

ST. CLAIR COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

**REQUEST FOR QUOTATION
FOR FINANCIAL AUDIT SERVICES**

ISSUED: June 1, 2021

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St. Clair County Community Mental Health Authority

REQUEST FOR QUOTATION FOR FINANCIAL AUDIT SERVICES

I. PURPOSE AND SPECIFICATIONS

The St. Clair County Community Mental Health Authority Board (hereinafter referred to as the "Board") is seeking sealed bid quotations from interested and qualified parties to provide **FINANCIAL AUDIT SERVICES**.

Quotations must be clear, concise, typewritten, and must be signed in ink by the official authorized to bind the submitter to its provisions. The contents of this REQUEST FOR QUOTATION (RFQ) will become incorporated within any contract signed by the Board and the provider of these services. Do not retype this RFQ, instead, respond on a separate page and cite the section number for each response. All areas of the bid proposal must be addressed in the same sequence cited in the RFQ instructions in order that proper consideration is given to the proposal. Quotations submitted without information or incomplete content will result in the proposal being removed from consideration. The bidder must complete a **RFQ Bidder Cover Sheet**, following the format shown in Section III on page 11, and attach it to the proposal.

Any change to this RFQ subsequent to its release will be confirmed in writing by the Board. **One** original and **six** copies of each proposal must be submitted in a sealed envelope/package. **Quotations will be accepted until JUNE 30, 2021 at 2:45 PM EDT. Quotations must be received by this date and time in order for the proposal to be considered.** The following should be noted on the outside of the envelope:

**CONFIDENTIAL
FINANCIAL AUDIT SERVICES
RFQ MATERIALS ENCLOSED
DO NOT OPEN UNTIL JUNE 30, 2021 AT 3:30 PM EDT
[YOUR COMPANY NAME AND ADDRESS]**

Quotations may be mailed or hand delivered to the following address:

St. Clair County Community Mental Health Authority
Attention: Jennifer Gibson, Contract Manager
3111 Electric Ave.
Port Huron, MI 48060

Quotations will be publicly opened **on JUNE 30 2021 at 3:30 pm EDT** at 3111 Electric Ave., Port Huron, MI 48040. The proposal shall cover services beginning on or about November 15, 2021 or as agreed upon by the Contractor and the Board. The services will be delivered on or about the dates specified with the Service Description section of this RFQ, or as agreed upon by the Contractor and the Board. Quotations must be presented for a minimum period of time as outlined in Section II. Bidder Criteria and Response

Requirements, Subsection C. Rate Submission for Service(s) to be provided.

The Board reserves the right to accept or reject any/all bid quotations received pursuant to this RFQ, in whole or in part; and/or to waive any/all irregularities therein; and/or to delete/reduce the units of service; and/or to negotiate proposal terms in any way whatsoever to obtain a proposal as deemed in its best interest. The Board reserves the right to re-solicit/re-advertise as deemed necessary.

INTRODUCTION AND OVERVIEW

The Board operates as a Community Mental Health Services Program (CMHSP) under contract with the Michigan Department of Health and Human Services and Region 10 Prepaid Inpatient Health Plan (PIHP). The Board intends to enter into a contract with a for-profit or non-profit entity or entities to provide **FINANCIAL AUDIT SERVICES**. It is expected that the proposal to provide these services will be in compliance with all applicable State and Federal standards and guidelines.

The Board manages and provides a continuum of services to individuals with mental health and intellectual/developmental disabilities who are located within St. Clair County. Services are directed to persons who meet the criteria found in the most recent Diagnostic and Statistical Manual of Mental Health Disorders published by the American Psychiatric Association and American Society of Addiction Medicine. Priority is given to the provision of services to individuals and families with severe and persistent mental illness, children with serious emotional disturbance, and persons with intellectual/developmental disabilities.

Managed care has created a need for the Board to more clearly define the role of and expectations for contractors from whom Financial Audit Services are purchased. This RFQ establishes criteria and requirements that have been designed to cover important aspects of the services to be provided.

The Board has chosen to meet the challenge of managed care by managing its mental health service delivery through evaluation and monitoring, and expecting its service providers to be solely responsible for managing its operations consistent with terms of the accepted contract. Consequently, the submitter should be aware that providers from whom the Board purchases services are expected to operate in the marketplace and be able to effectively meet the requirements for establishing and maintaining a contractual relationship with the Board.

COST LIABILITY

The Board assumes no responsibility or liability for costs by the bidder, or any bidder prior to the execution of a contract between the organization and the Board.

BIDDER RESPONSIBILITIES

You are advised to review the proposal immediately for possible questions. If you require additional information in order to submit a proposal/bid, please send all inquiries concerning the content of the RFQ by email to Jennifer Gibson at jgibson@scccmh.org by **June 15, 2021**. Responses to all inquiries will be consolidated and provided to all potential bidders via the website by **June 22, 2021** in time for completion and submittal of your proposal.

It is the responsibility of the bidder to understand all details of the RFQ. The bidder, by submitting a response indicates a full understanding of all details and specifications of the RFQ. Bidders are expected to present narrative statements/summaries in a clear, concise and organized manner for review.

The bidder is solely responsible for delivery of its one original proposal and six copies to the St. Clair County Community Health Authority, Contract Management Office, located at 3111 Electric Ave., Port Huron, Michigan 48060, **no later than 2:45 PM EDT on JUNE 30, 2021**. The Contract Management Department will be the sole point of contact throughout the RFQ process.

Bids submitted after the deadline will not be considered and will be discarded.

All bids submitted by the deadline will become the property of the St. Clair County Community Mental Health Authority Board.

OTHER MATERIALS

Bidders may attach other materials believed to be relevant to illustrate the bidder's ability to successfully provide these services.

AWARD OF CONTRACT

It is the intent of the Board to enter into a contract with a provider that will emphasize administrative efficiencies, and possess the capacity, infrastructure and organizational competence to provide the required services under this proposal.

Award recommendations are contingent upon an initial evaluation of the bidder's qualifications to determine if the bidder is a quality provider.

There are three types of evaluation that may be used to determine if a bidder meets quality standards. The first is an evaluation of the written response to the RFQ. The second involves interviewing bidder's staff and/or regulators. The third involves interviews with bidder's customers and/or consumers.

The process of evaluating each bidder's proposal may involve interviews with a random sampling of the bidder's current and previous customers. This is not an exclusive criterion for awarding the contract.

In addition to access to customers, the evaluation process must be assured of unimpeded access to employees of the bidder. Specific requests for information, to assist the

evaluators, will be submitted to the prospective bidder in order to facilitate sampling satisfaction.

