

# SANILAC COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

## ADMINISTRATIVE POLICY

**NUMBER: BA049**

**NAME: CONTRACT PROVIDER SANCTION POLICY**

INITIAL APPROVAL DATE:	04/27/2005	BY: SCCMHA Board
(LAST) REVISION DATE:	10/20/2022	BY: Policy Committee
(LAST) REVIEW DATE:	10/19/2023	BY: Policy Committee
DISCONTINUED DATE:	N/A	REPLACED BY: N/A

### I. **PURPOSE**

The Sanilac County Community Mental Health Authority (Sanilac CMH) has created a Sanctions Policy to meet all areas of compliance including claims, training, and HIPAA in addition to identifying the responsibilities of Sanilac CMH contract providers. It is also designed to ensure that we maintain a working environment that encourages mutual respect, promotes civil and congenial relationships with contract providers.

### II. **APPLICATION**

Populations: **ALL**  
Programs: **Contracted - ALL**

### III. **POLICY**

It shall be the policy of Sanilac County Community Mental Health Authority (Sanilac CMH) to assure that all contract providers comply with the provisions of their contracts. When a material or substantial violation of the contract has occurred, Sanilac CMH will implement sanctions for non-compliance.

### IV. **DEFINITIONS**

- A. Contract Management - The process of formalizing and overseeing contractual agreements in compliance with acceptable practice and applicable standards, including but not limited to the following functions: maintaining contract files, initiating appropriate contract documents, obtaining Board approval for contractual agreements and related costs, negotiating contractual agreements, developing and monitoring associated performance and cost/rate expectations, analyzing expenditures for accuracy and cost effectiveness, initiating Requests for Proposals(RFP)'s.
- B. Contract Provider – For the purpose of this policy, a contract provider is a person or entity that has a contract to provide direct, billable services on behalf of Sanilac CMH.
- C. Network Monitoring – The formal process set up by Sanilac CMH to monitor its network of service contract providers as stated in the service contracts under ‘Contract Monitoring / Performance Evaluation / Plan of Correction’.

**Sanilac County Community Mental Health Authority Policy Manual**

- D. Sanction – A specified penalty that acts to encourage or ensure compliance or conformity.

**V. STANDARDS**

- A. Non-compliance with direct, billable service billing and activity submission requirements will result in automatic sanctions as indicated in paragraph B. below. When there is non-compliance with other contract provisions or with the submission of information required by Sanilac CMH, Contract Management will provide written notification to the Provider. This notification shall specifically address the non-compliance and a date for achieving full compliance.
- B. Non-compliance will result in the following fine(s):

**Non-Compliance – Other Contract Provisions and Requests for Information**

- Non-compliance after the date for required corrective action - Three percent (3%) of the charges submitted.
  - Non-compliance second (2<sup>nd</sup>) occurrence – Seven percent (7%) of the charges submitted.
  - Non-compliance third (3<sup>rd</sup>) occurrence – Fifteen percent (15%) of the charges submitted.
- C. Examples of non-compliance may include, but are not limited to the following:
    - Non-Compliance with billing requirements
    - Non-Compliance with documentation requirements
    - Non-Compliance with licensing and certification requirements
    - Non-Compliance with training requirements (such as Initial Recipient Rights training within thirty (30) calendar days of hire and annually thereafter, MDHHS 'Providing Residential Services in Community Settings' group home training within sixty (60) days of hire, training on an individual's IPOS within thirty (30) days of new plan or amendment)
    - Non-compliance with submission of documents, materials or information required by Sanilac CMH for compliance with Region 10 PIHP, Michigan Department of Health and Human Services (MDHHS), and State requirements.
  - D. Non-compliance with the corrective action required by Sanilac CMH may result in contract termination and recovery damages.

**VI. PROCESS**

- A. A Network Monitoring review will be completed annually on all contract service providers. The review will look for compliance in a multitude of areas. (Policy BA045 and Procedure DA1054)
- B. If an area of non-compliance is found, a letter will be sent to the contract service provider stating such and the requirements to keep the provider from being sanctioned.
  - a. It will require documentation to be submitted showing the provider is in fact in compliance within thirty (30) calendar days; or

**Sanilac County Community Mental Health Authority Policy Manual**

- b. It will require a plan of correction be submitted within thirty (30) calendar days laying out the steps the provider will take to become compliant.
  - i. The POC must be completed within ninety (90) calendar days.
  - ii. Sanilac CMH will do a post review of the contract service provider to ensure the POC was followed.
  
- C. A report of the findings from the Network Monitoring review will be sent to each contract service provider.
  
- D. All areas found to be in non-compliance will be reported, by contract service provider, in an annual report that is submitted to the Sanilac CMH Board.
  
- E. Sanilac CMH CEO can make an exception to this policy if the sanctions become a hardship for the Agency.