

## **CONTRACTUAL AND FINANCIAL ARRANGEMENTS WITH PHYSICIANS**

### **POLICY:**

It is the policy of The Arc of Monroe County to conduct its business in compliance with applicable federal, state and local laws and regulations, and to adhere to the highest ethical standards.

### **STANDARD:**

There will be times when The Arc will need to work with physicians. In some cases, the physician won't be an employee. They will be a consultant or contractor. This means we will have a contract with them. The contract will say what they will do for us as a physician and how much we will pay them to do that. We would do this with a physician if we think it will help us support people better.

If we get referrals from a physician we contract with, there are laws that we have to follow. By referrals, we mean they send us people to provide supports to. The laws we have to follow have to do with:

- Employment agreements
- Personal services agreements
- Equipment and space rental arrangements

This policy applies to all of these if the physician is also a source of referrals.

### **PROCEDURE - General:**

1. Staff who are involved in contracting with physicians need to understand this policy.
2. One of the following has to review the contract or arrangement before the physician signs it:
  - a. CEO
  - b. COO
  - c. CFO
  - d. Chief HR Officer
3. This is the case whether we approach a physician or they approach us wanting to contract.
4. When we write up a contract, we can't base it on how many referrals we get from the physician.
5. We also can't expect more referrals from the physician just because we have a contract with them.

### **PROCEDURE – Employment agreements:**

1. The Arc might also decide to hire a physician as an employee.
2. If we hire a physician as an employee, they have to be considered like a regular employee.
3. Their pay has to be consistent with fair market value. This means that their pay is what others like them would get paid for the same work.
4. Their pay cannot be based on how many people they refer to us.
5. Their pay has to make sense even if we never got any referrals from them.
6. The HR Department will look at the proposed pay for the physician and see if it's fair market value. They will write down why they think what they think. That will be kept in case we need it.

7. After that, an agency officer will review the contract. If they think it's OK, it will be approved and the physician can be hired.

PROCEDURE – Personal services agreements:

1. The Arc might want to contract with a physician. These are sometimes called “personal services agreements”.
2. All contracts like this have to be approved by an agency officer.
3. They have to:
  - a. Be in writing and signed by an agency officer and the physician
  - b. List what services the physician will provide to The Arc
  - c. If the services will happen only once in a while, such as part-time or occasionally, the contract has to list out what their schedule will be and how much we'll charge for each block of services. The contract also has to say how much the physician will get paid for the whole contract.
    - i. Exception: If the physician will get paid an hourly rate, they have to keep track of their time. They use that to send a bill to the agency listing all the time they worked. The agency will then pay them per their hourly rate.
  - d. The rate has to be set ahead of time.
  - e. The rate can't have anything to do with the number of referrals the physician gives us.
  - f. The contract has to be for at least one year. If the contract is for less than one year, then we can't contract with them again until at least one full year has passed. Example: the physician's contract runs from Jan 1 to June 30, 2017. We can't contract with them again until after Jan 1, 2018.
  - g. The contract can't encourage anything that might be against the law.
  - h. The contract can't be for more services than the physician should be providing.
  - i. The services have to make sense.
4. The HR Department will look at the proposed pay for the physician and see if it's fair market value. They will write down why they think what they think. That will be kept in case we need it.
5. After that, an agency officer will review the contract. If they think it's OK, it will be approved and the physician can be hired.

Effective date:

1/1/07

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