



DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

SUBJECT RECOUPMENT OF COUNTY GENERAL FUNDS (CGF) TWO-STEP REVIEW	POLICY NO. 411.1	EFFECTIVE DATE 10/15/02	PAGE 1 of 2
APPROVED BY: original signed by: MARVIN J. SOUTHARD <div style="text-align: right;">Director</div>	SUPERSEDES 110.15	ORIGINAL ISSUE DATE 12/01/95	DISTRIBUTION LEVEL(S) 2

PURPOSE

- 1.1 To provide policy and guidelines on the Department of Mental Health (DMH) review process should there be an issue regarding recoupment or withholding of County General Funds (CGF) for Realignment and Maintenance of Effort (MOE) from Contractor arising from any report of disallowance made by County auditors or County contracted auditors.

POLICY

2.1 Federal, State and Other County Department Funds

This policy shall not apply to Federal, State or Other County Department and associated CGF match funds. Contractor shall comply with all applicable Federal, State and County laws, rules, regulations, manuals, guidelines and directives regarding the appeal and recovery of Federal, State and other County Department and associated CGF match funds.

2.2 County Funds

The DMH Director shall, within the authority delegated by the Board of Supervisors and County agreement provisions, administer an appeal process prior to recouping or withholding Realignment and Maintenance of Effort (MOE) CGF as disallowed by County auditors or County contracted auditors.

2.3 Scope of DMH Two-Step Review - The scope of the DMH two-step review is defined as follows:

- 2.3.1 The two-step DMH review shall encompass issues arising from any report of findings on disallowance made by County auditors or County contracted auditors, which shall include but not be limited to, any claim problem under Subparagraph K (Payment) of the Agreement, for any MIS problem under Subparagraph O (Withholding of Payment for Non-submission of MIS and other information) of the Agreement, or for any audit exception or Agreement default based on any annual cost report or audit findings.
- 2.3.2 The two-step DMH review shall consist of a first-level review and a second-level review and shall be conducted according to these procedures.

PROCEDURE



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- 3.1 Immediately following the issuance of any report of findings of disallowance made by County auditors or County contracted auditors, the DMH Director shall notify and offer the Contractor an opportunity to request for a two-step review.

- 3.2 Within thirty (30) days of receipt of the DMH Director's notice, the Contractor may submit a request in writing for a two-step review to the DMH Finance Specialist. The request shall include but not be limited to: a) issues and/or audit finding, b) agency response and supporting documentation, and c) corrective action plan, as appropriate. This thirty (30) day period shall be extended only if the Contractor and the DMH Director mutually agree in writing to the extension.

- 3.3 If the Contractor fails to submit a written request for the two-step DMH review within the prescribed thirty (30) days or if the DMH Director, in his sole judgment, determines that the Contractor has failed to timely respond for purposes of either the first-level review or the second-level review, then the Contractor shall be deemed to have waived its request for the two-step DMH review.

- 3.4 The DMH Finance Specialist will render the decision to resolve issues raised at the first-level review. If a mutually agreeable resolution cannot be reached at the first-level review, the Contractor may submit a request in writing to the DMH Director or designee for a second-level review. At both levels, DMH and the Contractor will provide the justification and explanation for their actions. The DMH Director will resolve issues elevated to the second-level review. The DMH Director's decision shall be final.

- 3.5 DMH shall recoup Realignment and Maintenance of Effort DGF funds owed by a Contractor within ninety (90) days following the issuance of DMH's Second Level Review Resolution.

AUTHORITY

Department of Mental Health

REVIEW DATE

This policy shall be reviewed on or before July 1, 2006.