CHAPTER 8: Service Vendors

Policy: Sites are responsible for arranging for the provision of participant services. In addition to this Manual, there are two documents that are used as references: the current MSSP Waiver, and the CDA Standard Agreement. Both the Waiver and the contract set policy and procedures which must be followed in structuring the terms and conditions of agreements with local service providers.

Purpose: This chapter provides minimum standards to assure that Waiver Services are provided by qualified vendors.

References:

- Home and Community-Based Services Waiver #0141.R07.00, Appendix C: Participant Services. Quality Improvement: Qualified Providers
- CDA Standard Agreement (Site Contract)

8.000 Vendor Selection

Each site must establish a clear procedure for selecting service vendors. The policy must provide clear explanations of vendor rights and responsibilities. It should result in agreements with responsible and qualified vendors. The process must also establish standards which ensure quality provision of services which address participant needs.

The policy, at a minimum should:

- Be based on equitable criteria.
- Provide for adequate publicity.
- Screen out potential vendors who are not qualified.
- Provide for entering into agreements with the lowest-priced responsible and responsive entity.

8.100 Vendor Contracts/Agreements

Sites are required to maintain certain specific information and documents on each vendor of service(s). This information should be readily accessible for purposes of monitoring and review of vendor performance.

The vendor contracts/agreements must contain all provisions related to vendor forms. Additionally, the current Waiver and site contract require that local vendor contracts/agreements contain any provisions that apply to local vendors, such as:

- Licensing;
- Insurance;
- Hold harmless;
- HIPAA requirements;
- Non-discrimination/ADA;

- Vendor appeals process;
- Lobbying certification;
- Access to records; and
- Electronic Visit Verification (EVV) self-registration and ongoing program compliance.

A signed and dated contract/agreement must be on file for each service vendor. The term of the vendor agreement may be open ended. However, the site must continue to verify the vendor's qualifications at the beginning of the contract period and every twelve months thereafter.

8.200 Vendor Application Form

Each service vendor must complete a Vendor Application Form (Appendix 41). The application form must be retained and filed with the final vendor contract/agreement.

8.300 Purchases from Non-Contract Vendors

Sites are expected to purchase services through contracts/agreements negotiated with vendors of participant services when possible. Purchases may also be made from non-contract providers when purchasing services and/or items. Examples include purchases made from large retail chains (Home Depot, Target, Walmart) for commodities/services needed on short notice; where a Purchase of Service system is the method for transactions; where a cost savings can be realized; and/or where the services or items are purchased so infrequently that a contract has not been negotiated. Every effort must be made to ensure that services and items purchased from non-contract vendors are of high quality and reasonable in cost.

8.400 Vendor Rates

Maximum rates for each individual service are initially reported to CDA using the Site Rate Sheet (Appendix 44). Rates for services negotiated by a site with their individual service vendors must be equal to or less than the maximum rate on file. Changes to these maximum rates may be requested by the site by submitting a written request (e-mail is acceptable) to MSSPService@aging.ca.gov (Chapter 9, Section 9.030.1, Threshold Rate Change Requests). It is the site's responsibility to monitor the rates and request revisions accordingly.

8.500 Vendor Licensing and Insurance Requirements

Vendors of Waiver Services are required to have certain licenses and insurance coverage (Appendix 40; site contract with CDA). Sites must maintain copies of current license and insurance documents and establish a system to ensure timely updating of this information. Sites must take appropriate action including cessation of services, when a vendor does not maintain the license or insurance coverage(s) specified.

Sites are required to submit Vendor Licensing Form (Appendix 42) to CDA annually upon request.

8.510 Vendor Training Requirements

All MSSP site vendors handling confidential, sensitive and/or personal identifying information must complete the required CDA Privacy and Information Security Awareness Training module within thirty (30) days of the start date of the vendor Contract/Agreement and annually thereafter.

The MSSP site must maintain certificates of completion on file for all vendors (one per vendor) and provide them to CDA upon request (Chapter 7, Section 7.110, CDA Privacy & Information Security Awareness Training).

8.600 Vendor Performance

Monitoring of vendor performance is necessary to ensure the delivery of quality services to participants. Sites may establish a formal Vendor Incident File or rely on more informal methods of monitoring information on vendor performance.

Sites report all vendor issues and resolutions to CDA quarterly on the Quarterly Report. Critical incidents involving a vendor should be reported on the Critical Incident Report (Chapter 3, Section 3.760, Critical Incident Reporting).

8.700 Vendor Appeal Procedure

Each site shall administer a written vendor appeal and adjudication process. The purpose of this process is to assure fair consideration and disposition of any vendor claims against the site (Standard Agreement Contract with CDA). Final authority to decide claims shall be vested with the site. There is **no** level of review by CDA. The site's vendor appeal and adjudication process must be included in all vendor contracts. Sites verify the existence of a process to CDA on the Quarterly Report which also tracks the frequency and outcome of disputes.