

Region 5 Systems

Network Management Procedures
CARF Standard 10
206 NAC 4-000

Revised: RA 9/21/17

■ Contract Negotiations and Service Reimbursement Methods Procedures

The following procedures are established for Region 5 Systems and its Provider Network to address the areas of contract negotiations, purchase-of-services, and fee-for-services contracts.

Standard 10.a.-b. Contract Negotiations

The following outlines Region 5 Systems' annual process for contract negotiations with Network Providers:

1. **February:** As an intermediary, Region 5 Systems annually receives Budget Plan Guidelines and a contract template from the Division of Behavioral Health (DBH) in a draft format, outlining the service rates, compliance mandate expectations, terms/duration of contract, manner of contract termination or renewal, and roles and expectations for all three parties (Region 5 Systems, DBH, and Network Providers).
2. **March:** Region 5 Systems reviews the draft documents and subsequently works with the Provider Network to prepare a budget plan, which is submitted to DBH.
3. **April:** A meeting is held between DBH and Region 5 Systems to discuss the draft budget plan. Thereafter, the draft budget plan is presented to the Regional Governing Board for preliminary review; the plan is subsequently submitted to DBH for review and approval. Finally, DBH submits to Region 5 Systems a follow-up letter to confirm the budget plan has been approved.
4. **May:** Development of the Network Providers' annual contract with Region 5 Systems, including applicable pass-through language from the DBH contract.
5. **June:** The Regional Governing Board approves the final contract proposals, as recommended by the Regional Administrator. Thereafter, the draft Network Provider contract is disseminated to each Network Provider for review and negotiations.
6. **July:** Marks the start of new contract fiscal year (July 1 – June 30).
7. **July-August:** Network Provider contracts are executed.

Purchase-of-Services or Fee-for-Services Contracts

As applicable, the contract process described above shall include a definition of service reimbursement as follows:

- Fee-For-Service (FFS): FFS reflects current rates and the number of units provided in each service for which payment is requested. FFS services are reimbursed based on a unit of service up to the designated capacity specified in the contract.
- Non-Fee-For-Service (NFFS): reflects all payments requested based upon expenditures and unit or case rate. NFFS services are reimbursed based on actual monthly expenditures up to the designated amount specified in the contract.

Standard 10.c. Group Purchasing

This is currently not applicable to Region 5 Systems' Provider Network.

Standard 10.d. Per-Capita Rate Setting

This is currently not applicable to Region 5 Systems' Provider Network.

Standard 10.e. Group Insurance

Region 5 Systems does not offer group insurance to its Provider Network.

Standard 10.f. Shared/Joint Risk

This is currently not applicable to Region 5 Systems' Provider Network.

Standard 10.g. Collective Bargaining

Region 5 Systems is an independent employer, separate from the employer-employee relationship of its Provider Network. Region 5 Systems will address any special requirements/considerations that may be imposed upon Network Provider employees as a result of a collective bargaining process.

Standard 10.h. Self-Determined Voucher Arrangements

Region 5 Systems does not offer vouchers directly to consumers of behavioral health services in the Provider Network.