

# ALAMEDA COUNTY MEDICAL CENTER

## PROCESS FOR INITIATING NEW, AMENDED OR RENEWAL CONTRACTS

It is the policy of the Alameda County Medical Center (ACMC) that contracts shall be fully executed prior to the commencement of services. In some instances it may be necessary for Contractor to begin services prior to execution of contract. Prior approval from the Executive Sponsor is required.

### I. FUNDING APPROVAL

**Prior to requesting a new contract, amendment or renewal**, the requestor must verify the availability of funds. If there are insufficient funds in the requesting Department's approved budget, the requestor must identify the source of funding and make the appropriate fund transfers prior to submitting the request to the Contracts Department for processing. This information can be obtained by contacting Financial Planning & Analysis.

Upon verification of funds, the requestor will submit the request to the Healthcare Contracting Department to initiate the new agreement/amendment/renewal.

**Failure to provide this information will result in the delay of the contract being processed.**

### II. CONTRACT REQUESTS

The Contract/Amendment/Renewal request must be submitted to the Healthcare Contracting Department **AT LEAST THREE (3) WEEKS PRIOR** to the Contractor's proposed start/effective date of the Contract/Amendment/Renewal or as soon as the Department is aware that a New Contract/Amendment/Renewal is required. **The Contracts Department will not process contract requests via email or telephone requests.**

The requesting Department must submit the following completed forms to the Contracts Department:

#### a. Contract Approval Form

Approval from the Executive Sponsor is required for all contract requests. For Contracts that are being amended, a justification for the amendment is required on the contract approval form. Use additional sheet if necessary. Requestor must also include Contractor's proposal that describes the services to be performed, associated costs, and any other pertinent information to be included in the contract.

#### b. Contract Initiation Memo

- c. Initial Approval Checklist (required for all **New** contract request)
- d. **Annual Evaluation**  
An annual evaluation of contracts will be completed by responsible Manager, Director, or Executive via the 'TractManager Contracts Database. The review process will begin January of each calendar year and must be completed by March 31<sup>st</sup>.
- e. Business Associates Agreement Checklist (required for all **New** contract request)

### **III. CONTRACT DEVELOPMENT/FINALIZATION**

- a. The Contracting Department's draft of the Contract/Amendment/Renewal will be prepared within five (5) working days. The draft will then be forwarded to the Legal Counsel, Executive Sponsor and the requesting Manager/Director for review. A copy of the agreement will also be forwarded to the Financial Planning and Analysis Department for budget confirmation. After approvals to proceed have been received from **all** parties, the Contracts Department will contact the Contractor to arrange signing of the Contract/Amendment/Renewal and obtain the applicable supporting documents:
  - *Certificate(s) of Insurance/verification*
  - *Vendor Application*
  - *IRS W-9 Form*
- b. The partially executed contract is received by Contracts Dept. and forwarded to the VP of Finance and CFO for review.
- c. The CFO will review and return the contract(s) to her Executive Assistant (EA) for distribution to responsible Executive(s) for signature.
- e. The fully executed contract is returned to Contracts Dept.
- f. The PO is created and contract number is assigned by Contracts Dept.
- g. The contract is uploaded in 'TractManager (contracts database).
- i. A copy of fully executed contract is returned to requestor with associated PO number.
- j. A copy of fully executed contract is returned to Contractor.

#### IV. **FINANCE COMMITTEE/BOARD OF TRUSTEE**

Any Contract, Amendment or Renewal that causes a corporation or an individual to be compensated in excess of \$1,000,000 for services requires approval and must be authorized as delegated for approval of the Chief Executive Officer (CEO) by the Finance Committee and the Board of Trustees (BOT). Contracts in the dollar range of \$200,000 - \$999,999 require approval of the CEO and shall be reported to the Finance Committee and the BOT. Contracts up to \$199,999 require the approval of the Executive Sponsor (*see Signature Authority Matrix, effective 2/1/13*).

#### V. **PAYOR CONTRACT REQUESTS, DEVELOPMENT AND FINALIZATION**

All payor contracts (e.g, Blue Cross, Alameda Alliance) shall be routed to the VP of Finance where any health plan or payor requests a discount off of the customary charges.

