

# Northeast Delta HSA Contract Manual For Contract Providers

effective July 1, 2014 (REV 07/17)



If you are interested in contracting with Northeast Delta HSA, please  
submit your request on our website:

<http://www.nedeltahsa.org/contractors-contact.php>

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## Statement from the Executive Director

This manual affirms the operational policies and procedures for contracting with the Northeast Delta Human Services Authority (NEDHSA), an agency within the Louisiana Department of Health (LDH).

NEDHSA programs provide services focused on improving the quality of life of individuals diagnosed with major mental illness, developmental disabilities and addictive disorders. NEDHSA services and programs shall abide by the guidelines and expectations of quality care and services established by the LDH Health Standards Section and CARF International accreditation standards of care.

NEDHSA is devoted to deliver programs and services that encourage people to believe they possess the ability to reach their true potential. NEDHSA serves as a catalyst for people to be fully engaged in their own lives.

NEDHSA provides Outpatient Programs in a clinical setting. Seven clinics encompass the NEDHSA geographical service area:

- Monroe Behavioral Health Clinic
- Bastrop Behavioral Health Clinic
- Women and Children Services
- Tallulah Behavioral Health Clinic
- Ruston Behavioral Health Clinic
- Columbia Behavioral Health Clinic
- Winnsboro Behavioral Health Clinic

Within these clinics, a wide range of services comprise a comprehensive, therapeutic environment that includes screening and assessment, diagnostic determination, individual and family counseling, psychiatric consultation, medication management, crisis intervention, group counseling, educational programming, client advocacy and referral to community resources. Clients are assigned to licensed clinicians who assist in individual planning and care. Additional services include consultation with family and professional care providers.

NEDHSA services and programs provide treatment to people diagnosed with major mental illness, developmental disabilities and addictive disorders in a 12-parish area in northeastern Louisiana: Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union and West Carroll.

NEDHSA is dedicated to three guiding principles that define how the policies and procedures contained in this manual are delivered: to bring even greater access and awareness to all of its crucial services; to nurture an environment of unsurpassed customer service, where people are treated with genuine kindness, courtesy and a caring attitude; and competent, quality care to foster hope, trust and the most beneficial health outcomes to the people we serve.

The contents of this manual, effective July 1, 2014, are subject to annual review and revision as needed.

Monteic Sizer, Ph.D.

Executive Director

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## MISSION

Northeast Delta HSA serves as a catalyst for individuals with mental health, developmental disabilities, and addictive disorders to realize their full human potential by offering quality, excellent care with greater accessibility.

### *These Three Tenets guide our actions:*

- Greater access to services
- Quality, competent care
- Excellent customer service

## VISION

The Northeast Delta HSA vision is to build a unified Northeast Louisiana where individuals are thriving and reaching their full human potential.

## PHILOSOPHY

- Demonstrate that we understand citizens' concerns - provide hope and integrity in the mental health, addictive disorder and developmental disabilities arenas.
- Connect with citizens we serve and help them reach their best potential.
- Focus on commonalities among us rather than differences. Unify around opportunities.
- Accountability for our actions.
- Opportunity for success equal for all citizens regardless of demographics.
- Acknowledge any previous shortcomings and demonstrate how we are improving. Build trust through accountability.
- We are a catalyst and co-advocate for people to engage and believe they can reach new heights.

## Code of Conduct for NEDHSA and Contractors

1. No employee shall emotionally, physically, verbally, sexually, or economically abuse or exploit any client, the client's family members, or other employee.
2. No employee shall enter into a romantic relationship or sexual intimacies with clients during the continuum of care, including aftercare.
3. No employee shall misrepresent any professional qualifications, associations, training, or experience.
4. No employee shall promptly inform his/her supervisors in cases where a client's condition indicates a clear and imminent danger of the client or others.
5. An employee shall take reasonable precautions to protect clients from physical and/or emotional trauma resulting from interaction within group activities.
6. An employee who witnesses any instance of abuse, neglect or unprofessional behavior by another employee or client, must promptly report it to his/her supervisor(s).
7. No employee shall release any information regarding clients and their records, except with their written authorization by the client or his/her authorized representative, or a court order with a subpoena.
8. Staff shall deliver kind and humane treatment to all in our care. We shall treat consumers respectfully and courteously. Staff will seek to become aware of personal biases (racial, cultural, sexist, religious, education, etc.) and attempt to control their expression.
9. Consumers will not be pressed to adopt beliefs and behaviors that reflect an employee's value system rather than their own.
10. Employees need to be aware of their own skills and limitations. Do not attempt to counsel or advise consumers on matters not within your area of expertise.
11. Employees will not engage in any activity that could be construed as exploitation of consumers for personal gain, be it sexual, financial, or social. Merely that appearance of personal gain is to be avoided.
  - a. Employees may not to receive gifts, monies or gratuities from consumers and not give gifts of monetary value to consumers. Gifts can complicate the client-counselor relationship in spite of the best intentions of all concerned.
  - b. Evidence of sexual overtures or involvement by staff with anyone who is/was a client can be cause for immediate proposed termination of employment.
  - c. Business dealings with clients, e.g. mowing our lawn, washing our car, doing our carpentry work, etc., are not advisable. There is a danger of potential loss of therapeutic relationship between consumers and the staff involved. Therefore, these activities are discouraged.
12. Employees will not use their authority over consumers in a coercive manner to meet the employee's needs.
13. Employees will serve as responsible role models for consumers, staff, and community in their personal use of alcohol and other mood-altering drugs. If employees have been chemically dependent in the past, they will maintain total abstinence while employed by this region. Employees may be given drug screens as requested by the administration.
14. Employees will exhibit responsible concern for the well-being of their peers and the community by not ignoring unethical conduct in fellow employees.
15. Employees will work to protect all assets of the agency and no misuse of assets will be tolerated.
16. Corporate image shall be maintained at all times.
17. Staff must follow all agency risk management and safety rules at all times.
18. All billing and claims generated must be rendered truthfully with adequate documentation.
19. A provider requiring licensure must present proof of licensure according to agency rules.
20. Any violations of corporate compliance policies must be reported to individual's supervisor and the Corporate Compliance Officer immediately.

NEDHSA reserves the right to amend, modify or update these policies/ programs and any other compliance practices as it determines necessary.

## INTRODUCTION

Northeast Delta HSA follows the LDH uniform procedures for promulgating and administering contracts for personal, professional, consulting, or social services with private contractors as well as interagency contracts between Northeast Delta HSA and any public body. It is intended that the procedures contained in this manual will serve the primary purpose of securing quality services at the best price, while also providing for reasonable provider access to opportunities for contract award.

In order to be selected to engage in a contract with the HSA, you have already distinguished your program as having the quality demanded by NEDHSA service providers. As a provider, you are a valued extension of our own outpatient clinical behavioral health services. We welcome you to our network of professional staff and community partners who strive to serve the behavioral health needs of the citizens of northeast Louisiana.

Should you need assistance with contract questions at any time, please contact the Northeast Delta HSA contract office staff at:

**Avius Zimmerman, Director** 318-362-5230  
[avius.zimmerman@la.gov](mailto:avius.zimmerman@la.gov)

**LaTonya Owens, Regional Prevention Coordinator** 318-362-5483  
[latonya.owens@la.gov](mailto:latonya.owens@la.gov)

**Kay Langham, Program Monitor (DD)** 318-362-3137  
[kay.langham@la.gov](mailto:kay.langham@la.gov)

**Melinda Robinson, Program Monitor (MH)** 318-362-4237  
[melinda.robinson@la.gov](mailto:melinda.robinson@la.gov)

## DEFINITIONS

The words defined in this section have the meanings set forth below unless the context in which they are used clearly requires a different meaning or a different definition as prescribed for a particular part or provision.

