

An Examination of Public Health Financial Management System Accreditation Standards

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This Special Issue of the *Journal of Health Care Finance* honors Dr. Louis C. Gapenski for his contributions to the fields of health care finance, public health finance and health administration. In his writing, teaching and mentoring, he served as a role model for all of us.

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Abstract

Accreditation of governmental public health agencies is a relatively new concept that began in 2006. The accreditation program strives to advance improvements in quality and performance in state and local governmental public health agencies across the nation. Standards and measures are the traditional assessment criteria in accreditation systems used to evaluate that acceptable levels of quality are present and aligned with industry-specific goals for quality. In this study, an examination was conducted to assess the reliability of standards and measures for evaluating the effectiveness of public health agency financial management systems. The higher education system for accreditation of college and universities was selected for comparison purposes. The rationale for higher education was based in part on the relationship of colleges and universities to federal agencies which is very similar to that of governmental public health agencies. Also considered were the maturity of the higher education accreditation system, number of higher education accreditation agencies and access to their standards and measures. Based on these comparisons, the study found opportunities to improve rigor and quality in the public health accreditation process. Recommendations are provided on how additional standards and measures could strengthen verification and even promote institutional value for effective financial management systems.

Dedication

This paper is dedicated to the work of Dr. Louis Gapenski. Later in his career, Lou acquired a keen interest in educating on the application of financial management concepts to the field of public health. Given the focus of research in this paper, appropriate illustrations are provided on how his life's work provides the fundamentals for establishing public health financial management systems. His subsequent contributions of educational materials for use in public health remains the sole comprehensive source of content exclusively on training this segment of the workforce on applying financial management concepts to public health practice. As others begin to expand on his work in this area of public health practice, Lou's impact on topics in public health finance are forever carved into the foundation of this field of study.

Introduction

The first line of defense across the nation to protect the health of the population is the governmental public health agencies in each of the 50 states, the District of Columbia, and locally in roughly 2800 counties and cities. The mission of these agencies is to ensure conditions for a healthy population through methods such as fulfillment of regulatory mandates, policy development, and disease prevention and health promotion programs and services. A journey began in 2006 to explore accreditation of these agencies and by 2011 a system for it was set in motion. In May 2016, approximately 11% (310) of governmental public health agencies were either accredited or in the process of seeking accreditation (Kronstadt, et al., 2016).

Framing this system for accreditation are standards and measures developed by the Public Health Accreditation Board (PHAB) in collaboration with stakeholders customarily referred to as public health system partners (Public Health Accreditation Board, 2016b). Standards and measures in addition to guidance for the review of required documentation during the assessment process are typical features of accreditation processes in other industries. PHAB includes a set of standards, measures and documentation aligned with public health agency traditional functions ranging from assessment to governance.

The exclusive focus of this study was an examination to evaluate the reliability of the PHAB accreditation standards and measures for assessing agency capacity for fulfilling customary financial management functions. Specifically, under PHAB Standards and Measures Version 1.5, Domain 11 focuses on the overall agency ability to maintain administrative and management capacity (Public Health Accreditation Board, 2016b). This review compared measures in standard 11.2 – *Establish effective financial management system* – to the standards and measures in higher education accreditation processes for colleges and universities.

The rationale for selecting higher education accreditation for comparison purposes was based on a number of factors. Principally, factors included the: 1) number of 2-year and 4-year colleges and universities in the U.S. (roughly 4700) (National Center for Education Statistics, 2016), 2) similarity of the college and university relationship to the U.S. Department of Education (ED) and that of the governmental public health agency relationship to the U.S. Department of Health and Human Services (HHS), 3) maturity of the higher education accreditation process (U.S. Department of Education, 2016a), 4) transparency through public accessibility of higher education standards and measures, and 5) quantity of comparative standards and measures given the number of agencies (n=6) recognized by ED as regional institutional accreditation associations with authority to accredit colleges and universities (U.S. Department of Education, 2016a). Although to a much lesser degree, some comparisons are noted for the Health Resources and Services Administration (HRSA) accreditation guidelines for Community Health Centers as well.

