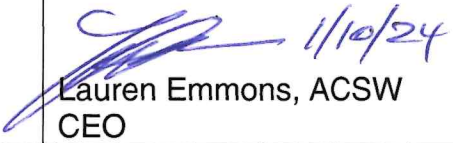


CHAPTER Fiscal Management	CHAPTER 06	SECTION 002	SUBJECT 15
SECTION Accounting		DESCRIPTION Contract Management	
WRITTEN BY Michael K. Vizona, M.B.A. Executive Director	REVISED BY Emma L. McQuillan, CFO	AUTHORIZED BY  Lauren Emmons, ACSW CEO	

APPLICATION:

<input checked="" type="checkbox"/> CMH Staff	<input type="checkbox"/> Board Members	<input type="checkbox"/> Provider Network	<input checked="" type="checkbox"/> Employment Services Providers
<input type="checkbox"/> Employment Services Provider Agencies	<input type="checkbox"/> Independent Contractors	<input type="checkbox"/> Students	<input type="checkbox"/> Interns
<input type="checkbox"/> Volunteers	<input type="checkbox"/> Persons Served		

POLICY:

Lapeer County Community Mental Health (LCCMH) provides appropriate mental health and substance use disorder services in accordance with state mandates and service eligibility criteria. Services may be provided by employees of LCCMH or through contractual arrangements with individuals or agencies which provide needed services.

STANDARDS:

- A. All contracts include performance objectives to monitor the quality of services provided by contractors.
- B. Prior to renewal of the contract, the contractor’s compliance with performance objectives are reviewed by the Network Monitoring Team (see LCCMH Policy 01.002.30 Provider Network Maintenance and Monitoring).
- C. Contract non-compliance may result in a required plan of correction or contract termination/non-renewal.

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PROCEDURES:

Under the direction of the Chief Finance Officer (CFO), the assigned Contract Manager:

- A. Initiates, negotiates and renews contracts, services agreements, interagency agreements, and leases; obtain approval for the service and cost; draft and complete appropriate documents; ensure inclusion of all rights and policy language mandated by the LCCMH Board, Michigan Department of Health and Human Services (MDHHS), and Region 10 Pre-paid Inpatient Health Plan (PIHP); assure submission of required supportive documentation; assure timely execution; develop and maintain County of Financial Responsibility (COFR) agreements.
- B. Monitors Local Inpatient, State Inpatient and Not Guilty by Reason of Insanity (NGRI) Community placements and associated costs. Provide CFO with utilization and expenditure updates as needed.
- C. Maintains contract files and identifies problems or deficiencies; generates and maintains electronic contract file of contracts, service agreements, interagency agreements, and leases with clear identification of the service, provider name and identifying information, scope, rate, maximum liability, review and expiration date.
- D. At least annually, reviews current contract formats, including those for residential services, professional services, and inpatient services. Makes recommendations for revisions that would improve their effectiveness and expedite the establishment of valid performance measures.
- E. Assures maintenance of licensure and certification measures for clinical, residential and professional service contracts; monitors for compliance and progress toward desired outcomes; advise the CFO, CEO and LCCMH Board significant areas of non-compliance or risk.
- F. Develops guidelines and processes for rate setting for contracts and leases; performs cost settlements and audits or reviews as required; analyzes contract services, rates and expenditures for efficiency and effectiveness.
- G. Provides technical assistance to agency staff and contract providers.
- H. Develops and processes Requests for Proposals and assures compliance with Board procurement guidelines.

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- I. Assists providers in completing a required application for privileging/credentialing.

DEFINITIONS:

Contract Manager: The assigned staff responsible to coordinate the overall contract process.

Contract Amendment: An authorized change to an established contract that may include a change in service provision and/or budget provision.

Contractual Agreement: A written agreement between two or more parties establishing the parties' responsibilities, duties and obligations that is enforceable by law. This may include contracts, service agreements, letters of understanding and lease agreements.

Network Monitoring Team: Group of LCCMH Management and Administrative Staff who review contract compliance in alignment with the LCCMH Network Management and Monitoring Plan.

Provider: For the purposes of this policy "Provider" generally means a provider of Mental Health services, however it can also be a "Vendor Provider" e.g. software, telephone system. Etc.

Routine Renewal: An authorized continuation of an expiring contract with no significant change.

REFERENCES:

LCCMH Policy 01.002.30 Provider Network Maintenance and Monitoring

ELM:lr

This Policy supersedes
#02/06009 dated 2/22/2009.
