

POLICY STATEMENT: It is the policy of **XYZ HOSPITAL** that the same level of high-quality care should be delivered to all patients regardless of whether services are provided directly by the Hospital or through contractual agreement. **XYZ HOSPITAL** expects that when care, treatment and services are provided through contractual arrangements, that such contractual arrangements be in writing and signed by the Hospital and the contractor. Contracting documents shall include defined performance expectation indicators that shall be used to evaluate the provision of services outlined within the contracting document. Clinical leaders and members of the Medical Staff shall have an opportunity, as appropriate, to provide advice about the sources of clinical services to be provided through contractual agreement.

PURPOSE: The purpose of this policy is to establish the procedure for the approval, content expectations and monitoring of contractual agreements for care, treatment and services provided to hospital patients/clients and residents.

KEY DEFINITIONS:

Contract: a written or spoken agreement, especially one concerning employment, sales, or tenancy, that is intended to be enforceable by law; a formal or legally binding agreement where XYZ Hospital will contract with a specific agency/agencies to provide a specific or range of services on behalf of XYZ Hospital.

Performance Expectations: specific actions that are expected to be performed by the contracted vendor to meet the needs or intent of the services to be provided; actions that present a measurable value to evaluate the deliverables of the contracted vendor for the terms of the agreement.

PROCEDURE:

A. Contract Negotiation and Approval Process

1. The CEO of **XYZ Hospital** or his or her designee shall have the sole authority to negotiate the terms of agreements for the provision of care, treatment or services to Hospital patients. The CEO or designee shall contact the **Legal or Risk Management Department** for assistance in negotiation and preparation of contracts. Only a member of the Hospital's Senior Management or a designee of Senior Management has the authority to execute agreements for care, treatment or services to patients on behalf of the hospital.
2. The CEO or his or her designee shall inform the Vice President for Medical Affairs and any applicable department heads/clinical medical directors with respect to the proposed contracted services. Input will be sought from appropriate clinical leaders and/or members of the Medical Staff when clinical services are to be provided through contractual agreement.
3. All contracts for care, treatment or services provided to **XYZ Hospital** patients will include a description of the nature and scope of services to be provided and will include performance-based expectations, goals, objectives and benchmarks for performance. These expectations for performance must address risk reduction, safety, staff competence, performance improvement, and other performance criteria related to the services to be provided. In addition to all legal and regulatory requirements, requirements of The Joint Commission, other accrediting agencies and of any relevant professional organization will be considered and may be incorporated into the performance criteria.

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4. All contracts will be submitted to the Legal Department for review and/or preparation. All contracts must be approved by the CEO and, if required by **XYZ Hospital's** Bylaws or other applicable policies, by the Board of Trustees of the Hospital.
 5. A member of the **XYZ Hospital** management team will be appointed as the contract monitor for each contract. The CEO or his or her authorized designee (who will, in all cases, be a member of the Hospital management team), will sign the agreement, and a copy of the executed agreement will be provided to the contract monitor and Corporate Legal/Risk Management with the original kept in the CEO's contract file.
- B. Contract Performance Monitoring Process
1. Oversight of the performance monitoring process shall be delegated to the contract liaisons. Performance Monitoring (also known as Performance Expectations) will be incorporated into **XYZ Hospital's** overall Performance Improvement and Measurement Program. Results of the Performance Monitoring shall also be made available to the Medical Staff for consideration when determining contracting recommendations.
 2. The contract monitor designated for a specific contract shall be responsible for ensuring that the performance monitoring of the contractor occurs. Monitoring efforts will include, among other things, a focus on the safety and quality of the services provided.
 3. Monitoring efforts may include, but are not limited to, the following action items or other monitoring activities as appropriate:
 - (a) If the contractor has Joint Commission accreditation or other certification status, periodically reviewing information regarding said status.
 - (b) Observing directly the provision of care.
 - (c) Conducting an audit of the contracted services and documentation, including medical documentation.
 - (d) Reviewing incident reports relating to the contracted services.
 - (e) Reviewing periodic reports to be submitted by the contractor under the contract.
 - (f) Collecting and reviewing data that addresses the efficacy of the services provided.
 - (g) Reviewing performance reports based on indicators required in the contract.
 - (h) Seeking input from Medical Staff, Hospital staff and patients regarding the services provided.
 - (i) Reviewing patient satisfaction studies.
 - (j) Reviewing the results of the Hospital risk management activities.
 - (k) Reviewing reports of committees and staff involved in quality assurance, performance improvement, risk management, credentialing, and related oversight activities.
 - (l) Seeking input from the Medical Staff regarding the quality and safety of services provided.
 - (m) Engaging in any other review activities designed to oversee the performance of the contract.
 4. It is recommended that the contract monitor evaluates contract performance on an ongoing basis (minimally every 6 months) with bi-annual reports submitted by the contractor through **XYZ Hospital's** Performance Improvement and Measurement Program to the Quality Assurance/Performance Improvement (QAPI) Council for review.
 5. If the contract monitor identifies issues or problems with the provision of services under the contract, the contract monitor will communicate such issues or problems to **XYZ Hospital's** Vice President responsible for that service. **XYZ Hospital** shall notify the contractor of all concerns. The contract monitor will meet with

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representatives of the contractor to discuss such issues or problems. Corrective action steps will be implemented in order to address all issues or problems identified and to improve contracted services that do not meet expectations.

6. If the steps taken to address the issues or problems and/or improve services are not successful, then additional action shall be taken as necessary, which may include revision of the contract, or termination of the contract pursuant to its terms. In the event a contract is terminated, **XYZ Hospital** will transition care so that the continuity of patient care, quality and safety is maintained.

