

Self-assessment Checklist: Contract Management

The following questions are designed to help healthcare business owners evaluate their contract management policies and procedures. For additional risk control tools and information on a wide and growing range of topics, visit www.cna.com.

Risk Control Measures	Present? Yes/No	Comments
Business		
Are both parties' expectations clearly expressed within the contract?		
Does the contract include a termination provision , both for and without cause?		
Are all post-termination obligations – such as returning intellectual property or keeping identifiable patient information confidential – clearly stated and acceptable to both parties?		
Does the contract specify the renewal arrangement – i.e., whether renewal is automatic or must be agreed upon by both parties?		
Are patient satisfaction levels and other contractually specified quality indicators reviewed on an ongoing basis?		
Is there a "disruption of business interest" clause , i.e., a stipulation that the party responsible for any interruption of business must reimburse the other party for lost earnings?		
Can reimbursement arrangements be administered – i.e., can the organization give or receive something of value in exchange for business paid for by Medicare or other government programs in conformity with federal and state laws and regulations?		
Financial		
Are payment methods and risk-sharing issues expressly addressed within the contract?		
Does the agreement protect against the potential consequences of criminal actions committed by the other party , such as Medicare fraud or abuse?		
Is disclosure of negotiated rates prohibited by contractual provision?		
Is there an opt-out clause to protect against payer insolvency?		
Clinical		
Is there a reasonably restrictive non-compete clause for providers who terminate services with the practice?		
Are the contract's credentialing procedures for contracted healthcare professionals consistent with applicable laws , as well as organizational policy?		
Are contracted personnel required to participate in facility committees , such as risk management, safety, quality and clinical service?		
Does the contract address patient confidentiality and healthcare information access and disclosure in a manner consistent with HIPAA and other state and federal laws?		
Does the contract cover peer review , as well as other performance review processes?		

Present?

Yes/No

Comments

Risk Control Measures

Insurance

Does the contract specify the type and minimum limits of coverage to be carried by each party?		
Is "tail" coverage required for parties carrying claims-made liability insurance?		
Does the contract discuss coverage for self-insured parties, requiring that such parties meet state requirements for the duration of the contract?		
Is a hold harmless provision included in the contract to minimize vicarious liability?		
Does the contract limit indemnification to the extent of insurance coverage?		
Is the practice named as a certificate holder with respect to providers' professional liability carrier?		
Does the contract require written notice of changes in insurance coverage?		
Does the contract address joint cooperation in the event of a claim, if such a provision is applicable?		
Does the contract involve performance of administrative duties, and if so, are associated exposures covered by the practice's directors and officers insurance policy?		

Legal

Do the parties signing the contract have the authority to make decisions on behalf of their business, and does the contractor have the appropriate legal structure to contract with others?		
Have all necessary documents and references been obtained and carefully reviewed?		
Is the contract wording plain and unambiguous, as well as specific and well-defined?		
Are contractual obligations explicit, comprehensible and reasonable?		
Are both parties permitted to negotiate changes in the contract prior to execution?		
Does the contract contain guidelines for dispute resolution, and are these guidelines mutually acceptable?		

This tool serves as a reference for organizations seeking to evaluate risk exposures associated with contract management. The content is not intended to represent a comprehensive listing of all actions needed to address the subject matter, but rather is a means of initiating internal discussion and self-examination. Your clinical procedures and risks may be different from those addressed herein, and you may wish to modify the tool to suit your individual practice and patient needs. The information contained herein is not intended to establish any standard of care, serve as professional advice or address the circumstances of any specific entity. These statements do not constitute a risk management directive from CNA. No organization or individual should act upon this information without appropriate professional advice, including advice of legal counsel, given after a thorough examination of the individual situation, encompassing a review of relevant facts, laws and regulations. CNA assumes no responsibility for the consequences of the use or nonuse of this information.