Business -Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity through which business is conducted.

Competitive Selection- The selection of a provider through a Request for Proposal (RFP) process or any other similar competitive selection process.

Consulting Service- Work other than professional, personal, or social services rendered by either individuals or firms who possess specialized knowledge, experience, and expertise to investigate assigned problems or projects and to provide counsel, review, design, development, analysis, or advice in formulating and implementing programs or services, or management, personnel, finance, accounting, planning and feasibility studies, data processing, public relations, and advertising. Consulting service contracts may include the procurement of supplies and services by a contractor without necessity of complying with provisions of public bid law when such supplies and services are merely ancillary to the provision of consulting services, which assist the contractor in fulfilling the contract, and when the cost of the supplies and services is less than the cost of providing the consulting services.

Contract-An agreement between contracting parties for the furnishing of goods, services or accomplishing public work, in accordance with the written material relevant to award of the contract.

Department-NEDHSA organizational unit reporting directly to the Executive Director, Department Director, or Chief Director.

Department Director-Manager of a Department which has a direct supervisory relationship with the Executive Director.

Interagency Contract-Any contract in which each of the parties thereto is a governmental body or public entity.

Personal Services- Work rendered by an independent contractor which requires the use of creative or artistic skills, such as, but not limited to graphic artists, sculptors, musicians, photographers, and writers; or which require the use of highly technical or unique individual skills or talents, such as, but not limited to paramedical personnel, handwriting analysts, and expert witnesses for adjudications or other court proceeding.

Professional Services - Work rendered by an independent contractor who has a professed knowledge of some department of learning or science used in its practical application to the affairs of others or in the practice of an art founded on it, which independent contractor shall include but not limited to lawyers, physicians, dentists, psychologists, certified advanced practical nurses, veterinarians, architects, engineers, land surveyors, landscape architects, accountants, actuaries, and claims adjusters. A profession is a vocation founded upon prolonged and specialized intellectual training which enables a particular service to be rendered. The word “professional” implies professed attainments in special knowledge as distinguished from skill.

Request for Proposal-Competitive selection process which is required for social service, personal and consulting service contracts of \$250,000 or more.

Social Services-Work rendered by any person, firm, corporation, governmental body or governmental entity in furtherance of the general welfare of citizens, including but not limited to rehabilitation and health support, habilitation and socialization, protection for adults and children, improvement of living conditions and health, and evaluation and testing.

## TYPES OF CONTRACTS

### A. Professional Service Contracts (Clinical/Medical)

To provide clinical/Medical professional service contracts; limited to licensed physicians, licensed psychologists, licensed professional counselors, board certified social workers, board certified substance abuse counselors, registered nurses, speech therapists, occupational therapists, dentists, and members of any other professional group which is commonly acknowledged as a health care specialty and who possess the licensure and/or certification required by such professional group.

#### 1. Under \$100,000

Contracts for these services do not require competitive selection and shall be recommended for approval by the Director of Corporate Compliance and Contracts, Fiscal Director, and the relevant Department Director following determination that the proposed compensation is fair and reasonable, given the expertise of the professional and the nature of the services to be rendered. Final approval of the contract resides with the decision of the Executive Director.

#### 2. Over \$100,000

Although new contracts for these services do not necessarily require competitive selection, extra care shall be exercised to assure that the rate of compensation proposed does not exceed market value, and that less costly alternatives to the proposed contract have been considered. Both new and existing contracts shall be recommended for approval by the Director of Corporate Compliance and Contracts, the Fiscal Director, and the relevant Department Director. Final approval will be made by the Executive Director.

### B. Professional Service Contracts (Other)

Shall include all professional service contracts not specifically deemed to be a contract for obtaining a licensed or board certified provider of clinical/medical services. Examples are contracts for architectural reports, graphic design/web design, advertising, etc.

#### 1. Under \$25,000

These contracts for professional services do not require competitive selection and shall be recommended for approval by the Director of Corporate Compliance and Contracts, Fiscal Director, and the relevant Department Director following determination that the proposed compensation is fair and reasonable, given the expertise of the professional and the nature of the services to be rendered. Final approval of the contract resides with the decision of the Executive Director.

**2. \$25,000 and Over**

Competitive selection for such professional services shall be at the option of the Executive Director; however, all new and existing contracts for such professional services shall be recommended for approval by the Director of Corporate Compliance and Contracts, the Fiscal Director, and the relevant Department Director following determination that the proposed compensation is fair and reasonable, given the expertise of the professional and the nature of the services to be rendered. Final approval will be made by the Executive Director.

**C. Social Service Contracts**

**1. New Contracts not Exceeding \$249,999**

Contracts for social services do not require competitive selection and shall be recommended for approval by the Director of Corporate Compliance and Contracts, Fiscal Director, and the relevant Department Director following determination that the proposed compensation is fair and reasonable, given the expertise of the professional and the nature of the services to be rendered. Final approval of the contract resides with the decision of the Executive Director.

**2. New Contracts \$250,000 and Over**

These contracts require competitive selection, or RFP process with final approval of the selection by the Executive Director.

**3. Existing Contracts Under \$249,999**

Approval by the Executive Director is required.

**4. Existing Contracts \$250,000 and Over**

These contracts shall be selected/re-selected by competitive selection every three (3) years

## Determination of Contractor Qualification

Prior to entering into a contract for services with a provider the NEDHSA Corporate Compliance and Contracts Department shall establish that the contractor meets the following standards as they relate to the particular procurement under consideration:

1. Provider has adequate financial resources for performance or the ability to obtain such resources as required during performance.
2. Provider has necessary experience, organization, technical qualification, skills, and facilities or has the ability to obtain them.
3. Provider is able to comply with the proposed or required time of delivery or performance schedule.
4. Provider has a satisfactory record of integrity, judgment, and performance.
5. Provider is otherwise qualified and eligible to receive an award under applicable laws and regulations.
6. Provider is a public (local, state, or federal) or nonprofit, private entity - provide evidence as listed with the Secretary of State's office, a copy of information on the Secretary of State's website is valid identification;
  - a. Corporation non-profit
  - b. Church
  - c. Council/organization
  - d. Schools
  - e. Individual
7. No member of the NEDHSA Board or his/her family owns or has an interest or part interest in the business of the proposed contractor.

# Competitive Selection Procedures/Request for Proposals (RFP)

## General Requirements

While the appropriate NEDHSA services delivery or planning staff will be involved in developing the proposal request, responding to requests for information from potential bidders, and evaluating the proposals submitted, the Fiscal Department of the NEDHSA shall be responsible for management and oversight of the process of competitive selection. The Executive Director must approve the request for proposals, the criteria for proposal evaluation, the newspaper notice to be published, and the Selection Panel membership.

The Fiscal Department of the NEDHSA shall maintain a list of business which has at any time submitted written correspondence requesting to receive any competitive selection offers. Notices of requests for offers shall be sent to businesses on this list in addition to the requirements for newspaper publication.

