

**ST. CLAIR COUNTY COMMUNITY MENTAL HEALTH AUTHORITY**

**BOARD POLICY**

Date Issued **6/243**

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I. APPLICATION:

- SCCCMHA Board
- SCCCMHA Providers & Subcontractors
- Direct Operated Programs
- Community Agency Contractors
- Residential Programs
- Specialized Foster Care

II. POLICY STATEMENT:

It shall be the policy of the St. Clair County Community Mental Health Authority (SCCCMHA) Board to maintain a system of contract management in accordance with applicable federal, state, and local laws and the MDHHS and PIHP contract.

III. DEFINITIONS:

- A. Administrative Contract Manager: Refers to the individual(s) responsible for coordinating the overall contract/agreement process. (This includes developing new contracts/ agreements, processing contract/agreement renewals, amendments and terminations, overseeing contract compliance, managing the contract files, etc.)
- B. Contract/Agreement Amendment: An authorized change to an already established contract/agreement that may include/involve change in service provision and/or budget provision that will require negotiation-offer/acceptance.
- C. Contract Team: This includes but is not limited to Administrative Contract Manager, Administrative Fiscal Manager, IT staff, Data Management staff, and Quality Improvement staff.
- D. Contractual Agreement: A written agreement, enforceable by law, between two (2) or more parties establishing parties' responsibilities, duties, and obligations. This may include: contracts, service agreements, letters of understanding, purchase orders, and grant projects.
- E. Administrative Fiscal Manager: Refers to the individual(s) responsible for coordinating payments, assisting with other budget related issues, and processing budget revisions.

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- F. Contractor: For the purposes of this policy, “Contractor” generally means a provider of mental health services; however, it can also be a “Vendor” e.g., software, telephone system, etc.
- G. Quality Improvement Staff: Refers to the individual(s) responsible for developing contract performance indicators, monitoring and reporting quarterly/annually the contractors’ performance of the indicators, and reviewing Contract Provider’s Annual Quality Improvement Plan and Annual QI Summary Plan.
- H. Routine Renewal: An authorized continuation of an expiring contract/agreement with no significant change or only minor changes to the previous provisions.

#### IV. STANDARDS:

- A. Unless otherwise indicated by the SCCCMHA Board, all of the following contracts must go to the SCCCMHA Board for approval:
1. All new contracts/agreements with a budget of \$150,000.00 or more.
  2. Any renewed contract/agreement/amendment with a budget change of \$150,000.00 or more, or significant program changes.
- B. Any contracts/agreements with prior low or insufficient performance issues must be presented and approved by the SCCCMHA Board prior to renewal.
- C. Unless otherwise indicated by the SCCCMHA Board, the following may be approved by the SCCCMHA Chief Executive Officer; or, in the Chief Executive Officer’s absence, designee:
1. New contracts/agreements with a budget of less than \$150,000.00.
  2. Renewed contracts/agreements/amendments with a budget change of less than \$150,000.00, or insignificant program changes.
  3. All specialized foster care contracts.
  4. Fiduciary contracts.
  5. Personal and/or professional service agreements.
  6. IT contracts/agreements.
  7. Other
- D. All contract/agreement language must have internal review before being executed whenever possible.
- E. All contract/agreement correspondence must be uploaded into the company record in Cobblestone.
- F. Vendor/contract name/type and actual expenditure will be presented to the SCCCMHA Board monthly as “Presentation of Bills to be Paid.”
- G. Through the contract/agreement process, SCCCMHA may delegate functions to a contractor once capacity to perform has been assessed and when the function is monitored. Specifics related to delegated functions are outlined in the contract language and monitoring tool.

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- H. All contract files will be reviewed annually to ensure all contract materials and information is submitted as requested.
- I. Desk Audit Review or Site Visits of any delegated functions will be completed at least annually for review of the “Contract Monitoring and Delegation Assessment Tool” with the contractor.
- J. The drafting of service contract/agreement amendments is the responsibility of SCCCMHA and amendments may be made from the time of the contract/agreement approval until one month before the fiscal year end, unless the amendment is for a residential placement and/or discharge.
- K. Requests for amendments can be generated from either SCCCMHA or contractor.
- V. PROCEDURES:
- A. **Contract/Agreement Development**
- Person Identifying the Need for a Service Contract**
- Request for new contract may come directly from SCCCMHA Leadership, either verbally or by email.
- Administrative Contract Manager**
- Requests the contractor submit rates for services in accordance with the “Costing Principles” Administrative Procedure #07-001-0011 or cost of service(s). Some contracts will have set negotiated rates.
- Chief Operating Officer and/or Administrative Services Director and/or Chief Financial Officer**
- Obtains/develops and/or reviews/approves standard language of contract and any/all attachments that would be required.
- Administrative Contract Manager**
- Forwards rates/budget proposals from the contractor to the Fiscal Contract staff/Administrative Fiscal Manager for review.
- Fiscal Staff/ Administrative Fiscal Manager**
- Reviews materials, collaborates with the contractor regarding any changes, etc., and forwards recommendation to Administrative Contract Manager.
- Administrative Contract Manager**
- Schedules negotiation meeting(s), if necessary, inviting the appropriate parties.

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### **Involved Parties**

7. Negotiates agreement with regard to all terms of the contract/agreement.

### **Administrative Contract Manager**

8. Prepares a proposed version of the contract/agreement for presentation to and review by the contractor, when necessary.
9. Sends packet to appropriate parties indicating deadline for feedback.
10. Presents contract/agreement to SCCCMHA Leadership team when necessary.

### **Administrative Contract Manager or Contract Management Technician**

11. Prepares final contract/agreement packet to present at SCCCMHA Board meeting(s) for information then action, or to the Chief Executive Officer, according to Standards A., B., and C.