The summary of findings provided offer insights into practices that can increase rigor and value in the accreditation process for assessing public health financial management systems. The proper use of sound financial management systems is explicitly linked to the ability to measure and ensure agency financial stability. Expanding current financial management in public health processes to include these methods is consistent with analytical techniques that Dr. Louis Gapenski introduced to public health in his public health boot camp tutorial Financial Performance Analysis posted on

the www.publichealthfinance.org website. Dr. Gapenski had the keen insight to recognize the gap in public health financial management practices and developed the boot camp materials as a way of addressing that deficiency. Implementation of these methods also warrants attention to another critical area researched by Dr. Gapenski and that is ensuring that the public health workforce is properly educated in financial management concepts applied to the field of public health (Gapenski, Morris and Honoré, 2012).

What is Accreditation?

Accreditation is a process of ensuring that an institution has acceptable levels of quality that are consistent with industry standards (Financial Regulation Standards, 2016). Standards and related measures are an integral component of an accreditation system. They actually serve as the assessment criteria to evaluate institutional conformity with industry-wide goals for quality. Industry quality goals are influenced by shared principles and values. Standards can also be viewed as a reflection on the accreditation agency's qualifications and aspirations to effectively measure the ability of the organization under review to meet quality assuring criteria (Code of Federal Regulations, 2016). Actually, accreditation agencies in other sectors must demonstrate that they in fact maintain programs to meet criteria for the evaluation of quality in institutions under review for accreditation (Code of Federal Regulations, 2016).

Describing Accreditation Agencies

PHAB is a nonprofit agency established in 2007 with initial funding primarily from the Robert Wood Johnson Foundation (RWJF) to accredit state, local, territorial, and tribal public health agencies (Kronstadt, et al., 2016). The creation of PHAB was based mainly on recommendations from a group of public health leaders who explored, over several years, the feasibility of a national voluntary public health accreditation program. PHAB strives to “promote and protect the health of the public by advancing the quality and performance of all public health departments in the U.S.” (Public Health Accreditation Board, 2016a). It is the sole organization that accredits governmental public health agencies. Public health agency accreditation is a voluntary process. There are no laws similar to those for higher education, as detailed below, that require federal *recognition* of a public health accreditation agency.

The ED role in institutional accreditation of colleges and university was solidly planted in the Higher Education Act of 1965 (Code of Federal Regulations, 2016). ED does not award accreditation but rather, by law, must recognize regional agencies to award accreditation to colleges and universities (Code of Federal Regulations). Procedures and criteria for recognition by ED as an accreditation agency are guided by the National Advisory Committee on Institutional Quality and Integrity as codified by federal law (Pub. L. No. 110-315). An underlying federal requirement is that the accreditation agency is required to “*demonstrate that it has standards for accreditation and preaccreditation that are sufficiently rigorous to ensure that the agency is a reliable authority regarding the quality of education or training provided by the institutions or programs that it accredits*” (Code of Federal Regulations, 2016). Accreditation for colleges and universities is a condition that is tied also by law to eligibility for receipt of student federal financial

aid (Pub L. No. 89-329). The U.S. Secretary of Education is responsible to ensure a quality system of higher education in the United States. Accreditation facilitates the accomplishment of that responsibility.

It is also worth mentioning that in the case of community health centers, the Health Resources and Services Administration (HRSA) does not mandate accreditation, but it currently acknowledges accreditation and designation as a patient-centered medical home from two agencies, the Joint Commission and the Accreditation Association of Ambulatory Health Care, for the accreditation of Community Health Centers (Health Resources and Services Administration, 2016). HRSA also contracts with them to provide assistance to community health centers seeking those designations. The National Committee for Quality Assurance (NCQA) is also recognized by HRSA for Community Health Centers that seek a designation as a Patient Centered Medical Home but not accreditation (Health Resources and Services Administration, 2016).

