
Chapter: **PROVIDER NETWORK MANAGEMENT**
Title: **AUDIT FOLLOW-UP**

Prior Approval Date: N/A
Current Approval Date: 2/15/02

Approved by: _____
Executive Director Date

I. Abstract

This policy establishes the standards and procedures for follow-up on deficiencies and corrective actions pertaining to critical risk audits of the MCCMH network provider system.

II. Application

This policy shall apply to all service providers of the MCCMH Board.

III. Policy

It is the policy of the MCCMH Board to ensure that appropriate action is taken in response to critical risk area reviews or audit findings.

IV. Definitions

A. None.

V. Standards

- A. Follow-up to findings in reports issued by the internal or external auditors or consultants or reviews by internal staff shall be the shared responsibility of MCCMH management and the auditors/reviewers.
- B. Corrective action taken by management on resolved findings and recommendations shall improve the effectiveness and efficiency of MCCMH's operations as well as ensuring that the problems/weaknesses identified do not recur.
- C. The resolution process shall include all actions required to fully correct all issues. Depending on the nature of the problems involved, each resolution shall include:
1. Timely correction of management, system, and program compliance issues/deficiencies;
 2. Monitoring to ensure that the corrective actions on significant deficiencies were adequately implemented to resolve the problem and ensure that it does not recur;

and

3. Verification that the corrective actions are operating effectively.
- D. Follow-up on actions related to audit findings are shared and discussed with the MCCMH Board, Citizens Advisory Councils, the Quality Council, and consumer groups.

VI. Procedures

A. Auditors/reviewers shall:

1. Provide appropriate provider management with comprehensive reports and briefings on their findings/recommendations, with copies to the Compliance Coordinator; and
2. Provide the Compliance Officer with copies of all reports from audits or reviews and will be informed of all scheduled meetings wherein providers are briefed on the results of such audits/reviews.

B. Provider management shall:

1. Maintain an audit/review resolution file(s) or other appropriate records to fully document and justify all actions taken to resolve the findings. The documentation must:
 - a) Describe the action taken on each finding or explain the basis for each non-concurrence with any finding or recommendation;
 - b) Identify the target dates for implementation of corrective actions on deficiencies or weaknesses, and identify the procedures followed on, and results of, follow-up reviews on the implementation of the corrective actions; and
 - c) Provide sufficient detail to satisfy a reviewer that the findings were fully, effectively, and appropriately resolved.
2. Monitor the implementation of actions to correct deficiencies until the deficiencies are corrected, as follows:
 - a) Resolution of significant deficiencies will not be considered complete until the provider determines, based on a follow-up review, that the actions were, in fact, taken and resulted in a correction of the deficiencies.
 - b) The provider may conduct the follow-up review personally or may request that it be conducted by another party; e.g., internal auditor, external auditor, consultant, or others. In any case, he/she must ensure that the party selected possesses the capability to perform the review.
 - c) The provider is ultimately responsible for assuring that the review is conducted

and for determining whether the deficiencies were adequately corrected.

- d) The review should be initiated as soon as possible after the implementation date of the corrective actions.
3. Resolve audit findings within 60 days of receiving the audit/review information via a formal written report. If findings indicate the existence of legal or regulatory issues, then the managers must notify the Compliance Officer and resolve the findings within 30 days.

NOTE: The resolution process shall include all actions required to fully correct all issues. Depending on the nature of the problems involved, each resolution will include:

- Timely correction of management, system, and program compliance issues/deficiencies;
 - Monitoring to ensure that the corrective actions on significant deficiencies were adequately implemented to resolve the problem and ensure that it does not recur; and
 - Independent verification that the corrective actions are operating effectively.
4. At a minimum, submit monthly reports to the Compliance Officer on the actions taken to resolve significant findings and the status of each open finding.
5. If the follow-up review shows that MCCMH has not completed all actions needed to fully correct the deficiencies within a prescribed period, notify the Compliance Officer of the delay, of further actions needed, and negotiate an alternative resolution date.

C. The Compliance Officer:

1. Shall maintain a tracking system wherein significant findings from audits or reviews are monitored until corrective action and follow-up verification are completed.
2. May independently direct a follow-up review to verify that corrective actions were successful.
3. Continue to follow up until he/she is satisfied that the provider fully and effectively corrected the deficiencies.
4. Adequately review reports from MCCMH management staff and take appropriate steps to improve performance where warranted.
5. Make regular reports to the Deputy Director or Designee on the status of all actions.

VII. References / Legal Authority

- A. Pub. L. 104-191
- B. MCCMH MCO Policy 1-001, "Overview: Compliance Program / Code of Ethics"

VIII. Exhibits

- A. None.