

**Community Mental Health Affiliation  
of Mid-Michigan**

<b>PROCEDURE #:</b> 5.1	Page 1 of 7	<b>SUBJECT:</b> Provider Network Management
<b>Related Policy #:</b> 5.0		<b>SUBJECT:</b> Network Administration
<b>Issuing Director:</b> Director of Affiliation Operations		<b>Original Effective Date:</b> 6/11/02

**REVISED DATE**

03/11/08
02/12/10

**Review Date(s)**

02/19/09					
03/03/2011					

**I. PURPOSE:**

To establish guidelines for the development and management of CMHAMM contract provider networks; to establish the role and responsibilities of the Network Provider Management Workgroup.

**II. STANDARDS:**

The following federal and state statutes establish the standards for CMHAMM's Provider Network Management procedures:

- A. BBA 438.230 Subcontractual Relationships and Delegation
- B. BBA 438.206 Availability of Services
- C. MDCH 3.4.6 Out of Network Responsibility, Medicaid Managed Specialty Supports and Services Contract
- D. MDCH 6.4.1 Provider Procurement, Medicaid Managed Specialty Supports and Services Contract
- E. MDCH 6.4.2 Subcontracting, Medicaid Managed Specialty Supports and Services Contract
- F. MDCH 6.4.3 Provider Credentialing, Medicaid Managed Specialty Supports and Services Contract

**III. DEFINITIONS:**

**A. Proposal Evaluation Committee:**

A committee comprised of representatives from various functional CMHSP areas, as well as stakeholders, family members and/or consumers as appropriate, whose purpose is to review and evaluate proposals submitted in response to an RFP or RFQ.

**B. Request for Proposal (RFP):**

A bid process used by the PIHP or CMHSP to solicit competitive proposals from community providers to address a specific service need. The bidder is requested to provide a proposed set of activities addressing the need, the price for providing the services, information regarding the proposed qualifications and capacity of the bidder to provide the services.

**C. Request for Quote:**

A competitive bids process utilized by the PIHP or CMHSP to procure services, which includes requesting information from prospective bidders about their ability to provide services and the price of those services.

#### **IV. PROCEDURES:**

##### **A. Contract Procurement:**

1. Procurement of services will occur in a manner which ensures quality care and promotes the health and safety of the consumer in the provision of service.
2. As required by federal procurement laws, a competitive bid process (RFP or RFQ) will be used to secure qualified and cost-effective service providers if the CMHSP needs to restrict or otherwise limit the number of providers in the provider network.
3. Under certain circumstances, the CMHSP may contract with providers through single-source procurement without a competitive procurement process. These circumstances may include any one or more of the following:
  - a. The service is available only from a single source;
  - b. There is an urgent or emergent need for the service;
  - c. After solicitation through a number of sources, there is a lack of qualified provider candidates;
  - d. The services sought are unique or highly specialized;
  - e. The services sought are professional services of limited quantity or short duration (e.g. Psychological testing);
  - f. Through the person-centered planning process, the consumer has chosen a qualified non-network provider as his/her provider of choice.
  - g. Where for purposes of continuity of care and consumer stability, an existing network provider may be selected to provide a service.
  - h. Where an Open Provider Panel is maintained, in which providers agree to the CMHSP compensation schedule.
4. Contract terms will be for a minimum of one year, unless otherwise specified. Multi-year contracts may be implemented at the discretion of the CMHSP if warranted by funding, favorable financial terms, regulatory requirements or provider performance.

##### **B. Application Process:**

1. Interested providers shall complete a CMHAMM Provider Network Application form. The CMHSP Contract Manager, or designee, will review applications for completeness. Incomplete applications will be returned to the applicant. An on-site visit may be conducted if deemed necessary.
2. Applicants will be notified by the CMHSP Contract Manager of acceptance or denial of their application.
3. Accepted providers shall be credentialed and privileged according to State and CMHAMM policy and procedure.
4. The CMHSP Contract Manager, or designee, will maintain systems for tracking and filing provider applications.
5. In instances where there is a service need or a specific service has been requested by a consumer and there is no provider in the county of residence, a provider will be sought from within the broader CMHAMM provider network. If no provider is available within the broad CMHAMM network, every effort will be made to locate a provider within reasonable geographic proximity. If no provider can be located in this fashion, alternative services will be identified and made available to the consumer.
6. When a consumer expresses a preference for a non-network provider, efforts will be undertaken to enroll the provider in the network.

