

SERVICE CONTRACT  
BETWEEN  
**WASHTENAW COMMUNITY HEALTH ORGANIZATION (WCHO)**  
AND  
***NAME OF CONTRACTOR***

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**SERVICE CONTRACT**  
with  
**NAME OF CONTRACTOR**

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THIS CONTRACT, entered into this \_\_\_\_ day of \_\_\_\_\_, 2005, is between **WASHTENAW COMMUNITY HEALTH ORGANIZATION** located at 555 Towner Boulevard, Ypsilanti, Michigan 48197 (hereafter referred to as "CMHSP") and **NAME OF CONTRACTOR** located at \_\_\_\_\_ (hereafter referred to as "CONTRACTOR").

**I. CONTRACT AUTHORITY**

This agreement is entered into pursuant to the authority granted by Act 258 of the Public Acts of 1974 (hereinafter referred to as the "Mental Health Code"), as amended, and the Public Health Code, as amended, and by the MDCH/CMHSP Managed Mental Health Supports and Services contract for general funds, and by the MDCH/PIHP Master Contract for Medicaid Funds entered into by MDCH and the Washtenaw Community Health Organization as PIHP and subcontracted between the PIHP and \_\_\_\_\_ to provide Medicaid mental health specialty supports and services to Medicaid-eligible individuals in \_\_\_\_\_ County, and the contractual agreement with MDCH/Office of Drug Control Policy, and in accordance with the rules, regulations, and standards (hereinafter called "Rules") adopted and promulgated by the MDCH in accordance with the Mental Health Code and Public Health Code. Said Acts, Master Contracts, and Rules shall govern in any area not specifically covered in this agreement.

**II. DEFINITIONS / ACRONYMS**

Community Mental Health Partnership of Southeast Michigan (CMHPSM): An affiliation of the mental health boards for the Counties of Lenawee, Livingston, Monroe, and Washtenaw.

Community Mental Health Services Program (CMHSP): A program operated under Chapter Two of the Mental Health Code.

Consumers or Recipients: Persons to be served under this Contract.

CPT Codes: Current Procedural Terminology - these five-digit codes are published by the American Medical Association to provide uniform language that accurately describes services provided

Early Periodic Screening Diagnosis and Treatment (EPSDT): Medicaid's comprehensive and preventive child health program for beneficiaries under age twenty-one

MCL: Michigan Compiled Laws

MDCH: Michigan Department of Community Health

Mental Health Code: Public Act 258 of 1974, as amended, MCL 330.1100 et seq.

ORR: Office of Recipient Rights

Person Centered Plan (PCP): A plan for supporting a consumer that builds upon the individual's capacity to engage in activities that promote community life and that honor the individual's preference, choices, and abilities. The process is directed by the consumer and focuses on his or her desires, dreams, strengths, and need for support.

PIHP: Prepaid Inpatient Health Plan

Provider Manual: The online provider manual contains current CMHSP policies applicable to CONTRACTOR and other information provided for the benefit of CONTRACTOR. The provider manual may be accessed at:

[http://www.ewashtenaw.org/government/departments/cmhpsm/provider\\_information/pro\\_homepage.html/provider\\_manual/provider\\_manual](http://www.ewashtenaw.org/government/departments/cmhpsm/provider_information/pro_homepage.html/provider_manual/provider_manual).

### ARTICLE III. TERM

This Contract shall be in effect from **October 1, 2005 to September 30, 2006** inclusive, unless terminated as follows.

### ARTICLE IV. TERMINATION

**A. Termination Without Cause:** Either party may terminate this Contract, or may terminate any service site or any type of service provided under this Contract, by providing the other party with at least sixty (60) calendar days prior written notification, unless the timeframe is otherwise negotiated between the parties. Written notification must be sent by certified mail.

**B. Termination With Cause:** This Contract, or any service site or any type of service provided under this Contract, may be terminated, suspended, denied, revoked, or canceled by CMHSP with thirty (30) calendar days prior written notification in the event that the CONTRACTOR fails to supply any of the services or any of the records, reports, or accounts required by this Contract within ten (10) calendar days, or other agreed upon deadline after the due date, or if CONTRACTOR violates or fails to fulfill the terms of a corrective action plan submitted to the CMHSP. Such termination shall not relieve either party of any obligations incurred prior to the effective date of such termination. The prior notification period may be extended to greater than thirty (30) days only by mutual agreement of the parties.

**C. Termination Effective Immediately Upon Delivery of Notice:** Notwithstanding sections A and B above, CMHSP may immediately terminate this Contract, or may terminate any service site or any type of service provided under this Contract, if upon reasonable investigation it concludes that:

1. CONTRACTOR's Board of Directors, Director/CEO, or other officer or employee has engaged in malfeasance;
2. CONTRACTOR loses its State licensing;
3. CONTRACTOR loses its eligibility to receive federal funds;
4. Funds allocated under this Contract have been improperly used;
5. CONTRACTOR cannot maintain fiscal solvency;
6. Program requirements have not been followed; or
7. Recipient Rights have been violated.

**D. Appeal of Termination:** Should CMHSP terminate this Contract, or terminate any service site or any type of service provided under this Contract, CONTRACTOR shall have a right to initiate the appeal process in accordance with the Provider Contract Appeal Process policy, a copy of which shall be provided to the CONTRACTOR with the written termination notice. The Provider Contract Appeal Process policy is available in the provider manual and is incorporated herein by reference.

In the event of immediate termination by CMHSP, CONTRACTOR's appeal of the termination will have no effect on the immediate termination of this Contract or the immediate termination of any service site or any type of service provided under this Contract. If appealed, the termination will remain in effect until the appeal process has been completed and will be rescinded only if the termination is not upheld on appeal.

**E. Payment:** In the event of the termination of this Contract, or any service site or any type of service provided under this Contract, CONTRACTOR will be paid for services provided through the

termination date.

**F. Items and Funds to be Released Upon Termination:** CONTRACTOR agrees to surrender to CMHSP immediately upon termination of this Contract, or termination of any service site or any type of service provided under this Contract, any CMHSP records, any medications prescribed to and owned by consumers, all consumer personal property including personal funds (unless the CONTRACTOR is the consumer's payee), all equipment and furniture purchased with CMHSP funds, and all CMHSP funds held by CONTRACTOR not obligated in the performance of this Contract.

**G. Medicaid and Other Claims:** In the event this Contract has been terminated, CONTRACTOR shall supply CMHSP with all information necessary for the reimbursement of any outstanding Medicaid claims or to private third party insurers arising out of services provided under this Contract and billed to Medicaid or a private insurer.

**H. Transition Plan:** In the event that this Contract, or any service site or any type of service provided under this Contract, has been terminated and a new service provider has been selected, CMHSP will coordinate a transition plan with CONTRACTOR. This plan shall take into account the following factors: minimal disruption to the continuity of service for consumers, the timeframe in which the new service provider plans to assume contractual obligations, procurement of any required license and/or certification by the new service provider, and, to the extent possible, minimal disruption to the operations of CONTRACTOR.

## **ARTICLE V. RECIPIENT RIGHTS**

Consumers served under this Contract are guaranteed certain rights and protections set forth in the Mental Health Code or [Administrative Rules for Substance Abuse Service Programs in Michigan](#). CONTRACTOR acknowledges its responsibilities related to recipient rights, as set forth in Attachment A, and accepts those responsibilities.

## **ARTICLE VI. POLICIES, ADMINISTRATIVE DIRECTIVES, AND HIPAA**

**A. Policies and Administrative Directives:** CONTRACTOR agrees to follow the policies, administrative directives, or other documents specified by CMHSP. During the term of this Contract, the CMHSP shall be responsible for advising CONTRACTOR of any applicable modifications to law or the MDCH Administrative Rules which shall have a bearing on the performance of this Contract, or any changes to CMHSP policies that apply to CONTRACTOR. CONTRACTOR shall expressly acknowledge receipt of such changes. CONTRACTOR shall ensure compliance with all applicable laws, rules, and regulations, as well as all provisions and directives listed in the provider manual.

**B. HIPAA Compliance:** CONTRACTOR shall be in compliance with all applicable aspects of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Administrative Simplification section, Title II, Subtitle F, regarding standards for privacy and security of protected health information (PHI) as outlined in the Act.

**C. Contractor Requirements Related to HIPAA:** The CONTRACTOR agrees to implement all administrative, physical, and technical safeguards necessary to reasonably and appropriately

protect the confidentiality, integrity, and availability of any PHI received from, or created or received by CONTRACTOR on behalf of, CMHSP in accordance with CMHSP policies and applicable state and federal laws. These safeguards apply to PHI in any form or medium.

1. Appropriate Uses and Disclosures of PHI. CONTRACTOR may use or disclosure such information:
  - for the proper management and administration of its business;
  - for purposes of treatment, payment (if allowed by law), or healthcare operations;
  - for the purpose of providing data aggregation services relating to the health care operations of CMHSP (“data aggregation” means combining PHI created or received by the provider to permit data analyses that relate to the health care operations of a covered entity); or
  - for purposes set forth in CMHSP policies or required by law.

CONTRACTOR will not use or further disclose the information other than as permitted or required by the contract, or as required by law. Any other use or disclosure of PHI must be made pursuant to a properly executed Release of Information.

2. Subcontractors. CONTRACTOR will ensure that any agents, including sub-contractors, to whom it provides PHI received from, or created or received by the CONTRACTOR on behalf of, CMHSP agrees to the same restrictions and conditions that apply to CONTRACTOR with respect to such information.
3. Consumer Requests to Review Record. Since CMHSP is the holder of the record, CMHSP will respond to any consumer request to review the record. CONTRACTOR should notify CMHSP immediately of the receipt of any such request. *In the case of Substance Abuse treatment, the CONTRACTOR is the holder of record and shall respond to the consumer request to view their record accordingly. CONTRACTOR shall notify the CMHSP if such a request is made.*
4. Cooperation with the Secretary of Health and Human Services. CONTRACTOR will make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by CONTRACTOR on behalf of, the CMHSP available to the Secretary of Health and Human Services, or its designee, for the purpose of determining CMHSP’s compliance with the Health Insurance Portability and Accountability Act of 1996.
5. Return of PHI. At termination of the contract, the CONTRACTOR will return all PHI received from, or created or received by the CONTRACTOR on behalf of, CMHSP that the CONTRACTOR still maintains in any form. CONTRACTOR will retain no copies of such information. If such return is not feasible, CONTRACTOR must extend the protections of the contract to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
6. Breaches of Confidentiality. If CONTRACTOR becomes aware of a material breach or any violation of its obligation to protect the confidentiality and security of consumers’ PHI, CONTRACTOR must immediately take reasonable steps to cure the breach or end the violation, and must report the breach or violation to the CMHSP Privacy Officer. The alleged breach or violation will be investigated and an appropriate sanction issued. CMHSP reserves the right to terminate this contract or impose contract penalties if it determines that CONTRACTOR has violated a material term of the contract.