PHAB does not have federal oversight criteria set by HHS comparable to what is required by ED or HRSA. There are no federal policies that mandate conditions for being able to award accreditation to public health agencies. PHAB does maintain an ongoing relationship regarding accreditation with the Centers for Disease Control and Prevention through its Office of State, Tribal, Local, and Territorial Support but there are no federal legal mandates regarding accreditation. PHAB also continues to maintain a strong relationship with the Robert Wood Johnson Foundation.

Defining Financial Management Systems

Financial management as defined by Dr. Gapenski is the “application of theory and concepts to help managers make better decisions” (Gapenski, 2009). It includes the routine blending of accounting, finance, and management concepts into organizational practices as a means for minimizing the risk of financial loss (Honoré and Amy, 2007). An effective system of financial management will enhance the decision-making process by providing the appropriate tools (Gapenski, 2009). A critically important tool is financial information that can be used to increase knowledge regarding the sustainability of programs and services as well as the entire agency (Finkler, 2005).

Providing information that can be used by decision makers to understand the relationships among elements in an organization is a fundamental function of financial management (Steiss and Nwagwu, 2001). The Federal Office of Management and Budget (OMB) provides guidance to federal agencies for developing and maintaining financial management systems in Circular No. A-127 (OMB Circular A-127). OMB’s definition of substantial compliance with Circular A-127 is when “ financial management systems routinely provide reliable and timely financial information for managing day-to-day operations as well as to produce financial statements, maintain effective internal control, and comply with legal and regulatory requirements” (OMB Circular A-127). Circular No. A-127 future recommends the ranking of risk using their Compliance Risk Model (OMB Circular A-127). Ensuring transparency by providing reliable and timely financial and operational data that can be turned into information to inform decision making is a critical

component of financial management. Also, it is consistent with the national public health quality aim of Transparency (Honoré, et al., 2011).

Another basic objective of financial management involves the allocation of organizational resources and the tracking of performance resulting from such allocations (Steiss and Nwagwu, 2001). In public service organizations, decisions are oriented to accomplishing a multitude of organizational goals while assuring a satisfactory financial position (Finkler, 2005). A quantitative evaluation mechanism widely used in private industry and the public sector to measure financial health is ratio and trend analyses. Ratio and trend analyses are valid techniques for comparing data over multiple periods. The utility of these methods increases when data are compared industry-wide such as in benchmarking of peer institutions. As Dr. Gapenski informed us, the value of ratio analysis is that when two data elements are combined to create a unique indicator, its “economic meaning can be easily interpreted” (Gapenski, 2009). Trend analysis comprises the examinations of ratios and other information over time. When used together, this analysis provides insights into individual organizations and when examined nationally, gives insights into the entire industry’s financial stability.

Under Sec. 498 of the Higher Education Act, ED is required to calculate annually a ratio - Financial Responsibility Composite Score - to verify each institution’s overall financial health (U.S. Department of Education, 2016b). A satisfactory ratio is necessary for participation in the federal financial student aid programs (U.S. Department of Education, 2016b).

Both ED and HRSA also have mandates that institutions must report quarterly, in uniform categories, financial and operating data into their data reporting systems (Integrated Postsecondary Education Data System [IPEDS] and Uniform Data System [UDS]) (IPEDS) (UDS). Information reported into the mandated systems is used to assess institutional financial and operational performance through the calculation of ratio and trend analysis in colleges and universities and community health centers. Information in these systems is particularly helpful during the accreditation review process. The only comparable system in governmental public health is the Public Health Uniform National Data System (PHUND\$) which was designed for the collection of data from local governmental public health agencies (PHUND\$). However, PHUND\$ is hosted by the National Association of County and City Health Officials and not a federal agency (PHUND\$). And unlike ED and HRSA, there is no federal mandate for data reporting into PHUND\$ across governmental public health agencies.

