

Proposed Standard Contract

Principal Agreement

Introduction

This Principal Agreement (“Contract”) is intended to address and contain all of the terms, parameters, guidelines, and expectations that must be met by any provider of services to any and all children under the care and responsibility of (agency name). In order for this Contract to be valid and enforceable, it must be signed by (agency authorized representative), and the Provider.

This Contract is effective as of this ___ day of (month/year), between the (“**the Buyer**”) and (“**the Provider**”), and shall expire at the close of business on ___ day of (month/year).

This is a term agreement for requirements and does not involve a definite financial obligation on the part of the Buyer, although the Buyer shall use this contract for the limitation of procurement of services as seen fit and or specified.

This Contract may be terminated by either party with thirty (30) days written notice.

1. **Adherence to Law.** This Contract is subject to the provisions of the Code of Federal Regulations, the amendments thereto, and relevant state and local laws, ordinances, regulations and pertinent health and behavioral health accreditation agencies / organizations. The Buyer may modify this Contract to comply with any requirements mandated by federal, state or local law by giving written notice of said modification to the Provider.
2. **Choice of Law and Forum.** This Contract shall be governed in all respects, whether as to validity, construction, capacity, performance, or otherwise, by the laws of the Commonwealth of Virginia and any action, administrative or judicial, brought to enforce any provision of this Contract shall be brought only in (locality). The Provider accepts the personal jurisdiction of any court in which an action is brought pursuant to this Contract for purposes of that action and waives all defenses to the maintenance of such action.
3. **Specific Interpretations.**
 - A. **Waiver.** The failure of the Buyer to enforce at any time any of the provisions of this Contract, or to exercise any option which is herein provided, or to require at any time any performance by the Provider of any of the provisions hereof, shall in no way affect the validity of this Contract

or any part thereof, or the right of the Buyer to thereafter enforce each and every provision.

- B. **Remedies Cumulative.** All remedies afforded in this Contract shall be construed as cumulative, that is in addition to every other remedy provided herein or by law.
- C. **Severability.** If any part, term, or provision of this Contract is held by a court of competent jurisdiction to be in conflict with any state or federal law, the validity of the remaining portions or provisions shall be construed and enforced as if this Contract did not contain the particular part, term or provision held to be invalid.
- D. **Captions.** This Contract includes the captions, headings and titles appearing herein for convenience only, and such captions, headings and titles shall not affect the construal, interpretation or meaning of this Contract.
- E. **Contract Construal.** Neither the form of this Contract, nor any language herein, shall be interpreted or construed in favor of or against either party hereto as the sole drafter thereof.

4. **Purchase of Services Order.**

- A. **Requirement for PSO.** A Purchase of Services Order (PSO) shall be issued for any and all discrete services that are to be provided by the Provider to any child under the supervision or authority of the Buyer. No services shall be administered to a child under the supervision or authority of the Buyer without a PSO authorizing such discrete services signed by the (agency representative) and the Provider.
- B. **Contents of PSO.** The PSO shall define the terms of purchase and service delivery to a specific child. The PSO shall include the proposed objectives, the term of service, and the type of services to be rendered to the child. The child's Individual Family Services Plan (IFSP) shall be considered by the Provider and the Buyer in determining the proposed objectives, the term of service and the types of services to be rendered to the child.
- C. **Charges under PSO.** The Provider agrees to charge the Buyer for only those services described in the PSO and in accordance with the Billing provisions of Section ten (10) of this Contract. The provider agrees to invoice for allowable, reasonable, and necessary service costs in accordance with the categories applicable to Title IV-E, Medicaid and other identified alternative funding source as directed by the buyer.
- D. **Adjustment or Termination of PSO by Buyer.** The Buyer may adjust or terminate the PSO at any time as a result of changes in the child's eligibility for or progress with services or if the Buyer deems it to be in the child's best interest to terminate the PSO. In the event that the Buyer becomes unable to honor any or all approved PSOs for causes beyond the Buyer's reasonable control, including, but not limited to, failure to receive promised funds from federal, state, or local government sources or donor default in providing matching funds, the Buyer may terminate or modify

any or all PSOs issued pursuant to this Contract as necessary to avoid delivery of services for which the Buyer cannot make payment. The Buyer shall notify the Provider immediately as soon as it becomes aware of such a cause for termination.

- E. **Termination of PSO by Provider.** The Provider may only terminate a PSO prior to its expiration in the event of the child subject of the PSO committing an infraction considered a Serious Incident as defined in Section fourteen (14) of this Contract and the Provider having followed the notice requirements stated therein. In the event of termination of a PSO, all reasonable efforts will be made to give the Buyer ____ days written notice prior to termination of services to the child. Such written notice shall include the specific reason(s) for terminating services to the child.
5. **Employee Background Checks:** Employees providing services to or having contact with a client placed by (provider) must be checked through a child protective service registry in the state where the client is placed within thirty (30) days of employment, so long as the aforementioned employee check is not in conflict with the Provider's state's laws. If it is known that the employee has moved from another state and has worked with children within one year of his or her employment this state must also be checked. If the Provider is notified that any of its employees are named in a child protective service registry, then this information will be made available by the Provider to the Buyer with thirty (30) days of receipt of such notice. The provider will be in compliance with all Federal and State laws, regulations and licensure requirements relating to the conducting of criminal checks of its employees.
6. **Licensure:** The Provider represents and warrants that it (1) duly holds all necessary licenses required by local, State, federal laws and regulations and (2) will furnish satisfactory proof of such licensure to the Buyer's representative within ten (10) days after the execution of the Agreement. The Provider covenants that it will maintain its required licensed status with the appropriate governmental authorities and will notify the Buyer within (____) days of the issuance of any provisional license. In the event such licensing is suspended, withdrawn or revoked, the Provider agrees that such suspension, revocation or withdrawal shall constitute grounds for the immediate termination of this Agreement. Misrepresentation of possession of such license shall constitute a breach of contract and terminate this Agreement without written notice and without financial obligation on the part of the Buyer to pay the Provider's invoices. (Local CPMT policies regarding removal or payment for services for any program placed on a provisional license may be inserted here).
7. **Service Quality.** The Provider shall provide services at or above the quality standard in the industry at which the service is provided. The description or evaluation written in the Office of Comprehensive Services (OCS) Service Fee

Directory of the Profile of Services and Prices shall set forth the minimum level of service acceptable.