## ARTICLE VII. SCOPE OF SERVICES

CONTRACTOR's duties and responsibilities under this Contract are set forth in Attachment B. However, nothing in this agreement should be construed to prohibit the CONTRACTOR from advocating on behalf of a consumer in any grievance or utilization management process or individual authorization process, or from discussing treatment options with a consumer that may not reflect CMHSP's position or be paid for by CMHSP.

## ARTICLE VIII. ACCESS TO CARE

**A. Referral by CMHSP:** CONTRACTOR agrees to accept and provide treatment to consumers in accordance with the requirements set forth in Attachment B, Scope of Services.

**B. Consumers with Limited English Proficiency:** CONTRACTOR agrees to provide consumers with Limited English Proficiency language assistance as described in the Office of Civil Rights Policy Guidance on Title VI, "Language Assistance to Persons with Limited English Proficiency" and in accordance with CMHSP Limited English Proficiency Policy located in the provider manual.

**C. Timely Access to Care and Service Delivery (Mental Health):** CONTRACTOR agrees to ensure that access to care and service delivery is timely. When CONTRACTOR is providing the first contact after a face-to-face mental health assessment, "timely" is defined as: the consumer begins services within fourteen (14) calendar days of a non-emergency assessment with a professional.

**D. Timely Access to Care and Service Delivery (Substance Abuse):** CONTRACTOR agrees to ensure that access to care and service delivery is prioritized and timely.

When providing substance abuse services, priority populations include, in descending order of priority: (1) pregnant injecting drug users; (2) pregnant substance abusers; (3) injecting drug users; (4) a parent whose child has been removed from the home, or is in danger of being removed from the home, under the Child Protection Laws of this state because of the parent's substance abuse; and (5) all others.

"Timely" is defined as: (1) CONTRACTOR is available to respond to emergency cases within 3 hours of contact from either the consumer or CMHSP; (2) CONTRACTOR responds to urgent cases within 24 hours of screening contact, including pregnant women with a substance abuse disorder; (3) CONTRACTOR is available for routine cases, which must enter into treatment **within 7 days** of a non-urgent assessment. Failure to respond within these time frames may result in a reduction in funding from CMHSP or other contract sanctions.

**E. Equal Hours of Operation:** CONTRACTOR will ensure that its hours of operation offered to Medicaid consumers under this Contract are no less than those offered to individuals with commercial insurance or Medicaid fee-for-service insurance. Furthermore, CONTRACTOR shall not segregate Medicaid consumers in any way from others receiving services from CONTRACTOR.

## ARTICLE IX. SUBCONTRACTING

CONTRACTOR will provide services as outlined in Attachment B, Scope of Services, and will not subcontract or delegate the services without prior written approval from CMHSP. In the event CMHSP grants permission to subcontract, the CONTRACTOR shall assure that for any CMHSP authorized subcontracted service, activity, or product:

- (1) A formal subcontract document is executed by all affected parties, after this agreement has been executed and prior to the initiation of new subcontract activity. Exceptions may be granted by CMHSP upon written request, for continuation programs.
- (2) Any subcontract between CONTRACTOR and a subcontractor funded by this agreement shall require the subcontractor to comply with all terms and conditions contained herein.
- (3) CONTRACTOR assumes all responsibility for work performed under the subcontract, including appropriate compliance with all terms and conditions of this agreement. CONTRACTOR shall maintain records to demonstrate compliance by the subcontractor with all terms of this Contract.
- (4) Substance abuse prevention subcontracts are performance reimbursement contracts; substance abuse treatment subcontracts are performance reimbursement or fixed unit rate reimbursement contracts. The subcontract budgets must include all funding sources and expenditures by category.
- (5) Copies of each subcontract shall be available for review by authorized CMHSP or MDCH representatives or, upon request of CMHSP or MDCH, CONTRACTOR shall forward copies of requested subcontracts for review. CMHSP will withhold funding for any subcontract work not covered by appropriate, properly executed subcontracts.
- (6) A licensed independent practitioner will not under any circumstances subcontract or assign the services to be provided under this Contract.

## ARTICLE X. COMPENSATION

**A. Contingent Upon Availability of MDCH Funding:** This Contract obligation is contingent upon the availability of MDCH funds.

**B. Authorized Services:** Services provided under this Contract must be pre-authorized, with the exception of substance abuse prevention services. Only those services that are included in the individual consumer's PCP/treatment plan will be considered for authorization, although completion of the PCP/treatment plan does not guarantee authorization. Authorized services are specific to each individual consumer. CONTRACTOR shall receive notification of authorized services before commencing services. Claims must be submitted in accordance with the services authorized.

**C. Coordination of Benefits:** CONTRACTOR shall collect from all available third party revenue sources for services performed. When third party insurance is available, CONTRACTOR must bill that insurance first; the amount billed shall be noted on the claim submitted to CMHSP. If the amount that is collected after the claim is submitted to CMHSP differs from the amount reported on the original claim, a revised claim shall be submitted duly noted as a "corrected claim adjusting

COB amount”.

**D. Substance Abuse Sliding Scale:** If CONTRACTOR provides substance abuse treatment services under the scope of services in Attachment B, the **Livingston/Washtenaw Substance Abuse Coordinating Agency’s regional sliding fee scale** must be used for first party billing of community grant funded consumers. This scale shall be used in all substance abuse treatment programs, including Access, Assessment, and Referral (AAR) programs. Financial information to determine ability to pay must be reviewed every six months or at a change of financial status.

**E. Rates:** Rates to be paid under this Contract are set forth in Attachment C. If CONTRACTOR is using CPT codes, those codes and their descriptions are also set forth in Attachment C.

Rates paid under this Contract may be amended depending on the availability of funding to CMHSP due to changes in legislative appropriations, executive orders, state or local funding sources, or to changes in benefits or entitlements to consumers. Rates may also be adjusted should a significant change occur in the provision of services. If CONTRACTOR is to be paid under a fixed unit rate reimbursement, that rate is based upon a specific amount for each output actually delivered and reported. Once established, the rate is considered fixed and should not be adjusted throughout the contract period unless there is a material variance between the fixed unit rate of reimbursement and the actual operating costs. Materiality determinations are based upon fiscal professional judgment and are made by CMHSP.

**F. Fixed Unit and Performance Contracts:** The CMHSP will provide funding for substance abuse treatment services on a fixed unit rate reimbursement basis, and for substance abuse prevention services on a performance reimbursement basis. Of these amounts, 75% is federal funds (CFDA #93.959) and 25% is state funds. The amount is supported by a completed and signed Program Budget Summary (ies), Program Budget – Position Schedule(s) (*required for performance contracts only*), and Cost and Funding Detail Schedules.

**G. Claims Submission:** The CMHSP prefers that all claims be submitted by direct entry into the Encompass web-based information system. Exceptions will be granted with prior approval from CMHSP. Claims, if approved under this exception, shall be submitted on HIPAA compliant format: HCFA 1500 (paper) or 837 professional (electronic claims submission) or UB 92 (paper) or 837 Institutional (electronic) within sixty (60) days from the date of service. Claims for the provision of habilitation supports waiver services, however, must be submitted within thirty (30) days of the provision of the service. One form per authorization number is required. CONTRACTOR shall itemize on the form the service code(s), the date(s) of service, and unit(s) of service provided.

**H. Claims Payment/Denial:** Payments shall be made for each authorized service at the rate authorized by CMHSP. If the service has not been authorized, the claim will be denied. Claims submitted 60 days or more after the date of service, or more than 30 days after the date of a habilitation supports waiver service, may be denied. Claims that have incomplete or incorrect information will be denied. Claims that have been denied may be resubmitted for consideration with additional and corrected information within thirty (30) days from the denial date. Clean claims (i.e., claims with all required information correctly completed) will be processed within thirty (30) days of receipt. Claims submitted electronically through Encompass are not considered received until the CONTRACTOR has completed step three, “Submit Claims to CMHSP”.

**I. Claims Supporting Documentation:** The CONTRACTOR must maintain documentation supporting submitted claims in a format that provides evidence that service was provided as billed

and, if applicable, as indicated in the consumer PCP/treatment plan. CMHSP may review supporting documentation in its determination of appropriateness of claims.

**J. Substance Abuse Prevention Payment:** If the CONTRACTOR is providing substance abuse prevention services under this Contract, CONTRACTOR will be reimbursed for those services on a performance basis. A Financial Status Report (FSRs) (FIN-130) shall be submitted on a monthly basis, not later than five (5) days after the close of each calendar month, except for the September FSR which will be due in accordance with the notification sent to CONTRACTOR annually by the Finance Department. For performance reimbursement budgets, the monthly FSR must reflect total actual program expenditures by category regardless of the source of funds. Total funding, plus fees, must equal the amount on the total expenditure line where appropriate.

**K. Return of Unused or Inappropriately Used Funds:** If at any time it is determined, after compensation has been made by CMHSP to CONTRACTOR, that charges for any portion of a service have been collected from CMHSP's consumer or from any other source, or that funds paid were not fully used for services authorized by CMHSP, CONTRACTOR shall refund to CMHSP an amount equal to the sums paid by CMHSP's consumer or other source, or unused or inappropriately used. Said CONTRACTOR refund shall not exceed the full amount of the original CMHSP payment.

## ARTICLE XI. REPORTING

**A. Reporting to Director/Designee:** CONTRACTOR will report to the designee of CMHSP and will cooperate and confer with him/her as necessary to ensure satisfactory work progress. When applicable, CONTRACTOR shall submit a final written report to the CMHSP Director/CEO. All documents submitted by CONTRACTOR must be dated and bear CONTRACTOR's name.

**B. Review and Approval of Reports:** All reports made in connection with services provided under this Contract are subject to review and final approval by the CMHSP's Director/CEO.

**C. Result of Failure to Report:** Failure to submit any report CMHSP requires as part of this Contract may result in the withholding or non-payment of any or all of the compensation due the CONTRACTOR, and is cause for termination of this Contract.

**D. Reporting Requirements and Timelines:** All reporting requirements must be met by identified timelines. The CMHSP reserves the right to require additional reporting if the CONTRACTOR has been placed on a plan of correction or provisional status.

**E. State and/or Federal Inspections:** The State Medicaid Agency and/or Health and Human Services may evaluate, through inspection or other means, the performance, appropriateness, and timeliness of any services provided under the terms of this Contract and funded with Medicaid funds.

**F. Submission of Substance Abuse Treatment Data:** is required within five (5) business days following admission to treatment and discharge from treatment.