***Note: Governmental agencies and state universities are exempt from RFP requirements.***

**Exemptions** of a contract or a class of contracts from the competitive selection requirements specified in this manual may be approved by the Executive Director. The reason for the exemption must be documented as one of the following:

- The nature of the service being provided dictates that a continuity of contractors be maintained.
- A quasi-public and/or nonprofit corporation has been established in coordination with the state to provide the particular service involved in contract (example: Association for Retarded Citizens).
- The services are available only from a single source.
- Local matching funds of greater than 10% of the contract amount are required to be contributed by the contractor.
- An emergency exists which will not permit the delay in procurement necessitated by the proposal procedure.
- The nature of the service being purchased necessitates contract with another governmental entity or governmental body.

## Request for Proposals

The RFP shall contain the following information:

- Specifically define the tasks to be performed, the standards of performance expected, and the desired results of the project.
- Identify agency liaison personnel and what resources are available to the proposer, both in preliminary studies and the project itself.

- State approximately when the contractor can begin the work plus an estimate of the time necessary to accomplish the work.
- Specify applicable procedures concerning billing, documentation requirements, progress reports, and final reports.
- Specify that a minimum of five (5) copies of the proposal be submitted.
- Specify the type and amount of bid bond or performance bond, if required.
- Stipulate that proposers from out of state must submit Certificates of Authority to do business in Louisiana from the Secretary of State's Office.
- Inform the potential proposers of the evaluation criteria and the selection methodology and weight which will be applied to each criteria in evaluating the proposal's responsiveness to the RFP.

### **Minimum of Content of Proposals from Potential Contractors**

The response of an RFP shall contain the following:

- All requests for information outlined in the RFP.
- A description of the firm's or individual's qualifications, number and qualifications of each position to be used in the project, and resume of key personnel.
- A list of the governmental agencies or entities, names and contact persons, for whom similar work has been done. (A list of business firms may be substituted if no similar work has been done for governmental agencies or entities.)
- The proposed methodology for accomplishing the project with precise statement of what the NEDHSA will receive as an end product of the project.
- A detailed budget or other cost breakdown.
- Specification of what subcontractors, if any, will be used to complete a substantial part of the project (excludes professional service subcontracts in lieu of use of employees).
- Acceptable evidence that the proposer has the financial and administrative/managerial resources necessary to be considered a responsible contractor.

**Public notices of a Request for Proposals shall be given which shall contain:**

- A general description of the services desired.
- Where and how the RFP may be obtained and where the proposals are to be sent.

- If there will be a proposer's conference, the date, time, and place that it will be held, and notice as to whether attendance is mandatory.
- The date and time not later than which proposals must be received and the place where proposals will be accepted.

The first advertisement shall appear at least thirty (30) calendar days before the last day that proposals will be accepted.

All questions received from potential proposers must be in writing and all responding answers must be provided to all potential proposers participating in the selection. A proposer's conference may be provided in lieu of the above question and answer process. In such case, copies of the proceedings must be made available to all who are participating in the selection process.

### **Selection of Provider**

The Corporate Compliance and Contracts Department shall review all proposals received by the specified submission time in order to determine technical completeness of the proposal. Any proposal deemed to not meet technical completeness requirements shall be reviewed by the Corporate Compliance Director for substantiation purposes.

A Selection Panel shall be formed to review and evaluate all proposals which are technically complete. The panel shall consist of a minimum of three (3) members and must include an administrator, an individual involved in direct service provision, and a consumer or consumer advocate and/or family member of a consumer.

The evaluation criteria and weight factors used by the Selection Panel shall be those which were included in the Request for Proposals.

After all proposals are scored the following information shall be prepared and submitted to the Fiscal Director:

- A brief summary of the services for which offers were solicited.
- A list of selection criteria used along with the weight assigned to each criteria.
- Scores of each proposal considered in each of the categories along with the overall scores of each proposal considered.
- Total cost of each proposal considered.
- A narrative justifying the recommendation for selection.

The Fiscal Director shall review and verify the selection process and forward the submitted information to the Executive Director for approval.

Following confirmation of the successful bidder, the bidder selected and those not selected are to be notified in writing. At this point final contract negotiations with the selected contractor can begin using the normal contract review and approval process.

Contracts awarded via the RFP process may be extended for two (2) additional twelve month periods. Any increase in funding for each of the subsequent twelve month periods must have been specified in the body of the Request for Proposals.

Contracts for services subject to the RFP process must be competitively re-solicited every three (3) years.

### **RFP Process**

The clauses below are required to be attached to contracts issued as a result of an award for a contract through the RFP process. These may be listed as seen below in a separate attachment labeled as “Additional Provisions”.

1. Order of Precedence: The contract shall, to the extent possible, be construed to give effect to all provisions contained therein; however, where provisions conflict, the intent of the parties shall be determined by giving a first priority to provisions of the contract excluding the RFP and the proposal; second priority to the provisions of the RFP; and third priority to the provisions of the proposal.

2. Entire Agreement: This contract, together with the RFP and addenda issued thereto by the Department, the proposal submitted by the contractor in response to the Department’s RFP, and any exhibits specifically incorporated herein by reference constitute the entire agreement between the parties with respect of the subject matter.

## **Contracts**

### **Fully Executed Contract**

A contract is not fully executed until it has been signed and approved by the Executive Director.

### **Changes in the Law**

Changes in state or federal laws and regulations may affect contract provisions. Any modification resulting from such changes are automatically made part of the contract and go into effect on the date set by the law or regulation.

### **Bond and/or Insurance Requirements**

The provider shall carry a fidelity bond or insurance coverage. The fidelity bond or insurance must provide for indemnification of losses due to fraudulent or dishonest act committed by any of the provider's employees or volunteers who have access to funds, either individually or in concert with others.

### **Notification of Changes**

The provider shall notify NEDHSA in writing within ten business days of changes in the provider's legal name, address, telephone number, or legal status; and changes in the following personnel:

- 1) Certifying Representative
- 2) Board Chair
- 3) Chief Executive Officer
- 4) Chief Financial Officer
- 5) Project/Program Director
- 6) Contact Person

### **Physical Environment**

- A. Any provider seeking to contract with NEDHSA shall provide the following documentation at the time of the application:
  - 1) Evidence that the proposed facility will be appropriate for clients/enrollees/participants to be served in terms of individual needs, program goals and access to services.
  - 2) A copy of the floor plan with drawing to scale.
  - 3) Assurance that the facility is in compliance with the Americans with Disabilities Act of 1973 and amendments, or if unable to serve certain types of persons with physical disabling conditions, shall have access to alternative programs. A complete assessment of the individual's condition must be done prior to such a referral.

- 4) The provider shall ensure that all structures on the grounds of the facility accessible to enrollees/participants are maintained, in good repair, and are free of any excessive hazards to health and safety.
  - 5) A provider shall provide that the facility has passed a yearly fire and health inspection.
- B. A provider shall have a written plan of emergency and safety procedures including evacuation plan, copies of which shall be posted in conspicuous locations throughout the facility.
- 1) The plan shall provide means for an ongoing safety program including continuous inspection of the provider for possible hazards, continuous monitoring of safety equipment, and investigation of all accidents or emergencies.
  - 2) The plan shall include provisions for training personnel in their emergency duties and in the use of any fire-fighting or other emergency equipment in their immediate work areas. The plan shall include at least two employees identified to administer first aid.
- C. Any provider seeking to contract with NEDHSA shall maintain the following general safety practice:
- 1) Shall not maintain any firearms or chemical weapons in the facility.
  - 2) Shall ensure that all poisonous, toxic and flammable materials are safely stored in appropriate containers labeled as to contents. Such material shall be maintained only as necessary and shall be used in such a manner as to ensure the safety to enrollees/participants, staff, and visitors.
  - 3) Shall ensure that an appropriately equipped first-aid kit is available in all buildings and vehicle used to transport enrollees/participants.
  - 4) Shall ensure that porches, elevated walkways and elevated play areas within the facility meet ANSI standards.
  - 5) Shall have a procedure to prevent insect and rodent infestation.
  - 6) Shall have the facility equipped with and other safety system that are designed, contracted, installed and maintained in a manner that is designed to protect enrollees/participants, personnel, visitors, and property from fire and products of combustion.