It is anticipated that contract(s) will be awarded on or before October 1, 2021.

Bidders who are awarded contracts shall not have the right to assign or delegate any of their duties or obligations under the contract to any other party without written permission of the Board.

DISCLOSURE

All information in a bidder's proposal is subject under the provisions of Public Act No. 442 of 1976 known as the Freedom of Information Act.

CONFLICT OF INTEREST

Bidders awarded a contract will affirm that no principal, representative, agent, or other acting on behalf of or legally capable of acting on the behalf of the bidder, is currently an employee of the Board; nor will any such person connected to the bidder currently be using or privy to any information regarding the Board which may constitute a conflict of interest.

At the time of bidding, any bidder shall disclose any known direct or indirect financial interests (including but not limited to ownership, investment interests, or any other form of remuneration) that may be present between the contractor or his/her potential subcontractors, and St. Clair County Community Mental Health Authority personnel or those working on behalf of the St. Clair County Community Mental Health Authority Board. This disclosure shall be made to the St. Clair County Community Mental Health Authority Contract Management Department who will forward the information to the CEO.

As part of the bid, include a list of any known potential subcontractors, including the portion of bid work being contracted out to other licensed contractors. This listing of potential subcontractors shall be limited to the name of the company, name of the company's owner(s), and business address. If any other subcontractor is selected after a bid is awarded, the successful bidder shall provide St. Clair County Community Mental Health Authority Contract Management with the name of the company, its owner(s), and address. This requirement is not intended to apply to minimal relationships such as the purchase of a small dollar amount of supplies to complete a project.

RELATIONSHIP OF THE PARTIES (INDEPENDENT CONTRACTOR)

The relationship between the Board and any bidders successful in obtaining a contract is that of client and independent contractor. No agent or employee of the contractor shall be deemed to be an employee or agent of the Board for any reason. The contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, and servants during the performance of a contract resulting from the RFQ.

NO WAIVER OF DEFAULT

The failure of the Board to insist upon strict adherence to any term of a contract resulting from this RFQ shall not be considered a waiver or deprive the Board of the right thereafter to insist upon strict adherence to that term, or any other term, of the contract.

DISCLAIMER

All the information contained within this RFQ reflects the best and most accurate information available to the Board at the time of the RFQ preparation. No inaccuracies in such information shall constitute a basis for legal recovery of damages, either real or punitive. If it becomes necessary to revise any part of this RFQ, a supplement will be issued to all bidders who indicate their intent to bid via e-mail.

SPECIFICATIONS AND REQUIREMENTS FOR FINANCIAL AUDIT SERVICES:

The following services will be provided under a contract with the Board:

Specification and requirements for Financial Audit Services:

To meet the requirements of this RFQ, the audit shall be performed in accordance with:

1. Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants,
2. The standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* (as amended) (also known as the Yellow Book),
3. The Single Audit Act Amendments of 1996, if applicable.
4. The provisions of the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement for Single Audits of State and Local Governments* (as amended),
5. Audits of States, Local Governments, and Non-Profit Organizations,
6. Michigan Department of Health and Human Services "Community Mental Health's Compliance Examination Guidelines", (Fiscal Year End September 30, 2021)
7. The AICPA's Statements on Standards for Attestation Engagements (SSAE) 10 – Compliance Attestation – AT 601 (Codified Section of AICPA Professional Standards),
8. The Grants Management Common Rule (A-102 Common Rule) and 45 CFR 92 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Tribal Governments),
9. Any future audit conventions, audit procedures, or audit pronouncements from or by any state or federal funding agency, entity establishing *generally accepted auditing standards*, or statute from a governmental entity or regulation from a grantor agency or other authoritative entity concerning audits of funds or programs operated, administered or managed by the Board.

The following reports are required to be timely issued:

1. The Agency's financial report on a fiscal year basis presented in accordance with the financial reporting model included in GASB No. 34.
2. Single Audit Report, if required, containing:
 - a. Schedule of Expenditures of Federal Awards.
 - b. Notes to Schedule of Expenditures of Federal Awards.
 - c. Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
 - d. Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program, Internal Control Over Compliance in Accordance with OMB Circular A-133 and Schedules of Expenditures of Federal Awards.
 - e. Schedule of Findings and Questioned Costs.
3. Form SF-SAC – Data Collection Form for Reporting on Audits of States, Local Governments and Non-profit Organizations.
4. The Auditing Procedures Report (APR) in accordance with the Local Audit and Finance Division and the Michigan Department of Treasury standards.
5. Practitioner's Examination Report (PER) on Compliance (including the information detailed in AT 601.55 and 601.56 and also the practitioner's opinion on whether the entity complied, in all material respects, with specified requirements based on specified criteria).
6. A schedule of findings for the Medicaid [1915(b)/(c)], 1115 Demonstration Waiver and 1915(i), Healthy Michigan, and/or GF Program(s) (as described in MCL 330.1208) that include the following:
 - a. Control deficiencies that are individually or cumulatively material weaknesses in internal control over the Medicaid, 1115 Demonstration Waiver and 1915(i), Healthy Michigan Healthy Michigan, and/or GF Program(s).
 - b. Material noncompliance with the provisions of laws, regulations, or contracts related to the Medicaid, 1115 Demonstration Waiver and 1915(i), Healthy Michigan Healthy Michigan, and/or GF Program(s).
 - c. Known fraud affecting the Medicaid, 1115 Demonstration Waiver and 1915(i), Healthy Michigan Healthy Michigan, and/or GF Program(s).
7. Examined FSR Schedule using the template provided by MDHHS.
8. Examined Cost Settlement Schedules using the template provided by MDHHS.

All reports are to be delivered to the St. Clair County Community Mental Health Authority Finance Director and submitted no later than the dates listed on the following schedule:

Corresponding to report numbers listed above	To the Board	Official Submission
1. Financial Report	March 15 th	March 31 st
2. Single Audit Report	May 15 th	May 31 st
3. SF-SAC	May 15 th	May 31 st
4. APR	May 15 th	May 31 st
5. PER	May 31 st	June 15 th
6. Schedule of Findings	May 31 st	June 15 th
7. Examination FSR Schedule	May 31 st	June 15 th
8. Examined Cost Settlement Schedule	May 31 st	June 15 th

Audit Team staff may be required to sign-up and attend a one hour class in Recipient Rights and/or HIPAA sponsored by St. Clair County Community Mental Health Authority, prior to beginning the audit process.

Reference Document: Attachment A
 “Compliance Examination Guideline”, Michigan Department of Health and Human Services, Fiscal Year End September 30, 2021.

