


KALAMAZOO COMMUNITY MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

ADMINISTRATIVE POLICY 02.01

Subject: Procurement of Mental Health or General Management Services	Section: Provider Network Management	
Applies To: <input checked="" type="checkbox"/> KCMHSAS Staff <input checked="" type="checkbox"/> KCMHSAS Contract Providers	Page: 1 of 5	
Approved: <div style="text-align: center;"> ----- (Jeff Patton, Chief Executive Officer)</div>		
Revised: 01/29/2016	Supersedes: 01/01/2014	First Effective: 03/28/2002

PURPOSE

To establish a uniform procurement process for obtaining goods and services on behalf of Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS), and to establish a bid review process for individuals or organizations that respond to a Request for Proposal.

POLICY

It is the policy of KCMHSAS to:

- I. Assure 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.
- II. Assure that sub-contracted provider have not been excluded from participation in federal health care programs under either Section 1128 or Section 1128A of the Social Security Act.

STANDARDS

- I. KCMHSAS 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.
- II. KCMHSAS will acquire needed services and supports at fair and economical rates, while assuring quality of care and when possible, preservation of existing service networks.

- III. Potential providers must meet qualifications to provide the contracted services and meet requirements of KCMHSAS policy 02.09 (Credentialing, Re-Credentialing and Criminal History Screening) prior to contracting with the provider.
- IV. KCMHSAS 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.
- V. No employee, officer or agent shall participate in the selection, award or administration of a contract if a conflict of interest exists (45 CFR Subtitle A Part 74.42).
- VI. KCMHSAS will comply with the federal regulations regarding procurement of the following functions and/or services:
 - A. Soliciting providers and programs for the service delivery system.
 - B. Acquiring claims processing capabilities.
 - C. Enhancing the management information system capacity.
 - D. Obtaining general management services.
- VII. KCMHSAS is prohibited from contracting or employing providers who have been excluded from participation in Federal health care programs.
- VIII. Goods and services will be procured using any willing and qualified provider (open panel), competitive sealed bidding, competitive procurement/request for proposals, or non-competitive procurement and/or through the use of out-of-network providers.
 - A. Competitive Sealed Bidding will be used for securing general management services, information technology, remodeling and maintenance services. A formal process will be used to publicize needs, goods or services, inviting bids, conducting public bid openings and awarding a contract to the lowest responsive and responsible bidder. The bid review process will include, but not be limited to, evaluation of the applicant's ability to provide the service in accordance with the specifics in the bid request.
 - B. Competitive Procurement/RFPs will be used for goods and services that require a single or limited number of providers. A formal process will be developed where KCMHSAS will publicize a RFP which will define the specific goods or services to be procured, qualifications of a potential provider and acceptance of an

established rate or solicitation or a proposed rate. The Request for Proposal will be evaluated by a committee comprised of a combination of KCMHSAS staff, stakeholders, individuals served and advocates as appropriate to the RFP specifications. The proposal review process will include scoring proposals based on established criteria which include, but are not limited to:

1. Evaluation of the applicant's ability to provide the service in accordance with the specifics in the RFP.
2. Evaluation of the applicant's ability to provide the services at the agreed upon rates, and/or proposal of rates as requested in the RFP.
3. Prior to contracting, 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. Any willing and qualified provider (open panel)

Open Panels will be used for specialty services for a specified timeframe as circumstances require based on the service review process established for procuring programs and services. Open panels allow providers to submit proposals or applications which can be solicited or unsolicited by the KCMHSAS. 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 rates set for that service. KCMHSAS will provide detail for each open panel that defines the qualifications, review process and selection criteria. The application review process will include, but not be limited to:

1. Evaluation of the applicant's ability to provide the service in accordance with the scope of service specifics provided by KCMHSAS.
2. Evaluation of the applicant's ability to provide the services at the agreed upon rates.
3. Prior to contracting, 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.

D. Selective Procurement will be used for goods and services that require a single or limited number of providers where the priority is continuity of services, price control and/or volume constraints on goods or services. The RFPs will specify the goods or services to be procured, qualifications of a potential provider and acceptance of an established rate or solicitation of a proposed rate. Proposals will be evaluated by a committee and the proposal review process will include scoring proposals based on established selection criteria which include, but are not limited to:

1. Evaluation of the applicant's ability to provide the service in accordance with the specifics in the RFP.
2. Evaluation of the applicant's ability to provide the services at the agreed upon rates, and/or proposal of rates as requested in the RFP.

Contracts will be awarded to the best qualified applicant(s), who are not necessarily the lowest bidder. Contracts will be issued to only a sufficient number of bidders to assure that the need has been met.

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.

- E. Non-Competitive Procurement can be used if one or more of the following criteria are met as documented on exhibit 02.01_01B (Exceptions to Competitive Procurement):
1. Only one responsible source and no other supplies or services will satisfy agency requirements.
 2. Unusual and compelling urgency. There is a public exigency or emergency, and the urgency for obtaining the item or service does not permit competitive procurement.
 3. The item or service is of limited quantity or duration.
 4. Expert services and/or unique qualifications.
 5. Selection of the service provider has been delegated to an individual under a self-determined arrangement.
 6. Pilot projects where efficacy and effectiveness are still being evaluated.
 7. An organization that is peer run needs assistance in development.
 8. After solicitation of a number of sources, competition is determined inadequate.

IX. Limited Appeal Review Process

A limited review process will be in place for bidders that object to an award decision. This review will be limited to alleged violations of the procurement process and shall not address the qualitative review by the Review Teams. An organization that wishes to appeal an award decision must identify alleged violations of the procurement process to which it objects, including the basis for the objections, and submit them in writing to the Director of Quality Management and Contract Services by the date specified in the RFP. An internal review team will convene to review the appeal, along with supporting documentation, in order to render a determination of the appeal. The internal review team will include KCMHSAS CEO, Deputy Director of Administrative Services, and other identified staff as relevant. KCMHSAS will ensure that the internal review team for RFP appeals will not involve staff who were involved in the particular RFP that is under review.

REFERENCES

- Code of Federal Regulations (45 CFR Part 74; 42 CFR § 434)
- Office of Management and Budget Circular A-87
- Michigan Medicaid Provider Manual

- Balanced Budget Act (42 CFR 438.214, 438.206, 438.208, 438.230)
- MDCH Procurement Technical Requirement (P6.4.1.1)
- Southwest Michigan Behavioral Health Policy
 - 1.3 (Procurement)

All KCMHSAS Provider Network Policies, Procedures and Exhibits are accessible via the KCMHSAS website at <http://kazoocmh.org/Providers/PoliciesandForms.aspx%20>