## ARTICLE XII. FINANCIAL AUDIT

**A. Annual Financial Audit:** CONTRACTOR shall obtain, within ninety (90) days of the close of its fiscal year, an annual financial audit that includes but is not limited to the following areas of compliance:

- Generally accepted accounting principles.
- Fiscal solvency illustrated in CONTRACTOR's balance sheet and income statement.
- Adherence to the terms of this Contract including documentation of claims submitted to CMHSP.
- Applicable federal and state laws and MDCH Guidelines relative to this Contract.

Failure to submit this audit may result in the imposition of a financial penalty. Licensed Independent Practitioners are exempt from this audit requirement.

**B. Corrective Action:** Any audit finding shall be addressed in a corrective action plan. A plan of corrective action shall be submitted to CMHSP within thirty (30) days of the issuance of the audit. The corrective action shall be completed no later than six (6) months after the date of the audit.

**C. Annual Program Audits:** The CONTRACTOR may be asked to provide an annual program audit relating to contracted services, which shall include but is not limited to the following areas of compliance:

- Generally accepted accounting principles.
- Adherence to the terms of this Contract including accuracy of expenses and revenue reported.
- Applicable federal, state and local laws, ordinances, codes, rules and regulations.

If an annual program audit is requested, the audit must be submitted to CMHSP within ninety (90) days of the close of CONTRACTOR's fiscal year or the termination of this Contract, whichever occurs first. Failure to provide this audit may result in the imposition of a financial penalty.

### **ARTICLE XIII. ACCREDITATION**

If CONTRACTOR is an organization providing mental health or substance abuse specialty support services to six or more individuals under this Contract, CONTRACTOR shall maintain accreditation from one of the following: the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), Commission on Accreditation of Rehabilitation Facilities (CARF), Council on Accreditation (COA), American Osteopathic Association (AOA), the National Council on Quality Assurance (NCQA), or another accrediting body approved by the CMHSP. If CONTRACTOR has received accreditation from an approved outside accreditation body, proof of this shall be submitted to the CMHSP. CONTRACTOR will notify the CMHSP of any change in accreditation status.

The accreditation requirement may be waived if CONTRACTOR's request for a waiver is approved by the CMHSPM Regional Board of Directors.

The CMHSP follows JCAHO Managed Care Organization standards, which every CONTRACTOR must meet when indicated, including those contractors for whom accreditation has been waived and those serving less than six consumers. It is the responsibility of CONTRACTOR to obtain copies of any and all standards that pertain to it. Additionally, a non-accredited CONTRACTOR must participate in all required committees and activities established by the CMHSP as they relate to

accredited and non-accredited contractors.

#### **ARTICLE XIV. PERFORMANCE IMPROVEMENT**

CONTRACTOR agrees to implement a Continuous Performance Improvement Program that, at minimum, meets the provisions set forth in Attachment D.

#### **ARTICLE XV. INDEPENDENT CONTRACTOR**

It is expressly understood and agreed that CONTRACTOR is an independent contractor. The employees, servants, and agents of CONTRACTOR shall in no way be deemed to be and shall not hold themselves out as employees, servants or agents of CMHSP and shall not be entitled to any fringe benefits of CMHSP, such as but not limited to, health and accident insurance, life insurance, paid vacation or sick leave, or longevity. CONTRACTOR shall be responsible for payment of compensation due and owing its officers, employees, servants, and agents for services they have performed under this Contract and for withholding and payment of all applicable taxes, including but not limited to, income and social security taxes, to the proper federal, state, and local governments.

#### **ARTICLE XVI. PERSONNEL**

**A. Subcontracted Personnel Records:** If the CONTRACTOR subcontracts for personnel who provide services to CMHSP consumers, those subcontracted staff must meet all staff qualification and training requirements set forth in this Contract. Clear and easily accessible personnel records for all staff, including subcontracted staff who provide services to CMHSP consumers, must be maintained by CONTRACTOR.

**B. Hiring CMHSP Employees:** CONTRACTOR will not hire any CMHSP employee for any of the required services without the CMHSP's written approval.

**C. Sufficient Staffing Levels and Timekeeping Records:** CONTRACTOR agrees to maintain a sufficient level of staffing in accordance with the level of care required by the consumers served by CONTRACTOR, and further agrees to maintain timekeeping records to sufficiently document all staffing hours.

**D. Consumer Self-Determination in Choice of Staff:** Consumers shall be given an opportunity to express a preference in the assignment of CONTRACTOR's staff to serve the consumer, within the limits of available staff in the CONTRACTOR's program. Additionally, CONTRACTOR shall make every attempt possible to assure the removal or reassignment of any personnel who fail to meet the consumer's preferences in delivering services hereunder. A consumer's choice and preferences shall always be considered, if not always granted.

**E. Sole Employer:** The CONTRACTOR agrees and intends that it, rather than CMHSP, is the sole employer of any staff paid by it to perform the services required by this Contract.

**F. Staff Meeting Regulatory Requirements:** The CONTRACTOR agrees to comply with the

requirements of all applicable regulatory bodies with respect to staffing patterns, transportation, and staff qualifications. CONTRACTOR agrees to ensure that any employees who are providing services which are billed to Medicaid meet the State minimum qualifications for that service provision.

**G. Human Resources Policies and Procedures:** If CONTRACTOR has employees, it agrees to develop and maintain Human Resources policies and procedures which address at a minimum the following areas:

1. Job descriptions, including qualifications, for all staff including the Executive Director/CEO.
2. CONTRACTOR's process for ongoing assessment of clinical responsibilities for all staff and positions according to JCAHO requirements.
3. Procedures for conducting criminal background checks on employees and a CMHSP Recipient Rights history check on all applicants for mental health direct service staff positions, which will be available if the local Rights Office has the database to support such checks.
4. Procedures for hiring and termination, including disciplinary procedures and pre-employment inquiries, for all positions, including the Executive Director/CEO.
5. Pay schedules, including provisions for overtime pay and payroll dates.
6. A list of fringe benefits such as vacation, sick time, health insurance, workers disability compensation insurance, retirement, unemployment insurance, paid holidays, paid and unpaid leaves of absence, and travel reimbursement.
7. At least an annual written work evaluation in the personnel record of each employee, including an annual assessment of the Executive Director/CEO by the agency's Board.
8. Training policies, including requirements, time frames, and standards for employees to function independently. Such policies must meet and must not conflict with the standards set forth in Attachment E of this Contract.
9. Requirements for staff involved in operating motor vehicles transporting consumers.
10. Table of Organization with lines of responsibility and authority, including designation of continuous provision of access to an individual with designated authority to act on behalf of CONTRACTOR.

CONTRACTOR agrees to have a copy of said policies and training records easily accessible and available for review by CMHSP upon request.

**H. Credentialing and Assignment of Clinical Responsibilities:** If CONTRACTOR is a licensed independent practitioner, CONTRACTOR will be credentialed and recredentialed by the CMHSP and will be granted clinical responsibilities in accordance with CMHSP policy, which is available in the provider manual. If the CONTRACTOR is an organization that employs staff, CONTRACTOR shall ensure that its staff providing services to consumers meet the CMHSP's credentialing and assessment of clinical competency requirements, including re-credentialing (every two years) and reassessment (at least annually) of clinical competencies necessary to perform the services required under this Contract. CONTRACTOR will maintain Credentialed status on CMHPSM Provider Network Panel in accordance with the CMHPSM Organizational Credentialing policy, which can be found in the provider manual.

**I. Payment of Social Security and Payroll Taxes:** CONTRACTOR is responsible for all applicable state and federal social security benefits and unemployment taxes and agrees to indemnify and protect the CMHSP against such liability.

**J. Payroll Taxes/Liquidating Accounts Payable:** CONTRACTOR agrees that withholding and payment of all payroll taxes required by federal, state, and local laws shall be kept current. Further, CONTRACTOR agrees that all accrued expenses and accounts payable shall be liquidated by the close of the quarter following the end of the fiscal year with the exception of unemployment insurance, workers' disability compensation insurance, and any sick, vacation, and/or personal time accrued by CONTRACTOR's employees. Expenditures for unemployment insurance, workers' disability compensation insurance, and self-insured health plans will be based on past experience and treated as a long-term expense accrual.

**K. Staff/LIP Training:** It is the responsibility of CONTRACTOR to ensure that all of its personnel receive all trainings required by the CMHSP. If CONTRACTOR is a licensed independent practitioner, it is the responsibility of CONTRACTOR to obtain all trainings required by CMHSP. Required trainings are set forth in Attachment E, which reflects requirements as of the date of this Contract. The provider manual contains the most current training requirements. If CONTRACTOR has questions about required trainings, or needs assistance obtaining training, CONTRACTOR may notify the CMHSP Provider Relations Unit for technical assistance.

**L. Communicable Disease Training:** Professional development of substance abuse counselors and all health care workers relative to AIDS prevention and the prevention of other serious communicable diseases is required if CONTRACTOR provides substance abuse services under this Contract; CONTRACTOR will conduct annual training on communicable diseases. Any training and additional requirements related to communicable diseases are set forth in Attachment B.

**M. Substance Abuse Staff Requirements:** CONTRACTOR will assure that all direct service staff hired in *State-funded programs licensed for Screening, Assessment, Referral and Follow-up (SARF) and the treatment service categories* have successfully passed the Fundamentals of Alcohol and Other Drug Problems (FAODP) examination and possess a Bachelor Degree. A six-month (one-time) waiver may be requested from the MDCH Certification Project to allow time to schedule an exam. This waiver allows new direct staff to deliver services while preparing for the FAODP exam.

The following staff are exempt from this requirement: those with current licensure as a physician or psychologist; a Masters Degree in Guidance and Counseling, Social Work, or Clinical Psychology from an accredited college or university; valid Certified Addictions Counselor (CAC I or CAC II) certificate; successful completion of at least 16 college-level semester hours of substance abuse specific course work; or ICRC Certificate or Basic Curriculum in Substance Abuse Course (BCSAC) or Detroit Institute of Addiction, Research and Training (DIART) training course.

Staff of a *specialty treatment programs serving adolescents* shall have, at a minimum, a Bachelors Degree, documented education or work and volunteer experience with adolescents. Minimum standards are: 15 semester hours or equivalent in adolescent issues, or 2080 hours of paid or volunteer direct service experience with a human service provider providing services to adolescents.

Counselors in *specialty treatment programs serving older adults* shall have, at a minimum, a Bachelors Degree, documented education or work and volunteer experience with older adults. Minimum standards are: a certificate in geriatrics, 15 semester hours or the equivalent in older adult

issues, or 2080 hours of paid or volunteer direct service experience with an older adult human services provider.

