

HARRIS HEALTH SYSTEM

POLICY AND REGULATIONS MANUAL

Policy No: 3.46
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Effective Date: 04/10
Board Motion No: 10.4-59
Last Review Date: 04/13/2021
Due for Review: 04/13/2024

TITLE: CONTRACT ADMINISTRATION, MONITORING, AND QUALITY METRIC KEY PERFORMANCE INDICATORS

PURPOSE: To establish processes, procedures and infrastructure to be used for the monitoring of all Harris Health System contracts.

POLICY STATEMENT:

Harris Health will efficiently contract with vendors to support its mission and operations, while protecting its resources and maintaining internal controls throughout the contracting process.

POLICY ELABORATIONS

Harris Health shall initiate, execute, monitor, renew, extend, and terminate Contracts in accordance with the Harris County Hospital District Purchasing Manual, related Harris Health policies and procedures, accreditation standards and applicable federal, state, and local laws, rules and regulations, as applicable to each Contract.

Contract monitoring is a key component of contract administration and is imperative to effective enforcement of a contract. The goal of contract monitoring is to ensure the contract is satisfactorily performed and the responsibilities of both parties are properly discharged.

An effective contract monitoring system mitigates risk, with risk defined as the probability of an event or action having an adverse effect on Harris Health System. Also, effective contract monitoring minimizes or eliminates problems and potential claims and disputes. Effective contract monitoring can additionally assist in optimization of Harris Health System operational and business performance.

I. DEFINITIONS:

- A. **AD HOC (NON-PURCHASING) CONTRACTS:** Contracts that do not involve a traditional, direct purchase of goods or services. Examples include, but are not limited to Grants, Real Property Leases, Treasury Agreements, Managed Care Agreements, Settlement Agreements, and School-Based Clinic Agreements.

- B. **CLINICAL (DIRECT CLINICAL) CONTRACTS:** Contracts for goods, such as drugs and biologicals, and medical care services that facilitate medical diagnosis or involve direct patient care. These contracts shall include quality and / or performance metrics that are focused on improving health outcomes and preventing and reducing medical errors.
- C. **CONTRACT/AGREEMENT:** Any legally binding written or electronic agreement, which states the terms, conditions, pricing, responsibilities of each party, and includes any revisions, addenda, renewals, or amendments, to existing agreements. Types of contracts may include, but are not limited to, Health Insurance Portability and Accountability Act (HIPAA) business associate agreements; data use agreements; affiliation agreements, inter-local agreements, memoranda of understanding, licensing and lease agreements, maintenance agreements, consulting agreements, settlement agreements, grant agreements and consignment agreements.
- D. **CONTRACT MONITORING OFFICER:** Harris Health employees appointed by Harris Health Senior Leadership to initiate and monitor a contract or portfolio of contracts. Such employees are responsible for all ongoing contract monitoring activities related to his or her assigned contract or portfolio of contracts.
- E. **CONTRACTED SERVICES QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT (QAPI) COMMITTEE:** A Harris Health committee to promote Harris Health's dedication to (1) the delivery of safe, high quality health care across the System to the patients and community that the System serves; (2) full compliance with applicable federal, state, and local laws, rules and regulations and adherence to professionally recognized standards of care; and (3) an enterprise-wide culture of safety and just behavior (Just and Accountable Culture).

The QAPI Committee includes representatives from Pavilion Operations, Operations, Supply Chain, Outside Medical Services, Medical Staff, Pharmacy, Purchasing, Quality, Legal, and Corporate Compliance.

The Committee evaluates vendors who are non-compliant in quality metrics and takes appropriate actions.

- F. **NON-CLINICAL CONTRACTS:** Goods and services that support the administrative functions of Harris Health operations, but not the provision of direct patient care. These contracts will still be monitored using standard contract measurements regarding the performance of the vendor in providing goods and/or services.
- G. **PEOPLESOFT SUPPLIER CONTRACT MODULE:** A component module in the PeopleSoft database which provides a framework to create and manage both Purchasing and Ad Hoc agreements. The supplier contract module provides an electronic contract repository, document authoring, management of contract approvals and search capabilities.
- H. **PURCHASING CONTRACTS:** Contracts that are related to the purchase of goods and services and are processed through the Office of the Harris County Purchasing Agent.
- I. **SENIOR LEADERSHIP:** Harris Health's Vice Presidents, Associate Administrators and above are considered Senior Leadership. For contracted goods or services, reference is typically made to the Senior Leadership of the department that is utilizing the contracted goods or services.
- J. **SUPPORT (CLINICAL SUPPORT) CONTRACTS:** Contracts for goods and services that support the delivery of direct patient care. These contracts shall include quality or performance provisions that focus on the effectiveness and safety of said goods and services.