##### **C. Request for Proposal/Quote:**

1. A Request for Proposal (RFP) or Request for Quote (RFQ) will be initiated at the discretion of the Executive Director or designee.

2. The CMHSP Contract Manager, or designated staff, will coordinate development of the RFP/RFQ documents and shall include input from staff, stakeholders, consumers, families and guardians as appropriate.
3. Advertisements in various media will be used for maximum exposure when competitive bidding is required. Invitations to bid will be sent to potential service providers who have previously expressed an interest in contracting for the type of service addressed by the RFP/RFQ.
4. Questions in response to an RFP/RFQ must be submitted in writing to the CMHSP Contract Manager, or designated staff, on or before the deadline specified in the RFP/RFQ.
5. If an RFP/RFQ needs to be revised or amended, addenda will be provided to all recipients of the initial RFP/RFQ.
6. To be considered complete, the proposal must be submitted in the specified format, arrive on or before the specified deadline at the designated CMHSP site, and be signed by an official authorized to bind the bidder to its provisions. The proposal shall remain valid for a minimum of ninety (90) days.
7. A pre-bid conference may be scheduled for potential bidders. The date, time and place of the pre-bid conference will be included in the advertisement/posting. Attendance at the pre-bid conference may be optional or mandatory at the discretion of the CMHSP. The purpose of the pre-bid conference shall be to provide an overview of the RFP/RFQ, to profile the population to be served, and to address questions relevant to the RFP/RFQ.

**D. Bid Opening:**

1. The date and time for the bid opening will be included in the RFP/RFQ.
2. The CMHSP Contract Manager, or designated staff, will be responsible for opening and reading the total dollar amount for the bids. Respondents to the RFP/RFQ may attend the bid-opening.
3. The total bid amount will be recorded and maintained as an official document of the RFP/RFQ process.

**E. Evaluation of Proposal/Quote:**

1. A Proposal Evaluation Committee shall evaluate and rate submitted proposals. The Committee will be comprised of CMHSP staff, stakeholders, consumers and/or family members, as appropriate.
2. The CMHSP Contract Manager, or designated staff, will coordinate committee activities and may serve as chairperson of the committee.
3. Members selected for the committee will be screened to determine whether there exists conflict of interest or bias toward any of the bidders. Committee members will be required to disclose any potential conflict of interest. Disclosures shall be documented and maintained in a confidential file. A committee member shall not be required to cite the reason for the conflict of interest. Any committee member disclosing a potential conflict of interest shall be excused from further participation and a new member for the committee may be selected.
4. Committee members shall reach group consensus on the criteria to be used to rate the bids, and shall review and evaluate the proposals. Scores and findings shall be thoroughly documented.
5. The CMHSP Contract Manager, or designated staff, shall ensure that each committee member has an opportunity to review the bid packages.
6. At the discretion of the Executive Director, identities of the bidders may be concealed prior to review of bid packages by the committee. In these instances, bidder numbers will be assigned to each bid.
7. Budget information and financial statements submitted as part of the bid will be reviewed and evaluated by the Finance Department.

8. The review and evaluation process shall be confidential. Committee members shall not discuss or disclose information about submitted bids or the review process with anyone outside the committee.
9. Questions requiring a response from bidders will be directed to the CMHSP Contract Manager, or designated staff, for inquiry.
10. Committee members shall check references furnished by the provider. Committee members may make site visits to the provider's locations. Findings from reference checks and site visits will be documented and shared only with committee members.
11. Committee members will individually rate each bidder based on ability to meet specifications in the RFP/RFQ. Proposals which fail to address the basic elements required in the RFP/RFQ will be eliminated from consideration.
12. The Committee will rank the bidders in order of perceived ability to meet the evaluation criteria.
13. The CMHSP Contract Manager, or designated staff, will review the committee's ratings and recommendations with the Executive Director, or designee.

