



TUSCOLA BEHAVIORAL HEALTH SYSTEMS
Financial Administration Policies

Policy Section	Contracts	Policy Number	III-006-001
Subject	Contract Management	Issue Date	09/01/2009
		Revision Date	05/14/2024
		Approved By	<i>Julie Majack</i>
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POLICY

It is the policy of Tuscola Behavioral Health Systems (TBHS) to develop provider contracts using standard templates that contain the basic contract elements as outlined in the Tuscola Behavioral Health System's (TBHS) Managed Specialty Supports and Services Contract with the Michigan Department of Health and Human Services (MDHHS). Contract language must be consistent with MDHHS' Administrative Rules, the Michigan Mental Health Code (MHC), Mid-State Health Network (MSHN) Medicaid Subcontracting Agreement, other State and Federal directives and the TBHS Board Policy regarding contracts.

PURPOSE

The purpose of this policy is to define the minimal requirements to be contained within a TBHS contract.

APPLICATION

This policy shall be applicable to staff of the Financial Services Division of TBHS.

DEFINITIONS

n/a

PROCEDURES

The following standards shall apply to all contracts, as appropriate to the type of contract, initiated by TBHS.

1. Contracts shall comply, as to content and form, with templates approved by the TBHS Chief Executive Officer (CEO).
2. After consideration of TBHS Needs Assessment results, TBHS may establish contracts to ensure the network of providers is sufficient to provide adequate access to all services covered under the contract with the PIHP, based upon:
 - a. The anticipated number of referrals.
 - b. The expected utilization of services taking into consideration the characteristics and health care needs of local populations.
 - c. The numbers and types (in terms of training, experience, and specialization) of providers required to furnish the contracted services.

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- d. The geographic location of providers and individuals served, considering distance, travel time, the means of transportation ordinarily used by individuals, and whether the location provides physical access for people with disabilities.
3. New providers, or existing providers looking to expand the service array, must be assessed to ensure no heightened scrutiny is present based upon isolating institutional elements.
4. Contracts shall specify the type, nature, rate and scope of services that TBHS is purchasing, the duration of the agreement to the terms contained therein and the mutual responsibilities of each party to the contract.
5. Contracts shall ensure that MSHN nor MDHHS is in no way a party to any employer/employee relationship with the contractor of TBHS and that MSHN or MDHHS is neither a party to, nor responsible for, any payments under any contractual agreements between TBHS and a contractor.
6. As appropriate to the type of contract, the contract shall specify the mutual responsibilities of the parties in each of the following areas:
 - a. Duty to treat and accept referrals
 - b. Prior authorization requirements
 - c. Access standards and treatment timelines
 - d. Relationships with other providers
 - e. Reporting Requirements
 - f. Quality Assurance/Quality Improvement systems and requirements
 - g. Payment arrangements and solvency/stability requirements
7. Contractors shall be required to comply in all material respects with the terms and conditions of the contracts by and between TBHS and MDHHS and TBHS and MSHN. Terms and conditions considered "pass through" shall be fully disclosed, word-for-word, in all contracts between TBHS and a contractor. These may include any or all of the following:
 - Best Practice Guidelines
 - Non-Discrimination and Compliance with Civil Rights Laws
 - Recipients Rights
 - Complaint Resolution
 - Grievances filed by individuals served
 - Service Authorization and Utilization Management
 - Quality Improvement
 - Credentialing
 - Outcomes Management
 - Reporting Requirements
 - Examination, Maintenance and Retention of Records
 - Fiscal Operating Practices Requirements
 - Insurance Coverage Requirements
 - Indemnification Requirements
 - Prepaid Inpatient Health Plan Requirement
 - Others
8. Contracts shall include a clear definition of the services to be provided by the Contractor, the objective(s) to be accomplished through the contractual service, verification mechanism, maximum dollar amount for the specified contract period if appropriate, and a provision that all contracts shall be reevaluated before being renewed.