Counselors in *specialty treatment programs serving co-occurring substance abuse and mental health clients* shall have at a minimum a Bachelors Degree, documented education or work and volunteer experience with mentally impaired clients. Minimum standards are: 15 semester hours, or the equivalent, in mental health issues, which includes 2080 hours of paid or volunteer direct service experience with a provider. The education or experience, or both, shall include training in psychopathology and psychopharmacology.

**N. Non-Discrimination in Employment:** CONTRACTOR agrees to take affirmative action to eliminate discrimination based on sex, race, or a disability in the hiring of applicants and the treatment of any employees. Affirmative action will include, but not be limited to: employment, upgrading, demotion, transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation, selection for training, including apprenticeship.

**O. Posting Whistleblowers Protection Act Poster:** If CONTRACTOR employs any staff, the CONTRACTOR agrees to post, in a conspicuous place, a copy of the Whistleblowers' Protection Act developed as a result of the passage of P.A. 469 of 1980, as amended.

## **ARTICLE XVII. CULTURAL COMPETENCE**

CONTRACTOR shall demonstrate an ongoing commitment to linguistic and cultural competence that ensures access and meaningful participation for all people in the service area where CONTRACTOR provides supports and services. Such commitment includes acceptance and respect for the cultural values, beliefs, and practices of the community, as well as the ability to apply an understanding of the relationships of language and culture to the delivery of services.

To effectively demonstrate such commitment, it is expected that CONTRACTOR has five components in place: (1) a method of community assessment; (2) sufficient policy and procedure to reflect CONTRACTOR's value and practice expectations; (3) a method of services assessment and monitoring; (4) ongoing training to assure that staff are aware of, and able to effectively implement, CONTRACTOR's policy; and (5) the provision of supports and services within the cultural context of the recipient.

## **ARTICLE XVIII. INDEMNIFICATION**

CONTRACTOR shall protect, defend, and indemnify the CMHSP, CMHSP's Board members, officers, agents, volunteers and employees from any and all liabilities, claims, liens, demands, costs, and judgments, including court costs, costs of administrative proceedings, and attorneys fees, which arise out of the occupancy, use, service, operations, performance or nonperformance of work, or failure to comply with federal, state or local laws, ordinances, codes, rules and regulations or court or administrative decisions, negligent acts, intentional wrongdoing, or omissions by CONTRACTOR, its officers, employees, agents, representatives or subcontractors in connection with this Contract. CONTRACTOR's responsibilities under this Article shall not be mitigated by nor limited to the insurance coverage obtained by CONTRACTOR pursuant to the requirements in the Insurance Article of this Contract.

## ARTICLE XIX. INSURANCE

CONTRACTOR will maintain at its expense during the term of this Contract, the following insurance:

**A. Workers' Disability Compensation Insurance** including Employers Liability Coverage as required by the Workers' Disability Compensation Act of 1969, as amended, (1969 PA 317; MCL 418.101 et seq). This insurance is required only if CONTRACTOR is an employer; if CONTRACTOR is not an employer, CONTRACTOR must provide CMHSP with written assertion of its status as a sole proprietor without employees.

**B. Commercial General Liability Insurance** with a combined single limit of \$1,000,000 each occurrence for bodily injury and property damage. Licensed independent practitioners must maintain this coverage only if they are seeing consumers at their site. Policy shall include CMHSP as additional insured with respect to general liability. CONTRACTOR understands that this additionally insures CMHSP's Board members, officers, employees, agents and volunteers.

**C. Professional Liability Insurance** for claims or damages arising out of an error, omission, or negligent act in the performance of professional services with a minimum limit of \$1,000,000 per occurrence or per claim. If the Professional Liability Insurance is on a per claim basis it shall include a three-year extended reporting period. Policy shall include CMHSP as additional insured with respect to professional liability. CONTRACTOR understands that this additionally insures CMHSP's Board members, officers, employees, agents and volunteers.

**D. Motor Vehicle Liability Insurance** is necessary unless the scope of services in Attachment B states that CONTRACTOR will not transport CMHSP consumers. Michigan coverage must include Michigan No-Fault Coverage with limits of liability of not less than \$1,000,000.00 per occurrence combined single limit Bodily Injury and Property Damage. Coverage from any state outside of Michigan must include a rider that provides coverage at minimum levels required in Michigan and extends coverage to Michigan.

Motor vehicle insurance coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles. Policy shall include CMHSP as additional insured. CONTRACTOR understands that this additionally insures CMHSP's Board members, officers, employees, agents and volunteers. Insurance policies must be issued by a company licensed and admitted to do business in Michigan or Ohio, as applicable, and who has not less than an A.M. Best Company's Insurance Reports Rating of A- and must be acceptable to the CMHSP's Director/CEO.

**E. Staff Fidelity Bonding:** If the scope of services in Attachment B states that CONTRACTOR will provide substance abuse treatment or prevention services under this agreement, CONTRACTOR shall also furnish CMHSP with certificates of fidelity bonding.

**F. Insurance Submission:** CONTRACTOR shall furnish certificates of insurance evidencing its possession of the required insurance coverage prior to the commencement of services under this Contract to:

Washtenaw Community Health Organization  
Attention: Provider Relations Unit  
555 Towner P.O. Box 915  
Ypsilanti, Michigan 48197

No payments will be made to CONTRACTOR until the certificates of insurance have been received and approved by the CMHSP. If the insurance, as evidenced by certificates furnished by the CONTRACTOR, expires or is canceled during the term of this Contract, services and related payments shall be suspended until certificates evidencing renewal of coverage are submitted to and approved by the CMHSP.

## **ARTICLE XX. NONDISCRIMINATION, AFFIRMATIVE ACTION, AND PROCUREMENT**

**A. Discrimination in Employment Prohibited and Affirmative Action:** CONTRACTOR, as required by law, shall not discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, ancestry, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, marital status, disability unrelated to the individual's ability to perform the duties of the particular job or position. CONTRACTOR further agrees to not discriminate on the basis of sexual orientation. CONTRACTOR agrees to post notices containing this policy against discrimination in conspicuous places available to applicants for employment and employees and CONTRACTOR shall include the language of this assurance in all subcontracts for services covered by this Contract. All solicitations or advertisements for employees placed by or on the behalf of the CONTRACTOR shall state that CONTRACTOR is an Equal Opportunity Employer. Breach of this section shall be regarded as a material breach of this Contract.

CONTRACTOR shall adhere to all applicable Federal, State and local laws, ordinances, rules, and regulations prohibiting discrimination, including, but not limited to, the following:

1. The Elliott-Larsen Civil Rights Act, 1976 PA 453, as amended.
2. The Michigan Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended.
3. Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq), Section 504 of the Federal Rehabilitation Act of 1973, as amended (29 USC 794), Title IX of the Education Amendment of 1972, as amended (20 USC 1681-1683 and 1685-1686) and the regulations of the U.S. Department of Health and Human Services issued thereunder (45 CFR, Part 80, 84, 86 and 91).
4. The Age Discrimination Act of 1975 (42 USC 6101 et seq).
5. The Americans with Disabilities Act of 1990, P.L. 101-336, 104 Stat 327 (42 U.S.C. §12101 et seq), as amended, and regulations promulgated thereunder.

**B. Discrimination in Procurement Prohibited:** CONTRACTOR, by entering into this Contract, gives its assurance to the CMHSP and the MDCH that appropriate efforts shall be made to identify and encourage the participation of minority, women, and handicapper owned businesses in contract solicitations. It is expressly understood and agreed that the CONTRACTOR shall not discriminate against minority, women, and handicapper owned businesses when contracting. The CONTRACTOR shall, upon the request of either the CMHSP or the MDCH, be able to demonstrate efforts it has made to enter into contracts with such businesses.

If CONTRACTOR maintains a procurement system and solicitation practices, the system/practices must prohibit discrimination against minority, women, and/or handicapper owned businesses. Documentation of compliance with this requirement shall be maintained for review upon request.

**C. Discrimination Against Consumers Prohibited:** CONTRACTOR additionally agrees not to unlawfully discriminate against a consumer of services or an applicant for services as required by

the Elliott-Larsen Civil Rights Act, P.A. 453 of 1976, as amended, or MCL 37.2101 et. seq. Breach of this covenant shall be regarded as a material breach of this Contract.

**D. Minority and Business Verification Form:** CONTRACTOR agrees to complete and return to the Michigan Department of Civil Rights a Minority and Business Verification form if it is a minority-owned or woman-owned business under P.A. 428 of 1980 and not already certified by the Michigan Department of Civil Rights as a bona fide minority-owned or woman-owned business.

## **ARTICLE XXI. CONFLICT OF INTEREST AND ACCESS TO INFORMATION**

**A. Conflict of Interest and Insider Information:** CONTRACTOR affirms that, to the best of its knowledge, no principal, representative, agent, employee, or anyone acting on behalf, or legally capable of acting on behalf, of CONTRACTOR is currently an employee of CMHSP, or of MDCH or any of its constituent institutions, nor is any such person using, nor is he or she privy to, insider information which would tend to give, or give the appearance of tending to give, an unfair advantage to CONTRACTOR.

Breach of this covenant may be regarded as a material breach of this Contract and a cause for termination thereof. The CONTRACTOR shall establish procedures and safeguards to prohibit its employees from using their positions for a purpose that is or gives the appearance of being a conflict of interest, or motivated by a desire for private gain for themselves or others with whom they have a family, business, or other ties.

**B. CMHSP Access to Records and Information:** CONTRACTOR understands that CMHSP may seek information about activities of persons described in the following, for any possible conflict of interest. If any such conflict is identified, CMHSP may take action to terminate this Contract. Upon written request, CONTRACTOR shall supply CMHSP with the following information:

1. Articles of Incorporation, List of Board Members, and/or Board Minutes, if applicable.
2. A written description of CONTRACTOR's internal accounting and administrative control system, which shall: (1) protect against waste, fraud and inefficiency; (2) ensure accuracy and reliability in accounting and operating data; and (3) secure compliance with agency policies. This system shall include clear lines of responsibility, subdivision of duties, and a clear separation of accounting functions from custody or access to assets.
3. A list of all suppliers/subcontractors/lessors of CONTRACTOR in connection with or pertaining to this Contract with which corporate officers, partners and employees, or their spouses, have a financial interest to the best of CONTRACTOR's knowledge.
4. Copies of all current contracts and leases pertinent to this Contract with all suppliers/subcontractors/lessors and copies of all renewals, extensions, modification thereto, together with all new contracts and leases pertinent to this Contract as they are entered into and allow copies to be made at CMHSP expense.