The VP of Finance will request review and audit of contract terms and rates. Once an analysis is complete, the VP of Finance will approve the discount or rates established. A summary of the language and rates will be submitted to the Chief Financial Officer for approval. After approval from Chief Financial Officer is obtained, a summary will be sent to Legal Counsel for final review. After all approvals have been obtained, the contract will be forwarded to the CEO and sent to the appropriate payor for counter signature. Once the contract is signed, copies will be sent to the appropriate parties for implementation. All original copies will be stored in the Healthcare Contracting Department.

#### **Attachments**

1. Contract Approval Form (*required for **all** contracts request*)
2. Contract Initiation Memo (*required for all **new** or **modified** contracts*)
3. Business Associates Checklist (*required for all **new** contract requests*)
4. Initial Approval Checklist {clinical **or** non-clinical} (*required for all **new** contract requests*)
5. Signature Authority Matrix (**effective 2/1/13**)

ALAMEDA COUNTY MEDICAL CENTER  
HEALTHCARE CONTRACTING DEPARTMENT  
CONTRACT APPROVAL FORM

Vendor/Service Provider: \_\_\_\_\_

Address: \_\_\_\_\_ Contact Person: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_ Contact Email: \_\_\_\_\_

Service Description: \_\_\_\_\_

Requesting Manager/Ext.: \_\_\_\_\_

TYPE OF CONTRACT

- New Contract    Renewal Contract    Business Associates Agreement (BAA)    Revenue Agreement  
 MOU    Student Affiliation Agreement    Clinical Trial    Other \_\_\_\_\_

Contract Amount: \_\_\_\_\_ Contract Term: \_\_\_\_\_

If Revenue Agreement, Provide Amount of Revenue: \_\_\_\_\_

THIS SECTION TO BE COMPLETED FOR AMENDMENTS/EXTENSIONS TO EXISTING AGREEMENTS

Amendment

Existing Contract Term: \_\_\_\_\_ Amended Contract Term: \_\_\_\_\_

a) Existing Contract Total: \_\_\_\_\_

b) Increase: \_\_\_\_\_

c) Amended Contract Total: \_\_\_\_\_

Justification for Contract Amendment (attach additional sheet if necessary)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Expense to the following Cost Center: CC# \_\_\_\_\_ Sub account: \_\_\_\_\_  
**(REQUIRED)** **(REQUIRED)**

THIS SECTION TO BE COMPLETED FOR CAPITAL PROJECTS ONLY

A. Project Number \_\_\_\_\_ **(REQUIRED)**

B. Asset Template Number \_\_\_\_\_ **(REQUIRED)**

Is the total annual amount in the Cost Center's approved fiscal year or Capital budget?  Yes  No

If no, what is the annual budget variance? \_\_\_\_\_

Executive Sponsor: \_\_\_\_\_

Approval Date: \_\_\_\_\_

Comments: \_\_\_\_\_

**The Contract Initiation Memo (CIM) must contain the following information:**

1. A general overview of your program, services provided across facilities by the entire program, and areas of responsibility.
2. Your expectations for the services provided, justifying why they cannot be provided by existing staff or resources.
3. Your budget allocations and expected ROI (Return on Investment).
4. A detailed SOW, with hours/FTEs, deliverables, reporting requirements, and quality measures for Exhibit A.
5. Projected contract value based on indicating how much the service will cost for Exhibit B.

**Executive Sponsor:** \_\_\_\_\_

**The Executive Sponsor must sign this memo**

**ACMC BUSINESS ASSOCIATE CHECKLIST PROCEDURE**

The Privacy Rule requires that a covered entity obtain satisfactory assurances from its business associate that the business associate will appropriately safeguard the protected health information it receives or creates on behalf of the covered entity. The satisfactory assurances must be in writing, whether in the form of a contract or other agreement between the covered entity and the business associate. The Contracts Department is responsible for implementing Business Associate Agreement (BAA) for the contracts they facilitate.