Comparing Accreditation Financial Management Standards

A critical review was made based on goals to: 1) compare the PHAB version 1.5 standards and measures to those of the ED recognized accreditation agencies for colleges and universities, and 2) evaluate whether the PHAB standards, measures, documentation and guidance are sufficient to make either quantitative or qualitative assessments of a public health department’s financial management system.

Examining the PHAB Standards

PHAB Domain 11 is titled *Maintain Administrative and Management Capacity* (PHAB Standards and Measures). PHAB’s description of this Domain states that public health agencies should have financial management competence and accordingly show knowledge regarding the finances of the health department. The specific standard under Domain 11 to measure the public health agency’s capacity to manage its finances is Standard 11.2 – Establish effective financial management system, presented in Table 1.

Table 1. Measures under PHAB Standard 11.2: Establish Effective Financial Management System

Measure: 11.2.1 A: Financial and programmatic oversight of grants and contracts	Purpose: To assess the health department’s ability to manage grants and contracts and comply with external governmental funding requirements	Required Documentation: 1. Audited financial statements 2. Program Reports submitted to funding organizations 3. Communication from federal or state funding agencies or organizations
Measure 11.2.2 A: Written agreements with entities from which the health department purchases, or to which the health department delegates, services, processes, programs, and/or interventions	Purpose: To assess the health department’s management of agreements with other organizations to provide services, processes, programs, or interventions on behalf of the health department	Required Documentation: 1. Contracts/MOUs/MOAs or other written agreements for the provision of services, processes, programs, and/or interventions
Measure 11.2.3 A: Financial management systems	Purpose: To assess the health department’s ability to manage finances	Required Documentation: 1. Approved health department budget 2. Quarterly Financial reports
Measure 11.2.4 A: Resources sought to support agency infrastructure and processes, programs, and interventions	Purpose: To assess the health department’s activities to increase financial resources to support its infrastructure and to enhance or develop processes, programs, and interventions	Required Documentation: 1. Formal efforts to seek additional resources 2. Communications concerning the need for financial support to maintain and improve public health infrastructure and services

The four measures under Standard 11.2 appear to marginally align with goals of verifying the existence of an effective financial management system. As stated previously, goals of a financial management system are to aid in minimizing the risk of financial loss (Honoré and Amy, 2007) and as expressed by Dr. Gapenski, to aid managers in making informed decisions (Gapenski, 2009). The measures established by PHAB do not completely illustrate the robustness of financial data and assessment review processes needed to make a determination about the risk of financial loss or inform decision making in a significant manner. An analysis of each of the four measures is given to explain this observation.

Two of the measures (11.2.1.A and 11.2.2 A) are specifically intended to examine a public health agency's capacity to demonstrate compliance with funding agency requirements and manage grants and contracts. This is an essential activity since a considerable amount of public health funding is acquired through granting and contracting from external sources. However, a review of an agency's full audit report (when an audit is required) in addition to the response to the audit as compared to the current PHAB required documentation (Table 1), would reveal compliance or noncompliance and audit responses in all areas and not only in grants, contracts and management agreements. For example, material weakness in internal controls – an essential ingredient to effective financial management systems – beyond grants and contracts would be noted in the full audit report. The audit report and response would also document if in fact any weaknesses are repeat findings and if any corrective actions were taken previously by the agency. Each of the six ED recognized accreditation agencies require a review of the full audit report and many specifically mention a review of the responses as well (Middle States Commission, 2016; New England Association, 2016; NWCCU, 2016; Southern Association of Colleges, 2016; Western Association of Schools, Higher Learning Commission, 2013). The accreditation agencies also do not focus singularly on grants and contracts compliance but more comprehensively on systemic financial management practices. The focus is aligned more broadly with a risk management approach to mitigate adverse financial or operational events.

