

NORTHCARE NETWORK

POLICY TITLE: Budgeting, General Accounting & Financial Reporting	CATEGORY: Financial Management	
EFFECTIVE DATE: 6/25/13	BOARD APPROVAL DATE: 6/25/13	
REVIEW DATE: 10/25/22	REVISION(S) TO POLICY STATEMENT: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	OTHER REVISION(S): <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
RESPONSIBLE PARTY: Chief Financial Officer	CEO APPROVAL DATE: 11/1/22 Dr. Tim Kangas, CEO	

APPLIES TO

NorthCare Network Personnel
Member CMHSPs

POLICY

It is the policy of the NorthCare Network Governing Board to oversee compliance for all budgeting, general accounting practices and procedures, and financial reporting compliant with MDHHS contract requirements according to generally accepted accounting principles for governmental units.

PURPOSE

To ensure the proper expenditure monitoring of Medicaid funding for the purpose of meeting financial management requirements as specified in the contract with MDHHS and maintain equitable resources within the NorthCare Network region.

DEFINITIONS

Medicaid Managed Specialty Services and Supports Program (MMSSSP): This includes the following: 1115 Behavioral Health Demonstration Waiver and the 1915(c) Habilitation Supports Waiver, Children’s Waiver Program (CWP), Serious Emotional Disturbance (SED), the MICHild program, MOMS program, and the 1115 Healthy Michigan Plan.

REFERENCES

- MDHHS/PIHP Contract, as amended
- Operating Agreements with Member CMHSPs
- Bylaws of NorthCare Network Regional Mental Health Entity
- NorthCare Medicaid Capitation Payments Policy

HISTORY

REVISION DATE: N/A, 4/1/16, 11/5/18, 8/24/21, 10/25/22

REVIEW DATE: 6/14/13, 5/14/14, 5/5/15, 4/1/16, 1/30/17, 12/4/17, 11/5/18, 12/11/19, 8/24/21, 10/25/22

CEO APPROVAL DATE: 6/14/13, 5/14/14, 5/5/15, 4/4/16, 2/7/17, 12/11/17, 11/6/18, 1/7/20, 9/7/21, 11/1/22

BOARD APPROVAL DATE: 6/25/13

PROCEDURES

In developing an overall budget and financial plan, the PIHP shall consider the parameters of the shared-risk corridor, reinvestment of savings, and a strategic approach in the management of these funds.

The PIHP must maintain all pertinent financial and accounting records and evidence pertaining to the MDHHS/PIHP Contract based on financial and statistical records that can be verified by qualified auditors.

NorthCare Network (PIHP) must comply with Generally Accepted Accounting Principles (GAAP) for government units when preparing financial statements. The PIHP must use the principles and standards of 2 CFR Part 200 Subpart E for determining all costs related to the management and provision of MMSSSP services reported on the financial status report.

The accounting and financial systems established by the PIHP must be a double entry system having the capability to identify application of funds to specific funding streams participating in service costs for individuals. The accounting system must be capable of reporting the use of these specific fund sources by major population groups. In addition, cost accounting methodology used by the PIHP must ensure consistent treatment of costs across different funding sources and assure proper allocation to costs to the appropriate source.

The PIHP agrees that it will comply with all state and federal statutes, regulations and administrative procedures that are in effect, or will become effective during the term of the MDHHS/PIHP contract.

The PIHP must maintain adequate internal control systems. An annual independent audit must evaluate and report on the adequacy of the accounting system and internal controls system.

The PIHP shall submit to MDHHS any required financial reports as specified within the MDHHS/PIHP contract.