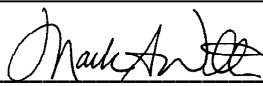


# Policy & Procedure

<p><b>POLICY/PROCEDURE TITLE:</b> Procurement for supports and services for individuals served</p> <p><b>POLICY/PROCEDURE #:</b> 706</p> <p><b>Section:</b> Provider Network</p> <p><b>Developed and maintained by:</b> Provider Network Manager</p> <p><b>Scope:</b> <input checked="" type="checkbox"/> OnPoint Staff <input type="checkbox"/> MH/IDD, <input type="checkbox"/> Housing, <input type="checkbox"/> SUD, <input type="checkbox"/> Integrated Health, <input checked="" type="checkbox"/> OnPoint Contract Providers <input type="checkbox"/> Other _____</p>	<p><b>Approved By:</b>  (Chief Executive Officer)</p> <p><b>Approved By:</b> _____ (Medical Director; <i>as applicable</i>)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="2" style="text-align: center;">DATES</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><b>First Effective</b></td> <td style="text-align: center;">10/1999</td> </tr> <tr> <td style="text-align: center;"><b>Revised</b></td> <td style="text-align: center;">03/2025</td> </tr> <tr> <td style="text-align: center;"><b>Reviewed</b></td> <td style="text-align: center;">03/2025</td> </tr> </tbody> </table>	DATES		<b>First Effective</b>	10/1999	<b>Revised</b>	03/2025	<b>Reviewed</b>	03/2025
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**PURPOSE**

To implement procurement principles to ensure high quality services for individuals served and efficient and effective use of public and private funds.

**POLICY**

It is the policy of OnPoint to secure necessary services and supports at fair and economical prices, with appropriate attention to quality of care and maintenance of existing care relationships and, to create or expand service/provider options for choice to Individuals served by OnPoint.

OnPoint shall assure:

1. Compliance with Federal Procurement Requirements in accordance with 42 CFR 438.12 when sub-contracting for goods and services to meet the needs of beneficiaries.
2. Selection procedures and practices shall not discriminate against:
  - a. Applicants, bidders and/or contractors on the basis of race, age, sex, religion, national origin, weight, sexual preference or marital status.
  - b. Providers that serve high-risk populations or specialize in conditions that require costly treatment.
3. Providers have not been excluded from participation in federal health care programs under either Section 1128 or Section 1128A of the Social Security Act.
4. No employee, officer or agent is permitted to participate in the selection, award or administration of a contract if a conflict of interest exists.
5. Local identification of the need and capacity of its provider network are conducted on a regular basis.
6. OnPoint will utilize sound contracting practices to develop and manage a quality provider network with the composition, structure, capacity, and characteristics necessary to ensure sufficient availability of providers and afford individuals the opportunity for choice and consideration.

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7. Potential providers must meet qualifications to provide the contracted services and meet the requirements of OnPoint eligibility requirements.
8. Site reviews are conducted prior to adding new providers to the network, as deemed appropriate.
9. A contract request form (706.1) shall be utilized when initiating a new contract or renewal of contract to ensure procurement standards are met.

### PROCEDURE

- I. IDENTIFICATION OF NEED FOR PROCUREMENT
  - A. At least every two years, OnPoint staff will conduct a Service Review for each service based on the established service review schedule. The Provider Network Manager, Director of Quality and Compliance and at least one OnPoint provider network staff/point person will conduct the Service Review Process. The review process is data-based and provides a review of the need for procurement in specific service areas. Programs, providers, and service areas will be reviewed for utilization patterns, outcomes, capacity concerns, choice options, service quality, service gaps, evidence-based practices, and provider fiscal viability. Based on the review process, a decision may be made to:
    1. Open the panel for any willing qualified provider;
    2. Procure services through a competitive process
    3. Procure services through a non-competitive process
    4. Make an adjustment with contracted providers service array, procedures, service design or system plan.
  - B. OnPoint generally uses a two-year contract for those providers awarded a service contract. When a service is going to be procured, a one-year extension may be made to the current standard contract to accommodate the procurement process and decisions to be made during that year.
- II. OPEN PANEL FOR ANY WILLING/QUALIFIED PROVIDER
  - A. Qualified provider can be defined as a provider that meets requirements identified in section (V) of this policy and meets all other criteria in the OnPoint Provider Network Policies.
  - B. Any willing and qualified provider process may be solicited and used to set prices for a service, and contracts or provider agreements will be offered to any qualified provider that is willing to fulfill the contract and meet the price.
  - C. If OnPoint restricts or otherwise limits the number of providers who can participate in an identified service, a competitive or non-competitive procurement process will be utilized.
- III. NON-COMPETITIVE PROCUREMENT PROCESS

The single- or limited-source procurement process involves soliciting interest and negotiating with a single or limit set of providers. This may be used where competition for a service is deemed inadequate or when the uniqueness of the services or other considerations limits competitive procurement possibilities.

