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

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## **Applicability**

Policy applies to all Managed Health Division workforce members, Northern Lakes CMHA workforce members, and contract and network providers.

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## **Policy**

Prior to approval of any new or renewal contract for the provision of service(s) to any and all Northern Lakes CMHA 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 CMHA 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. Managed Health Division 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 Managed Health Division 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 Managed Health Division stated ethical standards (The Northern Lakes CMHA Code of Conduct).

### III. ADHERENCE TO LEGAL REQUIREMENTS

The prospective or current contract provider shall provide Managed Health Division workforce members with required proofs of:

- business general and professional 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)
- a completed W-9, identifying the name and Social Security Number or Tax Identification Number appropriate for Managed Health Division 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 Managed Health Division 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 CMHA 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.

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## **Procedures**

None.

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**Adoption Date:** June 4, 2006

**Review Dates:** June 5, 2009  
March 28, 2012  
April 26, 2018

**Revision Dates:** April 30, 2018