### **Contract Closeout**

- A. Submission of Documents - Providers shall submit all financial, performance, and other closeout reports required under the contract within 60 days after the contract end date. NEDHSA is not liable for any claims that are not resolved with the agency within 60 days after the contract end date.
- B. Equipment - Provider shall submit an inventory of state owned property at closeout and request disposition instructions for state owned property.

- C. Payment of Funds - Any funds paid to the provider in excess of the amount to which the provider is finally determined to be entitled under the terms of the contract a debt to NEDHSA and will result in a repayment due. The provider shall pay any refundable amount within the time period established by NEDHSA. Failure to do so may result in legal actions against the former provider.
- D. Disallowance and Adjustment - The closeout of the contract does not affect:
  - 1) NEDHSA's rights to disallow costs and recover funds on the basis of a later audit or other review.
  - 2) The provider's obligation to return any funds due as a result of later refunds, corrections, or other transactions.
- E. At the time of closeout, NEDHSA is able to reduce the debt owed by refusing payment, the program may or may not receive the final payment request. NEDHSA personnel will determine if money is owed prior to approving final payment.

## Minimum Contract Content

All contracts for professional, personal, social service, consulting, and interagency contracts entered into by the NEDHSA shall contain, at a minimum, the following:

### **HIPAA Business Associate Addendum**

For all contracts that involve contractor access to any protected medical information.

### **Detailed Budget**

For cost reimbursement contracts only.

### **Current License/Resume**

A current license is required where terms of the contract require a provider license or professional license. Resumes are required for professional and consulting contracts with individuals, key personnel in consulting contracts, and pharmacists.

### **Board Resolution**

Required for **all** contracts when more than one person is owner of a company doing business with LDH. (State agencies, state universities, some governmental entities, and Tulane University should have signature authority approval on file.) The Board Resolution should state that the individual signing the contract has the authority to do so on behalf of the board. Board Resolutions are considered active for up to **three years** from the signature date on the resolution, and therefore may be copied for contract renewals occurring within that time frame.

### **Sole Proprietorship (as applicable)**

If the contract is with an individual using a business tax ID (not a social security number), then a signed statement of sole proprietorship should be included in the contract.

### **Disclosure of Ownership (as applicable)**

Is required if contractor is a *for-profit corporation whose stock is not publicly traded.* (Must be filed with the Louisiana Secretary of State) Form can be found at <http://www.sos.la.gov/tabid/814/Default.aspx>

### **Payment of Last Resort (as applicable)**

The contractor uses Block Grant funds only as the “payment of last resort” for special services for pregnant women and women with dependent children, TB services, and HIV early intervention services and the contractor makes every reasonable effort to do the following:

- a) Collect reimbursement for the costs of providing such services to persons entitled to insurance benefits under the Social Security Act, including programs under title XVIII (Medicare Program) and title XIX (Medicaid Program); any State compensation program, any other public assistance program for medical expenses, any grant program, any private health insurance, or any other benefit program.
- b) Secure from patients or clients payments for services in accordance with their ability to pay.

### ITEMS NEEDED FROM CONTRACTORS TO COMPLETE CONTRACT:

- Legal name of contractor
- Street address, city, state and zip code
- Mailing address, if different from street address
- Telephone number and email address
- Tax ID # for businesses or Social Security number for individuals
- License #, if appropriate
- Determination if contractor is a sub recipient
- Determination of type of business entity: corporation, limited liability corporation (LLC), partnership, sole proprietorship, for profit/not for profit, publicly traded or privately held
- Disclosure of Ownership, if contractor is a for-profit corporation not publicly traded
- Name and title of individual signing the contract
- Board Resolution authorizing individual who signs the contract to do so on behalf of
  - the corporation
- Resumes for contracts with individuals and key personnel in consulting contracts (if
  - position has not been filled at time of contract initiation, then a job description will suffice.
- Copy of current provider license and/or professional license, if required.
- W-9 must be included when contract is with a **new contractor or changes need to be made to name or mailing address of an existing contractor**. For activation the W-9 must be sent to Office of Statewide Reporting and Accounting Policy (OSRAP) Fax to 225-342-1053.

## TERMS OF PAYMENT

This section shall include a description of terms of payment. The format for providing this information may vary with the method to be used to pay the contractor for the service or product provided.

**There are two basic types of contract payments:**

Fixed Price and Cost Reimbursement.

Fixed price contracts can be either based on a fixed rate paid for services rendered or accomplishment of specific tangibles. A fixed-price contract sets a price that is not subject to adjustment (except by amendment) and is based on the contractor's expenses in performing the contract. It places maximum risk and full responsibility for all costs and resulting profit or loss on the contractor. It also provides an incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden on both contracting parties.

To establish a fixed price, it is necessary that research be conducted to gather cost or pricing information that will permit reasonable estimates of the cost of performance, or historical costs that are available on prior purchases, or industry standards, or other methods that can be supported by valid cost data. The program office is responsible for maintaining documentation as to how the costs were determined.

### FIXED PRICE CONTRACTS REQUIREMENTS

#### Fixed Rate Payment

- The contractor furnishes a specified product or service for an agreed upon cost.
- Contractor is paid at a fixed rate for a specified unit of service such as an hour of work, a specific physician service, a product with a unit price, etc.

*Examples: Hourly rate for services provided by a professional; specific service performed such as a physical examination, TB screen, etc. An hourly rate for services provided by consultants, facilitators, trainers, etc.*

The contract cost information should describe the unit, specify the number of units to be purchased over the period of the contract, and generally give information on the conditions under which the service is performed. For an hourly rate there should be enough detail to determine what is being provided for the hourly rate.

#### Performance-Based Payment:

Payment is determined and set on a breakdown of completion of tasks outlined in deliverables, i.e. outline of timeframes to complete a task; "what the completed task will look like". The terms and conditions of payment must be included in the contract. The cost information should show the itemized method of arriving at the total contract amount.

*Examples: For a contract to produce and publish a publication, payment could be set up in three stages: 1<sup>st</sup> payment on approved draft of report, 2<sup>nd</sup> payment on completion of report, and 3<sup>rd</sup> payment on publication of report.*

## **COST REIMBURSEMENT CONTRACT REQUIREMENTS**

The contractor is reimbursed for actual allowable costs incurred in performance of the contract, *to the extent prescribed by budget categories in the contract*. The contract establishes the total cost to perform the work by budget category and establishes a ceiling that the contractor **may not exceed** (except by amendment).

Cost reimbursement should mainly be used when the contractor is providing a service such as hospitalization, clinics, detox facilities, etc. These contracts generally require staff and support services that are more cost efficient when payment is based on cost reimbursement. Also, the LGE and program monitor must have the resources to assure intensive and effective fiscal monitoring.

Cost reimbursement contracts must have a DHH Budget Form attached for each fiscal year of the contract.