C. Compliance with Other Policies

1. Contracts which are subject to this policy may also be subject to additional **XYZ Hospital** policies, including, but not limited to: any policy on Contracts/Financial Arrangements with Physicians and Nonphysician Referral Sources.

DOCUMENTATION:

- All performance expectations shall be a component of the written contract.
- Actual performance as measured through the established performance indicators shall be submitted in writing to the facility Quality Assurance/Performance Improvement (QAPI) Council and comply with Joint Commission standards, LD.04.03.09, EP2-3, EP5.
- For reference and contract laboratory services the contract and performance expectations meet the federal regulations for clinical laboratories and maintain evidence of the same. For additional guidance, see the Clinical Laboratory Improvement Amendments of 1988, refer to 42 CFR 493; TJC LD.04.03.09, EP10
- For organizations that may provide or contract services for Telemedicine, review the requirements under TJC LD.04.03.09, EP23, MS.06.01.01 through MS.06.01.03 and MS.13.01.01, EP1 and conduct a review of the Medicare Conditions of Participation at 42 CFR 482.12(a)(1) through (a)(9) and 482.22(a)(1) through (a)(4).

ATTACHMENTS: Clinical Contract Addendum, and Annual Contract Evaluation Form

APPROVALS: Date

RELEASE/ORIGINAL DATE:

REVIEW/REVISE DATE:

Attachment A

**Addendum for Services between
XYZ Hospital and****[Insert the name of company or consultant]**

This ADDENDUM is attached to and forms part of the Agreement between **XYZ Hospital** and **[insert the name of company or consultant]** as of **[date]**. To the extent that any of the terms or conditions contained in this ADDENDUM may contradict or conflict with any of the terms or conditions of the attached Agreement, it is expressly understood and agreed that the terms of this ADDENDUM shall take precedence and supersede the attached Agreement.

Compliance with Laws, Regulations and Policies:

[Insert the name of the company or consultant] warrants that it will comply with all federal, state and local laws, as well as XYZ Hospital policies applicable to its performance hereunder, including but not limited to, those relating to nondiscrimination, equal employment opportunity and affirmative action.

Performance Expectations:

[Insert the name of the company or consultant] warrants that it will comply with applicable regulatory requirements for healthcare accreditation and reimbursement. In addition, specific performance expectations as described here are required and evidence must be submitted at agreed intervals for ongoing human resources, patient safety, quality and performance improvement:

- Staff qualifications, including any required licensure, certification or registration
- Evidence of orientation and required ongoing education to XYZ Hospital
- Evidence of meeting federal and state requirements for **[insert the care, treatment or service, i.e., dialysis]**
- Evidence of meeting applicable accreditation requirements of **[insert accrediting body, i.e., The Joint Commission or CARF]**
- Evidence of meeting agreed timeframes for goals, objectives and/or performance measures
- Submission of agreed performance expectation indicators ~~measures~~ at **[insert frequency]** intervals
- Performance expectations and measures specific to this agreement:
 - _____ *Fill in blanks with indicator*
 - _____
 - _____

Term and Termination:

This contract is effective on **[date]** and will terminate on **[date]**.

Signature Authority:

The individuals signing below hereby represent and warrant that they are duly authorized to execute and deliver this Agreement on behalf of XYZ Hospital and **[insert the name of company or consultant]** and that this Agreement is binding upon each party and organization in accordance with its terms.



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Signatures:

XYZ Hospital

Title:

Date:

[Insert name of company/consultant]

Title:

Date:

Attachment B

CLINICAL CONTRACT EVALUATION FORM

To document that Hospital's Name contracted person/company are providing patient care, treatment and services in a safe and effective manner, a member of senior leadership, including medical staff, with input from department directors and others having first-hand knowledge, must complete this form at least annually for each clinical contract for which he or she has administrative responsibility. This requirement applies to all clinical contracts, including, but not limited to, medical director agreements, call agreements, and clinical services agreements.

Name of Contracted Person/Company:

Type of Services Being Provided:

Time Period When Services Provided:

Name of Person Completing Form: _____ Title: _____

| | Yes | No | NA |
|--|-----|----|----|
| Did the contracted person/company satisfactorily complete the clinical requirements of the contract? | | | |
| Did the contracted person/company satisfactorily complete the administrative requirements of the contract? | | | |
| Did the contracted person/company satisfactorily complete the financial requirements of the contract? | | | |
| Did the contracted person/company satisfactorily meet all performance indicators written in the contract? | | | |

Provide specific reasons for any question answered "No":

Please indicate how the contracted person's/company's performance was monitored and assessed (circle all applicable options):

- Review of accreditation or certification status
- Direct observation of provision of care
- Audit of documentation including cases and patient records
- Review of occurrence reports
- Review of periodic reports submitted by contractor
- Collection of data addressing the efficacy of the service
- Review of performance reports based on indicators set forth in the contract
- Input from staff and patients
- Review of patient satisfaction studies
- Review of results of risk management activities
- Assessment of contractor's responsiveness and communication
- Review of patient rights data



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- Review of grievances
- Review of peer review documentation
- Other _____

By signing below, I certify that I have monitored and assessed the clinical, administrative, financial, and performance indicators of the contracted person/company and determined its performance on these grounds to be satisfactory or unsatisfactory, as indicated above. I also certify that I have discussed, or will discuss, with the contracted person/company any contracted services that, in my opinion, are not being provided in a satisfactory manner.

Signature/Title: _____ Date: _____