

Region 5 Systems

Network Management Procedures
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■ Site Visit Procedures

- A. Independent Financial Audit
- B. Regional Site Visits

The following procedures are established for Region 5 Systems and its Provider Network to address how audits and site visits are conducted.

A. INDEPENDENT FINANCIAL AUDITS

1. Responsible Parties

The Regional Governing Board employs a Regional Administrator who is responsible for the general administrative management of Region 5 Systems. The Regional Administrator has designated the Fiscal Director as the primary person responsible for reviewing Network Providers' independent financial audits (hereinafter referred to as "audit"), including a summary of findings; other management-level staff may review said audits as deemed necessary.

2. Standards

Region 5 Systems shall review the annual submission of each Network Provider's audit including an accompanying summary of findings.

a. Network Provider Responsibilities

The Network Provider shall secure, at its own expense, an independent audit of its financial operations annually, including a summary of findings, as specified in the Division of Behavioral Health Rules and Regulations (Office of Management and Budget - OMB Circular A-133 or any other applicable federal requirements). The Network Provider's audit must contain certification that no block grant funds were used to provide inpatient services. The Network Provider shall ensure that a copy of

Two copies of such audit, including a summary of findings, as well as an electronic copy, must be submitted to Region 5 Systems not more than 120 days after the end of its fiscal year.

b. Regional Review

The Fiscal Director shall review the Network Provider's audit and summary of findings to ensure:

- 1) There is an adequate general fund balance to operate as a viable entity.
- 2) There are explanations for any major increases or decreases in asset and liability balances over the previous year.

- 3) Region 5 Systems' funded programs are reported separately in the revenue and expenses.
- 4) Items in the report or summary of findings are addressed by the agency as a plan of correction.

3. Source Documentation

Procedures for financial audits shall be derived from the following source documentation:

- a. Region 5 Systems' Network Provider Contract
- b. Title 206 NAC
- c. DHHS Nebraska Behavioral Health Services Audit Manual

4. Confidentiality

Region 5 Systems shall maintain consumer confidentiality at all times. Region 5 Systems is bound by all applicable federal and state confidentiality laws and regulations. Network Providers may request that Region 5 Systems' staff sign a confidentiality statement, specific to their agency, at the time of the visit.

5. Reporting and Distributing Review of Independent Financial Audit

Within seven business days of receiving the Network Provider's audit, the Fiscal Director shall provide said audit and summary of findings to the Regional Administrator and Region 5 Systems' certified public accountant of record, reporting any noted discrepancies.

The Network Provider's audit and summary of findings shall become a part of its permanent record on file with Region 5 Systems. Documentation of the Region's review and comments shall be made available to the Division upon request along with the provider financial audit. A coversheet will accompany the CPA audit of the provider that indicates:

- a. Date provider audit was received and reviewed by the Region
- b. Any material weaknesses identified
- c. Date corrective action information request and due to the Region
- d. Subsequent date the corrective action material will be submitted to DBH.

6. Corrective Action

If the Network Provider's audit is delinquent past 120 days, funds will be withheld from the Network Provider until the audit is submitted to Region 5 Systems.

If the independent financial audit does not meet the requirements as specified in Sections II and III above, the Division may name its representatives to conduct an additional audit of the Network Provider's accounts. If irregularities are disclosed, the Network Provider shall reimburse the Division for the cost of the additional in-depth audit.

If the Network Provider is not meeting standards set forth in Sections II and III above, the Network Provider may be asked to take corrective action as identified by Region 5 Systems and/or the Regional Governing Board as deemed necessary.

If the Network Provider does not take corrective action or does not submit needed documentation of corrective action by the designated date, payment to the Network Provider may be withheld. Refusal to take corrective action, by the Network Provider, may result in a termination of its contract with the Regional Governing Board.

B. REGIONAL SITE VISITS

1. Responsible Parties

The Regional Governing Board employs a Regional Administrator who is responsible for the general administrative management of Region 5 Systems. The Regional Administrator has designated the Fiscal Director and the Director of Network Services as the primary person responsible for direct implementation and coordination of the site visit; other staff may conduct portions of the site visit as deemed necessary.

2. Standards

Region 5 Systems shall annually, at minimum, conduct an on-site compliance and quality review visit of each provider in the Network. Site visits will be conducted, auditing records for the Network Provider's current fiscal year.

A master schedule of when Network Provider site visits are to be conducted is included in Region 5 Systems' annual Regional Budget Plan, which is based on coordinated schedules between the Regional staff and the Network Providers. Subsequently, each Network Provider will be given written notification approximately 30 days in advance of its scheduled site visit.

The site visit shall include the following components for which the Network Provider receives funds under a contract with the Regional Governing Board on a FFS or NFFS basis:

a. Audit of Program Fidelity

The audit of program fidelity is a review of documentation including clinical records and other programmatic and clinical details of the service that is sufficient to verify that the services provided comply with state statutes, state and federal rules and regulation, state service definitions and other mandatory guidelines for service provision. For agencies receiving Substance Abuse Prevention and Treatment Block grant funds, the *Substance Abuse Prevention and Treatment Block Grant Program Fidelity Review* will be included in this review.

Program fidelity audits shall be conducted on each service at a minimum of once every three years. A sample of consumer and program records will be reviewed for each program which receives reimbursement through Region 5 Systems. Program Fidelity audits shall include the following:

- 1) A minimum of 3 (three) files per service per provider. When errors are encountered in the initial sample, and in the judgment of the reviewer there are a material number, the sample size will be increased by two files (5 files total). Reviewers can choose from files being examined as part of the services purchased verification, or can use the TADs or provider logs, as applicable, to choose three separate consumer files for review.
- 2) Require a finding of substantial compliance to pass the fidelity (compliance) audit. The following considerations are made when determining whether the provider passed or failed:
 - a) Number of recommendations
 - b) Type of recommendations required
 - c) Patterns or trends in files from various programs
 - d) Multiple reviewers encountering the same issues – reviewer consensus

e) If, in the judgment of the reviewers, the agency is not in substantial compliance with program requirements:

- i. The Network Provider will be asked to submit a Corrective Action Plan (CAP) to the Region detailing how they intend to correct the components not meeting compliance. The CAP shall be submitted to the Region within 30 days of the written notification that the provider did not meet compliance standards in the review.
- ii. Region 5 Systems staff may provide technical assistance (TA Plan) to a Network Provider with less than substantial compliance and/or place the provider on probationary status with a re-review of the service(s) within the current year.
- iii. If the Network Provider does not take corrective action or does not submit needed documentation of corrective action by the designated date, payment will be withheld to the Network Provider. Refusal to take corrective action, by the Network Provider, may result in a termination of its contract with the Regional Governing Board.
- iv. If similar or additional non-compliance is found in successive program fidelity reviews, or if corrective actions are not made, sanctions may be imposed. These sanctions may include, but are not limited to, requiring additional CAPSs, termination of purchasing the specific service from the provider, or termination of the contract with the provider.
- v. CAP follow up reports are due to the Network Provider within 45 days. Copies of the initial review, the CAP and subsequent follow-up review reports will be sent to the Division.

Corrective Action Plans, or a summary thereof, will be made available to the Network Providers, BHAC, and the RGB.

b. Audit of Services Purchased

The audit of services purchased is a review of any documentation, including clinical records, progress notes, and other documentation as deemed necessary, to verify that the services purchased were delivered to eligible persons. This audit will be completed on both FFS and NFFS services, whether the service was paid by unit or by expense reimbursement. *(See Flow Chart, Audit Decision Tree–Attachment A)*

Annually, at minimum, a sample of consumer and financial records will be reviewed for all services that were billed to Region 5 Systems. Files will be reviewed for the current fiscal year. The audit of services purchased will include the following:

- 1) At a minimum, the FFS audit verification will include a random selection of at least 2 percent or more of the contracted capacity per service per Network Provider for all mental health and substance abuse services, with a minimum of five files total. The source documentation for establishing the 2% sample size is the provider's current contract at the time of the audit. NFFS verification will include a review of financial documents itemizing expenses incurred. In addition, five files will be reviewed for NFFS programs to verify service delivery to eligible persons.

- 2) The unit sample of services purchased is selected from the provider agency's billing documents submitted to the Region including the Turn Around Document (TAD) or Provider Log submitted with provider billings for the current fiscal year.
- 3) The randomly selected services purchased will be from at least two non-consecutive months within the same fiscal year the services were purchased and will include services purchased from all locations where services were provided by the Network Provider. Audits of Network Providers with low monthly utilizations should be scheduled at later months in the fiscal year.
- 4) Compliance for audits shall be scored on a Yes/No basis. A 95 percent compliance rating is the minimum acceptable threshold for services purchased audits.
- 5) Units of service will not be verified and payback will be sought if:
 - a) Services provided are not verifiable in the agency's consumer/program records.
 - b) services provided do not agree with the reimbursement claims with respect to date, type, and length of service
 - c) services provided do not meet the state's service definitions and/or unit designations,
 - d) the consumer is ineligible according to Region 5 Systems' Financial Eligibility and Fee Schedule, and/or
 - e) Service provision is found to have been provided by an individual without the appropriate licensure as defined by NBHS service definitions.
 - f) Consent for Treatment.
- 6) The Network Provider will be required to pay back 100% of non-verified units regardless of compliance level.
- 7) If a service provider scores less than a 95% compliance rate, the Region shall expand the sample to 5% of contract units (an additional 3%). In the event that the original 5 file minimum sample exceeded the 5% sample size, no additional files will be reviewed.