### **Budget Details**

- A. Indirect Costs - A provider may request approval to charge administrative expenses as indirect cost. Two mechanisms are available for charging shared administrative costs. The provider may:
  - 1) Submit documentation of an indirect rate that has been approved for the provider's agency or organization; or
  - 2) Use an indirect cost rate not to exceed 10% as provided by LDH contracts management. NEDHSA reserves the right to require administrative expenses to be changed as direct costs.
  
- B. Costs that require prior approval - For providers on a cost reimbursement payment mechanism, prior written approval is required for certain costs to be charged to the contract.
  - 1) Contractual Services - contracting out, sub granting or otherwise obtaining the services of a third party to perform activities which:
    - a) Are central to the purpose of the contract; or
    - b) Cost \$5,000 or more
  
- C. Equipment and Supplies
  - 1) Equipment includes all tangible property that costs \$250 or more per unit and have a useful life of more than one year. A set of components designed to function together shall be treated as one unit.
  - 2) Supplies include all materials and other expendable property needed to carry out a contract with a unit cost of less than \$250.
  - 3) The provider shall conduct an annual physical inventory of all equipment and controlled items purchased with NEDHSA funds.
    - a) Controlled items are those that have a unit cost of \$250-\$999 and/or high risk of theft. Examples include televisions, fax

machines, video recorder/players, DVD, printers, software, televisions and mobile telephones.

- b) The provider's inventory records shall be current, maintained at the program site, and reported to the NEDHSA offices on an annual basis prior to execution of the new contract period.

#### D. Travel

- 1) Expenses for transportation, lodging, meals, and related items are allowable when they are incurred by an employee or volunteer on an official business which is directly attributable to the contract or required for administration of the provider.
- 2) Costs for lodging, meals, and related items may not exceed the State of Louisiana per diem rates and cost for mileage may not exceed the State of Louisiana rate for mileage reimbursement. When applicable, the provider may use the state's schedule for per diem rates for out-of-state travel. If the provider's policies and procedures establish a lower per diem rate, the lower rate shall apply. For specific information please refer to the Louisiana Travel Guide.
- 3) Alcoholic beverages and tobacco products are not allowable expenses.

## STATEMENT OF WORK

Every contract must include a STATEMENT OF WORK with the following elements:

### **Goal/Purpose**

State the overall objectives or goals of the contract.

*For example: “The contract shall reduce the need for long-term medical treatment for low income children with diabetes by providing preventative medical care in the region.*

### **Deliverables**

List specific tangibles that describe what the contractor is required to do and how it’s going to be done. The frequency, a minimum level of performance, a timeline by which it will be accomplished, etc. The level of effort expected in relation to service provision should be clearly described in the contract, such as type and number of services to be provided to an estimated number of clients.

Deliverables are concrete, measurable statements of the work the contractor is to provide. Every deliverable should state what the contractor “shall,” “will,” or “must” do.

It is unacceptable to state “The contractor is expected to ....,” “Contractor may...,” or “It is anticipated that contractor will...” Deliverables using such language are unacceptable.

*For Example:*

*The Contractor shall:*

- *Provide medical examinations to consumers in the LGE service area*
- *Provide X number of exams per month*
- *Make referrals to community resources as needed*

### **Deliverables are measurable.**

Deliverables are specific and quantifiable. They should include such information as the number of people to be served, when, where, and how often and other factors that define the work to be performed.

### **Deliverables specify results to be accomplished.**

Outcomes should focus on specific tangibles that will be the result of the contract work. What are the specific targets? What results will be generated?

### **Deliverables represent performance standards to be met.**

Deliverables form the basis for payment and monitoring of contracts. The level of performance to be achieved must be included in the contract and should address the quality of the service to be provided. The contract must specify the

documentation required for submission of the deliverables in order for the contractor to receive payment.

### **Performance Indicators**

Provide a description of the data that will be used to determine whether the contractor has met the criteria detailed in the deliverable. What type of documentation does the monitor need to determine the successful performance of the contract?

*Indicate who is responsible for providing that data and in what form.*

*For example: The contractor shall provide a report with the number of persons served in a month, the hours of service provided, etc.*

### **Monitoring Plan**

Details of how the LGE will monitor the delivery of services.

*For example: The program monitor shall review timesheets monthly to ensure they document ample hours for delivery of services.*

The Statement of Work serves to describe and define exactly what services are to be provided. Questions that should be answered by the Statement of Work include:

- *What is the purpose of the service?*
- *Who (and how many) will get the service?*
- *What type of service is it and what will it provide?*
- *What is the frequency and duration of the service?*
- *How is the service to be provided and by what type of staff?*
- *How do we know the service has been provided?*
- *How will we know if it is a quality service?*
- *How effective and valuable will the services be in meeting the needs of consumers?*
- *How are these services meeting the mission of the office or agency?*

Standard contract formats appropriate to the type of service being purchased shall be developed by the Corporate Compliance and Contracts Department and used for all personal, professional, consulting, social, and interagency contracts entered into by the NEDHSA.

## INVOICE APPROVAL

Invoices are not paid for the current month of service provision. All invoices are due to the NEDSHA Financial Office, no later than the 10th of the month following the month in which the actual services were provided.

Invoices should be mailed to the following address:

**Northeast Delta Human Services Authority  
2513 Ferrand Street  
Monroe, LA 71201**

All invoices are date stamped the day that they are received by the NEDHSA Office. A Program Monitor will be assigned to monitor contractor performance, data submission, and monthly invoice statements for consistency of billing with regard to contract elements. Once the Program Monitor has reviewed the information, it shall be forwarded to the Fiscal Department for review of accounting accuracy.

The Fiscal Department will make every attempt to process invoices in a timely manner in the order in which they are received. Once an invoice is received, the Fiscal Department will conduct a thorough review to ensure that all necessary supporting documentation is provided and that there are no numerical, reporting, or formatting errors present in the document (see Appendix A for supporting documentation guidelines). **\*If the Fiscal Department discovers an error(s), the contractor has 48 hours from the date to correct and resubmit invoice.** Payment may be reduced or delayed if sufficient supporting documentation or reporting errors are found in the invoice document. After the Fiscal Director approves the invoice, the invoice is then routed to the Chief Executive Officer for the final approval of the signature authority. All invoices received on time will be mailed to LDH by the 15<sup>th</sup> of each following month.

Upon approval of the signature authority, the approved invoice batch is prepared for mailing to LDH Payments Management for processing of payments. LDH Payments Management in Baton Rouge requires an original signed hard copy of the invoice be **mailed to** them in order to process payment. Invoices are processed in the order that they are received. Payments can take **7-10 business days** from the time they are received by Payments Management to be processed. Contractors **should not** directly contact LDH Payments Management regarding the status of payment. These questions should be directed to the NEDHSA Fiscal Department.

Contractors should allow up to 30 days **total** from the time an invoice is received by the NEDHSA Financial Office until payment is remitted by LDH, Payments Management. Contractors may need to make arrangements and/or maintain a cash reserve to provide for its operational expenses during the payment process.

Contractors may contact the NEDHSA Financial for technical assistance in reviewing your accounting/budgeting processes to accommodate this process.

### **Emergency Authorization**

When necessary, to avoid service interruption or to respond to emergency conditions, invoices may be approved for payment by the Fiscal Director.

## **AUDIT REQUIREMENTS**

All social service contracts entered into by the LGE shall be evaluated by the agency or program to determine whether an independent financial audit of the contractor is required and, if so, the type of audit required. Determination of these issues shall be governed, at a minimum, by Public Law 98-502 (Single Audit Act of 1984) and the

Louisiana Revised Statute 24:513.