HIPAA Business Associate Agreement is required if the arrangement between ACMC and the outside entity/individual (contractor) meets the following criteria in Part 1 & Part 2.

|   |
|---|
| <p><b>Part 1. Please check the box that applies:</b></p> <p>The outside entity/individual is not a member of ACMC workforce and will be or is performing a service or activity "for" or "on behalf of" ACMC:</p> <p><input type="checkbox"/> Involves the use or disclosure of protected health information (PHI). <i>Please continue to Part 2.</i></p> <p><input type="checkbox"/> Does not involve the use or disclosure of protected health information (PHI). <i>If this box is checked, a Business Associate relationship does not exist and you do not need to complete this form.</i></p> |
| <p><b>Part 2. Please answer the following questions:</b></p> <ul style="list-style-type: none"><li>• Is the use or disclosure of PHI for purposes <b>other than</b> treatment of a patient?<br/><input type="checkbox"/> Yes<br/><input type="checkbox"/> No</li><br/><li>• Is the use or disclosure of PHI for purposes <b>other than</b> support of research?<br/><input type="checkbox"/> Yes<br/><input type="checkbox"/> No</li></ul>  |

**What This Means.** A Business Associate relationship exists if use or disclosure of PHI is for purposes other than treatment or research. If the service/activity involves the use or disclosure of PHI, and the answers to Part 2 are "Yes," then a Business Associate relationship exists. If the service/activity does not involve PHI or an answer to any of the above criteria is "No," then a Business Associate relationship does not exist.

Please specify the **NAME** and **SERVICES** provided by the **Business Associate**:

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Department Manager Approval: \_\_\_\_\_ Date: \_\_\_\_\_

If outside entity/individual meets criteria for Business Associate, a Business Associate Agreement (BAA) is required. Further questions regarding the need for a BAA should be directed to the HIPAA Compliance Privacy Officer and/or Alameda County Medical Center Counsel.

**Alameda County Medical Center  
Non-Clinical Contract Services  
Initial Approval Checklist**

Based on information provided to me by the contract service identified in this initial evaluation checklist, the following report is submitted:

|                                  |
|----------------------------------|
| Contract Service Provider: _____ |
| Service Provided: _____          |

| Required Information   | Verification Completed?<br>X | Documents Attached?<br>X |
|--|------------------------------|--------------------------|
| Assessment by ACMC that contractor can perform the service in a safe and effective manner.   |                              |                          |
| Assessment by ACMC that contractor understands and meets the intent of all relevant JCAHO standards.                                       |                              |                          |
| Assessment by ACMC that contractor understands and complies with relevant Health Care Services Administration Conditions of Participation. |                              |                          |
| Assessment by ACMC that contractor understands and complies with relevant State Title 22 Regulations.                                      |                              |                          |
| The proposed written agreement between the contractor and ACMC defines the nature and scope of care to be provided by the contractor.      |                              |                          |

\_\_\_\_\_ Date

Department Manager

**Alameda County Medical Center  
Clinical Patient Care Contract Services  
Initial Approval Checklist**

Based on information provided to for the clinical services identified in this initial evaluation checklist, the following report is submitted:

|   |
|---|
| Contract Service Provider: _____              |
| Clinical Patient Care Service Provided: _____ |

| Required Information   | Verification Completed?<br>X | Documents Attached?<br>X |
|--|------------------------------|--------------------------|
| Assessment By Hospital that contractor being considered can meet the needs of the patient population served  |                              |                          |
| Contractor possesses a current accreditation by the JCAHO.   |                              |                          |
| Assessment by Hospital that contractor being considered understands and meets the intent of all relevant JCAHO standards.  |                              |                          |
| Assessment by Hospital that contractor has systematic mechanisms to demonstrate ongoing quality control and performance improvement activities related to the patient care services being considered. <b><u>See Attached Contract Performance Measurements</u></b> |                              |                          |
| Contractor has developed job description related to each clinical position.  |                              |                          |
| Contractor has mechanisms in place to verify the qualifications and competencies of all clinical personnel including age-specific competencies when appropriate.   |                              |                          |
| Contractor meets all of the human resources requirements related to verification of licensure, certification and ongoing competency.   |                              |                          |
| Contractor has in place a systematic mechanism to identify and meet the educational needs of personnel who provide clinical services.  |                              |                          |
| Contractor has in place a systematic mechanism to document an annual performance appraisal for personnel who provide clinical services.  |                              |                          |
| The proposed written agreement between the contractor and the Hospital defines the nature and scope of care to be provided by the contract service provider.   |                              |                          |

\_\_\_\_\_  
Department Manager

\_\_\_\_\_  
Date



