

<b>COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN</b>		<b><i>Policy and Procedure</i></b>	
<b>Department Provider Relations Unit</b>		<b># of Pages: 6</b>	
<b>Policy Name Regional Procurement Policy: RFPs and Bid Review Process</b>		<b>Type of Policy:</b>  [ ] WCHO [ X ] Regional [ ] Network	
<b>Policy Number</b>  11.009	<b>Effective Date</b> 10-18-05	<b>Revision Date</b> 09-15-05	<b>Approval Date</b> 10-18-05
<b>Administrative/Board of Directors Sign Off</b>			
<b>Administrative Signature:</b>			<b>Date:</b>
<b>Board of Directors Signature:</b>			<b>Date:</b>

**I. PURPOSE**

To establish a procurement process for obtaining goods and services on behalf of the Community Mental Health Partnership of Southeast Michigan (CMHPSM), an affiliation of the community mental health boards of Lenawee, Livingston, Monroe, and Washtenaw Counties, and to establish a bid review process for individuals or organizations that respond to a Request for Proposals issued on behalf of the CMHPSM.

**II. APPLICATION**

This policy shall apply to the Washtenaw Community Health Organization and its contracted Comprehensive Specialty Service Networks (CSSNs).

**III. DEFINITIONS**

**Comprehensive Specialty Services Network (CSSN):** An organization that is certified as a CMHSP, including a recipient rights systems, services across all populations, a publicly appointed Board of Directors, and accreditation from JCAHO.

**Comprehensive Specialty Services Network Look-Alike (CSSN look-alike):** A public entity with a publicly appointed Board of Directors or a Board of Directors composed of elected officials, services across all populations, and accreditation from JCAHO.

**Non-Competitive Procurement:** Securing goods or services without the use of an RFP process.

**Open Panel:** Any willing and able provider is credentialed, empanelled, and eligible to provide specialty support services.

**Out-of-Network Provider:** A provider of specialty support services who is not on the CMHPSM network panel for that service.

**Request for Proposals:** A formal bid process that defines parameters including bidder qualifications, bid review process, and scoring criteria.

**Selective Procurement:** Limited selection of a provider or a small group of providers based on the need for continuity of service for consumers, price control, and/or volume constraints on the good(s) or service(s) being procured.

**Specialty Support Services:** Services provided under Michigan's state Medicaid plan and federally approved 1915(b) waiver and 1915(c) Habilitation Supports Waiver for community-based mental health, substance abuse, and developmentally disabled services delivered under the auspices of an approved Prepaid Inpatient Health Plan.

#### IV. POLICY

It is the policy of the CMHPSM that the Washtenaw Community Health Organization (WCHO) shall procure specialty support services for CMHPSM consumers, and other regionally agreed-upon procurement efforts, on behalf of the CMHPSM. This policy does not apply to the process of local procurement of goods and services, which is addressed in the local procurement policies of the WCHO and each CSSN. Local procurement policies shall be in compliance with federal procurement law and any other applicable state or federal law, rule, or regulation.

No employee, officer, or agent of any CMHPSM affiliate partner shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties indicated herein has a financial or other interest in the bidder/applicant selected for an award. The officers, employees, or agents of any CMHPSM affiliate partner shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subagreements.

Goods and services covered under this policy will be procured using one of the following methods: non-competitive solicitation, open panels, selective procurement, and/or the use of out-of-network providers. A clearly defined process will be used to evaluate all bids. Consumers and family members may have advisory input into the bid review process. At a minimum, consumer satisfaction with services or other performance improvement activities shall be included in the bid review process when applicable.

A. Non-Competitive Procurement will be used for CSSN and CSSN look-alike services. This ensures local participation, local voice, and local responsibility for the care of consumers in each county within the affiliation. It also provides the best value from price and quality perspectives and ensures a critical volume of services, which has been found by the WCHO to be necessary for the successful provision of CSSN services.

Non-competitive procurement will be used only in the following situations. A Bid Waiver shall be used to document which of the following criteria have been met:

- The item or service is available only from a single source;
- There is a public exigency or emergency, and the urgency for obtaining the item or service does not permit competitive solicitation;
- The item or service is of limited quantity or duration;
- The item or service is unique;
- Selection of the service provider has been delegated to the consumer under a self-determination program;
- Pilot projects where efficacy and effectiveness are still being evaluated;
- A critical volume of services is necessary to provide the required service at the specified price;
- A consumer-run organization needs assistance in development.

In addition, before a non-competitive contract for specialty support services is awarded, the WCHO Provider Relations Unit may complete a site review to ensure that the chosen provider has the capacity to perform the required services. Specialty support services procured through non-competitive means will be reviewed annually by the Regional Network Management Committee to determine the scope of services and the availability of other providers.

