

Great Rivers Behavioral Health Administration Services Organization

Policy Title: **Funding Allocation Policy**

Policy No. 2009.01

Category: Fiscal

Date Adopted: 01/10/2020

Date Revised: 03/13/2020

Date Reviewed:

Reference: Washington State Health Care Authority (HCA) Contract
Behavioral Health Organization Revenue and Expense Reporting and Instructions
State of Washington BARS Manual

POLICY:

- 1.1. Great Rivers Behavioral Health Administration Services Organization ("Great Rivers BH-ASO") shall commit to expending maximum funds for direct and indirect services while meeting reserve account requirement
- 1.2. Great Rivers BH-ASO shall establish and maintain a Cost Allocation Plan that ensures the source of revenue and the application of the appropriate funding to the Individual served and services provided.

PROCEDURE:

- 2.1. Direct costs and indirect costs and funding source shall be determined by the definitions found in the current version of HCA Revenue and Expense Reporting and Instructions manual and Washington state auditor's Budgeting, Accounting & Reporting System (BARS) manual. Funding sources will be determined and requirements regarding the appropriate use of these monies will be tracked and adhered to at all levels, from funding source, to Great Rivers BH-ASO, and to the Provider agency. Monitoring of direct and indirect cost and funding source requirements will be done by Great Rivers BH-ASO Fiscal Manager or designee.
- 2.2. The subcontractor cost allocation plan will be reviewed and approved or disapproved by Great Rivers BH-ASO.
- 2.3. Great Rivers BH-ASO cost allocation shall:
 - 2.3.1. Determine and monitor the revenue available from each funding source per applicable contracts for Medicaid, State, Grant funds and other sources such as Federal Block Grant, Legislative Proviso specific applications and others as necessary.
 - 2.3.2. Limit Great Rivers BH-ASO and Provider Administrative cost to 10% and Great Rivers BH-ASO direct service support costs to 5%;
 - 2.3.3. Medicaid funding is only used for cost associated with Medicaid Individuals and costs of crisis services;
 - 2.3.4. Collect cost information from the subcontractors or other methods including the level of detail to ascertain direct services from indirect/overhead costs;
 - 2.3.5. Define direct costs from indirect costs;
 - 2.3.6. Recognize, categorize or classify costs as direct or indirect; and
 - 2.3.7. A process to treat shared costs if such costs become recognized as direct costs;
 - 2.3.8. Ensure that Great River's BH-ASO provider budget and provider's costs billed responds to program cost allocation, if applicable;

- 2.3.9. Provide and monitor documentation identifying the methods applied for allocating cost by funding source. Monitoring will occur through invoice support documents, monthly Individual and service reports and annual fiscal and program monitoring;
- 2.3.10. Monitoring and Tracking will be done by Great Rivers' BH-ASO management and/or fiscal agent
- 2.4. The subcontractor shall submit a Quarterly Financial Report quarterly and/or on request. The Great Rivers BH-ASO will review the Subcontractor Quarterly Financial Report. The scope of the Great Rivers' BH-ASO review will include, but not be limited to:
 - 2.4.1. Assuring the subcontractor is completing the Third Party Revenue Report Form
 - 2.4.2. Assuring the subcontractor is certifying all the following:
 - 2.4.2.1. That all billings represents expenditures relating to the appropriate contracted service with Great Rivers BH-ASO and served only Great Rivers BH-ASO clients
 - 2.4.2.2. That no payments were made directly or indirectly to physicians or other persons as inducements to limit services to recipients
 - 2.4.2.3. That the subcontractors administrative costs are in adherence to the limits specified in contract
 - 2.4.2.4. That the agency is current on providing Great Rivers BH-ASO at least annually, copies of all financial statements, financial reviews, and financial audit reports including findings and recommendations

ATTACHMENTS

None

POLICY SIGNATURE

Edna J. Fund, Chair
Great Rivers BH-ASO Governing Board

Date