

**LARNED  
STATE  
HOSPITAL**

**ADMINISTRATIVE  
POLICY AND PROCEDURE MANUAL**

**EFFECTIVE:** October 4, 2006

**POLICY NO.:** AD-21.0

**SUBJECT:** Hospital Contracts

**PURPOSE**

To establish a mechanism to ensure quality services are provided at Larned State Hospital (LSH), to ensure applicable standards and requirements are met, and to describe the process for securing contracted services.

**POLICY**

Contract employees who provide on-going services at LSH are oriented initially and evaluated annually. Contracts between Larned State Hospital and any entity shall be in writing and maintained within the following offices/areas:

- Department Head/Administrative Program Director
- Procurement Officer (Purchasing and Supply)
- Financial Services (original)
- Human Resources

**PROCEDURE**

**Participating members include:**

Department Head/Administrative Program Director  
Procurement Officer (Purchasing and Supply)  
Financial Services  
Legal Services  
Human Resources  
Supervisor  
Medical Executive Committee (MEC)  
Other Executive Committees [Nurse Leader Team (NLT),  
Support Services Executive Committee (SSEC), Clinical  
Executive Committee (CEC), Administrative Executive  
Committee (AEC)]

**I. Action by Department Head/Administrative Program Director:**

- A. Receives information regarding need for contracted service.
- B. Confers with Department Head or Administrative Program Director regarding need for contracted service.
- C. Confers with Financial Services regarding funding for service.
- D. Contacts potential contract service provider/vendor to insure availability and appropriate licensure, and to determine compensation. (**NOTE:** If anticipated compensation will

exceed \$5,000.00 in the current fiscal year, immediately notifies Procurement Officer.)

- E. Contacts Procurement Officer, explains the need for service and provides assistance if requested. Provides name, address, phone number, social security number and a detailed description of services to be provided by contracted service provider/vendor; also provides LSH supervisor's name, date services will begin and date services will end (if applicable).
- F. Receives and retains a copy of contracted service provider/vendor information from Procurement Officer.
- G. Contacts contracted employee regarding start date.
- H. Approves payment of invoices for contracted service.

## **II. Action by Procurement Officer:**

- A. Receives identification of need for contracted service, and other relevant information, from Department Head/Administrative Program Director.
- B. Contacts desired service provider/vendor regarding initiation of contract (if funding is approved). (**NOTE:** If anticipated compensation will exceed \$5,000.00 in the current fiscal year, abides by House Bill No. 2627 as outlined in the Division of Purchases Informational Circular No. 605 – Professional Services.)
- C. Secures copy of licensure from service provider/vendor, if necessary.
- D. Ensures Security Clearance documents are completed and processed through Legal Services.
- E. Executes a written contract (in accordance with JCAHO accreditation and CMS certification standards, as applicable) with service provider/vendor. If necessary, refers to Legal Counsel for review of contract prior to obtaining necessary signatures. Routes to Financial Services for further processing.
- F. Maintains a file on the contracted service provider/vendor.
- G. Requests Department Head/Administrative Program Director(s) to submit information annually regarding continuation of contractual services. Performs annual renewal on all contracts as approved by the appropriate Executive Committee.

## **III. Action by Financial Services:**

- A. Determines availability of funding for contracted service, and advises Department Head/Administrative Program Director.
- B. Receives and retains all official contracted service provider/vendor information from Procurement Officer. Processes according to contract routing procedures.

- C. Routes copies of completed contracted service provider/vendor information to Human Resources.

**IV. Action by Legal Services:**

- A. Processes Security Clearance documents as necessary.
- B. Reviews contract in accordance with contract routing procedure, when requested.

**V. Action by Human Resources:**

- A. Receives and retains a copy of contracted service provider/vendor information from Financial Services.
- B. Maintains personnel file in Human Resource Department.
- C. Tracks renewal dates for licensure, as needed.

**VI. Action by Supervisor (as indicated by contractual language):**

- A. Completes position description and forwards to Human Resources prior to anticipated start date.
- B. Schedules New Employee Orientation in consultation with Human Resources.
- C. Verifies competency on LSH Performance Improvement Competency Verification (LSH-385). (If providing clinical duties, also completes Competency Assessment Age-Specific Criteria {LSH-386}) within 30 days of hire and annually thereafter, and forwards to Human Resources.
- D. Provides Department specific orientation and completes a New Employee Orientation Department Checklist (LSH-477) within ten (10) days of first day of contract start date.
- E. Verifies services were performed and were acceptable per terms of written contract.
- F. Completes a written evaluation within six (6) months of contract start date and, thereafter, prior to the end of the annual contract. Forwards to Human Resources and Department Head/Administrative Program Director.
- G. Notifies the following departments if contract expires or contract provider/vendor is terminated: Human Resources, Legal Services, Financial Services, Department Head/Administrative Program Director, Procurement Officer.
- H. If contracted service provider/vendor is terminated prior to the contract end date, completes a written evaluation and forwards to Human Resources.

**VII. Action by MEC (for Medical Services Contracts Only):**

- A. Reviews all contracts (new and renewal) yearly for all medical services (i.e. EKGs,

Ophthalmology, Mobile Imaging).

- B. Reviews consultant contracts and qualifications of contractors yearly, with repriviliging completed at least every two years. Repriviliging must include:
  - 1. Three Peer Recommendations;
  - 2. A report from the National Practitioner's Data Bank (NPDB); and
  - 3. A copy of current license and insurance.
- C. Monitors quality of care provided by outside medical institutions/consultants providing services at LSH quarterly with outcomes documented on the Quality and Performance Monitor and retained in credentialing file.
- D. Notifies Procurement Officer of approval to issue new contracts, renew existing contracts, or deny renewal of existing contracts by returning official renewal letter with indication of same documented. Documents decision(s) in the official MEC meeting minutes.

**VIII. Action by Other Executive Committees (NLT, SSEC, CEC, AEC):**

- A. Reviews all assigned contracts (new and renewal) yearly.
- B. Notifies Procurement Officer of approval to issue new contracts, renew existing contracts, or deny renewal of existing contracts by returning official renewal letter with indication of same documented. Documents decision(s) in the official committee meeting minutes.

APPROVED BY: Original Signature on File  
MARK E. SCHUTTER, Ph.D., Superintendent

PPR: Procurement Officer  
Clinical Director

jh

Supersedes Policy A2-05; 10/88, 06/92; 08/93; 03/94; BU-2.0, 03/04  
Rev.: 06/97; 03/00; 3/02; 09/02; 02/04; 08/04; 06/06; 09/06