

COPPER COUNTRY MENTAL HEALTH SERVICES BOARD

POLICY AND PROCEDURE

DATE: December 9, 2020 Procurement...P3

RESCINDS: April 27, 2016

CATEGORY: Administration

SUBJECT: Procurement of Goods and Services

POLICY: It is the policy of Copper Country Mental Health Services Board (CCMHS) that transactions of \$5,000 and over be conducted, whenever possible, in a manner which encourages open and free competition and value purchasing, but which does not sacrifice nor have an adverse impact on the quality of the services provided. Procurement will follow applicable federal and state laws.

It is the policy of CCMHS to develop and maintain a Provider Network that meets the needs of persons served. CCMHS will continually assess needs of persons served and provide the full array of services in appropriate settings to meet those care needs while evaluating and planning for the expansion, adjustment, and improvement of the Provider Network. Soliciting providers for the service delivery system must be done with due deliberation and sensitivity to procurement and contracting issues. Reimbursement will be the lowest rate paid by other payers for the same or similar service.

PURPOSE: To acquire needed services and supports at fair and economical prices, with appropriate attention to quality of care or service, maintenance of existing care relationships and service networks, creating or expanding options for persons served, movement of a person if the services of a particular provider are not satisfactory, and the business needs of the organization.

PROCEDURE:

I. General Procurement Procedures:

- A. The need for procurement must be genuine and is authorized by the Executive Director. CCMHS is not required to contract with providers beyond the number necessary to meet the needs of its persons served and is not precluded from using different practitioners in the same specialty.

- B. An avoidable cost analysis/price analysis is completed to determine the necessity and practicality of the purchase or contract.
- C. Efforts are made to include small business, minority owned firms, and women's business enterprises.
- D. Contracting entities must establish/have advisory boards and fill positions with consumers, as appropriate and if stipulated in the Request For Proposal (RFP).
- E. The type of procurement process to be used is determined. (i.e.: Competitive Sealed Bids, Competitive Negotiation, Non-Competitive Negotiation).
- F. A process for consumer input into appropriate RFP's is established.
- G. The MDHHS Checklist for Procurement will be used as a guide in procurement activities.
- H. Where administrative, financial or data processing functions are being considered for a sub-contracting arrangement, federal procurement guidelines will be followed.
- I. Essential in guiding the conduct of business of procurement is CCMHS' Code of Ethics, which addresses ethics in procurement.
- J. CCMHS will not discriminate for the participation, reimbursement, or indemnification of any provider who is acting within the scope of his or her license or certification under applicable state law, solely on the basis of the license or certification.
- K. CCMHS will not discriminate against particular providers that service high-risk populations or specialize in conditions that require costly treatments.
- L. CCMHS ensures that it will not employ or contract with providers excluded from participation in federal health care program under either Section 1128 or Section 1128A of the Social Security Act or been previously or currently sanctioned by the Medicaid Program.
- M. CCMHS will establish measures that are designed to maintain quality of services and control costs and are consistent with its responsibilities to the people it serves.
- N. CCMHS will not contract with a provider who prohibits, or otherwise restricts, a health care professional acting within

the lawful scope of practice, from advising or advocating on behalf of a person served.

## II. Methods of Selecting Providers:

A. Depending on the circumstances different methods for selecting providers may be used including:

1. Procurement for Selective Contracting: CCMHS purchases services from a limited number of providers who agree to fulfill contractual obligations for an agreed upon price. CCMHS identifies the specific services to be provided, seeks proposals/price bids, and awards contracts to the best bidders. CCMHS is not required to contract with providers beyond the number necessary to meet the needs of the people it serves and is not precluded from using different practitioners in the same specialty. The prospect of increased volume induces providers to bid lower prices. Competitive procurement is pursued through two methods/processes:
  - a. Competitive Sealed Bidding: The process of publicizing government needs, inviting bids, conducting public bid openings, and awarding a contract to the lowest responsive and responsible bidder.
  - b. Competitive Sealed Proposal: The process of publicizing government needs, requesting proposals, evaluating proposals received, negotiating proposals with acceptable or potentially acceptable offers, and awarding a contract after consideration of evaluation factors in the RFP and the price offered.
2. Procurement to Obtain Best Prices Without Selective Contracting: Under an "any willing and qualified provider" process, bids can be solicited and used to set prices for a service, and then contract or provider agreements can be offered to any qualified provider that is willing to fulfill the contract and meet the bid price.
3. Non-competitive Solicitation and/or Selection of Providers: Circumstances under which CCMHS may select provider without a competitive procurement process.
  - a. The service is available only from a single source;
  - b. There is an emergent need for obtaining the service and the urgency does not allow time for competitive solicitation;

- c. After solicitation of a number of sources, competition is determined inadequate;
  - d. The services involved are professional services (e.g. psychological testing) of a limited quantity or duration;
  - e. The services are unique (e.g. financial intermediaries for persons served using voucher or personal service budgets) and/or the selection of the services provided has been delegated to the person served under a self-determination program; and
  - f. Existing residential service systems, where continuity of care arrangements is of paramount concern.
- B. In these situation, CCMHS may employ noncompetitive negotiation to secure the needed services, however if CCMHS is planning on restricting or otherwise limiting the number of providers who can participate in the program, a competitive procurement process (either competitive sealed bidding or competitive sealed proposal) must be followed.
- C. The single-or-limited-source procurement process involves soliciting interest and negotiating with a single or limited set of providers. Again, this may be used where competition for a service is deemed inadequate or when the uniqueness of the services or other consideration limits competitive procurement possibilities.
- D. All organizations or individuals selected for award of a contract will be subject to verification that they are not or have not previously been sanctioned by the Medicaid program resulting in prohibiting their participation in the program.
- E. If an organizational provider or a group/individually licensed provider disagrees with a determination by CCMHS in the application process or during review of a provider's status, and wishes to have the matter reviewed at a high level, the provider may do so in accordance with CCMHS' Contract Provider Grievance Dispute and Appeals Policy.

CROSS REFERENCE:

- CCMHS Policy - Contracting for Clinical Services
- NorthCare Policy - Procurement Process
- NorthCare Policy - Network Provider Selection
- MDHHS Procurement Technical Requirement
- MDHHS Checklists for Procurement