II. BIDDER CRITERIA AND RESPONSE REQUIREMENTS

To submit a bid to St. Clair County Community Mental Health Authority, the responses should be provided to each section as outlined. Failure to respond may disqualify a bid or, at minimum, lead to a bidder receiving a reduced score in the RFQ response evaluation, effectively removing the bid from further consideration.

A. Service Delivery System

1. Bidder shall provide a list of the customers they served during the past two years.
2. Bidder shall provide a list of customer references including company names, contact names and phone numbers for follow-up. A minimum of four complete references shall be provided by bidder.
3. Bidder shall describe the technical support services available to St. Clair County Community Mental Health Authority along with any associated costs, if applicable.
4. Bidder shall provide a detailed time-table required to meet each of the six report deadlines identified within the service description section of this RFQ. Bidder shall specify when they require access to audit data in order to meet the deadlines established for each report. [St. Clair County Community Mental Health Authority's fiscal year ends September 30th each year.]
5. Bidder shall demonstrate a proven track record of financial stability.
6. Bidder shall disclose any and all lawsuits, litigation, or sanctions whether awarded, enforced, or encumbered against or by your company, agency, directors, owners, or employees within the past 10-years, as could relate to the provisions of this contract in the providing of Financial Audit Services.
7. Bidder shall describe in detail all background checks to be conducted prior to placing any audit staff into service, and any on-going checks with their frequencies.

B. Legal Structure and Financial Viability

1. The bidder shall submit documentation and proof of entity (e.g. IRS 501(c)3 determination); copy of Articles of Incorporation or document under which the organization is constituted/organized from its inception.
2. The bidder shall include the names, addresses, and titles or representations of all owners or controlling parties of the organization, whether they are individuals, partnerships, corporate bodies, or subdivisions of the bodies.
3. The bidder shall attach a copy of its Certificate or License (if applicable).
4. The bidder shall attach a Certificate of Workers' Disability Compensation insurance coverage.

5. The bidder shall attach a certificate of professional liability (errors and omissions) in a sum of not less than \$1 Million per claim and \$1 Million annual aggregate.
6. The bidder shall attach a certificate of general liability insurance with Broad Form General Liability Endorsement or equivalent, if not in policy proper, Provider and Contractual liability coverage with limits of not less than \$1 Million per occurrence and \$1 Million annual aggregate.
7. The bidder shall attach a certificate of vehicle liability insurance coverage, and Michigan No-Fault coverage, including all owned, non-owned, and hired vehicles with limits of not less than \$1 Million per occurrence and \$1 Million annual aggregate, if applicable.

C. Rate Submission for Service(s) to be provided

1. Proposals must be presented with the following criteria:
 - a. One year commitment with two, one year options
 - b. Three year commitment with two, one year options
 - c. Five year commitment with two, one year options
2. Proposals must separately identify the cost of the financial statement audit, single audit, and compliance examination by year as well as indicate the total annual cost for these three services.
3. Proposals must represent the total all-inclusive cost of providing Financial Audit Services.

III. RFQ BIDDER COVER SHEET

Bidder Information

Name of Organization:

Address:

Authorized Representative:

Title:

Telephone Number:

Fax Number:

Email Address:

Person(s) to Contact:

For St. Clair County Community Mental Health Authority Board representative to ask questions regarding the contents of the bid packet:

Contact Name:

Title:

Telephone Number:

Email:

Program Services Included in the Proposal:

FINANCIAL AUDIT SERVICES

IV. TIME REQUIREMENTS

- 1) All bidders must indicate the intent to bid to St. Clair County Community Mental Health Authority Contract Manager via email at jgibson@scccmh.org no later than 5:00pm EDT on June 15, 2021.
- 2) Questions may be submitted to St. Clair County Community Mental Health Contract Management Department via email to jgibson@scccmh.org no later than 5:00pm EDT on June 15, 2021.
- 3) Questions and answers will be compiled and posted on St. Clair County Community Mental Health website by 5:00pm EDT on June 22, 2021.
- 4) Final proposals must be received by mail or in person to St. Clair County Community Mental Health no later than 2:45pm EDT on June 30, 2021.

ATTACHMENT A: Community Mental Health- "COMPLIANCE EXAMINATION GUIDELINES" published by Michigan Department of Health and Human Services

ATTACHMENT B: RATING SHEET

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
Behavioral Health and Developmental Disabilities Administration

COMPLIANCE EXAMINATION GUIDELINES

Fiscal Year End September 30, 2021



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INTRODUCTION

These Community Mental Health (CMH) Compliance Examination Guidelines are issued by the Michigan Department of Health and Human Services (MDHHS) to assist independent audit personnel, the Prepaid Inpatient Health Plan (PIHP) personnel, and the Community Mental Health Services Program (CMHSP) personnel in preparing and performing compliance examinations as required by the contracts between the MDHHS and the PIHPs and/or the CMHSPs and to assure examinations are completed in a consistent and equitable manner.

These CMH Compliance Examination Guidelines require that an independent auditor examine compliance issues related to the contracts between the MDHHS and the PIHPs to manage the Concurrent 1915(b)/(c) Medicaid, Healthy Michigan, Flint 1115, and Substance Use Disorder Community Grant Programs (hereinafter referred to as the Medicaid Contract); the contracts between the MDHHS and the CMHSPs to manage and provide mental health services and supports to individuals with serious mental illness, serious emotional disturbances (SED), or developmental disabilities (DD) as described in MCL 330.1208 (hereinafter referred to as the GF Contract); and, in certain circumstances, the contracts between the MDHHS and the PIHPs and/or the CMHSPs to manage the Community Mental Health Services Block Grant Program (hereinafter referred to as the CMHS Block Grant). These CMH Compliance Examination Guidelines, however, DO NOT replace or remove any other audit requirements that may exist, such as a Financial Statement Audit and/or a Single Audit. An annual Financial Statement Audit is required. Additionally, if a PIHP or a CMHSP expends \$750,000 or more in federal awards¹, the PIHP or the CMHSP must obtain a Single Audit.

The PIHPs are ultimately responsible for the Medicaid funds received from the MDHHS and are responsible for monitoring the activities of the network provider CMHSPs as necessary to ensure expenditures of the Medicaid Contract funds are for authorized purposes in compliance with laws, regulations, and the provisions of the contracts. Therefore, the PIHPs must either require their independent auditor to examine compliance issues related to the Medicaid funds awarded to the network provider CMHSPs, or require the network provider CMHSP to contract with an independent auditor to examine compliance issues related to the contracts between the PIHPs and the CMHSPs to manage the Medicaid Contract. Further detail is provided in the Responsibilities – PIHP Responsibilities Section (Item #'s 8, 9, & 10).