II. ROLES AND RESPONSIBILITIES:

PeopleSoft serves as the portal through which the steps involved in contract initiation and approval are processed and documented, as outlined in the specific roles and responsibilities below.

A. Contract Initiation

1. The Contract Monitoring Officer is responsible for initiating the contract request in PeopleSoft and coordinating with the assigned Purchasing Agent, as applicable, and Harris County Attorney.

2. The Office of the Harris County Purchasing Agent (Purchasing) is the designated entity for the procurement of goods and services for Harris Health. Purchasing is responsible for ensuring that Harris Health's procurement activities are in compliance with the Harris County Hospital District Purchasing Manual.

B. Contract Drafting/Negotiation

The Harris County Attorney's Office reviews or drafts, revises, and negotiates the Contract/Agreement and exhibits or attachments, if any, for appropriate legal terms and conditions, including quality provisions, related to the goods and services being procured by Harris Health. The Harris County Attorney's Office is responsible for reviewing all Contracts/Agreements that include a signature block for the President and CEO or the Harris County Purchasing Agent, except for Purchase Orders that are the direct result of bids or other selection processes that don't result in separate terms and conditions that require legal review. When the Contract/Agreement is ready to be executed, the Harris County Attorney's Office provides a final legal review as to form.

C. Contract Execution Authority

1. No individual has the authority to bind Harris Health or execute contracts on behalf of Harris Health unless authorized by the Harris Health Board of Trustees.
2. The governing entities responsible for committing Harris Health to a Contract/Agreement consist of: Harris County Commissioners Court, Harris Health System Board of Trustees, Harris Health System Senior Leadership and the Office of the Harris County Purchasing Agent.
3. As stated in Harris Health System Policy and Procedures *3.03 Signature Authority on Contracts*, Harris Health's Board of Trustees authorized Harris Health's President and Chief Executive Officer (CEO) to execute Contracts, and/or amendments, on behalf of Harris Health.

4. The Harris County Hospital District Purchasing Manual defines the contract signature authority of the Harris County Purchasing Agent.

D. Contract Administration

The Contract Administration Department provides coordination of approvals of Contracts/Agreements between the Harris County Attorney's Office, the Office of the Harris County Purchasing Agent, Commissioners Court, and the Board of Trustees. In addition, they administer and coordinate the recording of contracts. Responsibilities also include the following:

- a. Ensuring compliance with the contract administration process; and
- b. Annual evaluation review in support of annual accreditation requirements.

III. QUALITY METRIC REPORTING:

Harris Health will measure the quality of all Direct Clinical and Clinical Support Contracts. Quality shall be monitored as follows:

1. Contract Administration shall collect QAPI metric performance data and regularly report to the Contract Services QAPI Committee;
2. Exception reporting and corrective actions shall be routinely communicated and reviewed by quality governance councils, the Board of Trustees and Board committees, as necessary.



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REFERENCES/BIBLIOGRAPHY:

Harris Health System Policy and Procedures 3.03 Signature Authority on Contracts

Harris Health System Policy and Procedures 3.04 Clinical Affiliation Agreement

Harris Health System Policy and Procedures 3.18 Procurement Cycle

Harris Health System Policy and Procedures 3.24 Vendor Management and Supervision Policy

Harris County Hospital District Purchasing Manual

Harris Health Board of Trustees (formerly Harris Health Board of Managers) Board Motion 00.6-270 for Signature Authority on Managed Care Contracts.

CMS State Operation Manual Appendix A – Survey Protocol, Regulations and Interpretive Guidelines for Hospitals (42 CFR §482.12(e) Standard: Contracted Services)

DNV-GL Healthcare, National Accreditation for Healthcare Organizations (NIAHO) Standards (Version 18.2, Jan. 21, 2019)

OFFICE OF PRIMARY RESPONSIBILITY:

Harris Health System Contract Administration and Monitoring Department (CAM)

Harris Health System Vice President, Contract Administration

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REVIEW/REVISION HISTORY:

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03/02/2010	1.0	Approved. 3/02/2017	Harris Health Policy Review Committee
		Approved. 4/27/2017	Board of Trustees Motion Number: 10.4-59
	2.0	Revised / Approved 04/13/2021	Structure and Organizational Standards Committee