

Foundational Community Supports (FCS) Contract Evaluation

Contract evaluation is a critical step in determining whether to participate in a new program or engage in a contractual relationship with another organization. The process must be thoughtful and thorough and include the perspectives and expertise of team members across the organization.

This toolkit provides organizations with a **process** that can be used to organize their Foundational Community Supports (FCS) provider contract evaluation as well as detail the necessary content of that evaluation. In addition to walking through a recommended process, this toolkit includes a sample work plan outlining how one hypothetical PSH organization organized its contract review project.

Step One: Convene a Contract Review Work Group

When thinking of contract evaluation, one usually thinks of a legal review done by an attorney. In this scenario, a document goes “in” to the legal office for review and comes back out with redlines and cross-outs. But this is only one part of the contract review process (and sometimes, it isn’t even the most important part). While a legal review is important, an attorney’s review (or negotiation) of contract terms is only as strong as the input he or she receives regarding the operational and strategic objectives of any contract.

A “good” (and sustainable) Contract is one that aligns with an organization’s operational and strategic priorities and that avoids the operational “pain points. Effective contract evaluation, therefore, requires input from across an organization. That means collecting feedback from not only the usual suspects (legal, compliance, and finance) but also the team members responsible for implementing a new program and the Contract’s terms.

When an organization reviews the FCS standard contract to determine whether to proceed with contracting as a Medicaid provider (and to determine the operational changes needed to comply with the Contract and programmatic requirements), the first step is to convene a Contract Review Work Group, charged with overseeing the contract evaluation and providing leadership (or the governing board) with an analysis of the contract terms and recommendation on whether to proceed, and if so, the operational changes or investments that are needed.

Composition and Mandate of the Work Group

The Work Group should be composed of no more than three to four (3-4) team members, one of which is identified as the project lead or program manager and who is individually responsible for keeping the review process on track and on time. Potential team members may include:

- Permanent Supportive Housing (PSH) Service Line Director or team representative
- Director of Operations
- Director of Finance or the Director of Strategy
- Compliance Officer



Collectively the Work Group is responsible for developing and implementing the review **process** (who reviews the Contract, how is the review conducted and over what time period, and how is feedback collected and integrated) as well as the criteria or **content** of the evaluation. The Work Group must include team members who are able to define, evaluate and integrate the strategic objectives and priorities of the arrangement as well as the operational priorities. This means:

1. articulating what are the strategic objectives of contracting as a Medicaid provider
2. how contracting as a Medicaid provider fits within the organization's strategic plan or mission and vision; and
3. identifying the operational "pain points," or those terms that the organization "must have" or cannot have in the Agreement.

Collectively, this can be understood as answering the "WHY" an organization *should* contract or "WHY" it should *not* (even in the event that there is alignment with strategic and business plans). While the terms of the FCS standard contract are generally not "subject to negotiation" by the Third-Party Administrator – it is essential that an organization be able to identify the operational "must haves" or "cannot tolerates" so that these are recognized during the contract evaluation.

this space is intentionally blank



Step Two: Develop a Work Plan

Once the Work Group is in place and has identified the high-level strategic priorities, objectives, and pain points relevant to the contract evaluation, the next step is to establish a work plan to track progress and organize the review. A work plan defines:

WHAT are the questions that need to be answered through the review?

Broadly the review **must** address the following 4 Domains (referred hereafter as the 4 Domains) in order to determine adaptation to contract requirements:

1. Programmatic Requirements and Service Delivery;
2. Operational Impact of the Contract on current and future operations and Procedures;
3. Billing and Reimbursement;
4. Compliance Requirements and Administrative Costs

WHO needs to review the Contract:

While the contract review Work Group is small (< 4), someone will likely need to collect feedback from staff who are “subject matter experts” on how to contract and programmatic terms impact current and future operations.

This includes those responsible for the implementation of PSH services as well as the additional administrative and operational components (e.g., billing, compliance operations).

Think about the 4 domains (What are the questions that need to be answered) and identify who are the parties able to evaluate each component.

WHEN that review will be completed?

What is the timeline both for the review by individual reviewers, but also for integrating responses and creating a final evaluation and recommendation?

In the absence of realistic deadlines that are communicated and enforced, there is a very high probability that, within a busy organization, the review will get sidelined and delayed.



HOW will the review be conducted and feedback from reviewers collected?

Will edits be collected as redlines on the Contract? Is a crosswalk document table or other document needed (highly recommended)?

Will the review be conducted consequentially (one person after another in a pre-determined order) or simultaneously?

Must all reviewers review the Agreement as a whole, or can (some) reviewers only review specific sections?

HOW will the Work Group complete the evaluation and present Recommendations?

Once feedback is collected from reviewers, how will the Work Group integrate and prioritize feedback?

How will Recommendations be presented to leadership?

WHAT are the questions that need to be answered through the review?

Broadly the review must address the following areas in order to determine if an organization can adapt to contract requirements: (1) Programmatic Requirements and Service Delivery; (2) Operational Impact; (3) Billing and Reimbursement; and (4) Compliance Requirements and Administrative Costs.

WHAT other documents or materials need to be included in the contract review (and WHO is responsible for reviewing them, and HOW will their findings be collected)?

Frequently the most important terms and requirements operationally are not actually contained in an Agreement itself but are instead outlined in Policies and Procedures (including but not limited to the Provider Manual), which are integrated by reference into the Contract.

WHAT resources are needed to effectively and efficiently complete the review?

Are there specific questions or prompts that reviewers individually or collectively need to answer during the course of their review?

Is any background or additional training needed to facilitate review?

Narrowing in on the Key Questions in the 4 Domains

It is helpful to think about the Contract in each of the 4 Domains as it applies to the People, Processes, and Systems of the organization. Tying it back to these categories helps to keep the review concrete and practical as “People, Processes, and Systems (or Technology)” largely describe the resources available to an organization.

For example, when considering the Programmatic Requirements (service delivery) associated with a contract, this can break down as follows:

People:

- *What are the staffing requirements associated with providing these services (Are there specific qualifications or supervision requirements for team members in order to bill for specific services)?*
- *Can services be delivered with existing staff, or are additional hires needed?*
- *Are there specific skills needed by staff to be successful in these roles or delivering these services? (e.g., cultural competency training and resources? Are additional languages needed for the client base? Will team members need training in documentation, reporting, or IT platforms or on how to determine Medicaid eligibility?)*

Processes

- *How will the organization's existing service processes have to change to comply with program requirements?*
- *How will referrals to the organization be received, made, and closed?*
- *How will data reports be exchanged across the network?*
- *How will the organization's compliance and billing processes have to change to comply with program requirements?*

Systems

- *Are additional platforms or technology systems required in order to effectively deliver services under this Contract? If so, what are they? If not, how will current platforms or technology solutions be adapted for this program.*
- *Are additional platforms or technology systems needed to effectively manage contract compliance **within** the organization? If so, what are they? If not, how will current platforms or technology solutions be adapted for this program.*

Step Three: Engage, Educate, and Execute (the Work Plan)

An ounce of prevention and planning is worth a pound of cure. The time invested in thinking through the process for the contract evaluation and the kind of feedback that is needed from reviewers is worth a pound of cure (and hours trying to pull feedback individually on the back end).

For example, reviewing a contract can be a daunting and *dense* practice for many people. The extent to which the Work Group can (1) identify the specific questions that need to be answered by reviewers (individually and as a group) and (2) help reviewers to understand the document as a whole, the easier the process and the work product.

SAMPLE WORK PLAN

The following work plan is an example of a work plan for a contract evaluation occurring over seven weeks. In this scenario, the CEO of an Emergency Shelter and Housing Support Center (Rashid), assigned contract review and evaluation to a three-member team (Work Group), led by the Director of PSH Services (Susan) and including the organization's compliance officer (Lee), and the Grant Development Manager (Peter). The directive to the Work Group was to evaluate the contract terms and their projected application and impact on the organization's operations so that the CEO and leadership team could evaluate the opportunity in advance of the next quarterly Board meeting.

In this scenario, Susan developed the following work plan, breaking out the steps of the contract review process into three different phases. The first phase focuses on convening the Work Group and defining the objectives and parameters of the project. The second phase develops and finalizes the work plan and includes the actual contract review, including collecting feedback from operational subject matter experts across the organization. The Contract Work Group identified the need to have input from four additional team members in the organization.

This included the Director of Finance, the Director of Strategy, a member of the PSH team directly responsible for delivering services, and the Chief Operating Officer. The Work Group projects the creation of a shared document to identify contract concerns or questions shared across the organization's google drive platform. The final phase includes collecting and analyzing feedback from across reviewers to produce a final evaluation and Recommendations for the leadership team.

The work plan provided below outlines not only the assignment of responsibilities and timelines for each step of the project, but is also intended as an ongoing project management tool, which Susan and the Work Group will reference as the "point of truth" governing the status and management of the project. This is evidenced by the last two columns: Status and Notes. Status indicates the progress of each given step, whether it is (1) not started; (2) in progress, (3) at risk (i.e., at risk of not meeting the deadline) or (4) completed. The "Notes" section provides a means of identifying barriers and projected steps to resolution.

ACTIVITY	PARTY	START DATE	DUE DATE	STATUS	NOTES
PHASE ONE					
Convene Work Group <ul style="list-style-type: none"> Recruit Work Group members 	<i>Rashid</i>	May 1st	May 3rd		
Circulate Contract for Initial Review	<i>Rashid</i>	May 3rd	May 3rd		
Create and Circulate Agenda for Kick-Off Meeting <ul style="list-style-type: none"> Articulate Contract Objectives and Limitations (What are the “must have’s”) Define Domains for review Identify SMEs according to domains Determine how feedback will be collected from reviewers and if documentation tool is needed Confirm timeline and assign responsibilities 	<i>Susan</i>	May 3rd	May 8th		
Kick-Off Meeting	<i>Susan</i>	May 9th	May 9th		
PHASE TWO					
Create and disseminate work plan to team based on Kickoff Meeting decisions	<i>Susan</i>	May 9th	May 12th		
Recruit and communicate work plan to SMEs and team	<i>Susan</i>	May 9th	May 18th		
Identify other documents that are incorporated by reference and are relevant to review (e.g., Provider Manual) and assign review	<i>Peter</i>	May 10th	May 10th		
Create and disseminate tool for documenting feedback (if applicable) <ul style="list-style-type: none"> Include direction to reviewers on process of review (how to provide the feedback) and the content of the review needed. 	<i>Peter</i>	May 10th	May 23rd		



ACTIVITY	PARTY	START DATE	DUE DATE	STATUS	NOTES
Conduct “kick-off” meeting with SME reviewers not on Work Group	<i>Peter</i>	May 24th	May 25th		
Review of Contract(s) by SMEs and Work Group	<i>All</i>	May 25th	June 2nd		
PHASE THREE					
Consolidate and present feedback for analysis by work group	<i>Peter</i>	June 2nd	June 6th		
Conduct work sessions to analysis collected feedback and complete evaluation	<i>Susan</i>	June 6th	June 9th		
Draft Final Recommendations and Analysis for review	<i>Susan</i>	June 12th	June 16th		
Present Final Recommendations and Analysis to Leadership	<i>Susan</i>	June 19th	June 21st		