These CMH Compliance Examination Guidelines will be effective for contract years ending on or after September 30, 2021. They replace any prior CMH Compliance Examination Guidelines or instructions, oral or written.

Failure to meet the requirements contained in these CMH Compliance Examination Guidelines may result in the withholding of current funds or the denial of future awards.

¹Medicaid payments to the PIHPs and the CMHSPs for providing patient care services to Medicaid eligible individuals are not considered Federal awards expended for the purposes of determining Single Audit requirements.

RESPONSIBILITIES

The MDHHS Responsibilities:

The MDHHS must:

1. Periodically review and revise the CMH Compliance Examination Guidelines to ensure compliance with the current Michigan Mental Health Code (MMHC) and federal and state audit requirements; ensure the Compliance Requirements contained in these CMH Compliance Examination Guidelines are complete and accurately represent the requirements of the PIHPs and the CMHSPs; and distribute revised CMH Compliance Examination Guidelines to the PIHPs and the CMHSPs.
2. Review the examination reporting packages submitted by the PIHPs and the CMHSPs to ensure completeness and adequacy within eight months of receipt.
3. Issue a management decision (as described in the Examination Requirements – Management Decision Section) on findings, comments, and examination adjustments contained in the PIHP or the CMHSP examination reporting package within **eight (8) months** after the receipt of a complete and final reporting package.
4. Monitor the activities of the PIHPs and the CMHSPs, as necessary, to ensure the Medicaid Contract, the GF Contract, and the CMHS Block Grant funds are used for authorized purposes in compliance with laws, regulations, and the provisions of the contracts. The MDHHS will rely primarily on the compliance examination engagements conducted on the PIHPs and the CMHSPs by independent auditors to ensure the Medicaid Contract and the GF Contract funds are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts. The MDHHS will rely on the PIHP or the CMHSP Single Audits or the compliance examination engagements conducted on the PIHPs and the CMHSPs by independent auditors to ensure the CMHS Block Grant funds are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts. The MDHHS may, however, determine it is necessary to also perform a limited scope compliance examination or review of selected areas. Any additional reviews or examinations shall be planned and performed in such a way as to build upon work performed by other auditors. The following are some examples of situations that may trigger a MDHHS examination or review:
 - a. Significant changes from one year to the next in reported line items on the Financial Status Report (FSR).
 - b. A PIHP entering the MDHHS risk corridor.
 - c. A large addition to an Internal Service Fund (ISF) per the cost settlement schedules.
 - d. A material non-compliance issue identified by the independent auditor.
 - e. The Certified Public Accountant (CPA) that performed the compliance examination is unable to quantify the impact of a finding to determine the questioned cost amount.
 - f. The CPA issued an adverse opinion on compliance due to their inability to draw conclusions because of the condition of the agency's records.

The PIHPs Responsibilities

The PIHPs must:

1. Maintain internal control over the Medicaid Contract that provides reasonable assurance that the PIHP is managing the Medicaid Contract in compliance with laws, regulations, and the contract provisions that could have a material effect on the Medicaid Contract.
2. Comply with laws, regulations, and the contract provisions related to the Medicaid Contract. Examples of these would include, but not be limited to: the Medicaid Contract, the MMHC (Michigan Compiled Laws 330.1001 – 330.2106), applicable sections of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at 2 CFR 200, the Medicaid Provider Manual (MPM), and Generally Accepted Accounting Principles (GAAP).
3. Prepare appropriate financial statements.
4. Ensure that the examination required by these CMH Compliance Examination Guidelines is properly performed and submitted when due.
5. Follow up and take corrective action on examination findings.
6. Prepare a corrective action plan to address each examination finding, comment, and recommendation included in the current year auditor's reports including the name(s) of the contact person(s) responsible for the corrective action, the corrective action planned, and the anticipated completion date. If the PIHP does not agree with an examination finding or comment, or believes corrective action is not required, then the corrective action plan shall include an explanation and specific reasons.
7. The PIHP shall not file a revised FSR and Cost Settlement based on the CMH Compliance Examination. Rather, adjustments noted in the CMH Compliance Examination will be evaluated by the MDHHS, and the PIHP will be notified of any required action in the management decision.
8. Monitor the activities of the network provider CMHSPs as necessary to ensure the Medicaid Contract funds are used for authorized purposes in compliance with laws, regulations, and the contract provisions. The PIHPs must either (a.) require the PIHPs independent auditor (as part of the PIHPs examination engagement) to examine the records of the network provider CMHSP for compliance with the Medicaid Contract provisions, or (b.) require the network provider CMHSP to contract with an independent auditor to examine compliance issues related to contracts between the PIHPs and the CMHSPs to manage the Medicaid Contract. If the latter is chosen, the PIHP must incorporate the examination requirement in the PIHP and the CMHSP contract and develop Compliance Examination Guidelines specific to their PIHP and their CMHSP contract. Additionally, if the latter is chosen, the CMHSP examination must be completed in sufficient time so that the PIHP auditor may rely on the CMHSP examination when completing their examination of the PIHP if they choose to.

9. If requiring an examination of the network provider CMHSPs, review the examination reporting packages submitted by the network provider CMHSPs to ensure completeness and adequacy.
10. If requiring an examination of the network provider CMHSPs, issue a management decision (as described in the Examination Requirements – Management Decision Section) on findings and questioned costs contained in the network provider CMHSPs examination reporting packages.

The CMHSPs Responsibilities

(as a recipient of the Medicaid Contract funds from the PIHP and a recipient of the GF Contract funds from the MDHHS and a recipient of the CMHS Block Grant funds from the MDHHS)

The CMHSPs must:

1. Maintain internal control over the Medicaid Contract, the GF Contract, and the CMHS Block Grant that provides reasonable assurance that the CMHSP is managing the Medicaid Contract, the GF Contract, and the CMHS Block Grant in compliance with laws, regulations, and the contract provisions that could have a material effect on the Medicaid Contract, the GF Contract, and the CMHS Block Grant.
2. Comply with laws, regulations, and the contract provisions related to the Medicaid Contract, the GF Contract, and the CMHSP Block Grant. Examples of these would include, but not be limited to: the Medicaid Contract, the GF Contract, the CMHS Block Grant, the MMHC (Michigan Compiled Laws 330.1001 – 330.2106), applicable sections of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at 2 CFR 200, the MPM, and GAAPs.
3. Prepare appropriate financial statements.
4. Ensure that the examination required by these CMH Compliance Examination Guidelines, and any examination required by the PIHP from which the CMHSP receives Medicaid Program funds are properly performed and submitted when due.
5. Follow up and take corrective action on examination findings.
6. Prepare a corrective action plan to address each examination finding, comment, and recommendation included in the current year auditor's reports including the name(s) of the contact person(s) responsible for the corrective action, the corrective action planned, and the anticipated completion date. If the CMHSP does not agree with an examination finding or comment, or believes corrective action is not required, then the corrective action plan shall include an explanation and specific reasons.
7. The CMHSP shall not file a revised FSR and Cost Settlement based on the CMH Compliance Examination. Rather, adjustments noted in the CMH Compliance Examination will be evaluated by the MDHHS, and the CMHSP will be notified of any required action in the management decision.