The focus of Measure 11.2.3 A is on assessing the public health agency's ability to manage its finances. PHAB guidance to the accreditation team is to review documentation such as the approved budget, expense reports, reimbursement reports, and reports to governing bodies (PHAB Standards and Measures). The purpose of this review is to verify that the budget has been approved and that quarterly financial reports are produced. Additions to the guidance for this measure could better enable reviewers to assess the public health agency's ability to manage agency finances. For example, a more rigorous approach would be to require the public health agency to review the budget to determine if funding allocations are consistently aligned with agency mission and objectives in the agency's strategic and community health plans. This provides a better measure of institutional integrity and financial management. Integrity implies an alignment of goals with action. Consequently, providing adequate resources is likely to ensure integrity. At a minimum, a review to determine agency financial health through documentation of a surplus or deficit position and operating margin ratio would quantify financial management success or limitations. Numerous examinations documented deficit positions in public health agencies across multiple states (Honoré, Stefanak and Dessens, 2012; Charleston Gazette Mail, 2015; Overview of the PHUNDS\$, 2016). Building such reviews into the accreditation process would be immensely valuable for measuring sustainability of the public health enterprise. The ED recognized accreditation agencies rely on financial data and measures reported into the mandated data collection system (IPEDS) for

this purpose preceding and during the accreditation review process. Federal mandates for public health financial and operational data reporting into a federal data warehouse similar to ED and HRSA is a logical advancement to making such information readily accessible. Currently, PHUND\$ is able to serve this role for local public health agency data (PHUND\$, 2016).

Standards and measures to assess for the management of finances by the ED approved accreditation agencies are comprehensive and too exhaustive to include entirely in this review. However, for illustration purposes, samples are provided in Table 2.

Table 2. Sample of Standards Used by the ED Recognized Institutional Accreditation Agencies to Assess the Ability to Manage Institutional Finances

Region/States	Agency	Sample of Standards Compared
Middle States: Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania, Puerto Rico, Virgin Islands	Middle States Commission on Higher Education	<ul style="list-style-type: none"> • Strategies to measure and assess the adequacy and efficient utilization of institutional resources required to support the institution’s mission and goals • Periodic assessment of the effectiveness of planning, resource allocation, institutional renewal processes, and availability of resources • An annual independent audit confirming financial viability with evidence of follow up on any concerns cited in the audit’s accompanying management letter.
New England: Connecticut, Maine, Massachusetts , New Hampshire, Rhode Island, Vermont	New England Association of Schools and Colleges Commission on Institutions of Higher Education	<ul style="list-style-type: none"> • The institution periodically evaluates the content and pertinence of its mission and purposes, ensuring they are current and provide overall direction in planning, evaluation, and resource allocation • The chief executive officer manages and allocates resources in keeping with institutional purposes and objectives and assesses the effectiveness of the institution • The institution preserves and enhances available financial resources sufficient to support its mission. It manages its financial resources and allocates them in a way that reflects its mission and purpose. It demonstrates the ability to respond to financial emergencies and unforeseen circumstances. • The institution is financially stable. Its stability and viability are not unduly dependent upon vulnerable financial resources or an historically narrow base of support.