**F. Conflict of Interest:**

1. No CMHSP employee, officer or agent shall participate in the selection, award, or administration of a contract issued by CMHSP if a conflict of interest exists. Such a conflict would arise when a CMHSP employee, officer or agent, or any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described herein, has a financial or other interest in the organization selected for an award. The officers, employees and agents of CMHSP shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or providers, or from parties having sub-agreements with providers or contractors. Should any officers or employees of CMHSP violate this standard of conduct, CMHSP may take disciplinary action, in accordance with CMHSP employee handbook guidelines, as appropriate.
2. CMHSP staff developing procurement solicitations shall be alert to organizational conflict of interest, as well as non-competitive practices among contractors or providers that may restrict or eliminate competition or otherwise restrain trade. In order to assure objective contractor or provider performance and eliminate unfair competitive advantage, contractors or providers that are involved in the development of draft grant applications or contract specifications, requirements, statements of work, invitation for bids and/or requests for proposals shall be excluded from competing for such procurement.

**G. Contract Negotiation and Execution:**

1. The CMHSP Contract Manager, together with any additional authorized individuals, will negotiate with the recommended service provider(s) to procure contracts for service delivery. Negotiations will include consideration of past performance as a contracted service provider, if applicable, and shall be subject to funding availability. Contract recommendations will be forwarded to the authorizing body of the CMHSP with supporting information that may include units of service, number of consumers to be served, length of contract, performance measures and total expenditures.
2. For purposes of continuity and standardization, CMHSPs shall adopt standard model contracts for all services supported by Medicaid and GF funding.
3. Standard contracts shall be reviewed annually by the Provider Network Management Workgroup to assure compliance with prevailing BBA and DCH requirements.
4. Contracts shall be signed in duplicate. An original shall be maintained by the CMHSP Contract Manager with a signed original sent to the provider.
5. The CMHSP will contact the service provider prior to the expiration of the contract to negotiate renewal.

6. Requests to modify or amend a contract will be coordinated by the CMHSP Contract Manager. Contract amendments shall be made in accordance with the terms and conditions of the contract. Modifications which affect the authorized total expenditures must be approved in accordance with the CMHSP's Purchasing Procedures, as applicable.

#### **H. Provider Monitoring:**

1. The CMHSP Contract Manager, or designated staff, will be responsible for coordinating provider monitoring at designated intervals throughout the term of the contract. Prior to renewal, staff will conduct Quality & Competency Reviews to ensure compliance with established performance indicators and other terms specified in the contract.
2. Billing statements will be verified by appropriate CMHSP staff for service verification, payment authorization and payment.
3. The CMHSP Contract Manager, and/or designated staff, will provide information to appropriate parties regarding the performance of each network provider, as well as take appropriate steps to ensure improvement and compliance with contract provisions and requirements. Performance monitoring may include, but not be limited to:
  - a. Review and analysis of data and financial reports from providers.
  - b. Review of utilization management and other practice information, including customer service reports.
  - c. On-site review of each provider annually and as needed.
  - d. Input from individual/family/stakeholder groups involved in the monitoring/oversight process.
  - e. Review of Recipient Rights Reports
4. Monitoring of financial management, or financial solvency, of the Provider will be determined as follows:
  - a. For Licensed Adult Foster Care Homes (AFCs) with individual contracts (Type A), solvency is determined by the Department of Consumer & Industry Services (DCIS). Verification of solvency will be obtained by verification of this information which is available on the DCIS web site.
  - b. For Licensed AFC Facility Contracts (Type B), the Provider will annually, or as otherwise requested, submit for review: audited financial statements with written certification from a CPA, and/or financial statements with supporting documents.
  - c. For Independent Contractors, contract language requires notification to the CMHSP of any changes in their financial condition which would adversely impact service delivery.
  - d. For non-profit organizations, financial solvency information may also be obtained by utilizing the following website: [www.guidestar.org](http://www.guidestar.org).
5. The CMHSP Contract Manager, and/or designated staff, will coordinate the development of recommendations for improvement in the event of non-compliance with contract, network policies and procedures, as well as provider performance problems. These recommendations shall be in the form of a plan of correction, and be signed by the Provider. This Plan of Correction shall be submitted for review to the PIHP. In the event a provider is in continued non-compliance, the provider may be required to attend to additional actions, up to and including being removed from the Provider Network.
6. The CMHSP Contract Manager, or designated staff, shall seek input from other staff and shall utilize various reports including Recipient Rights reports, Sate Licensing reports, survey results and plans of correction, among other materials, in monitoring the performance of network providers.

