

## Policy 2.6

<b>POLICY TITLE:</b>	<b>ESTABLISHING AN INTERNAL SERVICE FUND</b>	<b>POLICY # 2.6</b>	<b>REVIEW DATES</b>	
<b>Topic Area:</b>	<b>FINANCIAL MANAGEMENT</b>	<b>ISSUED BY:</b> CHIEF FINANCIAL OFFICER  <b>APPROVED BY:</b> LRE BOARD OF DIRECTORS	3/30/2020	
<b>Applies to:</b>	<b>LRE OPERATIONS</b>			
<b>Developed and Maintained by:</b>	<b>LRE CHIEF FINANCIAL OFFICER</b>			
<b>Supersedes:</b>	<b>N/A</b>	<b>Effective Date:</b> 5/18/2017	<b>Revised Date:</b>	

### I. POLICY

Lakeshore Regional Entity (LRE) will establish an internal service fund (ISF) as a method for securing funds as part of the region-wide strategy for managing Medicaid risk exposure under the MDHHS/PIHP Medicaid Managed Specialty Supports and Services Contract. The funding of the ISF will be maintained at a level that sufficiently covers the projected overall risk of the Pre- Paid Inpatient Health Plan (PIHP), yet ensures maximum funds are directed to consumer services.

### II. PURPOSE

### III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the Lakeshore Regional Entity

### IV. MONITORING AND REVIEW

Policy will be reviewed annually by the LRE Chief Financial Officer.

### V. DEFINITIONS

### VI. RELATED POLICIES

### VII. REFERENCES/SUPPORTING DOCUMENTS

- A. MDHHS/PIHP CONTRACT(S)
- B. LRE Organizational Procedure 2.06a – Establishing an Internal Service Fund