### **SCCCMHA BOARD Chair/Chief Executive Officer**

12. Approves the contract/agreement by signing final contract/agreement.

### **SCCCMHA BOARD Recording Secretary**

13. Returns contract/agreement packet to the contract management technician.

### **Administrative Contract Manager or Contract Management Technician**

14. Prepares contract for e-signature in Cobblestone, or uses U.S. Mail or secure email to send cover letter and contract/agreement to be sent out for contractor countersignature with a copy (c:) to:
  - a. Fiscal staff/designee,
  - b. Contract file, and
  - c. Other staff, as applicable (specific to contract/agreement)
15. Uploads a copy of letter and contract/agreement into Cobblestone, by vendor name.

### **Administrative Contract Manager or Contract Management Technician**

16. Receives countersigned contract/agreement, informs applicable staff of the fully executed contract via email to Administrative Contract Manager, Fiscal Contract Manager, and others. Updates the status of the contract file in Cobblestone with

### **Contract Management Technician**

17. Uploads new fully executed contract/agreement/amendment into the contract file in

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Cobblestone if unable to obtain e-signature through Cobblestone Intellisign.

18. Manages contract files in the electronic contract record. (If special copies/distribution is desired, requests should be forwarded to contract management technician.)

**B. Contract Amendment**

**Person Requesting Amendment**

1. Informs the Administrative Contract Manager.

**Administrative Contract Manager**

2. Prepares amendment and reviews any cost related amendment requests for mathematical accuracy and any other established criteria. Contacts contractor for clarification of any questions.
3. Follows Procedure A., Steps #3-19, for processing as needed.
4. Requests from the Fiscal Supervisor, a revised rate schedule attachment to be included with the contract/agreement amendment when approved.

**C. Contract Monitoring/Evaluation**

**Responsible Party/Parties**

1. Submits Performance Indicator data on a quarterly basis or as indicated in the contract, for each fiscal year.

**Quality Improvement Staff**

2. Collects, reviews, and reports on the data to the program and Administrative Contract Manager. A Plan of Improvement, including Corrective Action Plan, is requested for any indicators not meeting minimum performance standards.
3. Receives, reviews, approves, and records Corrective Action Plan.

**Fiscal ~~Contract Manager~~ Staff/Administrative Fiscal Manager**

4. Reviews and analyzes services and the cost related to the service trends.
5. Reviews annual financial statements that have been audited by external Certified Public Accountants. Completes audit report form following the SCCCMHA policy #07-002-0035, "Contract Audited Financial Statements." For agencies not receiving independent audits, the fiscal staff/designee will complete an audit of the financial records and submit a report of their findings.

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### **Administrative Contract Manager**

6. Notifies the contract team that the Contract Monitoring Compliance Review site visits are being scheduled and the Contract Monitoring and Delegation Assessment Tool is available to complete in the Fileshare1 folder for applicable contract team members.
7. Schedules on-site visits with contractors.
8. Forwards the “On-Site Visit” schedule to the Contract Team.

### **Contract Team**

9. Completes the assigned section(s) of the Contract Monitoring and Delegation Assessment Tool that is applicable to their interaction with the contractor prior to the scheduled site visit.

### **Administrative Contract Manager**

10. Reviews a variety of other required reports/documents such as: Utilization Management, Satisfaction Survey, Accreditation (e.g., CARF, JACHO), Recipient Rights, and/or other as it pertains to the contractor.
11. Completes a narrative/summary Contract and Delegation Monitoring Report for all contractors for full site visit reviews and desk audits of only delegated functions.
12. Sends cover letter, Contract and Delegation Monitoring Report, and the Contract Monitoring and Pre-Delegation Assessment Tool to the contractor providing directions, if applicable, for completing a Corrective Action Plan within 30 days for areas of less than full compliance.
13. Reviews, if applicable, contractor’s Corrective Action Plan submitted within 30 days of receipt of the Contract and Delegation Monitoring Report; and, provides response to the contractor of Corrective Action Plan being acceptable or needing additional information for enhancing the Corrective Action Plan.
14. Forwards Contract and Delegation Monitoring Report of contractors receiving the full site visit review to Leadership Team.
15. Completes Fiscal Year Contract Monitoring Aggregate Report of full site reviews and desk audit reviews of only delegated functions.
16. Submits the Fiscal Year Contract Monitoring Aggregate Report to SCCCMHA Board.
17. Forwards memo to PIHP with Contract Compliance Reviews and Review of Sub-Delegated Functions and Fiscal Year Contract Monitoring Aggregate Report upon request
18. Submits Fiscal Year Contract Monitoring Aggregate Report to SCCCMHA Community Relations Department for posting on the SCCCMHA website and on the bulletin board in the SCCCMHA lobby.

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### Community Relations Staff

19. Posts the Fiscal Year Contract Monitoring Aggregate Report to the SCCCMHA website and on the bulletin board in the SCCCMHA lobby.

#### VI. REFERENCES:

- A. SCCCMHA Administrative Procedures #07-001-0011 “Costing Principles”
- B. SCCCMHA Policy #07-002-0035 “Contract Audited Financial Statements”
- C. Region 10 PIHP Contract #38.0 “Subcontracting”

#### VII. EXHIBITS

None Available

#### VIII. REVISION HISTORY:

Dates issued 09/97, 10/99, 02/00, 04/02, 09/02, 08/04, 08/06, 06/08, 06/10, 09/11, 01/13, 03/14, 03/15, 03/16, 11/17, 05/19, 06/20, 07/20, 06/21, 06/22, ~~6/23~~.