

## Policy Name: Contract Evaluation

### This policy applies to:

- **OSU Wexner Medical Center** (University Hospital, East Hospital, Brain and Spine Hospital, Richard M. Ross Heart Hospital, Harding Hospital, Dodd Rehabilitation Hospital, Ambulatory Clinics and Services)
- **Ambulatory Surgery Centers** (New Albany, Dublin)
- **Arthur G. James Cancer Hospital and Richard J. Solove Research Institute and Outreach Sites**

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## Policy Objective

In order to provide appropriate quality oversight, an evaluation of contracted services will be completed. The Ohio State University Wexner Medical Center (OSUWMC) and Arthur G. James Cancer Hospital and Richard J. Solove Research Institute (The James) will evaluate all clinical and non-clinical contracts in accordance with regulatory requirements.

## Definitions

Term	Definition
<b>CMS Conditions of Participation</b>	Federal regulatory health and safety standards that health care organizations must meet in order to participate in Medicare and Medicaid programs.
<b>Contract/Purchase Order</b>	A written agreement for the purchasing of services from a contractor/supplier.
<b>Contractor/Supplier</b>	A company, an employee of a company, or an individual providing a service or supplies for a defined business need as memorialized in a contract or purchase order.
<b>Direct Patient Care Service</b>	Health care that involves the examination of patients, treatment of patients (e.g. nurses, dialysis providers, radiologists) and/or preparation for diagnostic tests and procedures, including services (e.g. remote monitoring) used in the clinical management/diagnoses of the patient.

Term	Definition
<b>Patient Impact Service</b>	Suppliers of services that effect a patient's environment, typically in the hospital room (e.g. environmental services, florists, linen, pest control, preventative maintenance)
<b>No Direct Patient Care/Impact</b>	Suppliers of business services that the hospital and/or clinic uses to help manage a specific part of their business but do not have a direct impact on the patient (e.g. outside window washer, auditor, copy machine service contract).
<b>Supplies</b>	Suppliers of goods (e.g. reagents, blood pressure cuffs, chairs, tables, desks, computers, immunization supplies).
<b>Operational Owner</b>	The hospital or ambulatory manager/director responsible for the oversight of the contract or service provider (e.g. business stakeholder)

## Policy Details

1. Contracted services will be segmented into one of the following categories: direct patient care service, patient impact service, no direct patient care/impact, or supplies.
2. All Direct Patient Care Service and Patient Impact Service contracts will be evaluated on an annual basis with the exception of those that fall in the supply and no direct patient care impact categories.
  - a. Any product supply recalls/safety alerts will be handled through the Supply Chain process in accordance with established processes.
  - b. The No Direct Patient Care Impact category will be handled through the Supply Chain and/or legal process in accordance with established processes
3. Operational owners of categories that require regularly monitoring performance will provide Supply Chain and/or Legal Affairs with performance feedback if significant issues arise, and will complete an annual evaluation survey.
4. A summary of the annual evaluation will be prepared and sent to the Medical Staff Administration Committees and governing body for review and approval.

## Procedures

1. At the time of contract initiation, Supply Chain/Legal Affairs will assign the contract to one of the following categories:
  - a. Supplies
  - b. Direct Patient Care Service
  - c. Patient Impact Service
  - d. No Direct Patient Care/Impact
2. All Direct Patient Care Service and Patient Impact Service contracts will be assigned an operational owner at the time of initiation or renewal. The Operational Owner shall review the performance of the contractor/supplier on a regular cadence (e.g. monthly, quarterly, annually) .
3. Supply Chain and Legal Affairs will work with the Operational Owner to determine whether updates to the contract is needed if issues arise, and ensure compliance with the contract terms and conditions. In some instances

throughout the course of the year, contracts will be terminated if performance issues are not addressed.

4. Contractor must ensure the service(s) meet applicable federal laws and regulations as well as applicable OSUWMC/The James policies and procedures, which will be memorialized in a contract and/or purchase order.
5. Operational Owners must regularly assess the contractor/supplier for optimal performance against the contract terms and conditions.
  - a. Operational Owners will monitor key performance metrics through direct observation, audits, and/or incident reports.
  - b. Depending on the contracted service, the operational owner shall require the contractor/supplier to develop and submit performance, efficiency and/or quality data.
    - i. If needed, implement quality improvement processes to enhance performance and efficiencies.
  - c. Direct Patient Care Services contracts shall provide and attest the following to the Operational Owner:
    - i. Maintain position descriptions
    - ii. Assure licensure, registration, or certification requirements are met
    - iii. Provide orientation
    - iv. Provide competency assessments
    - v. Provide and certify ongoing education
    - vi. Conduct performance appraisals
    - vii. Conduct competency evaluation
  - d. Operational Owner monitors HIPAA compliance of contractor/supplier and must document corrective action for HIPAA non-compliance.
  - e. In collaboration with supply chain and legal affairs, the list of contractors/suppliers shall be reviewed and updated annually.

## Contacts

Office	Phone
Accreditation (OSUWMC)	614-293-9700
Accreditation (The James)	614-366-2378
Supply Chain	614-293-0512

## Resources

- TJC LD.4.03.09: Care, treatment, and services provided through contractual agreement are provided safely and effectively
- 482.12 TAG: A-0083: Contracted Services

# History

## The Ohio State University Wexner Medical Center

- **Issue Date:** 8/20/2020
- **Effective Date:** 5/8/2023
- **Review Cycle:** 3 years
- **Prior Approval Date(s):** 2/20/2020

Approved By	Approval Date(s)
Policy Oversight Committee	4/25/2023

## Arthur G. James Cancer Hospital and Richard J. Solove Research Institute

- **Issue Date:** 2/20/2020
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