

SANILAC COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

ADMINISTRATIVE POLICY

NUMBER: BA050

NAME: CONTRACT MANAGEMENT

INITIAL APPROVAL DATE:	02/19/2002	BY: Sanilac CMH Board
(LAST) REVISION DATE:	07/26/2023	BY: CIO
(LAST) REVIEW DATE:	07/27/2023	BY: Policy Committee
DISCONTINUED DATE:	N/A	REPLACED BY: N/A

I. PURPOSE

To establish uniform policies and procedures relative to contractual agreements, and to maintain an effective and efficient system of contract management.

II. APPLICATION

Populations: **ALL**

Programs: **Direct - ALL
Contracted - ALL**

III. POLICY

It shall be the policy of Sanilac County Community Mental Health Authority (Sanilac CMH) to assure that all services and spending meets appropriate standards of quality and fiscal responsibility, through formalized contractual agreements and performance measures coordinated and monitored by Contract and Data Management in accordance with applicable federal, state, local and departmental laws, regulations, ordinances and standards. It is also the policy of Sanilac CMH that all contracted providers of service to Sanilac CMH individuals comply with all policies and procedures and Recipient Rights stipulations mandated by the Michigan Mental Health Code, the Michigan Department of Health and Human Services (MDHHS) and Sanilac CMH.

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. CIO (Chief Information Officer)– Refers to the assigned staff responsible to conduct and coordinate the overall contract management process.
- c. Contract Addendum– An authorized change to an already established contractual agreement that may include a change in service provision and budget provision that may require negotiation, offer and acceptance.
- d. Contractual Agreement– A written agreement between two (2) or more parties establishing the parties' responsibilities, duties and obligations that is enforceable by law. This may include contracts, service agreements, leases, coordination agreements, letters of agreement, letters of understanding and grant projects.

- e. Contractor– Refers to the person, organization or entity providing services under the terms established by a contractual agreement on behalf of Sanilac CMH.

V. STANDARDS

- a. On a bi-annual revolving schedule, a summary of all contractual agreements (ongoing and anticipated) shall be submitted to the Sanilac CMH Board for review and approval.
- b. Contractual agreements for like services and/or alternative or successor – Contracts developed during the fiscal year may be authorized by the Chief Executive Officer (CEO) when the costs for these contractual agreements do not exceed budget limits or contractual contingency funds already approved by the Board. The Chief Financial Officer (CFO) or CEO may authorize payment for unexpected or one-time services provided by persons or agencies, without the development of a formal contract if additional services by the contractor are not anticipated. Contractual Agreements will be developed with local Inpatient hospitals and other health care organizations to fulfill the service continuum to meet CCBHC requirements including, but not limited to, crisis services, healthcare screenings, Medication Assisted Treatment (MAT), services for Veteran and Activity-Duty personnel, and SUD services. Sanilac CMH will continue to work with the area Indian Health Service provider organizations based on preference of the individuals served.
- c. Except as noted in "b" above, the CMH Board shall approve all contracts developed during the fiscal year with a reimbursement limit in excess of \$5,000.
- d. The CMH Board shall approve all contractual agreements and contract addendums initiated during the fiscal year which entail significant changes in service provision and/or program budget (as determined by the CEO) even when they would otherwise meet the criteria as noted in "b" above.
- e. The CIO shall be responsible for maintaining a standard contract language file and a Master List of all contracts.
- f. The CIO shall be responsible to analyze services, rates and expenditures under the contractual agreements for efficiency and effectiveness, advises Administration of significant areas of noncompliance or risk, and perform audits and/or cost settlement as assigned. The CIO shall make a report, when appropriate, to the Administrative Committee.
- g. The CIO shall review rates for all contracts on a continuous and case by case basis.
- h. The CIO shall be responsible to provide non-clinical technical assistance to staff and contract providers, including recommendations as to necessary policy and guidelines.
- i. The CIO shall be responsible to develop Requests for Proposals as applicable and assure compliance with all applicable standards, policy, and Board procurement guidelines.
- j. All contracts will include language indicating the need for compliance with policies and procedures and Recipient Rights stipulations as stated above and include an appropriate attachment indicating policies and documents that specifically apply to services rendered. Whenever possible, one of the standardized Agency formats will be utilized.
- k. Policies and documents for which compliance is mandated but which are not normally present in the Sanilac CMH policy manuals will be incorporated into this current policy under attachments.

VI. PROCEDURE FOR CONTRACTUAL AGREEMENTS

- a. The person identifying the need for a contract completes a funding request form. Notification from the database goes to the CIO (along with approval notification) and provides the following information:
 - Identification of parties
 - Type of contract needed (personal services, residential, etc.)
 - Service provisions being established or purchased
 - Period during which agreement is needed
 - Recommended performance indicators
 - Other terms/standards to be presented during development
- b. Administrative need for a new contract - Once an Agency Chief, or the Administrative Team, determines the need for a new contracted service/provider; the CIO will be notified regarding the parameters of the contractual need.
- c. The CIO:
 - Develops proposed rate(s) based on established parameters, individual needs, and contractor's costs.
 - Obtains/develops standard contract language and required addendums.
 - Schedules negotiation meeting(s), if necessary, inviting the appropriate parties.
 - Negotiates agreement with regard to all terms of the contract.
 - Prepares a "proposed" contract for presentation to Administrative Team.
 - Prepares the final contract for presentation to the CMH Board for action or to the CEO in accordance with standards above.
 - Prepares a "Committee Decision Memorandum" when CMH Board review and action is required in accordance with above standards.
 - Obtains required signatures.
- d. The Admin Supervisor – Data/Contracts:
 - Obtains and updates all required licensure, certification, insurances, etc. for all contract functions.
 - Updates the Master contract list
- e. The Executive Administrative Assistant:
 - Files the fully executed contract along with any other required documentation.

VII. ATTACHMENTS

VIII. REFERENCES

DC1026 – Funding, Support and Service Request Procedure