Table 2. Continued

<p>New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont</p>	<p>New England Association of Schools and Colleges Commission on Institutions of Higher Education</p>	<ul style="list-style-type: none"> • The institution ensures that it has sufficient professionally qualified finance staff, led by a chief financial officer whose primary responsibility to the institution is reflected in the organizational chart • The institution ensures the integrity of its finances through prudent financial management and organization, a well-organized budget process, appropriate internal control mechanisms, risk assessment, and timely financial reporting to internal control and external constituency groups, providing a basis for sound financial decision-making. • The institution demonstrates its ability to analyze its financial condition and understands the opportunities and constraints that will influence its financial condition and acts accordingly. The institution implements a realistic plan for addressing issues raised by the existence of any operating deficit. • The institution has in place appropriate internal and external mechanisms to evaluate its financial status including fiscal condition, working capital, capital projects, cash flow requirements, and financial management.
<p>North Central: Arizona, Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, West Virginia, Wisconsin, Wyoming</p>	<p>Higher Learning Commission</p>	<ul style="list-style-type: none"> • The institution’s resource base supports its current educational programs and its plans for maintaining and strengthening their quality in the future. • The institution has the fiscal and human resources and physical and technological infrastructure sufficient to support its operations wherever and however programs are delivered. • The institution has a well-developed process in place for budgeting and for monitoring expenses • The institution allocates its resources in alignment with its mission and priorities • The institution has the financial base to support its operations and sustain them in the future. It demonstrates a record of responsible fiscal management, including appropriate debt levels • The institution demonstrates a history of stable operations and consistent control during the two years preceding the submission of the Eligibility Filing

Table 2. Continued

<p>Northwest: Alaska, Idaho, Montana, Nevada, Oregon, Utah, Washington</p>	<p>Northwestern Commission on Colleges and Universities</p>	<ul style="list-style-type: none"> • The institution demonstrates financial stability with sufficient cash flow and reserves to support its programs and services. Financial planning reflects available funds, realistic development of financial resources, and appropriate risk management to ensure short-term solvency and anticipate long-term obligations, including payment of future liabilities. • The institution ensures timely and accurate financial information through its use of an appropriate accounting system that follows generally accepted accounting principles and through its reliance on an effective system of internal controls. • Results from the audit, including findings and management letter recommendation, are considered in a timely, appropriate, and comprehensive manner by the administration and the governing board.
<p>Southern: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia</p>	<p>Commission on Colleges of the Southern Association of Colleges and Schools</p>	<ul style="list-style-type: none"> • The institution has a sound financial base as demonstrated by financial stability to support the mission of the institution and the scope of its programs and services • The institution’s recent financial history demonstrates financial stability • The institution has adequate physical resources to support the mission of the institution and the scope of its programs and services • The institution exercises appropriate control over all its financial resources
<p>Western: California, Hawaii, American Samoa, Guam, Palau, Micronesia, Marshall Islands and Northern Marianas</p>	<p>WASC Senior College and University Commission</p>	<ul style="list-style-type: none"> • The institution is financially stable and has unqualified financial audits and resources sufficient to ensure long-term viability. • The institution has functioned without an operational deficit for at least three years. If the institution has an accumulated deficit, it should provide a detailed explanation and a realistic plan for eliminating it.

When comparing the PHAB standards to the sample of measures in Table 2 for the ED recognized accreditation agencies there are salient additions that should be considered for improving rigor and the quality of criteria used in the PHAB assessment process. Based on this comparison, value-adding assessment practices should include reviews to determine:

- Availability, sufficiency and alignment of resource allocations to support agency mission, goals, institutional purpose, and programs and services
- Ability to measure (quantitatively) and document financial health, stability and viability
- Existence of appropriate financial risk assessment and management functions
- Implementation of effective systems of internal controls
- Understanding of issues that created deficit positions and existence of plans to eliminate any accumulated deficits
- Sufficiency of professionally qualified finance staff
- Establishment of an inclusive and organized budget development and monitoring process
- Implementation of financial planning processes and procedures for achievement of goals
- Establishment of transparent practices demonstrated by availability of timely and accurate financial information

In PHAB measure 11.2.4 an attempt is made to determine if the public health agency is actively seeking support for its plans and infrastructure. Such support seeking activities should not be minimized since plans (e.g., strategic plans, health plans, equity elimination goals) absent adequate resources could be perceived as merely rhetoric. Documentation examined by reviewers during this process includes a review of any formal efforts by the public health agency to seek resources such as grant applications, and communications documenting the need for additional public health investments such as letters to newspaper editors or testimony before elected officials. The primary difference in this PHAB measure and those of the ED recognized agencies is the focus in higher education reviews on verifying the availability and sufficiency of existing resources required to fulfill agency mission, goals, and financial stability. ED recognized accreditation agency processes verify that appropriate resources are in place to fund established goals. It is well documented that public health nationwide continues to be grossly underfunded while repeatedly called upon to fulfill mandates without sufficient funding (Himmelstein and Woolhandler, 2016). However, the comparison of the measures from the ED recognized agencies and PHAB shows areas where the PHAB measures could be substantially improved.