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9. All TBHS contracts for purchase of services for individuals shall clearly identify responsibility in the area of Recipient Rights, Grievances and Appeals and Cultural Competence.
10. All TBHS contracts, with the exception of "Service Revenue" contracts, shall contain language that the contract is conditional upon available funding and that TBHS is the payer of last resort.
11. Contracts between TBHS and other agencies or agents from whom we receive funds for performance of tasks related to TBHS' programs or functional maintenance must be signed by both parties before payment of funds can be made unless prior approval by CFO or designee is received.
12. All contracts must be approved by the TBHS Board of Directors prior to signature with the exception of contracts that have a contract maximum under \$10,000 or multiple contracts with one provider that has an aggregate contract total under \$10,000.
13. Any contracts that have a stated contract maximum of less than \$10,000 or if there are multiple contracts with one provider that have a total amount under \$10,000 must be approved and signed by the CEO.
14. All TBHS issued contracts will include at a minimum a 30-day notice of termination without cause. In the event that a 30-day termination notice is invoked, a good faith effort shall be made to give written notice of termination of a contracted provider, within 15 days after receipt or issuance of the termination notice, to individuals served who received their primary care from, or were seen on a regular basis by the terminated provider.
15. In the event that a contract is initiated by another entity, the Contract Manager shall review the contract to verify that the proposed contract contains the required items utilizing the Contract Review Checklist. The findings of the contract review process are communicated to the CEO and/or designee for review. The contract is then forwarded to the Board of Directors if over \$10,000 or to the CEO for final approval.
16. In the event that TBHS initiates a contract for an individualized, event based or time limited service (e.g. service for one individual served, COFR arrangement or one-time evaluation), a Single Case Agreement template will be utilized. The Single Case Agreement shall include #3, #6, #8, #9, and #13 as noted above, specifically:
 - Agreements shall be specific to the individual served and shall include at a minimum the type of service, amount, duration and cost.
 - Agreements shall clearly identify responsibility in the area of Recipient Rights.
 - Agreements shall contain language that the agreement is conditional upon available funding.
 - Agreements shall contain language that TBHS be the payor of last resort.
 - Agreements shall include at the minimum a 30-day notice of termination without cause.

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17. All contracts must include language that Medicaid or non-Medicaid program supports/services or costs/claims, shall not be reimbursed by TBHS for unallowable costs/claims. This requirement shall survive the termination of the Agreement and the Provider shall make reimbursements at the time when TBHS discovers that it has made unallowable payments for unallowable Medicaid or non-Medicaid program supports/services or costs/claims and thereby financial paybacks by the provider are required.

18. All contracts for services to individuals served will include the following Grievance and Appeals language:

Grievance and Appeal Procedure

- a) Any provider of services under contract with TBHS has the option to appeal any denied or otherwise adverse authorization for any individual of the service determined to be eligible under MDHHS Managed Specialty and Supports Services Contract.
- b) The provider may appeal any authorization or utilization decision from TBHS that results in a denial, or alteration of care for an individual receiving the provider's services.
- c) The provider initiates the appeal process for a specific individual by informing the Contract Manager and requesting reconsideration of an authorization decision. The Contract Manager will coordinate with the appropriate parties and a decision will be made and communicated to the provider in a timely manner.
- d) If the provider continues to be dissatisfied with the authorization decision, the provider may contact the CEO for TBHS to request another reconsideration. The CEO will review the appeal and communicate his/her decision in a timely manner. If the provider continues to be unsatisfied with the results of this process, the provider may request a referral to MSHN for a review and decision. MSHN will render a final decision related to the authorization in question and will communicate the decision in a timely manner.

19. Any disagreements with respect to a contract will be forwarded to the CEO for resolution. If the provider is unsatisfied with the results of this process, the provider may request a referral to MSHN for a review and decision. In the event the disagreement cannot be resolved, the parties agree to submit the same to a non-binding mediation service before any court action is filed.

RELATED FORMS & MATERIALS

TBHS Contract Review Checklist
 TBHS Single Case Agreement Templates
 MDHHS Managed Specialty Supports and Services Contract
 MSHN Medicaid Subcontracting Agreement

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REFERENCES/LEGAL AUTHORITY

n/a

Revision Dates:

- 12/22/2009
- 02/22/2010
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