



## **Site Review Protocol**

**(Please read the full document in its entirety.)**

Mid-State Health Network's (MSHN) Substance Use Disorder (SUD) providers are deemed subrecipients as the agency is held to state and federal compliance standards noted in Office of Management and Budget (OMB) 2 Code of Federal Regulations (CFR) 200 Subpart D section 200.331. As such MSHN is conducting annual fiscal reviews as part of the overall Site Review process. The Site Review Protocol standards will be compared to the evidence submitted by the provider during the Full Year or Program review to determine compliance.

The purpose of the fiscal review tool is to gather relevant data related to accounting practices, cost allocation methodology, and internal controls. The sources for the questions contained within include but are not limited to the MSHN contract, Michigan Department of Health and Human Services (MDHHS) contract, Code of Federal Regulations, and Generally Accepted Accounting Principles (GAAP).

A supplemental document to provide clarification on suggested evidence items is also included in the site review packet.

The form contains three columns. Providers should upload to box policies, procedures, and other pertinent evidence demonstrating compliance with standards.

Questions related to the tool should be forwarded to Financial Specialist, Brandilyn Mason ([brandilyn.mason@midstatehealthnetwork.org](mailto:brandilyn.mason@midstatehealthnetwork.org)). Other Financial Staff includes MSHN's Chief Financial Officer, Leslie Thomas ([leslie.thomas@midstatehealthnetwork.org](mailto:leslie.thomas@midstatehealthnetwork.org)) and Financial Manager, Amy Keinath ([amy.keinath@midstatehealthnetwork.org](mailto:amy.keinath@midstatehealthnetwork.org)).

# Mid-State Health Network (MSHN) Site Review Protocol

*\*Please refer to supplemental document for additional explanation*

<b>Standard VI : Financial Management</b> (MSHN Reviewer – Brandilyn Mason at <a href="mailto:brandilyn.mason@midstatehealthnetwork.org">brandilyn.mason@midstatehealthnetwork.org</a> )				
<b>SUD PROVIDER NAME:</b>				
<b>Fiscal Year Reviewed: FY2023</b>				
Ref #	Dimension/Indicator	Method of Review	Outcome (Point Value)	Suggested Evidence to be Submitted for Audit (Not all inclusive.)
<b>VI.1</b>	<b>Audits</b>			
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 <input type="checkbox"/> Site <input type="checkbox"/>	Met (2) <input type="checkbox"/> Part Met (1) <input type="checkbox"/> Not Met (0) <input type="checkbox"/> NA <input type="checkbox"/>	
VI.1.2	Provider has <b>current</b> policy(ies) that address all financial management standards/ requirements. <b>NOTE:</b> Policies must be reviewed and approved biennially (mo/yr to mo/yr). <b>Source: MSHN contract (accounting and internal controls)</b>	Desk <input type="checkbox"/> Site <input type="checkbox"/>	Met (2) <input type="checkbox"/> Part Met (1) <input type="checkbox"/> Not Met (0) <input type="checkbox"/> NA <input type="checkbox"/>	Submit a copy current of the financial management policies or procedures.
VI.1.3	Provider's Financial Audit has been performed, as required by MDHHS contract. Provider's Single Audit has been performed, as required by 2 Code of Federal Regulations (CFR) 200 Subpart F section 200.501 if applicable. <b>If there are audit findings, please provide POC.</b> <b>Source: MSHN contract – Financial Review 2 CFR 200 Subpart F section 200.501</b>	Desk <input type="checkbox"/> Site <input type="checkbox"/>	Met (4) <input type="checkbox"/> Part Met (2) <input type="checkbox"/> Not Met (0) <input type="checkbox"/> NA <input type="checkbox"/>	Submit a copy of the Financial Audit. Submit a copy of the Single Audit if applicable. <b>Audit findings: provide management response &amp; updates to action plans.</b>

VI.2	<b>Financial Management</b>			
VI.2.1	<p>The Provider has a Financial Management Plan that includes:</p> <ul style="list-style-type: none"> <li>• Separation of duties &amp; responsibilities among employees</li> <li>• Limited access to resources to authorized/necessary personnel</li> <li>• A system of authorization &amp; record keeping to control assets, liabilities, revenues &amp; expenditures</li> <li>• Practices to be followed in the performance of duties</li> <li>• Qualified personnel that maintain level of competence</li> <li>• Internal control techniques that are effective and efficient</li> </ul> <p><b>Source: 2 CFR 200 subpart D sections 200.301, 200.302, 200.303</b></p>	<p>Desk <input type="checkbox"/></p> <p>Site <input type="checkbox"/></p>	<p>Met (4) <input type="checkbox"/></p> <p>Part Met (2) <input type="checkbox"/></p> <p>Not Met (0) <input type="checkbox"/></p> <p>NA <input type="checkbox"/></p>	<p>Submit an updated organizational chart.</p> <p>Submit all Financial Job Descriptions.</p> <p>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.</p>