EXAMINATION REQUIREMENTS

The PIHPs under contract with the MDHHS to manage the Medicaid Contract and the CMHSPs under contract with the MDHHS to manage the GF Contract are required to contract annually with a CPA in the practice of public accounting (hereinafter referred to as a practitioner) to examine the PIHPs or the CMHSPs compliance with specified requirements in accordance with the American Institute of Certified Public Accountants (AICPAs) Statements on Standards for Attestation Engagements (SSAE) 18 – Attestation Standards – Clarification and Recodification – AT – C Section 205. The specified requirements and criteria are contained in these CMH Compliance Examination Guidelines under the Compliance Requirements Section.

Additionally, the CMHSPs under contract with the MDHHS to provide the CMHS Block Grant services with a total contract amount of greater than \$187,500 are required to ensure the above referenced examination engagement includes an examination of compliance with specified requirements related to the CMHS Block Grant **IF** the CMHSP does not have a Single Audit or the CMHSPs Single Audit does not include the CMHS Block Grant (CFDA 93.958) as a major Federal program. The specified requirements and criteria related to the CMHS Block Grant are contained in these CMH Compliance Examination Guidelines under the Compliance Requirements Section.

Practitioner Selection

In procuring examination services, the PIHPs and the CMHSPs must engage an independent practitioner and must follow the Procurement Standards contained in 2 CFR 200.318 through 200.320. In requesting proposals for examination services, the objectives and scope of the examination should be made clear. Factors to be considered in evaluating each proposal for examination services include the responsiveness to the request for proposal (RFP), relevant experience, availability of staff with professional qualifications and technical abilities, the results of external quality control reviews, the results of the MDHHS reviews, and price. Whenever possible, the PIHPs and the CMHSPs are encouraged to rotate practitioners periodically to ensure independence.

Examination Objective

The objective of the practitioner's examination procedures applied to the PIHPs or the CMHSPs compliance with specified requirements is to express an opinion on the PIHPs or the CMHSPs compliance based on the specified criteria. The practitioner seeks to obtain reasonable assurance that the PIHP or the CMHSP complied, in all material respects, based on the specified criteria.

Practitioner Requirements

The practitioner should exercise due care in planning, performing, and evaluating the results of his/her examination procedures and the proper degree of professional skepticism to achieve reasonable assurance that material noncompliance will be detected. The specified requirements and criteria are contained in these CMH Compliance Examination Guidelines under the Compliance Requirements Section. In the examination of the PIHPs or the CMHSPs compliance with specified requirements, the practitioner should follow the requirements of AT-C 105 and 205.

Practitioner's Report

The practitioner's report on compliance should include the information detailed in AT-C 205.63 through 205.86, which includes the practitioner's opinion on whether the entity complied, in all material respects, with specified requirements based on the specified criteria. When an examination of the PIHPs or the CMHSPs compliance with specified requirements discloses noncompliance with the applicable requirements the practitioner believes have a material effect on the entity's compliance, the practitioner should modify the report as detailed in AT-C 205.68 through AT-C 205.75.

In addition to the above examination report standards, the practitioner must prepare:

1. A Schedule of Findings that includes the following:
 - a. Control deficiencies that are individually or cumulatively material weaknesses in internal control over the Medicaid Contract, the GF Contract, the CMHS Block Grant, and/or the Substance Abuse Prevention and Treatment (SAPT) Block Grant.
 - b. Material noncompliance with the provisions of laws, regulations, or the contract provisions related to the Medicaid Contract, the GF Contract, the CMHS Block Grant, and/or the SAPT Block Grant.
 - c. Known fraud affecting the Medicaid Contract, the GF Contract, the CMHS Block Grant, and/or the SAPT Block Grant.

Finding detail must be presented in sufficient detail for the PIHP or the CMHSP to prepare a corrective action plan and for the MDHHS to arrive at a management decision. The following specific information must be included, as applicable, in findings:

- a. The criteria or specific requirement upon which the finding is based including statutory, regulatory, contractual, or other citation. **These Compliance Examination Guidelines should NOT be used as criterion.**
- b. The condition found including facts that support the deficiency identified in the finding.
- c. Identification of applicable examination adjustments and how they were computed.
- d. Information to provide proper perspective regarding prevalence and consequences.
- e. The possible asserted effect.
- f. Recommendations to prevent future occurrences of the deficiency(ies) noted in the finding.
- g. Views of responsible officials of the PIHP and/or the CMHSP.
- h. Planned corrective actions.

- i. Responsible party(ies) for the corrective action.
 - j. Anticipated completion date.
2. A schedule showing final **reported** FSR amounts, examination adjustments, including applicable adjustments from the Schedule of Findings and the Comments and Recommendations Section addressed below, and examined FSR amounts. **All examination adjustments must be explained.** This schedule is called the Examined FSR Schedule. NOTE: Medicaid FSRs must be provided for the PIHPs. All applicable FSRs must be included in the practitioner's report regardless of the lack of any examination adjustments.
 3. A schedule showing a revised Cost Settlement for the PIHP or the CMHSP based on the examined FSR Schedule. This schedule is called the Examined Cost Settlement Schedule. This must be included in the practitioner's report regardless of the lack of any examination adjustments.
 4. A Comments and Recommendations Section that includes all noncompliance issues discovered that are not individually or cumulatively material weaknesses in internal control over the Medicaid Contract, the GF Contract, and/or the CMHS Block Grant only in the event the individual comment or recommendation is expected to have an impact greater than or equal to \$10,000 and recommendations for strengthening internal controls, improving compliance, and increasing operating efficiency.