B. Open Panels will be used for most, if not all, specialty services. Open panels allow providers to submit bids/applications at any time. Any willing and qualified provider will be accepted to the panel after a review of their qualifications and credentials, their willingness to fulfill contract requirements, and their ability to meet the fee(s) set for the service. The affiliation prefers that providers agree to serve all four counties, although this is generally not mandatory. The WCHO will create a Request for Proposals (RFP) for each open panel that clearly defines the bid qualifications, review process, and selection criteria. Providers on open panels will be re-credentialed in accordance with CMHPSM policies.

Open panel bid review processes will be defined in each Request for Proposal (RFP) and will include, but not be limited to:

- Evaluation of the bidder's ability to provide the service in accordance with the specifics in the RFP;
- Evaluation of the bidder's ability to provide the service at the agreed upon price;
- Conducting a site review if the provider is new to the network, or reviewing the results of the most recent site visit if the provider is currently participating in the network.

C. Selective Procurement will be used for goods and services that require a single or limited number of providers. These RFPs will define the specific goods to be procured or services to be provided and the qualifications needed to serve as a provider, and will seek price bids. Contracts will be awarded to the best qualified bidder(s); the best qualified

bidder is not necessarily the lowest bidder. Contracts are issued only to a sufficient number of bidders to assure that the need has been met.

Sole source contracts under this provision will be re-bid at no more than two-year intervals. Limited panels created using selective procurement will be reviewed for panel adequacy at least every two years. If at any time the number of providers on a selective procurement panel is deemed inadequate to meet the need, the panel will be re-opened for applications.

D. Out-of-Network Providers: If no network provider is able to provide the medically necessary specialty support services set forth in a consumer's individual treatment plan/PCP, CMHPSM affiliates will obtain specialty support services from an out-of-network provider. If services are obtained from an out-of-network provider, that provider will coordinate with the WCHO or designated CSSN with respect to payment. Regardless of whether a provider is in the CMHPSM network or out-of-network, the cost to the consumer for services provided will be no greater than the individual's ability to pay determination.

The Regional Network Management Committee is responsible for annually reviewing the use of out-of-network providers.

**V. EXHIBITS**

None.

**VI. REFERENCES**

- A. Balanced Budget Act: Section 438.206, 438.208, 438.230
- B. CMHPSM Credentialing and Clinical Responsibilities for Licensed Independent Practitioners Policy
- C. CMHPSM Organizational Credentialing/Recredentialing Policy
- D. JCAHO Managed Behavioral Health Care Standards
- E. MDCH "Procurement Technical Requirement: Procurement and Selective Contracting Under Managed Care" Attachment 6.4.1.1 of FY 2003-2005 contract
- F. OMB Circular A-87
- G. Washtenaw County Procurement Policy

**VII. PROCEDURES**

<u>WHO</u>	<u>DOES WHAT</u>
WCHO Provider Relations Unit or Other CMHPSM Designee	Makes a decision about the type of bid process to be used to procure goods or services that have been identified as a regional need, and involves affiliate partners in developing specifications for the bid.

Prepares an appropriate bid waiver or RFP and presents the RFP to the Regional Committee of the WCHO Board for approval.

Ensures that each RFP defines the specific guidelines for bidder scoring, and selection. Also ensures that each RFP is posted publicly and, when appropriate, attempts to recruit providers in each of the CMHPSM affiliate counties.

Ensures that internal controls are in place to protect against impropriety, favoritism, or conflict of interest on the part of any WCHO or CMHPSM affiliate employee or official.

When appropriate, utilizes Washtenaw County Purchasing Division for the solicitation and collection of bids.

Collects RFP applications/bids and reviews for completeness; contacts the bidder to obtain any missing information, in accordance with the terms of the RFP.

Scores the application/bid in accordance with the terms of the RFP and recommends approval or denial of the application/bid.

Maintains a complete bid file.

Regional Committee of the WCHO Board

Makes the final decision to approve or deny a bid/application submitted. No bidder/applicant will be denied based solely on that bidder/applicant's license if it is acting within the scope of that license, and no bidder/applicant will be denied based on the fact that it serves high-risk populations or specialized in conditions requiring costly treatment. The Board reserves the right to select or reject any bid; selection will not be limited to the lowest bidder.

Individual Soliciting the Bid

Issues an award or denial letter to the bidder/applicant. Any denial letter shall include the reason for the denial.

Local Community Mental Health Board

Approves the issuance of a contract, as needed, to a bidder/applicant who has been approved by the Regional Committee of the WCHO Board.

Regional Network Management Committee

Monitors compliance with this policy.

Annually reviews any services procured through non-competitive

means to determine the scope of services and availability of other providers, and monitors the usage of out-of-network providers of specialty support services.