Under certain circumstances, OnPoint may select providers without a competitive procurement process (MDHHS Procurement technical requirement). These circumstances are:

- A. The service is available only from a single source;

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- A. There is a public exigency or emergency, and the urgency for obtaining the service does not permit a delay incident to competitive solicitation.
  - B. After solicitation of a number of sources, competition is determined inadequate;
  - A. The services involved are professional services (e.g., psychological testing) of limited quantity or duration;
  - E. The services are unique (e.g., financial intermediaries for individuals served using vouchers or personal service budgets) and/or the selection of the service provider has been delegated to the individual under a self-determination program;
  - F. Existing residential service systems where continuity of care arrangements are of paramount concern.
- IV. COMPETITIVE PROCUREMENT PROCESS
- A. A competitive procurement process shall be utilized for services that require a limited number of service providers yet there may be several adequate providers to meet the needs of the community. A Request for Proposal (RFP) process will be utilized to publicly acknowledge the need, request proposals, evaluate proposals received and award contracts after evaluating factors identified in the RFP and price offered. Due diligence will be conducted as part of the competitive procurement process and review of proposals.
  - B. Services purchased through this method shall comply with the following guidelines:
    - 1. Requests for proposals (RFP) must be publicized and identify all evaluation factors and their relative importance. All responses must be given consideration to the maximum extent practical.
    - 2. Proposals must be solicited from an adequate number of qualified sources.
    - 3. A formal review process will be followed to evaluate proposals received and selecting the final recipient(s).
- V. PROVIDER PROPOSAL REQUIREMENTS
- The following requirements will be considered when prospective providers express interest in joining the OnPoint Provider Network via the procurement processes described in this policy.
- Prospective providers shall meet at a minimum, the following requirements:
- A. **Fiscal Stability:** The organization will submit the most recent year's audit (or as otherwise indicated in the RFP), management letter, opinion letter and (if applicable) plan of correction. New providers who may not have an audit report shall submit a year to date financial statements and budget for current year and additional financial requests may be made based on the submission. The documentation will be reviewed to see if the opinion is unqualified, that financial statements present fairly in all material respects and that the organization is in conformity with generally accepted accounting principles, and common financial metrics to determine financial stability of the provider.
  - B. **Legal/Regulatory Requirements**  
The prospective provider will be asked to submit, at a minimum, documentation including:
    - 1. Legal name of business, contact information, Executive staff and governing board, necessary information on litigation, malpractice or professional negligence claims against the organization.
    - 2. Insurance coverage
    - 3. Article of Incorporation and proof of ability to conduct business in Michigan.

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4. Documentation of accreditation from a nationally recognized accreditation body or meet MDHHS certification requirements.
  5. An organizational chart
  6. Credentialing and re-credentialing policies and procedures, including a process for obtaining and maintaining required trainings.
  7. Disclosure if the organization or any staff person currently working for the organization has been excluded from a Federal Healthcare Program (Medicaid or Medicare).
  8. Regulatory Issues (disclosure of circumstances and status of any disciplinary action taken or pending against their organization during the past 3 years with federal or state regulatory bodies).
  9. Disclosure of sub-contracting relationships.
  10. Professional licensure and agreement to comply with OnPoint credentialing / re-credentialing requirements as outlined in OnPoint policy.
  11. Provider capability, experience, expertise and capacity.
- C. Delegated functions – OnPoint shall determine if the provider will be required to perform any managed care functions and shall assess whether the provider has policy and procedure in place to ensure compliance with functions being delegated. Most commonly, OnPoint requests providers to provide information directly to clients such as information on consent to treatment, recipient rights, appeals and grievances and advance directives. If a provider is required to perform delegated functions, this will be specified in the contract between provider and OnPoint.

### VI. PROPOSAL REVIEW AND APPROVAL PROCESS

- A. The Chief Executive Officer may approve service agreements and contracts that cost less than \$10,000 annually or over the contract life. The Chief Executive Officer may also approve agreements which continue the same service level and cost from a prior contract. These agreements must be done within the approved budget line-item spending limits. All other contracts must be approved by the Board of Directors.
- B. A diverse review team will be convened of OnPoint staff. All members of the review team shall be asked to sign an attestation statement indicating that they will keep the information confidential and that they do not have any conflict of interest with any of the applicants or in any other way being part of the review process prior to the review of submitted materials from prospective providers. If a conflict of interest presents itself upon receipt of applicants, the review team member(s) will withdraw from the RFP process.
- C. The selected review tool will be used with each application and to serve as documentation.
- D. The review team will make a recommendation of provider selection to the OnPoint Management Team or designated Management Team member for review and approval.
- E. The final selection recommendation and approval will be retained with RFP documentation.
- F. The Provider Network team will send applicants notification electronically or by letter of denial and/or award of a contract. Formal credentialing of the recommended provider will begin after notification of awarding contract.
- G. The selected provider(s) and applicants not selected will be officially notified by letter.

### ATTACHMENTS

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- 706.1 Contract Request Form

### REFERENCES

- 42 CFR 438.12
- 2 CFR 200.318 -200.320
- MDHHS Procurement Technical Requirement
- LRE Policy 2.7 Procurement of Goods and Vendor Services
- LRE Policy 2.7a Procurement Procedure
- LRE Policy 4.1 Procurement and Provider and MCO Services
- OnPoint Policy 319 General Procurement Standards