes, what is the amount of each fund?</i>				
4. Are disbursements limited as to both amount and purpose?				
5. Is the fund under the control of a designated custodian?				
6. Is there an alternate custodian?				
7. Is the fund audited on a surprise basis by an authorized official of the CMHA? <i>If yes, how often?</i>				
8. Are only authorized, pre numbered vouchers used to support disbursement?				
9. Are disbursement vouchers:				
<input type="checkbox"/> Supported by receipts or other evidence of expense?				
<input type="checkbox"/> Signed by the recipient of the disbursement?				
<input type="checkbox"/> Stamped "paid" or otherwise marked so as to prevent re-use?				
a.) Is the fund reimbursed only on submission of an approved reimbursement voucher with adequate supporting documentation?				
COMPENSATION PLAN	YES	NO	NA	COMMENTS
1. Have compensation plan corrective actions and recommendations from last PRSN On-site been addressed?				
2. Does the CMHA have an established written compensation plan?				
3. Does the CMHA have time and attendance records for each employee by pay period showing:				

<input type="checkbox"/> Distributions by grant or contract?				
<input type="checkbox"/> Approval by timekeeper?				
<input type="checkbox"/> Approval by Immediate supervisor?				
<input type="checkbox"/> Earned leave by both pay period and cumulative?				
<input type="checkbox"/> Balance of leave?				
<input type="checkbox"/> Leave without pay?				
4. Ask CMHA to provide detailed payroll for review.				
INVENTORY CONTROLS	YES	NO	NA	COMMENTS
1. Have corrective actions and recommendations from last PRSN On-site been addressed?				
2. Does the CMHA have an inventory control system for equipment as demonstrated by:				
<input type="checkbox"/> A general ledger control account?				
<input type="checkbox"/> Inventory card system specifying as a minimum:				
<input type="checkbox"/> Date of receipt?				
<input type="checkbox"/> Identification data? (serial numbers, vendor name, description)				
<input type="checkbox"/> Name of item(s)?				
<input type="checkbox"/> Location?				
<input type="checkbox"/> Cost?				
3. Is equipment tagged or otherwise marked to identify it as organizational property?				
4. Are periodic test checks made of the inventory control system?				
5. Have annual physical inventories been made?				
6. Are differences between the physical inventory and the control account inventory records reconciled and explained?				
7. Are adjustments made to inventory accounts only on written authority of a designated official?				
8. Are supplies and equipment adequately safeguarded, especially those items most subject to pilferage?				
9. Are inventory records maintained in accordance with contract record retention requirements?				
PURCHASING	YES	NO	NA	COMMENTS
1. Have corrective actions and recommendations from last PRSN On-site been addressed?				
2. Does the CMHA have policies, procedures and controls which:				
<input type="checkbox"/> Are approved by the board of directors and top management?				
<input type="checkbox"/> Are in writing?				
3. The policies, procedures and controls contain the following functional elements:				
<input type="checkbox"/> Formal purchase order system?				
<input type="checkbox"/> Bids obtained?				
4. Delivery of goods/services verified by item against purchase order?				
<input type="checkbox"/> Approval of invoice for payment				

<input type="checkbox"/> Payment of invoice and check issuance?				
5. Are purchases limited in amount before requiring executive or board approval? (e.g., do purchases over \$300 require special approval?)				
6. Is the basis for award of large purchases, contracts and noncompetitive purchases supported by written justifications?				
7. Do purchase orders/contracts contain termination clauses to protect interests of the CMHA and the contracting agency?				
9. Are requisitions, purchase orders and receiving slips pre-numbered and safeguarded?				
TRAVEL	YES	NO	NA	COMMENTS
1. Have travel corrective actions and recommendations from last PRSN On-site been addressed?				
2. Is there a written travel manual, which clearly defines the CMHAs travel policy and procedures?				
3. Is the travel reimbursement policy, as defined in the manual, in accordance with the terms of the notice of contract award?				
Does the manual provide for reimbursement by:				
<input type="checkbox"/> Actual expense?				
<input type="checkbox"/> Per Diem rate?				
5. Are allowable expenses adequately defined?				
6. Does the manual require submission of receipts, etc., with the request for reimbursement?				
7. Does the manual provide for travel advances?				
8. Does the manual provide for formal, prior authorization of all travel?				
9. Is non-local travel for each employee supported by properly approved authorization?				
10. Is each travel advance (if allowed) clearly documented and signed by traveler and approving official?				
11. Are outstanding advances reviewed monthly and excesses collected?				
12. Does each travel voucher contain:				
<input type="checkbox"/> Adequate detail with respect to dates, travel itinerary and explanations to fully identify the purpose of the trip?				
<input type="checkbox"/> Justification and approval of use of first class air accommodations?				
<input type="checkbox"/> Receipts for common carrier transportation?				
<input type="checkbox"/> Attached hotel/motel and meal receipts?				
<input type="checkbox"/> Speedometer/odometer readings for each trip (depart from and return to office)?				
<input type="checkbox"/> Amount of travel advance outstanding?				
<input type="checkbox"/> Amount applied to advance?				
<input type="checkbox"/> Signature and title of traveler?				
<input type="checkbox"/> Signed approval and title of authorized official?				
13. Do any employees or officials receive stipulated monthly, etc, payments in lieu of or in addition to reimbursement for actual expense, i.e., \$50 per month car allowance? Such allowances are not allowable. If yes, are such payments authorized by the official awarding document?				