The type of audit required shall be determined by whether the contractor meets conditions to be considered as a sub recipient of federal funds, the dollar total of all contracts entered into between the LGE and the contractor, and in some cases, the type of contract reimbursement method. It is expected that all contractors utilize generally accepted auditing and accounting principles to account for all funds.

### **Determining if the Contractor Must Submit an Audit:**

To determine if the contractor is required to submit an audit performed according to Government Auditing Standards, all of the following conditions must be met:

1. Is the contract a “Social Services” contract? Yes No  
(If “No”, no audit is required. Skip the remaining questions.)
2. Does the contractor receive \$100,000 or more from NEDHSA? Yes No  
(If “No”, no audit is required. Skip the remaining questions.)

If the answer to questions 1 and 2 are “YES”, then the contractor is required to submit an audit to NEDHSA.

3. Audit reports shall be sent no later than six (6) months after the end of the audit period.

If the contractor is a non-Federal entity that expends less than **\$100,000** (state req) during the program's fiscal year, the program must retain records to support expenditures, and make those records available for review or audit by appropriate officials of the Federal Agency, the pass-through entity, and the General Accounting Office.

If the program is a non-Federal entity with **\$750,000** or more in Federal expenditures, the program must complete a program-specific audit only when both of the following conditions were met:

- a) The expenditures are under only one (1) Federal program
- b) The Federal program does not require an A-133 audit.

### **Submission of the Completed Audit**

All audits must be conducted by an independent certified public accountant, and must be submitted within six months of the end of the contractor's business year. Two copies of the audit should be sent to LDH and one copy to the LGE. By law, seven copies (six bound and one unbound) of the audit must also be submitted to the Legislative Auditor's Office. **All audits should have the CFMS number on the front cover of the audit.**

If a required audit is not submitted the contractor will be banned from doing business with the state until audit is filed. *The LGE will not re-enter into a contract with a contractor unless corrective action plans in response to findings have been received and approved.*

## **DATA COLLECTION AND SUBMISSION**

Contractors are expected to transmit client-level data as required by individual contract Statement of Work via a prescribed database and timeline as outlined in the contract Statement of Work. When a scheduled submission will not be made on time, the contractor should notify the HSA office (by telephone, fax or email), and provide a revised delivery date, which must be as soon as possible.

Treatment facilities/service providers should enter their client data daily to assure completeness and accuracy of agency data submitted. Prompt data entry by service providers and subsequent submission to the HSA will enable timely analysis and publication of statewide reports.

### **Quality Control Responsibilities**

Each contractor is responsible for:

- Ensuring that each record in the data submission contains the required key fields that all fields in the record contain valid codes, and that no duplicate records are submitted
- Cross-checking data elements for consistency across data fields
- Responding promptly to HSA error reports by resubmitting corrected data where appropriate
- Reviewing the HSA Feedback Tables for accuracy, notifying HSA when organization data has changed, comparing the HSA data with comparable contractor data to assure the data have been completely and accurately reported to HSA, and notifying HSA of any data issues identified

- Responding to questions about potential data problems, when applicable, and resolving all data issues identified or providing an explanation as to why the data issue cannot be resolved or does not require resolution.

## CONTRACT AMENDMENTS

When any condition or term of the contract is changed, a contract amendment is to be entered into and agreed upon by both parties.

Contract amendments usually occur for the following, non-exclusive, reasons:

- *change in contract dates*
- *change in contract amount*
- *change in description of services*
- *additional contract provisions*

A written justification is needed for all amendments. An amendment to increase the contract amount with or without providing additional services, shall require **detailed financial documentation** as to why the increase is necessary and the formula used to determine the amount of the increase. The justification will not be included in the language of the contract, but will become part of the documentation package associated with the contract.

A contractor has agreed to provide the prescribed services for the amount in the original contract for the term of the contract. Any changes to the terms should not occur until negotiations begin for a new contract. Exceptions may include minor process changes which do not affect the contract deliverables or scope of work performed. These may be negotiated with the Director of Corporate Compliance and Contracts and will be documented through email verification of the agreed process changes included in the contract file.

Contract amendments are **NOT** necessary in the following circumstances:

- Change between existing approved budget categories in a cost-reimbursement contract which does not change the total amount of the contract.  
A **Budget Revision Form** is to be used to accomplish this change.
- Change of Vendor Address. The contractor should notify, in writing, the agency program monitor responsible for the contract.
- Canceling of a Contract. See Termination of Contract procedures.

When amending the Statement of Work, attach the revised Statement of Work using “strike-throughs” to remove information and “**BOLD**” print for added information.

**Note: If the amendment is signed by anyone other than the individual who signed the original contract, a new Board Resolution is required.**

## BUDGET REVISIONS

Budget revisions are used to obtain approval for increasing/decreasing the amount budgeted in certain categories of **cost reimbursement** contracts. Because changes in one category are offset by changes in another, **the total amount** of the contract does not change, and a contract amendment is not required. The specific changes must be shown, and the reason for them explained in **detail**, on the Budget Revision Form.

**Any proposed change which would add funds in a category which has no money in the current contract will require a contract amendment, because it is usually indicative of a change in program scope or requirements included in the Description of Services.**

A Budget Revision within budget categories but does not change the budget amount does not require an amendment. A copy of the budget revision will be maintained in the contract file. All budget revisions require prior approval.

## PERFORMANCE EVALUATIONS AND CONTRACT MONITORING ANNUAL PERFORMANCE EVALUATION REPORTS (formerly Monitoring Reports)

The program monitor is responsible for ensuring that the contractor has met all the obligations of the contract and is to certify that the work under the contract has been completed. The contract monitor verifies that all deliverables have been met in a timely manner and determines if the contractor should continue to be utilized for contracts with the program.

Performance Evaluation Forms are due **45 days** after the termination or 30 days past the fiscal year of a contract and are required for **all** contracts. If the contract is a multi-year contract, the performance evaluation form is due at the end of the contract period (not the end of each fiscal year). All sections of the performance evaluation form are to be completed.

If the contract was amended to increase or decrease the amount of the contract or to extend the termination date, the amended amount and/or termination date will be used. If the contract was cancelled during the contract period, the termination date on the performance evaluation form will be the cancellation date of the contract. The program monitor must sign the performance evaluation form before submission to LDH Contracts Management. For contracts \$20,000 or less, only the original should be sent to LDH Contracts Management. For contracts over \$20,000, the original and one copy should be sent to LDH Contracts Management.

It is recommended that programs develop an internal form for monitoring the contract on an on-going basis throughout the duration of the contract. The level and timing of review should be determined at the program level. It is recommended that internal monitoring be done monthly for a review of deliverables, quarterly for a review of programmatic review and then an annual review. The internal monitoring reports should be maintained at the originating program office.

Some examples of items to monitor on an on-going basis include, but are not limited to:

1. *Licensure and credentialing*
2. *Time sheets in comparison to vouchers/invoices*
3. *The quality of the product/services/treatment*
4. *Compliance with deliverables*
5. *Number of people served/service units provided*
6. *Organizational structure/changes in personnel or policy*
7. *Quality assurance*
8. *Safety and emergency preparedness*
9. *Programmatic policies and procedures related to the Statement of Work*

After monitoring review is completed, the program monitor and the contractor should review any deficiencies and/or strengths. The contractor and program monitor should document the review and any corrective action(s) taken in prior periods.