**C. State and/or Federal Access to Records and Information:** CMHSP, the State of Michigan or its representatives, and/or other authorized audit personnel, including any federal agency or its agent, shall be allowed access to all financial records pertaining to CONTRACTOR's activities under this contract during normal business hours for the purpose of reviewing, copying, and/or auditing. Refusal to allow CMHSP, MDCH, the State of Michigan or their representatives, and/or other authorized audit personnel, including any federal agency or its agent, access to said records for the above-stated purposes shall constitute a material breach of this Contract, for which CMHSP may exercise any of its remedies available at law or in equity, including but not limited to, the

immediate termination of this contract. Financial records and supporting documentation must be retained and be available for audit purposes for ten (10) years following the termination of this contract.

Furthermore, CONTRACTOR agrees that if the Secretary of the United States Department of Health and Human Services, the Controller General of the United States, or their duly authorized representatives, at any time within seven (7) years of completing the services to be provided under this contract request access to CONTRACTOR's books, documents, and records in accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (42 USC Section 1395X(v) (I) (I)) and the regulations adopted pursuant thereto, CONTRACTOR shall provide such access to the requesting parties to the extent required by such statute and the regulations adopted pursuant thereto.

## **ARTICLE XXII. COMPLIANCE WITH MDCH AGREEMENTS**

It is expressly understood and agreed by CONTRACTOR that this Contract is subject to the terms and conditions of the agreement(s) entered into between MDCH and CMHSP for general funds and between MDCH and the PIHP for Medicaid funding. CONTRACTOR shall comply with all applicable terms and conditions of these MDCH Agreements. The provisions of this Contract shall take precedence over the MDCH Agreements unless a conflict exists between this Contract and the provisions of the MDCH Agreements, in which case the provisions of the MDCH Agreements shall prevail.

A conflict between this Contract and the MDCH Agreements, however, shall not be deemed to exist where this Contract: 1) contains additional non-conflicting provisions not set forth in MDCH Agreements; 2) restates provisions of the MDCH Agreements to afford the PIHP the same or substantially the same rights and privileges as the MDCH; or 3) requires CONTRACTOR to perform duties and/or services in less or more time than that afforded the PIHP in the MDCH Agreements. The MDCH Agreements are incorporated by reference into this Contract and made a part hereof. A copy of the MDCH agreements shall be provided to the CONTRACTOR upon written request.

## **ARTICLE XXIII. COMPLIANCE WITH LAWS AND REGULATIONS**

**A. Compliance with Laws:** The CONTRACTOR shall provide all services in compliance with all applicable federal, state, and local laws, ordinances, rules, and regulations including but not limited to: (a) the Michigan Mental Health Code and the Public Health Code and the rules and regulations promulgated thereunder; (b) federal and state Medicaid laws, including the Balanced Budget Act; (c) all applicable standards, orders or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 1857(h)) and Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 CFR Part 15) if the amount of this Contract is over \$100,000.

If substance abuse treatment and/or prevention services are provided under this Contract, CONTRACTOR must comply with the federal requirements from the Public Health Service Act, Title XIX, Part B, Public Law 102-321 Subpart II Block Grants for Prevention and Treatment of Substance Abuse. These requirements also apply to state funds, unless a written exception is obtained from the MDCH/MHSAS Chief. The Sections that apply to CONTRACTOR are: Sections from PL 102-321, as amended, include: 1921(b); 1922 (a)(1)(2); 1922(b)(1)(2); 1923; 1923(a)(1)

and (2), and 1923(b); 1924(a)(1)(A) and (B); 1924(c)(2)(A) and (B); 1927(a)(1) and (2), and 1927(b)(1); 1927(b)(2); 1928(b) and (c); 1929; 1931(a)(1)(A), (B), (C), (D), (E) and (F); 1932(b)(1); 1942(a); 1943(b); 1947(a)(1) and (2). The CMHSP and CONTRACTOR are subject to the provisions of P.A. 317 of 1968, as amended, and P.A. 196 of 1973, as amended.

**B. Standard Operating Procedures:** CMHSP and CONTRACTOR agree that CMHSP does not control operations or hazards arising out of the services provided under this Contract. CONTRACTOR is solely responsible for having written standard operating procedures, and for providing the necessary training and personal protective equipment where required.

**C. Lobbying:** CONTRACTOR shall comply with the Anti-Lobbying Act, Title 31 USC, Section 1352 (added under Section 319 of Public Law 101-121), as revised by the Lobbying Disclosure Act of 1995 (P.L. 104-65) and Section 503 of the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act (Public Law 104-208). CONTRACTOR shall include the language of this assurance in all subcontracts for services covered by this Contract.

**D. Pro-Children Act of 1994:** CONTRACTOR shall comply with Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The Act also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The Act does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the Act may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. CONTRACTOR shall include this language in any subcontracts which contain provisions for children's services.

CONTRACTOR, in addition to compliance with Public Law 103-227, shall ensure that any service or activity funded in whole or in part through this Contract will be delivered in a smoke-free facility or environment. Smoking shall not be permitted anywhere in the facility, or those parts of the facility under the control of CONTRACTOR. If activities or services are delivered in the facilities or areas that are not under the control of CONTRACTOR, (e.g., a mall, restaurant or private work site), the activities or services shall be smoke-free.

**E. Hatch Act and Intergovernmental Personnel Act:** CONTRACTOR shall comply with the Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970, as amended by Title VI of Civil Service Reform Act (Public Law 95-454 Section 4728). Federal funds cannot be used for partisan political purposes of any kind by any person or organization involved in the administration of federally-assisted programs.

## **ARTICLE XXIV. DISBARMENT AND SUSPENSION**

**A. Assurances:** Assurance is hereby given to the CMHSP that CONTRACTOR will comply with Federal regulation 45 CFR Part 76. CONTRACTOR certifies to the best of its knowledge and belief that CONTRACTOR and its subcontractors:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or Agency;
2. Have not within a three (3) year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in section 14.1B and;
4. Have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state or local) terminated for cause or default.

**B. Verification of Assurances:** CONTRACTOR acknowledges that the CMHSP may verify this information through: (1) The Michigan Department of Consumer & Industry Services to ensure that CONTRACTOR is not suspended from participation in Michigan Medicaid and/or Medicare and that they are not listed with Michigan Department of Consumer & Industry Services for Unfair Labor Practices; and/or (2) The U.S. General Services Administration "excluded parties list".

**C. Effect of Being Listed in Registries:** If the CONTRACTOR appears in the registries identified above during the term of this Contract, this Contract shall immediately become null and void.

## **ARTICLE XXV. DOCUMENTS AND PUBLICATIONS**

All documents developed as a result of this Contact will be freely available to the public, with the exception of those containing information about recipients of services which state and federal law requires to be confidential. CONTRACTOR may not copyright such documents unless otherwise provided in this agreement. During the performance of services under this Contract, CONTRACTOR will be responsible for any loss or damage to the documents while they are in its possession and must restore the loss or damage at its expense. Any use of the information and results of this Contract by CONTRACTOR must reference the project sponsorship by CMHSP. Any publication of the information or results must be co-authored by the CMHSP.

If activities supported by the Grant Agreement between MDCH and CMHSP for substance abuse services produce books, films, or other such copyrightable materials issued by CONTRACTOR, CONTRACTOR may copyright but shall acknowledge that the CMHSP reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish, and use such materials. This cannot include service recipient information or personal identification data. Any copyrighted materials or modifications bearing acknowledgement or the CMHSP's name must be approved by CMHSP prior to reproduction and use of such materials. CONTRACTOR shall give recognition to CMHSP in any and all publication papers and presentations arising from the program and service contract herein; CMHSP will do likewise.

## **ARTICLE XXVI. MISCELLANEOUS PROVISIONS**

**A. Relationship to CMHPSM Provider Network:** By entering into this contract, CONTRACTOR acknowledges membership in the CMHPSM Network Provider Panel and agrees to maintain

positive working relationships with other contractors within the CMHPSM provider network to best serve the needs of the consumers of the CMHPSM.

**B. Equipment Purchases and Title:** Any equipment CONTRACTOR purchases supported in whole or in part through this Contract must be listed in a supporting Equipment Inventory Schedule which is available in the provider manual. Equipment means tangible non-expendable, personal property having useful life of more than one (1) year and an acquisition cost of \$5,000 or more per unit. Title to items having a unit acquisition cost of less than \$5,000 shall vest with CONTRACTOR upon acquisition. MDCH reserves the right to retain or transfer the title to all items of equipment having a unit acquisition cost of \$5,000 or more, to the extent that MDCH's proportionate interest in such equipment supports such retention or transfer of title.

**C. Choice of Law and Venue:** This Contract shall be construed according to the laws of the State of Michigan. CMHSP and CONTRACTOR agree that the venue for the bringing of any legal or equitable action under this Contract shall be established in accordance with the statutes of the State of Michigan and/or Michigan Court Rules. In the event that any action is brought under this Agreement in Federal Court, the venue for such action shall be the Federal Judicial District of Michigan, Eastern District, Southern Division.

**D. Amendments:** Modifications, amendments, or waivers of any provision of this Contract may be made only by the written mutual consent of both parties set forth in a written amendment document signed by the authorized representatives of both parties.

**E. Extent of Contract:** This Contract and its attachments, the referenced CMHSP policies, and other materials CMHSP is required to provide, contain all the terms and conditions agreed upon by the parties and no other agreements, oral or otherwise, regarding the subject matter of this contract or any part thereof shall have any validity or bind any of the parties hereto.

**F. Waivers:** No failure or delay on the part of either of the parties to this Contract in exercising any right, power, or privilege hereunder shall operate as a waiver thereof nor shall a single or partial exercise of any right, power or privilege preclude any other or further exercise of any other right, power or privilege.

In no event shall the making by CMHSP of any payment due to CONTRACTOR constitute or be construed as a waiver by CMHSP of any breach of a provision of this Contract, or any default which may then exist, on the part of CONTRACTOR, and the making of any such payment by CMHSP while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to CMHSP in respect to such breach or default.

**G. Assigns and Successors:** CMHSP and CONTRACTOR each binds itself, its successors, and assigns to the other party to this contract and all covenants of this contract. CONTRACTOR shall not assign or transfer its interest in this contract without the written consent of CMHSP.

**H. Disregarding Titles:** The titles of the sections set forth in this Contract are inserted for the convenience of reference only and shall be disregarded when construing or interpreting any of the provisions of this Contract.

**I. Invalid Provisions:** If any clause or provision of this Contract is rendered invalid or unenforceable because of any State or Federal statute or regulation or ruling by any tribunal of competent jurisdiction, that clause or provision shall be null and void, and any such invalidity or

unenforceability shall not affect the validity or enforceability of the remainder of this Contract. Where the deletion of the invalid or unenforceable clause or provision would result in the illegality and/or unenforceability of this Contract, this Contract shall be considered to have terminated as of the date in which the clause or provision was rendered invalid or unenforceable.

**J. Nonbeneficiary Contract:** This Contract is not intended to be a third party beneficiary contract and confers no rights on anyone other than the parties to this Contract.