VI.2.2	<p>Provider's Financial data is integrated w/IS to:</p> <ul style="list-style-type: none"> <li>• Reconcile care costs (GL) by units, episode, population, provider and administrative cost distribution <u>(to perform costing/set rates &amp; prepare state reports if applicable).</u></li> <li>• Review of monthly FSR submissions</li> <li>• Review process of managing services and risk within the funding assumptions.</li> </ul> <p><b>Source: MSHN contract (accounting and internal controls)</b></p>	<p>Desk <input type="checkbox"/></p> <p>Site <input type="checkbox"/></p>	<p>Met (2) <input type="checkbox"/></p> <p>Part Met (1) <input type="checkbox"/></p> <p>Not Met (0) <input type="checkbox"/></p> <p>NA <input type="checkbox"/></p>	<p>Submit FSR reconciliations and expenditure documentation for 2 months of the previous fiscal year of funding.</p> <p>Submit admin costs calculations and assumptions.</p>
--------	---	---	---	--

VI.2.3	<p>Provider's Financial management reports are available frequently to ensure identification of problem areas &amp; systems in place for appropriate action, including:</p> <ul style="list-style-type: none"> <li>• Monthly financial statements to management and Board</li> <li>• Aged accounts receivable</li> <li>• Aged accounts payable</li> <li>• General Ledger</li> <li>• Balance Sheet</li> <li>• Income Statement</li> </ul> <p><b>Source: MSHN contract Accounting and Internal Controls, 2 CFR 200 Subpart D Section 200.302</b></p>	<p>Desk <input type="checkbox"/></p> <p>Site <input type="checkbox"/></p>	<p>Met (4) <input type="checkbox"/></p> <p>Part Met (2) <input type="checkbox"/></p> <p>Not Met (0) <input type="checkbox"/></p> <p>NA <input type="checkbox"/></p>	<p>Submit two samples of financial reports that were reviewed and approved by the board of directors or governing body.</p>	
VI.2.4	<p>The organization has documented processes to ensure:</p> <ul style="list-style-type: none"> <li>• Improvement to financial management system are made from QI methodology</li> <li>• Financial risk protection plan in place</li> <li>• Insurance requirements for AFCs/Contractors of the Board are adequate - \$1M/occurrence-\$3M per incident – Encouraging a very close review of insurance requirements</li> <li>• Signed Copies of all contracts for contractors currently providing services - Encouraging a very close review of insurance requirements</li> </ul> <p><b>Source: MSHN contract – II. Treatment Service Obligations of the Provider – C. Other Provisions – 21. Program Compliance – d.</b></p>	<p>Desk <input type="checkbox"/></p> <p>Site <input type="checkbox"/></p>	<p>Met (2) <input type="checkbox"/></p> <p>Part Met (1) <input type="checkbox"/></p> <p>Not Met (0) <input type="checkbox"/></p> <p>NA <input type="checkbox"/></p>	<p>Were any improvements made to the organization's financial system, if so, please describe in an attestation letter.</p> <p>Submit a copy of risk plan.</p> <p>Submit proof of liability insurance reviews for 3 contracts.</p> <p>Submit signature pages for external contracted employees.</p>	

Result Interpretation	Percentage Threshold: 85% to successfully pass the Financial Review
1.	These are requirements not options.
2.	Acceptable threshold percentage allows for a 3-point deduction.
3.	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).
4.	Acceptable threshold assumes all questions are applicable to provider. Scores may vary based on total points applicable.

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%

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%

## Site Review Supplemental Protocol

<b>Standard VI : Financial Management (MSHN Reviewer – Brandilyn Mason)</b>	
<b>VI.</b>	<b>Supplemental Notation for Suggested Evidence to be Submitted for Audit (Not all inclusive.)</b>
VI.1.2	<ul style="list-style-type: none"> <li>• Policies should include but are not limited to: Reviewed Date, Revised Date, and the Author or Responsible Party identified for each functional area.</li> </ul>
VI.1.3	<ul style="list-style-type: none"> <li>• Provide audit findings including management response &amp; updates to action plans.</li> <li>• Please refer to the Substance Use Disorder contract for specifications on Financial Audit Expectation listed in other provisions of Treatment and Prevention contracts.</li> </ul>
VI.2.1	<ul style="list-style-type: none"> <li>• Provide the organizational chart for the agency or specific to the finance department that reflects the financial job descriptions that are submitted.</li> </ul>
VI.2.2	<ul style="list-style-type: none"> <li>• Provide general ledger FSR reconciliations and expenditure documentation. Invoices and receipts should be classified by each category billed to MSHN for requested month(s). MSHN will request expenditure documentation to support FSR billings for any time-frame within the fiscal year of the funding.</li> <li>• Provide an attestation letter about admin costs calculations and assumptions. If admin costs are allocated, please provide an example (1 month) of how overhead is calculated with actual figures, the allocation percentage, and the basis.</li> </ul>
VI.2.3	<ul style="list-style-type: none"> <li>• Provide two samples of monthly, quarterly, or annually financial statements as well as the corresponding Board Meeting Minutes stating that the financial statements were approved and reviewed by the Board. The Board Meeting Minutes will need to reference the specific date or period of the financials being reviewed and approved.</li> </ul>
VI.2.4	<ul style="list-style-type: none"> <li>• Provide an attestation letter listing all the contracted clinical staff.</li> <li>• Provide the liability insurance that is specific to the contracted clinical staff. If there are more than 3 contracted clinical employees, then only provide liability insurance for 3 of the contracted clinical employees.</li> <li>• Provide all signatures pages for all the contracted clinical staff contracts.</li> </ul>