REVIEWER(S) OPINION

(For PRSN Use Only)

In your opinion, based on the answers to the preceding questions and your general observation of the overall management aspects of the organization, is the Provider capable of administering, accounting for and safeguarding awarded funds?

Yes No, *(If No, explain.)*

Do you think there are any problems, which need immediate corrective action?

Yes No *(If Yes, explain.)*

Do you think that contracting staff needs specialized training with respect to matters covered in this questionnaire?

Yes No *(If Yes, explain.)*

In your opinion, is there sufficient evidence of problems or potential problems to require an audit of the contracting agency?

Yes No *(If Yes, prepare reason)*

ADDITIONAL COMMENTS:

REVIEWED

BY:

DATE:

**Peninsula Regional Support Network
Budget Line Item Review Protocol
CHMA Review**

Note: sheet should be filled out separately for each line item in contract.

Agency:	Reviewer(s):
CFDA # 93.958	Date(s) of review:

	Review Element	Met	Not Met	N/A	Reviewer's Notes/Comments
1	Expenditures				
1.1	For each line item billed, the agency has provided sufficient services to justify billing.				
1.2	Services provided have been appropriately documented in clinical file.				
1.3	Services provided and documented are allowable and provided in accordance with contract stipulations for line item				

**Peninsula Regional Support Network
CMHA Review**

Cost Allocation Protocol

Agency:	Reviewer(s):
	Date(s) of review:

	Review Element	Met	Not Met	N/A	Reviewer's Notes/Comments
1	Cost Allocation Methodology				
1.1	The agency has a cost allocation plan				
1.2	The agency cost allocation methodology is consistent with its reimbursement methods and revenue streams.				
1.3					
2	Supporting Documentation				
2.1	The agency has supporting documentation to demonstrate its implementation of the allocation plan.				
2.2	The agency maintains supporting documentation for allocating indirect costs (time studies, FTE's, Square footage, etc.)				
2.3	The agency maintains supporting documentation to support costs allocated between Medicaid and non-Medicaid funding sources.				
2.4					
2.5					

Note:

**Peninsula Regional Support Network
Federal Block Grant Review Protocol
CMHA Review**

Federal Block Grant

Agency:	Reviewer(s):
CFDA # 93.958	Date(s) of review:

	Review Element	Met	Not Met	N/A	Reviewer's Notes/Comments
1	Subcontractor				
1.1	The agency has submitted an A-133 independent audits if appropriate (for those subcontractors who have expended over \$500,00 in federal awards (MHD/RSN contract section 25.b.1))				
1.2	The agency has used a reasonable basis of the cost during the application process for each subcontracted service. (45 CFR 92.20(b)(5) and 45 CFR 74.21 (b)(6)) (MHD/RSN contract section 6.b & 6.c)				
2	Monitoring				
2.1	The agency ensures that expenditures do not contain non-permissible costs as outlined in the MHD/RSN FBG contract section 6.b or costs that are not related to the statement of work. (45 CFR 92.20(b)(4) and 45 CFR 74.21 (b)(6)) (MHD/RSN contract section 6.i)				
2.2	The expenditures are accounted for by the revenue source. (MHD/RSN contract section 6.i)				
2.3	The RSN monitoring activities include checking that actual services were provided or received by the consumer. (45 CFR 92.20(b)(6) and 45 CFR 74.21(b)(7)) (MHD/RSN contract section 6.i)				
2.3.1	For each FBG line item, ensure that sufficient services were provided to justify reimbursement request.				