**K. Practice and Ethics:** Parties will conform to the code of ethics of their respective professional associations.

## **ARTICLE XXVII. TECHNICAL ASSISTANCE and CONTRACT MONITORING**

**A. Contract Manager:** The CMHSP shall assign a Contract Manager. The Contract Manager or designee will be available to provide technical assistance to the CONTRACTOR regarding services provided under this Contract if a need for such assistance has been identified by CMHSP or by CONTRACTOR.

**B. Site Visits:** The **PIHP and/or** CMHSP may conduct periodic site visits to monitor administrative and fiscal compliance during the term of this Contract. The **PIHP and/or** CMHSP may review and inspect the CONTRACTOR's activities during the term of this Contract. After at least a 24-hour advance notice has been provided to the CONTRACTOR, the **PIHP and/or** CMHSP may review any of CONTRACTOR's internal records, reports, or insurance policies. If, after a site review is completed, the **PIHP and/or** CMHSP states that CONTRACTOR needs to attain compliance in a certain area, CONTRACTOR agrees to submit a plan of corrective action within a specified time frame given by the **PIHP or** CMHSP.

The **PIHP and/or** CMHSP reserve the right to conduct a site visit at any time with no advance notice if the **PIHIP or** CMHSP has reason to believe that the CONTRACTOR is not in compliance with the terms of the Contract or if the health and safety of a consumer is at risk.

## **ARTICLE XXVIII. CONTRACT REMEDIES AND SANCTIONS**

CMHSP will utilize a variety of means to assure compliance with contract requirements. CMHSP will pursue remedial actions and possibly sanctions as needed to resolve outstanding contract violations and performance concerns.

CMHSP may utilize any or all of the following actions:

1. Notice of contract violation and conditions will be issued to the CONTRACTOR with copies to CONTRACTOR's Board of Directors, if applicable.
2. Require a plan of correction and specified status reports that becomes a contract performance objective.
3. Place the CONTRACTOR on provisional contract status until a plan of correction is accepted by CMHSP and CONTRACTOR is able to successfully demonstrate its compliance.
4. The CMHSP reserves the right to withhold payment until full compliance is achieved.
5. If the above mentioned actions are not successful in achieving full compliance, the CMHSP reserves the right to initiate contract termination according to the

## Termination Article of this Contract.

The implementation of any of these actions does not require a contract amendment; the sanction notice to CONTRACTOR is sufficient authority according to this provision. The use of remedies and sanctions will typically follow a progressive approach, but CMHSP reserves the right to deviate from the progression as needed to seek correction of serious or repeated breaches, or patterns of substantial non-compliance or performance problems.

The following are examples of compliance or performance problems for which remedial actions, including sanctions, can be applied to address repeated or substantial breaches, or a pattern of non-compliance or substantial poor performance. This listing is not meant to be exhaustive, but only representative.

1. Reporting timeliness, quality and accuracy.
2. Performance Indicator Standards.
3. Repeated Site-Review non-compliance (repeated failure on the same item).
4. Failure to complete or achieve contractual performance objectives.
5. Repeated failure to honor appeals/grievance assurances.
6. Substantial or repeated health and/or safety violations.
7. Substantial inappropriate denial of services or requests for services required under this Contract, or substantial services not corresponding to condition. Substantial can mean a pattern, large volume or small volume, but with a severe impact.
8. Inappropriate or inconclusive documentation of services for which a claim has been submitted.

## **ARTICLE XXIX. DISPUTE RESOLUTION**

Issues involving service delivery systems or budgets that cannot be resolved between the CMHSP Contract Representative and CONTRACTOR's Representative may be forwarded to the Contract Resolution Team which will be composed of a PIHP Contract Representative, CONTRACTOR's Representative, and, at the discretion of CMHSP, a mutually acceptable third party.

CONTRACTOR's Representative and the CMHSP Contract Representative shall resolve other contract compliance issues, grievances, or language interpretation matters. If resolution is not reached the matter shall be forwarded to the CMHSP Director/CEO and CONTRACTOR's Representative. If resolution is still not reached, the matter shall be forwarded to the Boards of the respective parties. The final decision of the dispute resolution shall be made by the CMHSP and communicated to the CONTRACTOR in writing.

## **ARTICLE XXX. CONTINUING CONTRACT**

In the event that a new contract between the parties hereto is not signed by the termination date of this Contract, the terms and conditions contained herein shall remain in effect for a period not to exceed ninety (90) days from the scheduled termination date, unless either party hereto has notified the other party of its intent not to renew this Contract. By written agreement of the parties hereto, this continuation may be extended for an additional ninety (90) days thereafter.

## **ARTICLE XXXI. AUTHORITY TO SIGN**



**A**

**RECIPIENT RIGHTS**

- **If CONTRACTOR provides mental health services, CONTRACTOR shall:**
  - A. Strictly comply with all Recipient Rights provisions of the Mental Health Code and MDCH Administrative Rules, a copy of which will be provided upon request. Additionally, a link to access the law and Rules is available in the provider manual. CMHSP ORR will provide technical assistance and consultation as necessary.
  - B. Post a copy of a CMHSP provided Summary of Rights as guaranteed by the Mental Health Code and Administrative Rules in a conspicuous place at the service site.
  - C. Comply with and adhere to CMHSP recipient rights policies and procedures as required by the Mental Health Code in MCL 330.1752, which are available in the provider manual and incorporated by reference into this Contract.
  - D. Comply with the mechanisms established by CMHSP for protecting recipient rights and accept the final jurisdiction of the CMHSP Recipient Rights Office. Agree to implement appropriate remedial action for substantiated violations of rights guaranteed by the Mental Health Code and MDCH Administrative Rules. CMHSP's ORR representatives shall have access at any time to all staff, recipients, service records, and services of the CONTRACTOR in order to fulfill the monitoring function of that office or to conduct a thorough investigation. CONTRACTOR's employees are required to cooperate with the ORR officer during an investigation. The CMHSP Rights Officer will notify the CONTRACTOR and/or Rights Advisor of any complaint received regarding recipients served by CONTRACTOR within twenty-four (24) hours when client abuse or neglect is alleged, and within one (1) week for all other complaints.
  - E. Provide or assure that appropriate action is taken to ensure protection for complainants and Rights staff if there is evidence that harassment or retaliation occurred regarding an alleged rights violation or rights complaint.
  - F. Monitor the safety and welfare of recipients while they are under its service supervision pursuant to this Contract. If the health or safety of any recipient for which services are being delivered is in jeopardy, CONTRACTOR shall cooperate in the immediate transfer of the recipient(s) to another services provider.
  - G. Provide immediate comfort and protection to any recipient who has suffered physical injury. Assure that emergency medical personnel are notified immediately if necessary due to the severity of the injury. Verbally report, or document and then fax or hand-deliver on an incident report form, the death, serious injury, suspected abuse, neglect, or sexual abuse of a recipient to the CMHSP ORR immediately if possible, but no later than the next working day. Report all other alleged rights violations of a recipient to the CMHSP ORR by telephone as soon as possible but no later than the start of the next working day. CONTRACTOR shall document in writing on an incident report form within twenty-four (24) hours of the occurrence and submit the incident report to the recipient's case manager/supports coordinator.
  - H. Notify the appropriate public agency as required by law regarding any suspected abuse, neglect, sexual abuse, or death of any service recipient (Michigan Family Independence Agency, Protective Services - Adults and Children, CIS Licensing, law enforcement and other public agencies as applicable). CONTRACTOR shall post a copy of said laws in a conspicuous place.
  - I. Allow individuals who properly identify themselves as representatives of Michigan Protection and

Advocacy System access to program premises, recipients, and service records in compliance with MCL 330.1748(8) and MCL 330.1931 of the Mental Health Code. Such access will be utilized in a reasonable manner so as not to interfere with the recipients' planned activities.

- J. Maintain the confidentiality of information regarding recipient in compliance with MCL 330.1748 and MCL 330.1750 of the Mental Health Code, and other applicable state and federal laws.
- K. Ensure that all employees receive training on recipient rights within 30 days of hire. Such training shall include, but is not limited to, definitions of abuse, neglect, confidentiality, and mandated reporting requirements and shall be the responsibility of the CONTRACTOR. Employees shall not work alone with recipients until they have completed this rights training.

In addition, new employees shall receive a complete rights training by a Rights Officer within the Community Mental Health Partnership of Southeastern Michigan or by an approved Recipient Rights Officer (another CMH Rights Officer outside of this Affiliation, with CMHSP ORR prior written approval) within one quarter of the date of hire. The CMHSP ORR shall provide rights training for CONTRACTOR'S new employees on a schedule determined by the CMHSP ORR. All employees providing mental health services are to retake the Rights class, offered by an approved Recipient Rights Officer, every two years. It is the responsibility of the CONTRACTOR to track their employees' rights training, assure employees retake the rights class every two years, maintain clear and easily accessible records of all rights training received by staff, and allow those training records to be reviewed by the CMHSP ORR.

- L. Ensure that all employees have received training in the appropriate and adequate provision of care and services when applicable, to ensure that recipients receive a standard of care as required by law, rules, policies, guidelines, procedures, written directives, and the individual plan of service. As applicable, this training may include, but is not limited to, CPR and First Aid, Medication training, and PCP training.
- M. Comply with CMHSP grievance and appeal mechanisms, which allow recipients/ applicants to pursue resolution of complaints related to services and supports managed and/or delivered by CMHSP. Specifics of these mechanisms (second opinions, grievances, disputes, Medicaid and MDCH fair hearings) are set forth in the Consumer Grievances and Appeals Policy, a copy of which is available in the provider manual and which is incorporated by reference into this Contract.
- N. Remain in compliance with the Bullard-Plawecki Employee Right to Know Act, PA 397 of 1978, by assuring that employees are given written notice under the conditions and as detailed in that Act.

CMHSP reserves the right to terminate this Contract for failure to comply with recipient rights policies and/or remedial actions if client abuse and/or neglect is substantiated, and to remove any recipient, referred or placed pursuant to this Contract, who CMHSP deems is in immediate danger while under the CONTRACTOR's care.

- **If CONTRACTOR provides services to individuals with a substance abuse disorder, the CONTRACTOR agrees:**
  - 1. To strictly comply with all Recipient Rights provisions of the Administrative Rules for Substance Abuse Service Programs in Michigan (Public Act 368, 1978 as amended), incorporated into this agreement by reference.
  - 2. To post a copy of Recipient Rights Poster indicating the Rights Advisor's name and number, and the Regional Rights Consultant's name and number in a conspicuous place.
  - 3. To comply with the procedures established by Administrative Rule for Substance Abuse Recipient Rights Policy Manual for protecting recipient rights, and to implement appropriate remedial action for

substantiated allegations of rights violations.

