

WCHO		<i>Policy and Procedure</i>	
Department Finance	# of Pages: 2		
Policy Name RISK MANAGEMENT	Type of Policy: <input type="checkbox"/> WCHO <input type="checkbox"/> Regional <input type="checkbox"/> Network		
Policy Number 10.016	Effective Date	Revision Date	Approval Date 11/30/04
Administrative/Board of Directors Sign Off			
Administrative Signature:		Date:	
Board of Directors Signature:		Date:	

I. PURPOSE

To establish a policy to manage the financial risk of the Washtenaw Community Health Organization.

II. APPLICATION

Internal management of the financial status of the agency requires that a risk pool be developed for the purpose of funding unforeseen and unplanned for expenses in the delivery of services that exceed the annual budget.

III. DEFINITIONS

Financial Risk: The amount WCHO is obligated to pay in its risk-sharing arrangement outlined in its contract with the Michigan Department of Community Health.

IV. POLICY

It is the policy of the WCHO to adequately fund an internal services fund in the event of financial risk as obligated in the contract with the Michigan Department of Community Health.

V. EXHIBITS

None

VII. REFERENCES

None

VIII. PROCEDURES

WHO

DOES WHAT

Finance Director

Determines the amount at risk based on the contractual obligation and total Medicaid and Formula Funding (General Funds) received each year from the Michigan Department of Community Health.

Develops an annual budget that allows for regular deposits into an Internal Services Fund until the maximum level is reached.

Monitors account balance and interest earned.

Reposted to WCHO Board regarding deposits interested earned, and balance of account.

Authorizes appropriate use of funds in the event spending from this account become necessary.

Reviews need for risk funding annually.