
Title 1	Northern Lakes Policies
Part 103	Managed Health Division
Subpart A	Network Administration
Policy No.	103.123
Subject	Due Diligence

Applicability

Policy applies to all MHD staff, NLCMH staff, and contract and network providers.

Policy

Prior to approval of any new or renewal contract for the provision of service(s) to any and all Northern Lakes CMH Network consumers, the Managed Health Division personnel will conduct a due diligence process with respect to the prospective or current contractor or contract organization.

Each contract executed by Northern Lakes CMH shall be accompanied by sufficient documentation to demonstrate that the contracting entity achieves or exceeds Network standards in regard to (1) fiscal stability, (2) ethical practices, (3) adherence to legal requirements, (4) commitment to accessibility and adherence to applicable health and safety requirements, (5) capacity to fulfill the mission of the Network and (6) ability to provide services.

The following standards apply as follows:

I. FISCAL STABILITY

The prospective or current contract provider shall submit the most recent year's audit, management letter and, if applicable, plan of correction. MHD Workforce Members will assess the submitted documentation to see if the opinion is "unqualified," that the financial statements are presented fairly in all material respects and that the prospective contractor's statements are in conformity with generally accepted accounting principles.

II. ETHICAL PRACTICE

The MHD Workforce Members will assess adherence of the provider to their policy and professional standards on ethics. Prospective contractors must demonstrate through documentation that up-to-date accreditation exists from a nationally recognized body or appropriate certification or licensure is held in good standing. The prospective contract provider shall give evidence of conformance to a code of conduct and or code of ethics that meets or exceeds the MHD stated ethical standards (The Northern Lakes CMH Code of Conduct).

III. ADHERENCE TO LEGAL REQUIREMENTS

The prospective or current contract provider shall provide MHD Workforce Members with required proofs of:

- business liability insurance and worker's compensation insurance in amounts specific to the proposed contract (if applicable)
- tax-exempt status (if applicable)
- names, addresses and occupations of the contracting entity's governing board (where applicable)
- names, addresses and occupations of the contracting entity's owners (if applicable)
- an organizational chart (where applicable)
- a completed W-9, identifying the name and Social Security Number or Tax Identification Number appropriate for MHD Workforce Members to use for reporting revenue to the IRS.
- proof of good standing as a provider for Medicare and Medicaid.

IV. COMMITMENT TO ACCESSIBILITY AND ADHERENCE TO APPLICABLE HEALTH AND SAFETY REQUIREMENTS

The prospective or current contract provider shall provide necessary information to MHD on litigation, malpractice or professional negligence claims against the contracting entity. The prospective or current contract provider shall show their ability to meet accessibility criteria and health and safety requirements through all of the criteria applicable to their organization.

- the successful completion of an accreditation/certification/licensure site survey
- local fire safety inspection
- demonstration of a health and safety plan followed by the contracting entity

V. CAPACITY TO FULFILL THE MISSION OF THE NETWORK

The prospective or current contract provider shall demonstrate an understanding and ability to fulfill the mission of the Northern Lakes CMH Provider Network.

VI. ABILITY TO PROVIDE SERVICES

The prospective or current contract provider shall demonstrate an ability to provide the services to the population enumerated in the SERVICES ATTACHMENT. This ability shall be demonstrated through history, experience with the populations and/or preparations to service the consumer needs as established in the Person Centered Planning Process and applicable to the contract services sought in said agreement.

Procedures

None.

Adoption Date: June 4, 2006

Review Dates: June 5, 2009

Revision Dates: