AT HRSA Operational Site Visits (OSVs), Contracts will be assessed for compliance in 5 major areas:

1. How services are paid for and documented in patient record  
   (Chp 4, Required and Additional Services)
2. Procurement, monitoring and oversight (Chp 12, Contracts and Subawards)
3. Sliding Fee Discounts (Chp 9)
4. Credentialing and Privileging, etc. (Chp 5, Clinical Staffing)
5. Conflict of Interest

## 1 Required and Additional Services

### Column II contracts

Reviewers will select **3-5 patient (or billing) records** from the last 12-24 months that document provision of various required and additional services offered ONLY by formal written contracts from Column II, sample of **up to 3 written contracts for each required service and each additional service provided ONLY by contract (Column II)**. 1 written contract for each required service and each additional service provided both directly (Column I) and by contract (Column II).

Must contain:

- How the service will be documented in patient record
- How the health center will pay for the service (e.g., how the center bills third party payors and patients and provides payment to contractor)

### Column III contracts/referrals

Reviewers will review: Operating procedures for tracking and managing referrals, and will request a **List of patients** referred for required services from Column III, in the past 12-24 months and if time permits, list of patients referred for additional services provided ONLY by referral: **3-5 patient records** chosen by reviewer from lists to assess referral process, sample of **up to 3 written referrals for each required service and each additional service provided ONLY by referral (Column III)**, 1 written referral for each required service and each additional service provided both directly (Column I) and by referral (Column III).

Must contain:

- Manner by which the referral will be made and managed (e.g., process for tracking whether patient presented at the referral provider or the outcomes of the referral visit)
- Process for tracking and referring patients back to the health center for appropriate follow-up care (exchange of patient record information; receipt of test results)

## 2 Procurement

Contracts supporting scope of project (regardless of whether paid for by federal funds—doesn’t include program income). Thresholds apply, see CM/OSVP

Reviewers will review **half, but no more than 5**, of current contracts and related supporting procurement documentation for procurement actions that were 25,000 or more and paid for in whole or part with 330 $
Also: any contracts that support your project, form 5A, Col II: Reviewers will review a sample of 2-3 reports or records from contractors from sample contracts above (such as invoices, data on patients and visits)

Required: language that ensures appropriate access to records and reports for overseeing contractor performance

- Schedule of rates and methods of payment
- Specific activities or services to be performed
- Mechanisms to monitor contractor performance in accordance with contract terms and conditions and compliant with applicable Federal requirements
- Contractor’s information and data reporting expectations (and intervals of reporting) necessary for the center to meet its federal and programmatic reporting requirements
- Record retention and access; audits; property management

Examples of how you might monitor performance:
- Periodic evaluations of performance through records, invoices, reports shared with the board and management staff
- Documentation at time of contract completion or renewal that contractor met terms and conditions
- Health center discretion/obligation to determine method to settle contractual or administrative issues with respect to contracts
- Contractor assurances of compliance with health center policies, procedures, standards, applicable to services provided
- Contractor submission of financial and programmatic reports
- Health center’s right to replace an individual and/or terminate the contract, including for breach and dissatisfaction

Special note:
- Make sure that for any contract over $25,000 you can justify why the vendor was chosen, have a one-page summary of the competitive quotes received and why you choose that vendor
- Make sure all contracts are signed by both parties

3 Sliding Fee Discount
(Whether your patients receiving services through contract arrangements are charged consistent with SFDS and nominal fee requirements)

Column II services
Reviewers will review sample up to 3 written contracts for each required service and each additional service provided ONLY by contract (Column II)

1 written contract for each required service and each additional service provided both directly (Column I) and by contract (Column II)

Tip for Col II services: where HC is paying for service, might seem unnecessary to include the language but it must be there. Example: “HC will bill and collect from patient according to our billing and collection procedures, including but not limited to our Sliding Fee Discount Schedule”

Column III services
Reviewers will review sample up to 3 written referral agreements for each required service and each additional service provided ONLY by referral (Column III) 1 written referral agreement for each required service and each additional service provided both directly (Column I) and by referral (Column III)

Tips for Col III services
- Compliance Manual does not prohibit health center from supporting the cost of care by paying the referral provider the difference between the provider's charge and what the patients should pay under discount schedule
- Referral provider may be able to use its own charity care policy, but technically, individuals and families with incomes above 100% of the current FPG and at or below 200% of the FPG must receive an equal or greater discount for these services than if the health center's SFDS were applied to the referral provider's fee schedule
- Discounts apply equally to all eligible individuals
- Health center reviews policy to ensure that it either complies with SFDS structure requirements or results in discounts that are as good as or better than the health center's SFDS –or health center subsidizes care
- MOU includes aforementioned assurances

Special note:
- The health center is able to develop a sliding fee schedule for the mode of services. So, if the provider has their own charity care policy that is not equal or great than the health center's policy, the health center can approve a sliding fee schedule for that mode of delivery.
- Many hospitals will not sign an agreement with sliding fee language, but most reviewers will accept the contract if a copy of the hospital charity care policy is attached – providing the discounts are reasonable.

4 Credentialing & Privileging

If you are NOT doing C&P for a contracted provider of in scope services (Col II or III), you can rely on contracted partner organizations’ process for determining that individual provider is licensed, certified, or registered as verified through a credentialing and privileging process in accordance with applicable Federal, State, and local laws. The MOU/formal agreement must include the appropriate language which indicates the contracted partner organization is performing these tasks and that the information is readily available.

Special note:
- a. The Health Center Program Compliance Manual states that the health center must “ensure”. Some reviewers may inquire “How do you ensure the contracted organization actually does the C&P?”
- b. The Health Center Program Compliance Manual also states the health center must ensure the clinical staff is “Competent and fit to perform the contracted or referred services, as assessed through a privileging process”
  - Fitness for duty, initial and renewals
  - Include “other clinic staff” C&P policy and process