

<b>COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEASTERN MICHIGAN</b>		<b><i>Policy and Procedure</i></b>	
		Procurement Policy: RFPs and Bid Review Process	
Department: Provider Relations Unit Author: Kelly Gauthier		Local Policy Number (if used)	
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**I. PURPOSE**

To establish a procurement process for obtaining goods and services on behalf of the Community Mental Health Partnership of Southeast Michigan (CMHPSM), an affiliation of the Community Mental Health Boards of Lenawee, Livingston, Monroe, and Washtenaw Counties, or the Livingston-Washtenaw Coordinating Agency (CA) and to establish a bid review process for individuals or organizations that respond to a Request for Proposal issued on behalf of the CMHPSM/CA.

**II. POLICY**

It is the policy of the CMHPSM and CA that the Washtenaw Community Health Organization (WCHO) or designee shall procure providers of specialty support services for CMHPSM and CA consumers, and other agreed-upon procurement efforts, on behalf of the CMHPSM/CA. This policy does not apply to the process of local procurement of goods and services, which is addressed in the local procurement policies of the WCHO and each CSSN/CSSN-LA. Local procurement policies shall comply with federal procurement law and any other applicable state or federal law, rule, or regulation. No employee, officer, or agent of any CMHPSM affiliate partner shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties indicated herein has a financial or other interest in the bidder/applicant selected for an award. The officers, employees, or agents of any CMHPSM affiliate partner shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subagreements.

Goods and services covered under this policy will be procured using one of the following methods: non-competitive solicitation, open panels, selective procurement, and/or the use of out-of-network providers. A clearly defined process will be used to evaluate all bids. Consumers and family members may

have advisory input into the bid review process. At a minimum, consumer satisfaction with services or other performance improvement activities shall be included in the bid review process when applicable.

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

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

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

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

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

qualifications, review process, and selection criteria. Providers on open panels will be re-credentialed in accordance with CMHPSM policies. Open panel bid review processes will be defined in each Request for Proposal (RFP) and will include, but not be limited to:

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

C. Selective Procurement will be used for goods and services that require a single or limited number of providers. These RFPs will define the specific goods to be procured or services to be provided and the qualifications needed to serve as a provider, and will seek price bids unless a rate has already been established. Contracts will be awarded to the best qualified bidder(s); the best qualified bidder is not necessarily the lowest bidder. Contracts are issued only to a sufficient number of bidders to assure that the need has been met.

Limited panels created using selective procurement will be reviewed for panel adequacy at least every three years. If at any time the number of providers on a selective procurement panel is deemed inadequate to meet the need, the panel will be re-opened for applications.

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

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

### III. APPLICATION

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

#### **IV. DEFINITIONS**

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

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

Coordinating Agency (CA) - The Livingston-Washtenaw Coordinating Agency is legislatively responsible for managing funding for substance abuse treatment and prevention services for indigent consumers in those two counties, under the Federal Substance Abuse Prevention and Treatment (SAPT) Block Grant. The CA also manages the substance abuse benefit under Medicaid.

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

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

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

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

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

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

#### **V. STANDARDS**

None

**VI. EXHIBITS**

None

**VII. REFERENCES**

Reference:	Check if applies:	Standard Numbers:
42 CFR Parts 400 et al. (Balanced Budget Act)	X	Section 438.206, 438.208, 438.230
MDCH Medicaid Contract	X	“Procurement Technical Requirement: Procurement and Selective Contracting Under Managed Care” Attachment 6.4.1.1 of 2003-2005 contract
PIHP Policy Review Schedule	X	CMHPSM Credentialing and Clinical Responsibilities for Licensed Independent Practitioners Policy  CMHPSM Organizational Credentialing/Recredentialing Policy
Policy Tracking Form	X	
OMB Circular A-87	X	

**VIII. PROCEDURES**

**WHO**

**DOES WHAT**

WCHO Provider Relations Unit or Other CMHPSM/CA Designee

1. Makes a decision about the type of bid process to be used to procure goods or services that have been identified as a need, and involves affiliate partners in developing specifications for the bid.
2. Prepares an appropriate bid waiver or RFP and presents the RFP to the Regional Committee of the WCHO Board for approval.
3. Ensures that each RFP defines the specific guidelines for bidder scoring and selection. Also ensures that each RFP is posted publicly and, when appropriate, attempts to recruit providers in each of the CMHPSM affiliate counties.
4. Ensures that internal controls are in place to protect against impropriety, favoritism, or conflict of interest on the part of any WCHO or CMHPSM affiliate employee

or official.

5. When appropriate, utilizes Washtenaw County Purchasing Division for the solicitation and collection of bids.
6. Collects RFP bids/applications and reviews for completeness; contacts the bidder to obtain any missing information, in accordance with the terms of the RFP.
7. Scores the bid/application in accordance with the terms of the RFP and recommends approval or denial of the bid/application. If the bid will be binding on CSSN Boards, ensures adequate time for those Boards to review and provide input.
8. Maintains a complete bid file.

Regional Committee of the WCHO Board

1. Makes the final decision to approve or deny a bid/application submitted. No bidder/applicant will be denied based solely on its license if it is acting within the scope of that license, and no bidder/ applicant will be denied based on the fact that it serves high-risk populations or specialized in conditions requiring costly treatment. The Board reserves the right to select or reject any bid; selection will not be limited to the lowest bidder. If a bidder/applicant is denied, the bidder/applicant must wait at least 12 months before re-applying, unless the Regional Committee of the WCHO Board determines otherwise.

Individual Soliciting the Bid

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

Local Community Mental Health Board

1. Approves the issuance of a contract, as needed, to a Bidder approved by the Regional Committee of the WCHO Board.

Network Management Committee

1. Monitors compliance with this policy.
2. Annually reviews any services procured through non-competitive means, to determine the scope of services and availability of other providers, and monitors the use of out- of-network providers for

specialty support services.