Examination Report Submission

The examination must be completed, and the reporting package described below must be submitted to the MDHHS within the earlier of **30 days** after receipt of the practitioner's report, or **June 30** following the contract year end. The PIHP or the CMHSP must submit the reporting package by email to the MDHHS at MDHHS-AuditReports@michigan.gov. The required materials must be assembled as one document in a PDF file compatible with Adobe Acrobat reader. The subject line must state the agency name and fiscal year end. The MDHHS reserves the right to request a hard copy of the compliance examination report materials, if for any reason the electronic submission process is not successful.

Examination Reporting Package

The reporting package includes the following:

1. The practitioner's report as described above, and
2. The corrective action plan prepared by the PIHP or the CMHSP.

Penalty

If the PIHP or the CMHSP fails to submit the required examination reporting package by **June 30** following the contract year end and an extension has not been granted by the MDHHS, the MDHHS may withhold from current funding five (5) percent of the examination year's grant funding (not to exceed \$200,000) until the required reporting package is received. The MDHHS may retain the withheld amount if the reporting package is delinquent more than **120 days** from the due date and the MDHHS has not granted an extension.

Incomplete or Inadequate Examinations

If the MDHHS determines the examination reporting package is incomplete or inadequate, the PIHP or the CMHSP, and possibly its independent auditor, will be informed of the reason of inadequacy and its impact in writing. The recommendations and expected timeframe for resubmitting the corrected reporting package will be provided to the PIHP or the CMHSP.

Management Decision

The MDHHS will issue a management decision on findings, comments, and examination adjustments contained in the PIHP or the CMHSP examination report within **eight (8) months** after the receipt of a complete and final reporting package. The management decision will include whether or not the examination finding and/or comment is sustained; the reasons for the decision; and the PIHP or the CMHSP expected action to repay disallowed costs, make financial adjustments, or take other action. Prior to issuing the management decision, the MDHHS may request additional information or documentation from the PIHP or the CMHSP, including a request for practitioner verification or documentation, as a way of mitigating disallowed costs. The appeal process available to the PIHP or the CMHSP is included in the applicable contract.

If there are no findings, comments, and/or questioned costs, the MDHHS will notify the PIHP or the CMHSP when the review of the examination reporting package is complete and the results of the review.

COMPLIANCE REQUIREMENTS

The practitioner must examine the PIHPs or the CMHSPs compliance with the A-F specified requirements based on the specified criteria stated below related to the Medicaid Contract and the GF Contract. If the PIHP or the CMHSP does not have a Single Audit or the Single Audit does not include the CMHS Block Grant (CFDA 93.958) as a major federal program, the practitioner must also examine the CMHSPs compliance with the G-I specified requirements based on the specified criteria stated below that specifically relate to the CMHS Block Grant, but only if the total contract amount for the CMHS Block Grant is greater than \$187,500. If the PIHP does not have a Single Audit, or the Single Audit does not include the SAPT Block Grant (CFDA 93.959) as a major Federal program, the practitioner must also examine the PIHPs compliance with the J-K specified requirements based on the specified criteria stated below that specifically relate to the SAPT Block Grant.

COMPLIANCE REQUIREMENTS A-F (Applicable to all the PIHP and the CMHSP Compliance Examinations)

A. FSR Reporting

The final FSRs (entire reporting package applicable to the entity) comply with contractual provisions as follows:

1. The FSRs agree with agency financial records (general ledger) as required by the reporting instructions (http://www.michigan.gov/MDHHS/0,1607,7-132-2941_38765---,00.html). Click on Reporting Requirements.
2. The FSRs include only allowed activities as specified in the contracts; allowable costs as specified in the Federal cost principles (located at 2 CFR 200, Subpart E)(the GF Contract, Section 6.6.1; and the Medicaid Contract, Section 7.8); and allowed activities and allowable costs as specified in the MMHC, Sections 240, 241, and 242.
3. The FSRs include revenues and expenditures in proper categories and according to reporting instructions.

Differences between the general ledger and FSRs should be adequately explained and justified. Any differences not explained and justified must be shown as an adjustment on the practitioner's Examined FSR Schedule. Any reported expenditures that do not comply with the Federal Cost Principles, the MMHC, or the contract provisions must be shown as adjustments on the auditor's Examined FSR Schedule.

The following items should be considered in determining allowable costs:

Federal Cost Principles (2 CFR 200.402) require that for costs to be allowable they must meet the following general criteria:

- a. Be necessary and reasonable for the performance of the Federal award and be allocable thereto under the principles.

- b. Conform to any limitations or exclusions set forth in the principles or in the Federal award as to types or amount of cost items.
- c. Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity.
- d. Be accorded consistent treatment.
- e. Be determined in accordance with GAAPs.
- f. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current period or a prior period.
- g. Be adequately documented.

Reimbursements to **subcontractors** (including the PIHP payments to the CMHSPs for Medicaid services) must be supported by a valid subcontract and adequate, appropriate supporting documentation on costs and services (2 CFR Part 200, Subpart E – Cost Principles, 200.403 (g)). The contracts should be reviewed to determine if any are to related parties. If related party subcontracts exist, they should receive scrutiny to ensure the reasonableness criteria of 2 CFR Part 200, Subpart E – Cost Principles, 200.404 was met. If subcontractors are paid on a net cost basis, rather than a fee-for-service basis, the subcontractors' costs must be verified for existence and appropriate supporting documentation (2 CFR Part 200, Subpart E – Cost Principles, 200.403 (g)). When the PIHP pays Federally Qualified Health Centers (FQHC) and Rural Health Centers (RHC) for specialty services included in the specialty services waiver, the payments need to be reviewed to ensure that they are no less than amounts paid to non-FQHC and RHCs for similar services. NOTE: Rather than the practitioner performing examination procedures at the subcontractor level, agencies may require that subcontractors receive examinations by their own independent practitioner and that examination report may be relied upon if deemed acceptable by the practitioner.

Reported rental costs for **less-than-arms-length transactions** must be limited to underlying cost (2 CFR Part 200, Subpart E – Cost Principles, 200.465 (c)). For example, the agency may rent their office building from the agency's board member/members, but rent charges cannot exceed the actual cost of ownership if the lease is determined to be a less-than-arms-length transaction. Guidance on determining less-than-arms-length transactions is provided in 2 CFR Part 200.

Reported costs for **sale and leaseback arrangements** must be limited to underlying cost (2 CFR Part 200, Subpart E – Cost Principles, 200.465 (b)).

Capital asset purchases that cost greater than \$5,000 must be capitalized and depreciated over the useful life of the asset rather than expensing it in the year of purchase (2 CFR Part 200, Subpart E – Cost Principles, 200.436 and 200.439). All invoices for a remodeling or renovation project must be accumulated for a total project cost when determining capitalization requirements; individual invoices should not simply be expensed because they are less than \$5,000.