**LOCAL MATCH and MOE REVIEW PROTOCOL
CMHA Review**

Local Match

Reviewer:	Agency:
	Date(s) of review:

	Review Element/Steps	Met	Not Met	N/A	Reviewer's Notes/Comments
1	Identify the source of funds the service provider is using for match				
1.1	County taxes RCW 71.20.110				
1.2	County taxes RCW 82.14.460				
1.3	School taxes				
1.4	Other unrestricted state monies				
1.5	Hospital taxes				
1.6	Other				
2	Local Match				
2.1	Local funds used as match are broad based taxes.				
2.2	The agency is able to ensure that local match reported on R&E has not been used for other matching purposes and excludes donations.				
2.3					

**PATH REVIEW PROTOCOL
CMHA Review- WEOS**

West End Outreach Services
Located in Forks

PATH Protocol

RSN: Peninsula RSN

Reviewer: Warren Grimm

Contract Number: 0969-73225

Review Date: Nov 1 - 5, 2010

(CFDA # 93.150)

	Review Element/Steps	Met	Not Met	N/A	Reviewer's Notes/Comments
1	General (In House)				
1.1	The contract has a current risk assessment.				
1.2	The risk assessment was rated as low fiscal risk. If not, what areas and why was it rated medium/high risk.				
1.3	What is the fiscal year time frame?				
2	Contract Requirements for PATH funds				
2.1	Explain how PATH funds are being used to supplement not supplant existing services for the seriously mental ill homeless or those close to becoming homeless				
2.2	Describe the fiscal controls in place for PATH funds. What are your fiscal controls for discretionary funds?				
2.3	Contractor maintains records that identify the source and usage of funds associated with the provision of housing services. Is there documentation available to support funds expended on any of the PATH eligible housing services?				
3	Cost Allocation				
3.1	We know the RSN maintains separate revenue and expense funding on the R&E for proviso funds, grants, etc. Can you explain to me how the subcontractor keeps track of those revenues and expenses?				
3.2	Do staff providing PATH services also have other program responsibilities? If so, how do you keep track of time spent between the different programs?				
3.3	Is the sub contractor required to allocate costs for PATH expenditures?				
4	Budget				
4.1	Verify any changes made to the original budget. If there is more than a 10% variation, make sure an amendment to the contract is completed adapting the change.				

4.2	Verify all prior year funds for PATH were expended before using the current year funding.				
4.3	How do you ensure that not more than 20% of the PATH grant has been expended for housing services				
4.4	Are you on an accrual, modified accrual, or cash basis accounting system?				
4.5	The contractor shall use any program income generated to further the objectives of the PATH program.				
5	Revenue				
5.1	Are PATH revenues accounted for separately from other funds at the provider level?				
5.2	RSN revenues agree with R&E reported revenues.				

6 Expenditures				
6.1	The contractor must submit claims for reimbursement and certify their local match no more often than monthly, no less often than quarterly.			
6.2	The Program Manager has signed the invoices verifying all services were met prior to payment.			
6.3	Contractor maintains administrative costs within contractual requirement.			
6.4	Path funds may be used only for the expenses clearly related and necessary to carry out the IUP			
7 Non-Federal Match Contributions				
7.1	Non-federal match contributions shall be reported in the aggregate and clearly identified on each billing invoice.			
7.2	The contractor has supporting documentation to demonstrate non-federal match billed by budget category to the MHD.			
7.3	The source of funds the contractor used for match is appropriate			
7.4	Match is not used for other matching funds or federal programs and if in-kind match is used the contractor is able to demonstrate the value of this match.			
8 Subcontractor				
8.1	RSN has identified all PATH subcontractors and has obtained a schedule of expenditures of federal awards from each of the subcontractors.			
8.2	The RSN has collected A-133 independent audits for those subcontractors who have expended over \$500,000 in federal awards (MHD/RSN contract section 20 b)			
8.3	The RSN has provided the MHD with a reasonable basis of the cost during the application process for each subcontracted service. (45 CFR 92.22 and 45 CFR 74.21 (b)(6))			
9 Monitoring				
9.1	Does the RSN have an annual monitoring plan for its subcontracted PATH grant activities?			
9.2	The RSN monitoring activities include checking that the subcontractor's accounting records adequately identify the source and application of funds for the PATH grant (45 CFR 92.20(b)(2))			
9.3	The RSN monitoring activities include checking that expenditures do not contain non-permissible costs as outlined in the MHD/RSN PATH contract section 4. or costs that are not related to the statement of work. (45 CFR 92.20(b)(4))			

