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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 employees, Northern Lakes CMHA employees, 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 financial audit, management letter, or tax schedule. Managed Health Division employees will assess the submitted documentation to determine if the financial documents are presented fairly in all material respects and that the prospective contractor's statements are in conformity with generally accepted accounting principles and establish proof of fiscal solvency.

### **II. ETHICAL PRACTICE**

The Managed Health Division employees 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.

### **III. ADHERENCE TO LEGAL REQUIREMENTS**

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

- Business general and professional liability insurance and worker's compensation insurance in amounts specific to the proposed contract (if applicable); and
- Names, social security numbers, and dates of birth of the contracting entity's owners and governing board; and
- A completed W-9, identifying the name and Social Security Number or Tax Identification Number appropriate for Managed Health Division employees to use for reporting revenue to the IRS; and
- Proof of good standing as a provider for Medicare and Medicaid as established by review of the Office of Inspector General Exclusions Database by Managed Health Division employees.

#### 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; and
- Local fire safety inspection; and
- Demonstration of a health and safety plan approved 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 Provider Agreement for Services. 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

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March 28, 2012  
April 26, 2018

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October 11, 2021 TA