Summary of Findings

The PHAB accreditation process is in a very early stage of development. Only in the past decade was consensus reached to begin the journey of exploring accreditation. Experience with the accreditation process has only reached a fraction of public health agencies. Consequently, it is not surprising that there would be opportunities to build more rigor into the process. PHAB standard 11.2 was written to verify the existence of an established and effective financial management system. As currently written though, the measures and required documentation do not fully support a thorough assessment of the public health agency's ability to meet this standard. The Joint Commission notes that standards should be used by management to make quality improvements

(Himmelstein and Woolhandler, 2016). Given the focus of the PHAB measures on documentation of budgeting, reporting compliance and contracting, these measures do not necessarily translate into evidence of a quality financial management system. Perhaps more importantly, it also does not necessarily aid in identifying where improvement is needed or the root causes of financial management system weaknesses. The suggested additions to PHAB financial management measures should be made so they can serve this role for public health management and also for promoting the value of the measures to improving agency decision-making.

In the six ED recognized regional institutional accreditation agencies (Table 2), the finance related standards and measures used in those agencies, as well as some accreditation eligibility criteria, are rigorous. They reflect an assessment regarding the quality of a financial management system and, most importantly, the financial stability of those organizations. Driving the maintenance of sound financial management systems in higher education could be the appreciation for the value of sound financial management to the sustainability of colleges and universities. Also fostering these practices may be the existence of tools to bridge the gaps between financial management theory and practice. The existence of college and university standardized financial measurement and risk-mitigating tools such as IPEDS with its benchmarking features and the Financial Responsibility Score is probably very helpful. The assessment for quality in the financial management systems used by the six agencies has characteristics of assessment surveillance that is risk-based to reasonably assure 1) sound financial planning as a risk-mitigating strategy to prevent program disruptions, 2) agency financial stability by examining for risk such as operating deficits, and 3) mission relevant allocation of resources.

Additionally, the ED recognized agency accreditation standards are grounded on the availability of financial information. Financial stability is examined through a critical review of financial data typically found in both private and public sectors (Finkler, 2005). Also, financial reports on ratio and trend analysis are utilized to (1) determine if the allocation of resources is consistent with institutional mission, (2) track performance, and (3) assess financial and operational risks. Collectively, all of these activities promote and verify institutional quality assurance for financial management systems.

Conclusion

This examination provided insights into standards and measures that could be adopted in the governmental public health agency accreditation process to improve the quality, value, and strength of the nation's public health system. It also provided information on tools used in higher education such as indexes and composite scoring systems to measure and monitor institutional financial health. From a systems perspective, this examination also provides evidence on how the various federal government agencies approach the issue of accreditation. As shown, for some federal agencies, mandates are established that set criteria and guidelines for recognized agencies to accredit entities within their scope of responsibility. These federal agencies also have mandates for the reporting of institutional financial data to them as well. Policymakers should closely examine the federal role in public health accreditation and whether it should be strengthened. The federal agencies with responsibilities and oversight for national public health activities and PHAB as well should use the illustrations provided from the education sector to guide future actions.

Doing so will aid in building more rigor, quality, and value into the governmental public health agency accreditation process for measuring financial management systems.

Disclaimer

The content of this paper was not developed as part of any U.S. Department of Health and Human Services work and the opinions expressed do not reflect the opinions of U.S. Department of Health and Human Services.

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