

NORTHCARE NETWORK

POLICY TITLE: Medicaid Savings Plan	CATEGORY: Financial Management	
EFFECTIVE DATE: 10/1/11	BOARD APPROVAL DATE: 10/1/11	
REVIEW DATE: 8/24/21	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: 9/7/21 Dr. Tim Kangas, CEO	

APPLIES TO

NorthCare Network Personnel
Member CMHSPs

POLICY

Unexpended Medicaid funds, not directed to the Medicaid ISF Fund, at year-end shall be carried forward as Medicaid Savings for the purpose of managing benefit stabilization.

PURPOSE

To ensure proper expenditure and accounting of Medicaid Savings carried forward for the purpose of the PIHP's reinvestment strategy.

DEFINITIONS

1. **Medicaid Savings:** Unexpended Medicaid capitation funds carried forward as Medicaid Savings, up to 7.5% of the Medicaid Pre-payment authorization.

REFERENCES

- Current MDHHS/PIHP Master Contract
- Current NorthCare Network/Member CMHSP Subcontract.
- Current NorthCare Network Affiliation Agreement

HISTORY

REVISION DATE: 12/7/11, 3/3/15, 4/7/15, 3/1/16, 12/4/17, 11/5/18, 8/24/21

REVIEW DATE: 3/20/13, 3/5/14, 3/3/15, 4/7/15, 3/1/16, 1/30/17, 12/4/17, 11/5/18, 8/24/21

CEO APPROVAL DATE: 3/20/13, 3/5/14, 3/3/15, 4/7/15, 3/7/16, 2/7/17, 12/11/17, 11/6/18, 9/7/21

BOARD APPROVAL DATE: 11/2/11, Effective retroactive to 10/1/11

PROCEDURES

A. Unspent funds from prior fiscal years:

All Prior Year Medicaid Savings Earned that remain unspent as of the end date of current contract year will be returned to MDHHS within 90 days of Financial Status Report submission.

B. At Year End Closing:

Unexpended Medicaid funds at year-end shall be carried forward as Medicaid Savings for the purpose of services and supports directed to the Medicaid population as delineated in the State Medicaid Manual for providing benefits stabilization. Unexpended Medicaid savings in excess of 7.5% will be returned to MDHHS as part of the year-end settlement process.

C. MDHHS Audit Report:

Any report creating new Medicaid Savings requires the PIHP to expend said funds within one year following the date of the final audit report according to MDHHS/PIHP Master Contract.