If deficiencies are found, the program can and should take steps to either cancel the contract or advise the contractor of such deficiencies and request corrective action.

### **Recommended Timeframe for Deficiency Actions**

1. Write a letter to contractor informing of deficiencies
2. Allow 14 days to submit corrective action plan
3. Re-visit within sixty days if necessary to assure corrections have been completed
4. If not in compliance, the contract should be **terminated**

## **CONTRACT TERMINATION OR CANCELLATION**

Termination or cancellation of a contract may occur for the following, non-inclusive, reasons:

- The need for the service no longer exists.
- Funding is not available for continued purchase of the service.
- Service costs require competitive bidding to award contract for the service.
- Non-performance of contract terms.
- Deficiencies in provision of services required by the contract.
- Contractor does not wish to continue the contract.

Contract termination, for reasons other than those specified in the contract document, must generally be preceded by either party giving a 30-day written notice

to the other. Loss of licensure, however, is cause for immediate termination of the contract, without advance notice. Additionally, both the contractor and the agency can mutually agree to terminate the contract prior to the 30-day notice period.

When a contract is cancelled or terminated, no termination costs are allowed. Only costs incurred for successful work to the date of cancellation will be paid. Disposition of records and equipment may need to be coordinated with LDH.

In order to terminate a contract, documentation in the form of a letter or memo is needed. The documentation must be from the person initiating the termination and contain the reason(s) for termination as well as the contract number (PO#).

A BA-22 must also be included in order to reduce the contract amount to zero. The BA-22 should be filled out **after** confirmation that the last invoice has been paid.

### **Non-Renewal of Contracts**

It is not legally necessary to give advance notice or cause to a contractor for non-renewal of a contract. The termination date, as specified in the contract, severs the relationship between the two parties unless definitive action is taken to renew the contract.

## **REQUIREMENT FOR PROMOTIONAL MATERIALS**

This information must be supplied to any contractor that is providing any printed information. It is recommended that it be included in the Statement of Work.

All printed matter shall contain the following statement with required information inserted, printed on the publication adjacent to Agency identification:

*CONTRACTOR understands and agrees that consideration for Northeast Delta Human Services Authority (HSA) as a primary funding source for the program shall be noted on program publications, training materials, and community outreach materials used in the promotion of the program. CONTRACTOR further agrees to acknowledge Northeast Delta HSA as a primary funding source for the program information on CONTRACTOR's website, if applicable.*

## **REQUIREMENT FOR CONTRACTS WITH FAITH BASED ORGANIZATIONS**

The following should be included as an additional attachment for any contracts with faith based organizations that are receiving funding from LDH:

1. The contractor understands and agrees that the contractor shall not convey religious messages, or promote or advocate religion in any way in any activity, event or material sponsored or financially supported in whole or in part by Northeast Delta HSA or LDH funds. The contractor further understands that Northeast Delta HSA may terminate its contract, and cease funding to it should the contractor convey religious messages, or promote or advocate religion in

any activity, event, or material sponsored or financially supported in whole or in part by HSA or LDH funding.

2. The contractor understands and agrees that the contractor shall segregate federal funds from non-federal funds.
3. The contractor understands and agrees that the contractor shall provide a copy of its financial audit for the previous or current contract year.
4. The contractor understands and agrees that the contractor shall have procedures in place to ensure no discriminatory actions are practiced when services, including outreach activities, are delivered to the client based on:
  - a. Religion
  - b. Religious belief
  - c. Refusal to hold a religious belief
  - d. Refusal to actively participate in a religious practice.
5. The contractor understands and agrees that the contractor shall have procedures in place to ensure NEDHSA is notified when a client is referred to an alternative provider when such client objects to its religious character.
6. The contractor understands and agrees that the contractor shall have procedures in place to ensure all clients or prospective clients are given a notice of their right to services from an alternative provider:
  - a. The notice clearly articulates the client's
    - i. Right to a referral and services that reasonably meet the requirements of timeliness,
    - ii. Capacity to provide comparable services,
    - iii. Accessibility within a reasonable period of time, and
    - iv. Equivalency requirements, value of referred services are not less than rejected services.
7. The contractor further understands that, if found in violation of the preceding provisions, the contractor will be given written notice of the violation, and that if the contractor does not remedy the violation within the remainder of its contract period or sixty days, whichever is longer, the HSA will exercise its authority to neither renew, nor consider new funding requests from, that contractor or any individual responsible for the violation in the next contract period.
8. The contractor understands and agrees to include the following language in any writing concerning any activity that the HSA, in whole or in part, sponsors or financially supports:

*Under limitations imposed by the Constitution, HSA/LDH funds may not be used for activities, events, or materials that include religious messages or otherwise promote or advocate religion. Northeast Delta HSA/LDH does not discourage or encourage private religious exercise. If you have any spiritual or religious questions that arise in context of events sponsored by Northeast HSA*

*or LDH, you are encouraged to consult with a spiritual advisor from your faith or system of belief.*

## **CONTRACTING WITH CURRENT AND FORMER STATE EMPLOYEES**

### **Code of Government Ethics**

#### **General Prohibitions (R.S. 42:1111 - 1121)**

**1113** Bidding on, entering into, or being in any way interested in any contract, subcontract or other transaction under the supervision or jurisdiction of the public servant's agency. This restriction also applies to the immediate family members of the public servant and to legal entities in which the public servant and/or his family members own an interest in excess of 25%.

#### **LA Revised Statute 39:1498**

(4) No current state employee will engage in the performance of the proposed contract except as provided for in R.S. 39:1498.2.

#### **LA Revised Statute 39:1498.2**

A. State agency personnel in the medical, nursing or allied health fields, state employees who are qualified to serve as interpreters for the deaf, faculty members of public institutions of higher education, and state employees selected to serve as instructors in the paralegal studies course of the division of continuing education at a state college or university may be employed by other state agencies through a contract for professional, personal, consulting, or social services in accordance with rules and regulations adopted by the office of contractual review.

#### **LA Administrative Code Title 34, Part V**

##### **§124 Exempt Occupations**

A. The following list of occupations shall be construed as falling within the definition of medical, nursing or allied health fields given in R.S. 39:1498.2. Personnel employed in these fields would therefore be exempt from the prohibition contained in R.S. 39:1498(4) which disallows personal, professional, consulting or social services contracts between the state of Louisiana and state employees:

- audiologist physical therapist
- dental assistant physician
- dentist podiatrist
- electroencephalograph technician practical nurse
- emergency medical technician professional dietician
- hospital chaplain psychiatrist
- inhalation therapist radiologic technologist
- medical laboratory technologist radioisotope technologist
- accredited medical records technician/administrator registered nurse
- nurse anesthetist rehabilitation counselor

- occupational therapist respiratory therapy technician
- optometrist respiratory therapy
- osteopath technologist
- pharmacist social worker
- psychologist speech pathologist
- ultrasonography technologist

## **USE OF FUNDS EXCLUSIONS**

Funds received from the NEDHSA shall not be used for the following:

- Provide patients with hypodermic needles or syringes.
- Make cash payments to intended/prospective recipients of health services.
- Satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal Funds.
- Purchase or improve land; purchase, construct, or permanently improve (other than minor remodeling) any building or other facility; or purchase major medical equipment.
- Pay salaries in excess of level I of the Federal Senior Executive pay scale.