4. To monitor the safety and welfare of recipients while they are under its service supervision pursuant to this contract. If the health or safety of any recipient to whom services are being delivered is in jeopardy, CONTRACTOR shall cooperate in the immediate transferring of the recipient(s) to another service provider.
5. That each staff member of its program shall review recipient rights policies and procedures annually and shall sign a form indicating they understand and agree to abide by the policies and procedures, with a signed copy kept in the staff's personnel file and a signed copy given to the staff.
6. To strictly comply with CMHSP mechanisms for recipients/applicants to pursue resolution of complaints regarding services and supports managed and/or delivered by CMHSP. Specifics of these mechanisms (Rights complaints, Medicaid appeals, grievances, DCH fair hearings) are set forth in the CMHSP Consumer Grievances and Appeals policy, which is available in the provider manual and is incorporated by reference into the contract.
7. That no consumer shall be made the subject of any physiological or psychological research unless such individual explicitly agrees in writing to become a subject of such research. Research supported by state funding is subject to review and approval by MDCH/MHSAS Human Subjects Committee. Principal investigators involved in research and evaluation efforts must be identified and approved by the CMHSP. Notification regarding proposed changes in principal investigators or other key research and evaluation staff shall be given to the CMHSP at least 30 days prior to the change.

CMHSP reserves the right to terminate this contract for failure to comply with Recipient Rights policies and/or remedial actions if consumer abuse and/or neglect is substantiated, and to remove any consumer placed pursuant to this contract whom the CMHSP deems is in immediate danger at the CONTRACTOR's site.

## ATTACHMENT B

### **SCOPE OF SERVICES** **Licensed Residential Setting**

**A. Person Centered Plan:** CONTRACTOR agrees to deliver services in accordance with each consumer's Person Centered Plan (PCP) as authorized for each consumer by the CMHSP or its agent.

**B. Achievement of Consumer's Goals and Objectives:** CONTRACTOR agrees to make a good faith effort to facilitate a consumer's achievement of the goals and objectives defined in his/her PCP. CONTRACTOR will use the methodologies identified in the PCP developed and approved by the CMHSP or its agent.

**C. Acceptance of Referrals:** CONTRACTOR agrees to accept referrals made by the CMHSP or its agent unless CONTRACTOR can provide an appropriate reason why such acceptance is not possible or would be detrimental to a consumer. Substantial inappropriate refusal of referrals or termination of consumers will be a breach of this Contract and may result in action by CMHSP, including but not limited to removal from the CMHPSM panel of providers. "Substantial" can be a pattern, large volume or small volume, that has a severe impact.

**D. Rejection or Termination of Referral/Placement:** CONTRACTOR shall have the right to reject a referral or terminate an existing placement after consultation with CMHSP's designated representative, the consumer in question, and the consumer's legal representative, if applicable. CONTRACTOR must clearly demonstrate that the proposed or existing placement is unable to meet the consumer's needs, and/or is incompatible with previously agreed upon criteria for services. If the CONTRACTOR is terminating an existing placement, CONTRACTOR must demonstrate that a good faith effort to meet the consumer's needs and to implement the PCP has been made.

CONTRACTOR must submit documented reasons for rejection of a referral within three (3) business days, and documented reasons for termination of an existing placement no less than thirty (30) days prior to the intended date of termination. In the event that CONTRACTOR is terminating an existing placement, CONTRACTOR acknowledges that it is aware of the consumer's right to appeal a reduction or termination of services in accordance with the Consumer Grievance and Appeals policy, a copy of which is available in the provider manual. If the consumer files an appeal within twelve (12) days of receiving notice of the reduction/termination of services, CONTRACTOR may be required to continue providing services until a final decision on the appeal is reached.

If, in the judgment of CMHSP, moving a consumer will have a detrimental effect on the consumer, the CONTRACTOR and CMHSP will work together to attempt to maintain the placement. If CMHSP and the CONTRACTOR are in agreement that a plan to maintain the placement is not possible or has not been successful, CMHSP shall develop a plan for relocation which includes the date by which the relocation will occur. CMHSP shall make every effort to relocate the consumer within thirty (30) days. If necessary, CMHSP will negotiate provisions to ensure that the consumer and/or others are not at risk while an alternative placement is developed.

**E. Consumer Leaves of Absence and Vacancies:** CONTRACTOR agrees to provide CMHSP a monthly report detailing the daily census for each home. CONTRACTOR agrees to give prior notice to a consumer's Supports Coordinator/Case Manager of any planned leave of absence. CONTRACTOR further agrees to notify CMHSP within one (1) working day, unless otherwise specified in the PCP, of a consumer's unauthorized absence from the home or its programs.

CONTRACTOR will be reimbursed only for the days actual care was provided to a consumer; vacancies will not be a reimbursable expense. CONTRACTOR will in no way interfere with a consumer's right to freedom of movement and will in no way prohibit or interfere with a consumer's right to a leave of absence from the home.

**F. Consumer's Nutritional Needs:** CONTRACTOR agrees to meet the nutritional needs of the consumers it serves under this Contract in accordance with standards and requirements set forth in applicable Michigan Department of Consumer & Industry Services licensing statutes, or rules for homes certified for federal funds applicable to Department of Public Health or Health Care and Finance Administration requirements and in accordance with the consumer's PCP.

**G. Access to Home/Service Site, Consumers, Staff, and Records:** The CONTRACTOR agrees that authorized representatives of the CMHSP shall have access to each home/service site, consumers, staff, and consumer records upon request.

**H. Transportation for Consumers:** The CONTRACTOR agrees to provide transportation for consumers in accordance with the consumer's Person Centered Plan or any transition plan that is developed for the consumer. Consumers will be encouraged to utilize public transportation to services and activities as appropriate, but will not be required to do so unless specified in the consumer's PCP.

**I. Transportation to EPSDT:** CONTRACTOR agrees to provide or to assist consumers in obtaining, from the Department of Human Services or the consumer's Medicaid Health Plan, necessary transportation to Early Periodic Screening, Diagnosis and Treatment (EPSDT) specialty services for consumers who are under the age of twenty-one (21). Some consumers qualify for certain Medicaid benefits; CONTRACTOR is responsible for making these benefits available to consumers when referred by a primary EPSDT screener, to correct or improve a qualifying condition discovered through the screening process.

**J. Securing Entitlements:** CONTRACTOR agrees to assist the consumer and the CMHSP in securing entitlement such as SSI, Medicaid, and Medicare. Such assistance may include transportation of consumers to the Department of Human Services and Social Security offices and hands-on assistance in the application process.

**K. Consumer Vacations:** CONTRACTOR agrees to ensure that health and safety needs are identified and addressed during consumer vacation planning. The CONTRACTOR understands that consumer vacations, camps, or any other such activities must be planned in accordance with the consumer's current funding allowance. CONTRACTOR agrees to obtain approval from and provide an itinerary to the consumer's legal guardian, if applicable, prior to the consumer leaving for the vacation. Additionally, CONTRACTOR will notify the consumer's case manager/ supports coordinator of a planned vacation.

**L. Administration:**

1. Records: CONTRACTOR agrees that all records relative to each home under this contract shall be readily available at any reasonable time for examination or audit by personnel authorized by CMHSP or by law. CONTRACTOR further agrees that all records required/produced relative to this contract shall be maintained for no less than seven years. Destruction of clinical records after seven years must be pre-approved by CMHSP.
2. Financial Records: CONTRACTOR agrees to maintain complete and current financial records for each home and each consumer, supporting receipts and other documentation and the minimum or comprehensive chart of accounts.
3. Individual Budget: A budget specific to each individual consumer shall provide the CONTRACTOR with the units of services and unit rates authorized for the direct care to be provided to the individual. The authorizations for services will follow the services outlined in this budget format and will be in accordance with the consumer's PCP. Exception Request procedures are used to request payment for expenses outside of the consumers' individual budgets. Exception requests are approved or denied at the discretion of the CMHSP.
4. Unbundling: CONTRACTOR agrees to participate in CMHSP's ongoing efforts to unbundle residential services. This shall include participation in any time study required by CMHSP, as well as other reporting and/or documentation necessary to unbundle procedures and rates.
5. Staffing Pattern: Prior to the inception of this contract, a prototype of the staffing pattern will be made available for each home. CONTRACTOR agrees to consult with CMHSP prior to

substantially altering an agreed upon staffing pattern. CONTRACTOR agrees to develop and maintain a staffing pattern which is consistent with consumer needs as specified in the PCP and meets all applicable Licensing and Certification guidelines. CONTRACTOR agrees to assure that there is one staff on duty in each home at all times who is fully qualified to meet the consumer(s) plan of service needs, familiar with and capable of implementing emergency procedures, and alert at all times when a consumer(s) is/are in the home.

6. Medical Services and Prescriptions: CONTRACTOR agrees to comply with CMHSP policies and procedures regarding obligation for payment of medical services and prescriptions. CONTRACTOR shall not obligate the CMHSP for payment without prior authorization; the CMHSP shall be obligated for only those prescription costs that have been pre-authorized. CONTRACTOR shall comply with any pre-approval requirements of the consumer's third party payor. All medications shall be paid for in compliance with MDCH guidelines and the Medicaid provider manual.
7. Personal Allowance Funds: CONTRACTOR agrees to maintain separate accounts and auditable financial records of consumers' personal allowance funds. CONTRACTOR shall make such financial records available to the CMHSP or its agent upon request; CMHSP reserves the right to conduct a site visit at any time to review CONTRACTOR's compliance with this requirement. Any discrepancies revealed through a review of these records shall be immediately reimbursed by CONTRACTOR. Personal allowance funds may be provided by the CMHSP, federal funding programs, social security, or by the family or guardian on behalf of a consumer. These funds shall not be used for payment of goods and services required for room, board, or supervision of programs unless prescribed on the consumer's Person Centered Plan. These funds shall not be commingled with other funds or accounts maintained by CONTRACTOR.
8. Consumer Accounts: CONTRACTOR agrees to maintain separate interest bearing accounts and auditable records on behalf of each individual resident for whom personal funds are received with respect to revenue (including date received and source of funds) and expenditures (including purpose and date expended) received or expended by or in the name of the individual resident. CONTRACTOR further agrees to provide access to such accounts and records to the CMHSP or its designee upon request, and understands that failure to maintain same is cause for contract suspension, denial, revocation, cancellation, or non-renewal.

**C**

**CPT CODES AND RATES**  
**Licensed Residential Setting**

**A. Service Codes:**

Services are authorized per the consumer’s PCP/individual treatment plan. The codes listed below are accurate as of the date of contract signing. If changed during the term of this Contract, CMHSP will provide written notification of the change to CONTRACTOR, but this Contract will not be modified by an amendment. CONTRACTOR will be responsible for using new terms or codes in billing if care mode titles or CPT codes change.

