

***Correctional  
Managed Health Care  
Committee***

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Date: September 25, 2007  
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(September 20, 2005)

**SUBJECT:** FINANCIAL MONITORING

**AUTHORITY:** Govt. Code, Section 501.148(a)(5); Section 501.148(c)

**POLICY:** It is the policy of the Correctional Managed Health Care Committee (Committee) to provide sufficient fiscal oversight of the funds appropriated for inmate healthcare to be able to verify that the funds were spent appropriately, in compliance with applicable statutes, policies, regulations, and contract provisions; and to be able to support requests for future appropriations.

**PROCEDURES:**

- I. The university providers will provide to the Committee full, complete and unhindered access to all information needed to verify that funding made available for correctional health care was spent appropriately. This will include all information related to healthcare services provided under the terms of the contracts for correctional healthcare. All functions, activities, and/or units are subject to monitoring, audit and review. The financial monitoring team will have unrestricted access to examine university records or interview university employees that the team determines relevant to the audit and review.
- II. The Committee's Finance Manager, utilizing review/audit procedures, will continuously monitor financial information relating to the correctional health care program.
- III. Expenditures will be periodically tested against the supporting documentation to determine accuracy and appropriateness. This documentation must be sufficient to adequately document compliance with applicable standards and made available to Committee review/audit personnel upon request.
- IV. Based upon assessment of the level of risk , testing of expenditures will include, but will not be limited to:
  - A. Expenditure Document Review – Testing of both random and selected samples of the detailed transactions

- B. Desk Review – Review of the various reports submitted by the university providers
  - C. Site Visit – On site visit to the location where the selected expenditure can be verified
- V. Upon completion of the designated monitoring activities, any findings or follow-up documentation requests will be provided to the university provider's for corrective action as may be needed.
- VI. The university provider will submit to the Committee documentation of corrective actions within 30 days unless agreed to otherwise by both the provider and the CMHCC Finance Manager.
- VII. If there are no negative findings, or upon acceptance of the corrective action(s) by the Committee Finance Manager, a summary of the findings will be prepared as part of the regular financial reporting processes and submitted to the university providers, the TDCJ, and all Committee members.
- VIII. Periodic monitoring will continue to verify university provider's status in complying with noted standards, goals, and objectives.
- IX. Personnel performing financial monitoring activities will include, but not be limited to:
- A. Committee Finance Manager
  - B. UTMB internal audit staff – minimum number of 500 audit hours per fiscal year will be made available to the Committee
  - C. TTUHSC internal audit staff – minimum number of 200 audit hours per fiscal year will be made available to the Committee
  - D. The CMHCC will consider hours spent by the university internal auditors assisting the State Auditor in audits specific to the correctional health care program to satisfy a portion of the audit hours required above.

Adopted: September 25, 2007  
James D. Griffin, M. D.  
Chair, CMHCC