When the 95% compliance threshold is not reached in the expanded 5% sample, the provider is considered to not have met the required compliance threshold in the review. As a result of unit audit findings, the agency will be required to take certain corrective steps that include, but are not limited to:

- a) The Network Provider will be asked to submit a Corrective Action Plan (CAP) to the Region detailing how they intend to correct the components not meeting compliance. The CAP shall be submitted to the Region within 30 days of the written notification that the provider did not meet compliance threshold for the unit audit.
- b) The Network Provider will be required to file a revised reimbursement requisition for the months audited as part of the CAP.
- c) In all instances, Network Providers will be given a reasonable length of time (30 to 90 days), depending on the scope of deficiencies, for the agency to make the needed corrections and submit follow-up documentation.

- d) If the Network Provider does not take corrective action or does not submit needed documentation of corrective action by the due date, Region 5 Systems will withhold payment to the Network Provider, for the identified service(s), until such required documentation is received by Region 5 Systems.
- e) If similar or additional sanctions are required in successive annual audits and/or financial reviews, or if corrective actions are not made, additional sanctions will be imposed, including, but not limited to, termination of the contract between Region 5 Systems and the Network Provider. In any case, payback will be required for any units not verified.
- f) Re-audit shall occur within 60-90 days following receipt of the CAP. The re-audit shall consist of 5% or a minimum of 5 files of the State fiscal year total units contracted, and units shall be drawn from months since the CAP was submitted.
- g) CAP follow up reports are due to the Network Provider within 45 days. Copies of the initial review, the CAP and subsequent follow-up review reports will be sent to the Division. Corrective Action Plans, or a summary thereof, will be made available to the Network Providers, BHAC, and the RGB.

c. **Compliance with Minimum Standards and Contract Requirements**

The site visit shall include a review of the Network Provider’s organization, ensuring minimum standards and contract requirements are up to date and accurate. This will include a review of organizational records, policies and procedures, and licenses.

If the minimum standard and contract requirements are not met, the provider will be given seven days to provide Region 5 Systems with the appropriate documents to meet said requirements.

If the agency does not take corrective action or does not submit needed documentation of corrective action by the due date, Region 5 Systems will withhold payment to the agency, for the identified service(s), until such required documentation is received by Region 5 Systems.

1. **Source Documentation**

The procedure for audit of program fidelity, audit of services purchased, and review of Network Providers’ compliance with minimum standards and contract requirements shall be derived from the following source documentation:

- a. Minimum Standards for Enrollment in Region 5 Systems’ Behavioral Health Provider Network
- b. Region 5 Systems’ Network Provider Contract
- c. Title 206 Regulations
- d. 42 CFR Part 2
- e. Department of Health and Human Services Behavioral Health Service Definitions

2. **Confidentiality**

Region 5 Systems’ employees shall maintain consumer confidentiality at all times during and after the site visit. Region 5 Systems is bound by all applicable federal and state confidentiality laws and regulations. Network Providers may request that Region 5 Systems’ staff sign a confidentiality statement, specific to their agency, at the time of the visit.

3. **Reporting and Distributing Results of the Site Visit**

A written report of the site visit findings shall be prepared by Region 5 Systems detailing the results of the review, including any corrective actions, and distributed to the Network Provider's executive director and its board chair within 45 days following completion of the site visit. At minimum, the review report shall include: name of the provider agency and service(s) audited, number of files reviewed, whether program fidelity was substantially met, number of exceptions for both services purchased and program fidelity. For the services purchased audit, the report shall also include: contracted units for the service based upon fiscal year totals, 2% sample of contracted FY units as determined at the time of the audit, months that were audited, number of units verified, percent of units verified, and percent of compliance. [Note: reports may be submitted in their entirety or as each site visit component is completed by Region 5 Systems.]

A summary of site visit findings shall be presented to the Network Provider, the Behavioral Health Advisory Committee (BHAC), and the Regional Governing Board (RGB) at a regularly scheduled meeting following distribution of the report to the Network Provider.

Copies of the all site visit reports shall be available for review by the Department of Health and Human Services upon request. In the event Corrective Action Plans are required of the Network Provider a copy of the report will be sent to the Division of Behavioral Health at the time the report is sent to the Provider Agency. Corrective Action Plans will also be forwarded to the Division upon receipt by the Region with the Region's final report and subsequent follow-up reports sent to the Division upon completion.

4. **Audit Results Challenged by Network Providers**

If a Network Provider is unsatisfied or objects to any findings or recommendations set forth by Region 5 Systems, the Network Provider should follow Region 5 Systems' "Complaint Procedures."

Services Purchased Verification Decision Flowchart