SERVICE DESCRIPTION	CPT CODE	UNIT	RATE
<b>Personal Care in Licensed Specialized Residential Settings</b>	T1020	Per Diem	See Consumer Specific Budget for Individualized Rates
Modifier for moderate need (\$33-\$63/day)	T1020 – TF		“
Modifier for high need (over \$63/day)	T1020 – TG		“
<b>Habilitation, Prevocational, Waiver</b>	T2014	Per 15 minutes	“
High Risk population (Hab Waiver)	H2014 - HK		“
<b>Habilitation, Prevocational, Waiver</b>	T2015	Per Hour	“
<b>Community Living Supports</b>	H2016	Per Diem	“
Modifier for moderate need (\$33-\$63/day)	H2016 – TF		“
Modifier for high need (over \$63/day)	H2016 – TG		“
<b>Comprehensive Community Supports</b>	H2015	Per 15 minutes	“

**B. Definition of CPT Codes:**

*T1020 - Personal Care in Licensed Specialized Residential Settings:*

Personal care services are those services provided in accordance with an individual plan of service to assist a beneficiary in performing his own personal daily activities. Services may be provided only in a licensed foster care setting with a specialized residential program certified by DCIS. These personal care services are distinctly different from the state plan Home Help program administered by DHS. Personal care services are covered when authorized by a physician or the case manager or supports coordinator, in accordance with an individual plan of services, and rendered by a qualified person. Supervision of personal care services must be provided by a health care professional who meets the qualifications contained in the state Medicaid provider manual.

**Note:** Personal care activities are those that fall outside the required scope of care for a facility licensure. For example, a provider could not consider the everyday preparation of meals for the consumer as personal care. However, if staff must grind or puree the food or assist in feeding the consumer, this time spent may be considered personal care.

**Services:** Personal care services include assisting the beneficiary to perform the following:

- Assistance with food preparation, clothing and laundry, and housekeeping beyond the level required by facility licensure, (e.g., a consumer has special dietary needs such as pureed food);
- Eating/feeding;
- Toileting;
- Bathing;
- Grooming
- Dressing;
- Transferring (between bed, chair, wheelchair, and/or stretcher);
- Ambulation; and
- Assistance with self-administered medications.

**Provider Qualifications:** Personal care may be rendered to a Medicaid beneficiary in an Adult Foster Care setting licensed by DCIS and certified by DCIS under the 1987 Department of Mental Health Administrative Rule R330.1801-09 (as amended in 1995).

**Documentation:** The following documentation is required in the beneficiary's file in order for reimbursement to be made:

- An assessment of the beneficiary's need for personal care.
- An individual plan of services that includes the specific personal care services to be delivered that is reviewed and approved at least once per year during person-centered planning.
- Documentation of the specific days on which personal care services were delivered consistent with the beneficiary's individual plan of service.

**Issues for Encounter Reporting and Costs:** Personal Care services in licensed specialized residential settings are billed on a per-diem basis when staff provides a personal care service for that day. Particular attention should be paid to Community Living Supports in specialized settings and the definitions and forms for residential unbundling.

*H2015/2016 - Community Living Supports (CLS):*

Community Living Supports (CLS) facilitate an individual's independence and promote integration into the community. The supports can be provided in the beneficiary's residence (licensed facility, family home, own home or apartment) and in community settings. The supports are:

Reminding, observing, guiding or training the beneficiary with:

- Meal preparation;
- Laundry;
- Routine household care and maintenance;
- Activities of daily living, such as bathing, eating, dressing, personal hygiene; and Shopping.
- Assistance, support and/or training the beneficiary with:
- Money management;
- Reminding, observing, and/or monitoring of medications;
- Non-medical care (not requiring nurse or physician intervention);
- Socialization and relationship building;
- Transportation\*;
- Leisure choice and participation in regular community activities; and
- Attendance at medical appointments.

The CLS code does not include the costs associated with room and board. Payment for CLS does not include payments made, directly or indirectly, to responsible relatives (i.e., spouses or parents of minor children). Habilitation support waiver services cannot supplant Medicaid services; the beneficiary must use the DHS Home Help or Enhanced Home Help services for assistance with meal preparation, laundry, routine household care and maintenance, activities of daily living (bathing, eating, dressing, personal hygiene), and shopping if the beneficiary qualifies for those services.

**Issues for Encounter Reporting and Costs:** The cost of the staff, facility, equipment/materials, and transportation are included in the cost for this service.

## ATTACHMENT D

### PERFORMANCE IMPROVEMENT

CONTRACTOR shall comply with the following and develop, implement, and monitor a Continuous Performance Improvement Program that is conducted in accordance with the CMHSP's Performance Improvement Program by:

1. Implementing performance outcome objectives that are consistent with the Community Mental Health Partnership of Southeast Michigan's (CMHPSM) Vision Statement, Mission and Values, and Strategic Plan.
2. Collecting quarterly data on the following performance indicators if CONTRACTOR serves six or more individuals per quarter (group home providers must report regardless of the number of individuals served):

<b>Licensed Settings</b>			
<b><i>Area to be reported</i></b>	<b><i>Reporting Requirements</i></b>	<b><i>Information Source</i></b>	<b><i>Frequency</i></b>
Consumer Satisfaction with services provided	Satisfaction on Survey Aggregate Form and response rate (report number of surveys distributed and number of surveys collected)	Consumer Survey Procedure, Consumer Survey, and Survey Aggregate Form (in provider manual)	Annually – due April 30
Staff Retention	total # of staff and # of staff working 6 months or more, 1 year or more, and 2 years or more; licensed setting providers must report this by home	Actual	Quarterly
Co-Occurring	COMPASS – Complete Philosophy Section Only	Tools in provider manual	Annually – due July 30

3. Referring to the Performance Improvement Section of the Provider Manual for further information on Network Indicators including definitions, tools to use, data reporting formats, and so forth.
4. Submitting to the WCHO's Performance Improvement Coordinator within thirty (30) days after the close of each quarter and in the format outlined in the Provider Manual, a Quarterly Indicator Data Report that measures performance on the required indicators as listed above.

If modifications to the Network Indicators should occur, updated Network Indicators will be provided to CONTRACTOR within thirty (30) days.

*If CONTRACTOR is not accredited, in addition to the items listed above, CONTRACTOR must also submit the following:*

1. A Performance Improvement Plan in accordance with the format set forth in the provider manual shall be submitted to the Provider Relations Unit within ninety (90) days of signing this Contract.

2. A Quarterly Performance Improvement Report on CONTRACTOR's evaluation of the components of the Performance Improvement Program, submitted to the WCHO PI Coordinator no later than thirty (30) days after the close of the quarter. This report must be in accordance with the format outlined in the provider manual.

## ATTACHMENT E

### PROVIDER STAFF TRAINING REQUIREMENTS

TRAINING TOPIC	APPLIES TO	INITIAL TRAINING	REFRESHER
Recipients Rights/ Confidentiality – <b>Mental Health</b>	All CONTRACTOR employees, all LIPs, all voucher staff	Within 30 days of hire, and prior to working independently with a consumer; within 90 days of hire by a Recipient Rights Officer	Every two years
Recipient Rights/ Confidentiality – <b>Substance Abuse</b>	All CONTRACTOR employees and LIPs	As soon as possible after date of hire, according to the schedule offered by DCH	None
Person Centered Planning	All <i>mental health</i> CONTRACTOR employees and LIPs	Within 30 days of hire	Annually
Grievance & Appeals	All CONTRACTOR employees and LIPs	Within 90 days of hire	Every two years
Cultural Competency & Limited English Proficiency	All CONTRACTOR employees and LIPs	Within 60 days of hire	Annually
Comprehensive Health & Safety  (universal precautions, bloodborne pathogens, infection control, work-place safety)	All CONTRACTOR employees and LIPs; all voucher staff	Within 60 days of hire	Annually
DCH-approved local training (for example, Training Toolbox)	<i>Mental Health</i> Group Home staff	Prior to working independently with a consumer	None
CPR, First Aid	All Direct Care Staff and voucher staff	Prior to working independently with a consumer	Per certificate
Medication Administration	If part of job duties	Prior to working independently with a consumer	Annually
Behavior Management	<i>Mental Health</i> CONTRACTOR staff who will implement the Behavior Plan	Prior to 1 <sup>st</sup> contact with the consumer after the plan has been implemented	Per PCP

## ATTACHMENT F

### **MAINTENANCE OF LICENSED HOMES** *insert local language*

#### **A. Home Maintenance:**

- 1 Home Maintenance: CONTRACTOR agrees to maintain the home, ground, furnishings, and equipment in a habitable, clean, safe, and attractive manner with funds budgeted for this purpose.
- 2 Negligent Damage: CONTRACTOR agrees to be responsible for any cost of repair or damage to the physical structure and contents of the homes and surroundings caused by negligent acts or omissions of CONTRACTOR, its officers, agents, or employees, when said cost is not covered by insurance.
- 3 Maintenance Inspections: CONTRACTOR agrees to conduct at minimum quarterly maintenance inspections of each home and to complete and sign the Seasonal Maintenance Schedule. The inspection report shall either verify compliance or include a plan of correction for each item not in compliance. A copy shall be maintained on file in each home and be made available for review upon request. Failure to comply with this provision may result in withholding of contract payments to CONTRACTOR until compliance is achieved, or may be grounds for the termination of this contract.
- 4 Contractor Maintenance Responsibilities in the Lease: Whenever the lease is between WCHO and the owner, CONTRACTOR shall be responsible for all maintenance charges, service charges, and incidental expenses which have been assumed by WCHO in said lease. CONTRACTOR shall comply with all lease terms defining WCHO/CONTRACTOR responsibility and landlord responsibility, including any prior approval which may be required for repairs and/or alterations. The CONTRACTOR will maintain the home in accordance with procedures set forth by WCHO in its Maintenance Plan, a copy of which is available in the provider manual.
- 5 Equipment Repairs/Replacement: CONTRACTOR will be responsible for informing WCHO of any necessary equipment repairs/replacement. CONTRACTOR shall not obligate WCHO for any repairs to the home without the prior written approval of WCHO.
- 6 Emergency Repairs: Repairs that are required in emergency circumstances shall be made in accordance with procedures set forth by WCHO in its Maintenance Plan. CONTRACTOR shall be obligated for such expenses when these procedures are not followed.
- 7 Lease Cancellation: Whenever the lease is between WCHO and the owner, CONTRACTOR agrees to vacate the premises in the event that the Lease is cancelled.

**B. Vehicle Maintenance:** CONTRACTOR agrees to ensure that any vehicle(s) used for transportation of consumers is maintained in safe operating condition.