
Title 1	Northern Lakes Policies
Part 103	Managed Health Division
Subpart B	Contract Management
Policy No.	103.203
Subject	Value Based Purchasing

Applicability

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

Policy

Northern Lakes CMHA is a value based purchaser, i.e. instead of focusing narrowly on the lowest cost for a given unit of service, it looks for the best value for resources expended. The principle of "best value" applies to all network providers, both internal and external. Under this concept, the provider of service will demonstrate

- 1) High professional and technical competency to be an effective provider of service; and
- 2) Close attention to consumer needs and wants so that the consumer finds the service to be something they would purchase for themselves with their own resources; and
- 3) The right amounts of services at the right level of intensity to efficiently and effectively address the needs of the consumer; and
- 4) A cost which is at or below that charged by others for services which are the same or comparable in type and scope and are of the same or comparable quality.

Services directly provided by Northern Lakes CMHA will be periodically assessed to determine whether their continuation represents a best value compared to the cost of purchasing the same services from external network providers. In making these assessments, Northern Lakes CMHA will consider such factors as:

- a) Direct and indirect benefits of retaining in-house employees for a given service; and
 - b) The probability of procuring services of similar quality within the service area on a reliable basis; and
 - c) Disruption of service for consumers and the impact of that disruption.
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Procedures

None.

Adoption Date: June 4, 2006

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March 28, 2012
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October 11, 2021 TA