9.4	The RSN monitoring activities include checking that actual services were provided or received by the consumer. (45 CFR 92.20(b)(6))				
9.5	The RSN has implemented a process to check that its subcontractors have not been suspended or debarred from participating in federal assistance programs (45 CFR 92.35)				
10	Reviewer Tasks				
10.1	Reviewer recorded monitoring activities in the EACD				
10.2	A-133 Audits have been recorded and forwarded to ORC				

NOTE:

**Peninsula Regional Support Network
CMHA Review**

Revenue Protocol

Agency:	Reviewer(s):
	Date(s) of review:

	Review Element	Met	Not Met	N/A	Reviewer's Notes/Comments
1	Third Party Revenue				
1.1	The agency has processes in place to demonstrate that all third party revenue resources are identified, pursued, and recorded.				
1.2	Agency expenses are properly attributed to third part revenues.				
1.3					
2	Accounting for Revenue				
2.1	Agency tracks all revenue by funding source and service types (Jail services, ITA, XIX, etc..).				
2.2					
3	Interest				
3.1	Agency expends interest earned on public mental health services.				

**Peninsula Regional Support Network
CHMA Review**

Revenue and Expenditure Protocol

Agency:	Reviewer(s):
	Date(s) of review:

	Review Element/Steps	Met	Not Met	N/A	Reviewer's Notes/Comments
1	Cost Allocation				
1.1	Agency has a rational, well established means of accounting to track receipt and distribution of costs between Medicaid and non-Medicaid funding streams and service types.				
1.2	Agency has a rational, well established means for distribution of costs between Medicaid and non-Medicaid funding streams.				
1.3	Allocation method varies by type of cost.				
1.4					
2	R&E Financial Reconciliation				

2.1	Agency Revenue and Expenditure (R&E) report agrees with agency financial records and accrual reports. If a variance exists, the agency is able to reconcile or explain the variance.				
2.2	Review staff are able to track R&E reported expenditures back through agency books.				
3	Medicaid				
	There is no evidence of Medicaid revenues being used for non-Medicaid expenditures				



PENINSULA RSN

CHAPTER NAME POLICIES AND PROCEDURES

Policy Name: COST ALLOCATION

Policy Number: 8.06

Reference: WAC 388-865-0270, -0325, 1996 Waiver
42 CFR 438; DSHS Contract

Effective Date: 11/2010

Revision Date(s):

Approved by: PRSN Executive Board

CROSS REFERENCES

- Policy: Corrective Action Plan
- Policy: Management Attestation of Accuracy of Fiscal Reports

PURPOSE

To ensure that required costs are allocated accurately to fiscal reports submitted to the Department.

PROCEDURE

1. Allocation of costs between the Medicaid and non-Medicaid cost centers is performed at two levels:
 - Provider costs
 - Administrative costs
2. Provider costs are allocated between the Medicaid and non-Medicaid cost centers by each agency.
 - The PRSN monitors provider allocations as part of its annual fiscal monitoring protocol.
 - Costs are typically split between Medicaid and non-Medicaid cost centers based on the client hours (Medicaid vs. non-Medicaid) provided by that cost center.

3. PRSN Administrative costs are split between Medicaid and non-Medicaid cost centers based on the ratio of Medicaid and non-Medicaid revenues to total revenue.

MONITORING

This policy is a mandate by statute and contract.

1. This policy will be monitored through use of PRSN:
 - Semi-annual Provider Revenue and Expense Report
 - Reports are tracked over time for consistency, with significant variances followed up on by the PRSN Administrator.
 - Annual fiscal on-site monitoring of providers
2. If a provider performs below expected standards, a Corrective Action Plan will be required for PRSN approval. Reference PRSN Corrective Action Plan Policy