#### **I. Provider training and orientation:**

1. All providers of the CMHAMM affiliation shall receive orientation and training to the network policies and procedures provided by the contracting CMHSP.

2. If a provider is providing a service specific to a target service group or population, that provider shall be oriented in the CMHSP's Board policies and procedures for that population.
3. Training may be via various methodologies, including copies of policies, electronically, (internet, web pages and e-mail), telephone conversations, meetings and correspondence. Training shall be documented and kept in the contractor record.
4. All Boards shall provide each contractor with a Provider Manual at start of service, and updates as needed thereafter. The manual shall include, minimally, the following: general agency and affiliation information, contact information, organizational charts, policies & procedures relevant to the service provider, and samples of required forms. Providers shall sign an acknowledgement of receipt of the manual.

**J. Provider Network Management Workgroup:**

1. Each CMHSP shall appoint a representative to serve on the CMHAMM Provider Network Management Workgroup.
2. The PIHP Contract/Network Administrator shall serve as the single point of responsibility to ensure consistency relative to network contract development, execution and on-going contract management.
3. The Chairmanship of the Workgroup may be held by the CMHSP representatives on a rotating basis.
4. The committee shall meet as needed, or as required to complete charges and tasks issued by the CMHAMM Director of Affiliation Operations, to: review provider network policies and procedures; review contract monitoring performance indicators; ensure compliance with State and Federal procurement and provider management requirements; and develop and implement a process for continual evaluation of adequacy of the network. The committee shall make every effort to involve consumers in any changes or modifications to the provider network policies.
5. Each CMHSP shall be responsible for maintaining current contract and provider information on a joint database, supplying updates to the PIHP as needed. The database shall include such information as provider name and contact information, type of service, contract rates and terms, date of last Quality & Competency Review, date of insurance and licensure expiration, and other information as determined by the PIHP.
6. At the discretion of the PIHP, each CMHSP may be requested to submit an Annual Report to the PIHP summarizing its provider network and activities over the previous fiscal year. The contract types, criteria, and information to be reported, including specific data elements, shall be determined by the PIHP in collaboration with the CMHSPs.
7. Upon review of the Annual Report, the PIHP shall indicate to the CMHSP acceptance of the report. The PIHP may request additional information as needed.

**K. Network Sufficiency:**

1. Each CMHSP shall annually assess the sufficiency of its provider network. In determining network adequacy, CMHSPs shall consider, at a minimum, anticipated Medicaid enrollment, expected utilization, numbers and types of providers required, number of network providers not accepting new beneficiaries, geographic location of providers and beneficiaries, distance, travel time, and availability of transportation, including physical access for beneficiaries with disabilities.
2. As data sources, CMHSPs may utilize data compiled for the Annual Submission to the state of Michigan, survey results, provider data bases, utilization management reports, QI data or other sources.
3. The Workgroup shall annually produce a report with its evaluation findings and recommendations for network development for presentation to the PIHP Director of Affiliation Operations and the Steering Committee. The assessment and resulting report shall be completed annually within the first quarter following the end of the fiscal year.

**V. APPLICATION:**

CMHAMM PIHP and CMHSPs.

**VI. MONITOR AND REVIEW:**

The PIHP Network Administrator shall monitor CMHSP compliance with these procedures. The PIHP Director of Affiliation Operations will review this procedure annually. External review will include MDCH and CMS site visits and reporting.

**VII. RELATED POLICIES AND PROCEDURES:**

CMHAMM Policy	5.0	Network Administration
CMHAMM Procedure	5.2	Credentialing/Recredentialing