Costs must be allocated to programs in accordance with relative benefits received. Accordingly, **Medicaid costs must be charged to the Medicaid Program and GF costs must be charged to the GF Program.** Additionally, **administrative/indirect costs** must be distributed to programs on bases that will produce an equitable result in consideration of relative benefits derived in accordance with 2 CFR Part 200, Appendix VII.

Distributions of salaries and wages for employees that work on multiple activities or cost objectives must be supported in accordance with the standards listed in 2 CFR Part 200, Subpart E – Cost Principles, 200.430 (i).

B. Medical Loss Ratio (MLR) Report

The PIHPs most recently completed Medical Loss Ratio Report complied with 42 CFR § 438.8 and Medical Loss Ratio Reporting requirements contained in the PIHP contract 8.4.1.7.

C. Procurement

The PIHP or the CMHSP followed the Procurement Standards contained in 2 CFR 200.318 through 200.326. The PIHP or the CMHSP ensured that organizations or individuals selected and offered contracts have not been debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs as required by 45 CFR 92.35.

D. Internal Service Fund

The PIHPs ISF complies with the ISF Technical Requirement contained in the Internal Service Fund Technical Requirement with respect to funding and maintenance.

E. Medicaid Savings and General Fund Carryforward

The PIHPs Medicaid Savings was expended in accordance with the PIHPs reinvestment strategy as required by Sections 8.6.2.2 and 8.6.2.3 of the Medicaid Contract. The CMHSPs GF carryforward earned in the previous year was used in the current year on allowable GF expenditures as required by sections 7.7.1 and 7.7.1.1. of the MDHHS and the CMHSP contract.

F. Match Requirement

The PIHP or the CMHSP met the local match requirement and all items considered as local match qualify as local match according to Section 7.2 of the GF Contract and Section 8.2 of the Medicaid Contract. Some examples of funds that do NOT qualify as local match are: (a.) revenues (such as workers' compensation refunds) that should be offset against related expenditures, (b.) interest earned from ISF accounts, (c.) revenues derived from programs (such as the Clubhouse program) that are financially supported by Medicaid or GF, (d.) donations of funds from subcontractors of the PIHP or the CMHSP, (e.) Medicaid Health Plan (MHP) reimbursements for MHP purchased services that have been paid at less than the CMHSPs actual costs, and (f) donations of items that would not be an item generally provided by the PIHP or the CMHSP in providing plan services.

If the PIHP or the CMHSP does not comply with the match requirement in the MMHC, Section 302, or cannot provide reasonable evidence of compliance, the auditor shall determine and report the amount of the shortfall in local match requirement.

COMPLIANCE REQUIREMENTS G-I

(Applicable to the PIHPs and/or the CMHSPs with a CMHS Block Grant of greater than \$187,500 that did not have a Single Audit, or the CMHS Block Grant was not a Major Federal Program in the Single Audit)

G. CMHS Block Grant – Activities Allowed or Unallowed

The CMHSP expended the CMHS Block Grant (CFDA 93.958) funds only on allowable activities in accordance with Federal Block Grant provisions and the Grant Agreement between the MDHHS and the CMHSP.

H. CMHS Block Grant – Cash Management

The CMHSP complied with the applicable cash management compliance requirements contained in the Federal Block Grant Provisions. This includes the requirement that when entities are funded on a reimbursement basis, program costs must be paid for by the CMHSP funds before reimbursement is requested from the MDHHS.

I. CMHS Block Grant – Sub-recipient Management and Monitoring

If the CMHSP contracts with other sub-recipients (“sub-recipient” per the 2 CFR Part 200.330 definition) to carry out the Federal CMHS Block Grant, the CMHSP complied with the Sub-recipient Monitoring and Management requirements at 2 CFR Part 200.331 (a) through (h).

COMPLIANCE REQUIREMENTS J-K

(Applicable to the PIHPs with a SAPT Block Grant that did not have a Single Audit or the SAPT Block Grant was not a Major Federal Program in the Single Audit)

J. SAPT Block Grant – Activities Allowed or Unallowed

The PIHP or the CMHSP expended SAPT Block Grant (CFDA 93.959) funds only on allowable activities in accordance with the Federal Block Grant Provisions and the Grant Agreement.

K. SAPT Block Grant – Sub-recipient Management and Monitoring

If the PIHP contracts with other sub-recipients (“sub-recipient” per the 2 CFR Part 200.330 definition) to carry out the Federal SAPT Block Grant, the PIHP complied with the Sub-recipient Monitoring and Management requirements at 2 CFR Part 200.331 (a) through (h).

RETENTION OF WORKING PAPERS AND RECORDS

Examination working papers and records must be retained for a minimum of **three (3) years** after the final examination review closure by the MDHHS. Also, the PIHPs are required to keep the affiliate CMHSPs reports on file for **three (3) years** from date of receipt. All examination working papers must be accessible and are subject to review by representatives of the MDHHS, the Federal Government and their representatives. There should be close coordination of examination work between the PIHP and the provider network CMHSP auditors. To the extent possible, they should share examination information and materials to avoid redundancy.

EFFECTIVE DATE AND THE MDHHS CONTACT

These CMH Compliance Examination Guidelines are effective beginning with the Fiscal Year 2020/2021 examinations. Any questions relating to these guidelines should be directed to:

Jeffery L. Wieferich, Bureau Director
Bureau of Community Based Services
Program Development, Consultation & Contracts Division
Michigan Department of Health and Human Services
Larson-Elliott Building
320 S. Walnut Street
Lansing, MI 48913
Wieferichj@michigan.gov
Phone: 517-517-335-0499
Fax: 517-335-5376

GLOSSARY OF ACRONYMS AND TERMS

AICPA

American Institute of Certified Public Accountants.

Children's Waiver Program

The Children's Waiver Program provides services that are enhancements or additions to regular Medicaid coverage to children up to age 18 enrolled in the program who, if not for the availability and provisions of the Waiver, would otherwise require the level of care and services provided in an Intermediate Care Facility for the Mentally Intellectual. Payment from the MDHHS is on a fee-for-service basis.

CMHS Block Grant Program

The program managed by the CMHSPs under contract with the MDHHS to provide Community Mental Health Services Block Grant program services under CFDA 93.958.

CMHSP

Community Mental Health Services Program (CMHSP). A program operated under Chapter 2 of the Michigan Mental Health Code – Act 258 of 1974 as amended.

