
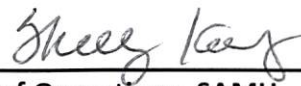




SUBJECT: Reallocation of Funds	Approved by:  <hr/> CEO/VP of SAMH Date: 07/01/2018
EFFECTIVE DATE: July 2014 REVISED DATE: July 2018	 <hr/> VP of Operations, SAMH Date: 07/01/2018

POLICY:

LSF Health Systems (LSFHS) has a duty to ensure equitable allocation of funding across the system of care to ensure that resources are optimized to meet consumer need. Allocation shall be actively managed as the needs of the communities within the system of care are consistently changing. It is the intent of LSFHS to continually evaluate allocations and redistribute resources in accordance with the community's needs assessment and the organization's strategic plan.

PROCEDURE:

The following conditions are to be considered as a basis for the re-allocation of contract funds:

- A. In the event of underutilization of units of services, the Network Service Provider's agreement may be amended to reflect the adjusted units of service or LSFHS may, at its sole discretion, terminate the agreement in accordance with the terms identified in the subcontractor agreement.
- B. LSFHS reserves the right to reallocate funding from one provider contract to another in the following circumstances:
 - a. The Network Service Provider fails to meet its contractual obligations on an ongoing basis despite technical assistance, executive leadership intervention and corrective action plans.
 - b. Community needs indicate that a change in programming or agency is prudent.
- C. The Network Management Team will identify agencies for expanded services and/or those agencies that demonstrate potential for providing augmented services (overutilization.) LSFHS may award additional funds through the re-allocation process to Network Service Providers who over-utilize or provide services beyond those that are budgeted.

D. Procedures under which the re-allocation of funds will occur consist of:

- 1. Funding which becomes available from underutilized programs will serve as a pool of potential funding for the reallocation process (commonly referred to as “lapsing funds.”)**
- 2. The Network Management Team will report any providers demonstrating additional funding needs or requesting additional allocations through its tracking mechanisms.**
 - a. In the beginning of each fiscal year, the Management Team will actively review and analyze utilization and allocation recommendations.**
 - b. Recommendations by the Management Team will be reviewed by the Executive staff for final approval.**
- 3. Through its community presence, LSFHS will gather information from stakeholders related to Network Service Provider performance and the ongoing needs of the community. These reports will inform decisions related to reallocation of funding.**
- 4. Agencies will be considered for a one-time award of lapsing funds based on the following criteria:**
 - a. Corrective Action Plans: an outstanding or unresolved corrective action plan will impact an agency’s eligibility to receive additional funds. Distinction will be made based on the severity of the items which are non-compliant and whether or not the issue has been ongoing or repeated across fiscal years.**
 - b. Over-Earned Units: funds will be matched with an agency based on the over-earned and available units by OCA to keep the reallocation within the same funding stream. Cross-over may be made between adult and child populations in accordance with demonstrated need. Units earned in an availability or non-client-specific covered service will be considered secondary to the units of service rendered to a specific client.**
 - c. Equity Formula: in the event that all other factors are equal in considering multiple agencies for an award, the circuit equity formula recommendation may be utilized as the deciding factor.**