

CABRINI OF WESTCHESTER

Policy #

Department: **Administration**

Title: **Contracts, Purchased Goods & Services**

Policy: Cabrini of Westchester (“Cabrini”) acknowledges and supports that contracts, purchased goods and services with contractors, vendors or consultants (“contractor(s)”) will be made in good faith and will be of fair market value.

Purpose:

1. To protect the rights and interests of both parties to the contract.
2. To be prudent stewards of the monetary resources of the facility.
3. To be compliant with the laws, rules and regulations governing contracts by the federal and state governments.

Procedure:

1. Contracts must:
 - a. Be in writing, signed by both parties, and cover only identifiable items or services;
 - b. Specify the timeframe for the deal, which can be for any period (usually no longer than 3 years), and contain a termination clause;
 - c. Specify the compensation which must be set in advance, must be consistent with fair market value, and cannot take into account referrals or payments for referrals for medical services that are covered by Medicare or Medicaid, or any other business generated between the parties;
 - d. Involve a transaction that is commercially reasonable and furthers the legitimate business purposes of the parties;
 - e. Not violate the Anti-Kickback Statute;
 - f. Comply with the federal and/or state mandates for management of funds provided by federal or state agencies, e.g., completion of appropriate applications for funding, routine submission of vouchers, utilization of specified accounting practices and distribution methods, submission of routine reports, and inclusion of specific contract wording;
 - g. Be part of a bidding process (See policy “Competitive Bidding” 10/31/18);
 - h. Be checked for exclusion by the federal and/or state governments (See Policy: Exclusion Screening for OIG/OMIG);
 - i. Include the provision to the contractor of Cabrini’s policy related to the Deficit Reduction Act, and assure the contractor/vendor signs receipt of same;
 - j. Clearly define the quality expectations for the goods or services, and the contractor’s role in collaborating with Cabrini’s Quality Assurance and Performance Improvement activities where necessary;

Policy: Contracts, Purchased Goods & Services

- k. Require that those contractors solicited to assist Cabrini in providing DIRECT care or services to its Residents or Patients provide the same level of quality of care or services as Cabrini staff would provide,
 - l. Require that to the extent that the Contractor's services under the Agreement/contract relate to Cabrini's participation in the Medical Assistance program under Title 11 of Article 5 of the Social Services Law, and to the extent that the contractor is acting within the scope of its authority pursuant to the Agreement/contract and within affected risk areas as defined in 18 NYCRR Part 521-1.3(d), the Agreement/contract must include the "Contract Addendum (18 NYCRR Part 521),"
 - m. Be reviewed against the "Contract Guide" to assure that all facets of the contract meet legal and ethical standards.
2. Discounts
Discounts must be made at the time of sale. If an item or service is claimed separately for payment, the discount must be reported.
 3. Gifts
Gifts from vendors or healthcare companies could be considered a kickback under the Anti-Kickback Statute. Soliciting or receiving kickbacks, bribes or rebates in return for referring patients for Medicare or Medicaid-covered services, or for buying an item or service covered by Medicare or Medicaid, is expressly prohibited
 4. De Minimis Compensation
Small items and things of minimal value (not greater than \$25), such as coffee mugs, pens or paper, may be accepted from contractors. Gifts must not be offered or received in circumstances where it could appear that the purpose of the gift is to improperly influence Cabrini's relationship with a contractor, regulator, or other person or entity.
 5. Space Rental
Leases must be written and signed for a period of a least one year, have a specified location, have the rent set in advance, charge rent at fair market value, and not be linked to referrals.
 6. Equipment Rental
The same terms apply as for space rental, and the equipment must be specified in the lease.
 7. Warranties
Cabrini can accept warranties from manufacturers and suppliers. Warranties can only be for goods, not services, and must provide the manufacturer's warranty information to federal or state agencies upon request.



Policy: Contracts, Purchased Goods & Services

8. Corporate Compliance

The following language must be added to all contractors’ (including physician consultants) agreements, depending on the nature of the agreement:

- a. [Name of Contractor] hereby warrants and represents that [Name of Contractor] has not been excluded from Medicare or Medicaid programs and has not been the subject of any adverse action by a state or federal licensing body, disciplinary agency, enforcement entity or authority, including the Office of the Inspector General, Office of the Medicaid Inspector General, the Department of Justice and the State Attorney General.
- b. [Name of Contractor] hereby warrants and represents that [Name of Contractor] shall abide by the terms and conditions of Cabrini’s Corporate Compliance Program as set forth in its Corporate Compliance Plan/Code of Conduct.
- c. [Name of Contractor] shall indemnify and hold harmless Cabrini of Westchester, its officers, employees and agents from and against all claims, losses, damages or liabilities (including attorney’s fees) in connection with [Name of Contractor]’s breach of the representations and warranties contained in this Section 8, paragraphs a and b above.

This paragraph shall survive the termination or expiration of this Contract (or Agreement).

9. Miscellaneous Contracts

Refer to the attached Addendum A “Contract Guide” for guidance on other provisions that should be considered for incorporation into contracts, depending on the nature of the contract.

For any questions or problems regarding specific negotiations of contracts, contact your Administrator or the Compliance Officer, as appropriate.

Responsibility

Action

Purchasing Agent/Administration	1. Solicits bids.
Administrator/Department Head	2. Selects contractor or vendor
Purchasing Agent/Compliance Officer	3. Searches Exclusion database to assure contractor has not been excluded by federal or state government
Contractor/Vendor	4. Presents contract and/or proposal



Policy: Contracts, Purchased Goods & Services

- | | |
|-------------------------------|--|
| Administrator/Department Head | 5. Reviews contract, requests legal advice, if appropriate |
| Administrator/ Contractor | 6. Signs Contract |
| Purchasing Agent | 7. Issues purchase order |

REFERENCES

18 NYCRR Part 521

Omnibus Budget Reconciliation Act of 1993 (OBRA-93), “Deficit Reduction Act”

NYS SOS §363-d

Approved by: _____
Title:

Effective 07/23/9???

Date: *Revised Date:* 08/04/2004; 01/31/2019; 06/2023