Examination Engagement

A PIHP or a CMHSPs engagement with a practitioner to examine the entity's compliance with specified requirements in accordance with the AICPAs SSAE – Attestation Standards – Clarification and Recodification – AT-C 205 (Codified Section of AICPA Professional Standards).

Flint 1115 Waiver

This demonstration waiver expands coverage to children up to age 21 and to pregnant women with incomes up to and including 400 percent of the federal poverty level who were served by the Flint water system from April 2014 through a state-specified date. This demonstration is approved in accordance with section 1115(a) of the Social Security Act (SSA) and is effective as of March 3, 2016, the date of the signed approval through February 28, 2021. Medicaid-eligible children and pregnant women who were served by the Flint water system during the specified period will be eligible for all services covered under the State Plan. All such individuals will have access to targeted case management services under a fee-for-service contract between the MDHHS and the Genesee Health System (GHS). The fee-for-service contract shall provide the targeted case management services in accordance with the requirements outlined in the Special Terms and Conditions for the Flint Section 1115 Demonstration, the Michigan Medicaid State Plan, and Medicaid Policy.

GF Program

The program managed by the CMHSPs under contract with the MDHHS to provide mental health services and supports to individuals with serious mental illness, SED, or DD as described in MCL 330.1208.

MDHHS

The Michigan Department of Health and Human Services.

Medicaid Program

The Concurrent 1915(b)/(c) Medicaid Program and Healthy Michigan Program managed by the PIHPs under contract with the MDHHS.

PIHP

Prepaid Inpatient Health Plan. In Michigan, a PIHP is an organization that manages Medicaid specialty services under the State's approved Concurrent 1915(b)/1915(c) Waiver Program, on a prepaid, shared-risk basis, consistent with the requirements of 42 CFR Part 438. The PIHP, also known as a Regional Entity under MHC 330.1204b or a CMHSP, also manages the Autism Program, Healthy Michigan, SATP Community Grant, and PA2 funds.

Practitioner

A CPA in the practice of public accounting under contract with the PIHP or the CMHSP to perform an examination engagement.

Serious Emotional Disturbances Waiver

The Waiver for Children with SED Program that provides services to children who would otherwise require hospitalization in the State psychiatric hospital to remain in their home and community. Payment from the MDHHS is on a fee-for-service basis.

SSAE

The AICPAs Statements on Standards for Attestation Engagements.

SAPT Block Grant Program

The program managed by the PIHPs under contract with the MDHHS to provide Substance Abuse Prevention and Treatment Block Grant program services under CFDA 93.959.

SUD Services

Substance Use Disorder Services funded by Medicaid, Healthy Michigan, and the Community Grant which consists of Federal SAPT Block Grant funds and State funds.

ST. CLAIR COUNTY COMMUNITY MENTAL HEALTH AUTHORITY BOARD
RFQ – FINANCIAL AUDIT SERVICES
RATING SHEET:
REVIEW INSTRUMENT/CRITERIA

Bidder's Name: _____

SECTION I *The following items must **all** be checked "yes" for the proposal to be considered.*

Required Supporting Documents		
1. Was the correct number of proposals submitted? (One original and six copies)	__ Yes	__ No
2. Did the Bidder submit documentation and proof of entity (e.g. IRS 501(c)3 determination); copy of Articles of Incorporation or document under which the organization is constituted/organized from its inception?	__ Yes	__ No
3. Did the Bidder include the names, addresses, and titles or representations of all owners or controlling parties of the organization, whether they are individuals, partnerships, corporate bodies, or subdivisions of the bodies?	__ Yes	__ No
4. Did the Bidder attach a copy of its Certificate or License (if applicable)?	__ Yes	__ No
5. Did the Bidder attach a Certificate of Workers' Disability Compensation insurance coverage?	__ Yes	__ No
6. Did the Bidder attach a certificate of professional liability (errors and omissions) in a sum of not less than \$1 Million per claim and \$1 Million annual aggregate?	__ Yes	__ No
7. Did the Bidder attach a certificate of general liability insurance with Broad Form General Liability Endorsement or equivalent, if not in policy proper, Provider and Contractual liability coverage with limits of not less than \$1 Million per occurrence and \$1 Million annual aggregate?	__ Yes	__ No
	YES	NO
TOTALS		

 Reviewer Signature

Bidder's Name: _____

SECTION II

Each of the following areas has an identified maximum point value. Place the score for the item in the box to the right of the item.

Description	Strengths/Weakness	Score
1. <u>Customer List</u> 5 points Was a list of customers the firm has served during the past two years provided?		
2. <u>References</u> 5 points Were references of current clients, Public Sector preferred, (minimum of 4) submitted? (Shall include the company name, contact name, address, and phone number.)		
3. <u>Technical Support Services</u> 30 points Was a description of the technical support services available to St. Clair County Community Mental Health, along with any associated costs, if applicable, provided?		
4. <u>Detailed Time Table</u> 25 points Was a detailed time-table required to meet each of the six report deadlines identified within the service description section of this RFQ provided? (<i>Bidder shall specify when they require access to audit data in order to meet the deadlines established for each report.</i>)		
5. <u>Financial Stability</u> 15 points Did the Bidder demonstrate/provide a proven track record of financial stability?		
6. <u>Lawsuits, Litigation, or Sanctions</u> 5 points Bidder shall disclose any and all lawsuits, litigation, or sanctions whether awarded, enforced, or encumbered against or by your company, agency, directors, owners, or employees within the past 10 years, as could relate to the provisions of this contract in the providing of Actuary Services.		
7. <u>Background Check Details</u> 15 points Did the Bidder describe in detail all background checks to be conducted prior to placing any audit staff into service, and any on-going checks with their frequencies?		
Total Score Section II (Maximum is 100 points)		

Additional Comments: _____

Reviewer Signature

Date

SECTION III

Section III is reviewed to determine if proposed services are financially beneficial to St. Clair County Community Mental Health Authority.

This section will not be reviewed by the initial review committee. The results of Sections I & II will be balanced against the financial costs associated with the individual proposals tendered.

Rate Submission for Services To Be Provided

- Does the proposal present a one year commitment with two, one year options?
- Does the proposal present a three year commitment with two, one year options?
- Does the proposal present a five year commitment with two, one year options?
- Does the proposal separately identify the cost of the financial statement audit, single audit, and compliance examination by year as well as indicate the total annual cost for these three services?
- Does the proposal represent the total all inclusive cost of providing Financial Audit Services?

Comments: _____

Rank acceptable bidders by total score and alternately rank by proposed cost of services. Calculate percentage cost differences for potential alternative offerings. Assist with determination of a Best Value model for St. Clair County Community Mental Health Authority.

Reviewer Signature

Date