



## 2.11 OPERATING POLICY & PROCEDURE

Subject: <b>Subcontracting</b>		Application: <b>All Departments</b>
First Effective 1/01/14	Revised 1/22/15	Review 2/13/2023

### PURPOSE

To outline the requirements for when a Pivotal contract provider agency (hereto referred to as the Provider) subcontracts Pivotal funded customer/recipient services to another vendor(s).

### POLICY

- A. Subcontractors are bound by all applicable local, state and federal laws, rules, regulations and policies.
- B. The Provider shall be responsible for each subcontractor vendor in the provision of customer services specified within the contract of Pivotal and the Provider.
- C. An individual contract provider may not subcontract Pivotal funded services to another vendor.

### PROCEDURE

- A. With written approval from Pivotal, the Provider may subcontract for the provision of customer services specified in the contract between Pivotal and the Provider. This does not include providers whose staff are generally independent contractors.
- B. The Provider shall be held solely and fully responsible to execute all provisions of the contract between Pivotal and the Provider, whether or not the provisions of the contract are directly pursued by the Provider, pursued by affiliated Providers, or pursued by the Provider through a subcontract vendor.
- C. The Provider shall ensure that subcontract arrangements clearly specify the type of services being purchased. Subcontracts shall ensure that Pivotal is not a party to the contract and therefore not a party to any employer/employee relationship with the subcontract vendor of the Provider.
- D. In accordance with 42 CFR 434.6(b), all subcontracts entered into by the Provider must:

1. Be in writing and fulfill the requirements of 42 CFR 434.6(a) that are appropriate to the service or activity delegated under the subcontract.
  2. Be in compliance with all State of Michigan statutes and will be subject to the provisions thereof.
  3. Fulfill the requirements of the contract between Pivotal and the Provider that are appropriate to the services or activities delegated under the subcontract.
  4. Be consistent with the provisions of the contract between Pivotal and the Provider.
- E. All employment agreements, provider contracts, other arrangements, by which the Provider intends to deliver customer services required under the contract between Pivotal and the Provider, whether or not characterized as a subcontract, shall be subject to review by Pivotal. Approval request in writing shall be submitted to the contract manager who will respond in writing.
- F. All subcontracts entered into by the Provider must be in writing and include provision for the following:
1. Be in accordance with 42 CFR 434.6(a)(b), meet all applicable Medicaid requirements as outlined in the Medicaid Provider Manual and all other applicable requirements in which Pivotal contract providers are held accountable to.
  2. Be consistent with the provisions of the contract between PIHP and MDCH.
  3. Cooperate with Pivotal and the Provider's quality improvement utilization review activities
  4. Include provisions for the immediate transfer of customer(s) to a different provider if their health and safety is in jeopardy
  5. Not be prohibited from discussing treatment options with a customer that may not reflect the Providers position or may not be covered by the Provider
  6. Not be prohibited from advocating on behalf of the recipient in any grievance or utilization review process, or individual authorization process to obtain necessary health care services.

## REFERENCES

- 42 CFR 434.6(a) & (b)
- MDCH/CMHSP Managed Mental Health Supports and Services Contract
- MDCH/PIHP Managed Mental Health Supports and Services Contract
- Southwest Michigan Behavioral Health Policy
  - 2.10 (Sub-Contracting)