### Supporting Documentation Guidelines

Expense Category	Support Documentation	Evidence of Incurred and Paid Cost	Notes
<p><b>Salaries and Wages</b> – expenses provided for all persons directly employed by the contractor.</p>	<p>Payroll registers – detailed according to specific positions in the contract budget.</p> <p>Payroll summary – detailed in the format of a payroll register that coincides with the contract budget.</p> <p>Salaries and Wages should be for the <b>GROSS</b> amounts for each position approved in the contract budget. If a percentage of an employee’s time is spent on the contract (as governed by the contract budget) that percentage and associated amount should be reflected on the payroll register. Only that percentage of a salary or wage is eligible for reimbursement.</p>	<p>If paid by <b>check</b> – copy of the issued check.</p> <p>If paid via <b>direct deposit</b> – copy of direct deposit pay stub.</p> <p>In addition, contractor must submit timesheets/cards that document time worked for any salaries/wages charged to the contract. Employees who are paid a salary, regardless of hours worked, can sign a statement indicating that they fulfilled their job obligations, rather than documenting actual number of hours worked daily.</p>	<p>If a contract approved position becomes vacant, contractor must request a budget revision before claiming salary expenses for a different position.</p>

Appendix A

Expense Category	Support Documentation	Evidence of Incurred and Paid Cost	Notes
<p><b>Fringe Benefits</b> – for direct employees of the contractor on the contract (employer’s share or employer’s contribution for additional fringes paid by the employer that are not included in employee’s gross wages).</p>	<p>Payroll registers/payroll summary reports detailed to reflect the various Fringe Benefits (i.e. health insurance, retirement, FICA, Medicare taxes, etc.) for each position according to the contract budget indicating the rates and computations.</p>	<p>If paid by <b>check</b> – copy of the issued check.</p> <p>If paid via <b>direct deposit</b> – copy of direct deposit pay stub.</p>	<p><b>Fringe Benefits are for positions funded in the contract.</b> If a percentage of a position is funded, then only that percentage of the applicable fringe benefit is eligible for reimbursement.</p>
<p><b>Operating Services</b> – expenditures, other than personal or professional services, required in the operation of the contract. Operating services include, but are not limited to, expenditures such as advertising, utilities, telephone services, printing, insurance, maintenance, rentals, dues and subscriptions, and communication services.</p>	<p>Monthly invoice or statement including summary page with detailed expenses from the service provider along with payment receipts or checks.</p>	<p>If paid by <b>check</b> – copy of issued check.</p> <p>If paid via <b>credit card</b> – copy of receipt with credit card authorization/confirmation.</p>	<p>Statements of charges are acceptable only if the vendor issues no other form of billing.</p> <p>Late fees and surcharges are not reimbursable.</p> <p>Expense must be approved in contract budget.</p> <p>Printing and advertising material must be approved by NEDHSA before printing.</p>
<p><b>Travel</b> – (mileage, meals, lodging, rental car, parking tolls, etc.) must be contract related, authorized in the contract and in the accordance with the State of Louisiana Travel Guide Policies and Procedures Memorandum 49 (PPM 49).</p>	<p>Travel expense report for each travel payment. The state’s Travel Expense Form BA-12 is to be used. Paid receipts with zero balances for expenses claimed. Where applicable, receipts must reflect the name of the traveler or person requesting the reimbursement.</p>	<p>If paid by <b>check</b> – copy of issued check.</p> <p>If paid via <b>credit card</b> – copy of receipt with credit card authorization/confirmation.</p>	<p>Mileage – Contractors must comply with the Division of Administration vehicle rental requirement.</p> <p>Expense must be approved in the contract budget.</p>

Appendix A

Expense Category	Support Documentation	Evidence of Incurred and Paid Cost	Notes
<b>Trainings, Meetings, Workshops, Conferences, etc. (travel/operating/supplies/Food)</b>	Copy of agreements/contracts and invoices. Agendas, brochures, and sign-in sheets of attendees, where applicable	If paid by <b>check</b> – copy of issued check.  If paid via <b>credit card</b> – copy of receipt with credit card authorization/confirmation.	Expense must be approved in the contract budget.
<b>Supplies</b> – expenditures for articles and commodities under \$1000 which are consumed, to be consumed, or materially altered when used in the operations of a business.	Vendor invoices or receipts.	If paid by <b>check</b> – copy of issued check.  If paid via <b>credit card</b> – copy of receipt with credit card authorization/confirmation.	Expense must be approved in the contract budget.
<b>Lease or Rental of Property or Equipment (Operating)</b>	Copy of lease or rental agreement submitted with the first invoice and subsequent invoices should include only receipts or vendor invoices.	If paid by <b>check</b> – copy of issued check.  If paid via <b>credit card</b> – copy of receipt with credit card authorization/confirmation.	Expense must be approved in the contract budget.
<b>Equipment (Acquisition)</b> – tangible assets purchased with and acquisition cost equal to or greater than \$1000 for use in the operations of an office such as office machines and furniture. Cost would include purchase price, delivery charges, taxes, and other purchase related costs.	Vendor invoices and receipts.	If paid by <b>check</b> – copy of issued check.  If paid via <b>credit card</b> – copy of receipt with credit card authorization/confirmation.	Expense must be approved in the contract budget and by program monitor <b>prior</b> to purchase.  All equipment must be documented in an inventory list that is available for review by program monitor upon request.  Upon the termination of the contract, equipment purchased remains with the contractor unless NEDHSA requests that the property reverts to NEDHSA.

Appendix A

Expense Category	Support Documentation	Evidence of Incurred and Paid Cost	Notes
<b>Administrative and Indirect Costs</b> – administrative or other expenses that are not directly allocable to a particular activity or project; rather they are related to overall general operations and are shared among projects and/or functions.	Copy of approved Indirect Cost Plan or Cost Allocation Plan.  Monthly invoice for the approved monthly charge.	Payroll Register  Bank Statements  Credit card statements  Invoices and Receipts	Expense must be approved in the contract budget.  <b>Evidence of incurred and paid cost must be kept on file with contractor for review upon request.</b>
<b>Other Direct Costs</b> – costs associated with the operations of a contract not specifically defined in other categories.	Vendor invoices and receipts.	If paid by <b>check</b> – copy of issued check.  If paid via <b>credit card</b> – copy of receipt with credit card authorization/confirmation.	Expense must be approved in the contract budget.
<b>Client Needs</b> – costs associated with the operations of a contract not specifically defined in other categories. (supplies/operating)	Vendor invoices and receipts.	If paid by <b>check</b> – copy of issued check.  If paid via <b>credit card</b> – copy of receipt with credit card authorization/confirmation.	Expense must be approved in the contract budget.  Items that are available or paid through another source are not allowable expenses. This includes food for stocking pantries, medical expenses, transportation to medical appointments, etc.
The NEDHSA is the payor of last resort. During the HSA’s audit of CONTRACTOR, CONTRACTOR agrees to provide an annual detailed written accounting of all in-kind contributions and all income generated by activities supported through funding from this contract, including payments received from clients or third parties, and to maintain records of the receipt and disposition of grant related income in the same manner as required for Federal funds received in support of the grant.			
CONTRACTOR shall employ record-keeping receipt procedures which shall provide an audit trail for expenditures and income received. Appropriate financial documentation for reimbursement must be submitted by the <b>10<sup>th</sup></b> of the following month to the HSA. Failure to establish and retain adequate documentation will result in disallowance of such expenditures and represents a contractual breach.			
The Executive Director and/or Chief Financial Officer must sign the request for payment form. Otherwise, payment of that invoice will be denied.			

**Consultation with program monitor is advised to receive prior approval before expenditures.**