The Provider shall permit representatives of the Buyer to conduct program and facility reviews to assess service quality and compliance with the Individual Family Service Plan of any child under the supervision or authority of the Buyer. Such reviews shall include, but are not limited to, meetings with consumers, review of services records, review of service policy and procedural issuance, review of staffing ratios and job descriptions, review of financial records pertaining to any child under the supervision and authority of the Buyer, and meeting with any staff directly or indirectly involved in the provision of services to any child under the supervision or authority of the Buyer. Such reviews may occur as deemed necessary by the Buyer and may be unannounced.

- 8. Service Rates.** The rates for services provided to a specific child by the Provider shall be set forth in the PSO for the child. The Provider may not increase the rate for any service described in a PSO during the term of the PSO unless the PSO provides for an automatic rate increase option, in which case the rate may only be increased in the initial month of the Buyer's fiscal year and must be agreed to in writing by the Buyer. The provider is required to have all services and rate information entered and up-to-date in the Service Fee Directory by the beginning of the contract year.

The Provider shall provide to the Buyer written notice of any planned rate increase (# days) prior to the initial month of the Buyer's next fiscal year. Such written notice shall contain the justification for the increase and shall be submitted in triplicate to the Buyer's Comprehensive Services Act Manager.

- 9. Medicaid.** The Provider shall file for Medicaid reimbursement for any Medicaid eligible services provided by the Provider to any Medicaid eligible child under the supervision or authority of the Buyer. The Provider shall be responsible for adhering to all Medicaid requirements, both service and fiscal. Any costs associated with improper management of Medicaid cases on the part of the provider shall be the sole responsibility of the Provider. The Provider shall provide the Buyer with documentation specifying the status of initial Medicaid approval within twenty-four (24) hours (one working day) of receipt of such by the Provider. All other documentation specific to Medicaid received by the Provider shall be provided in writing to the Buyer within forty-eight (48) hours (two working days) by the Provider. The Buyer shall not be responsible for payment of Medicaid eligible services that are denied by Medicaid for reasons attributable to fault of the Provider. (Local language can be added here to address appeals of Medicaid denials for services.)

OR

The Buyer shall 1) supply the Provider with the child's Medicaid number, if applicable; 2) include a Certificate of Need from FAPT within 30 days prior to

placement that indicates necessity of placement for residential treatment or a signed FAPT Assessment indicating medical necessity for treatment foster care placements within 10 days of admission to the program; 3) provide a complete copy of the DSM-IV diagnosis; 4) provide a completed CANS Assessment dated no more than 90 days prior to placement and every 90 days thereafter. Updated CANS Assessments should be given to the Provider in a timely manner for inclusion in the "Continued State Review" forms to DMAS prior to the expiration of the authorization period; and 5) provide a signed Reimbursement Rate Certificate for each child eligible for Medicaid reimbursement.

For Residential services Level A & B Community-based Residential Services: The Buyer shall submit to the Provider, within 10 days of admission to the program; 1) A Certificate of Need from FAPT within 30 days prior to the placement that indicates necessity of placement for residential treatment; 2) a CANS assessment completed within 30 days of admission to the program and every 90 days thereafter. Updated CANS should be given to the Provider in a timely manner for inclusion in the "Continued State Review" forms to DMAS prior to the expiration of the authorization period; and 3) a complete copy of the DSM-IV diagnosis.

For Residential services Level C: The Buyer shall submit to the Provider no more than 24 hours after admission to the program; 1) A Certificate of Need from FAPT completed within 30 days prior to placement that indicates necessity of placement for residential treatment; 2) a completed CANS dated within 90 days of placement and every 90 days thereafter. Updated CANS should be given to the Provider in a timely manner for inclusion in the "Continued State Review" forms to DMAS prior to the expiration of the authorization period; 3) a complete copy of the DSM-IV diagnosis; and 4) a signed Reimbursement Rate Certificate for each child eligible for Medicaid reimbursement.

10. **Billing.** The Provider shall bill the Buyer each month for all services rendered to a child pursuant to a PSO. The Provider shall bill the Buyer for any and all services provided within thirty (30) days of the date on which the service was provided. The Buyer agrees to mail payment for all correct invoices within forty-five (45) days of receipt of the invoice. In no case, shall the Buyer be obligated to pay for services rendered to a child when the Provider fails to submit an invoice to the Buyer for such services within forty-five (45) days of the date of the service.

The Provider's invoice shall list: the applicable services provided by funding source category as directed by the Buyer and shall specify the name of the child to whom each service was provided and the date of service. The amount billed for services shall be the amount agreed upon in the PSO authorizing services to the child to whom the service was provided. The Provider agrees to bill and the Buyer agrees to pay for only those services authorized by the PSO for a specific child.

The Provider shall bill the Buyer for the actual increments of service provided to the child as agreed upon by the buyer and the provider

In the event of an absence of a non-residential child for a previously scheduled service, the Buyer agrees to pay to the Provider the service rate agreed to in the PSO for the child for up to _____ such occurrences per Buyer's fiscal year.

The Buyer shall return incorrect invoices without payment to the Provider for correction within forty-five (45) days of receipt of the invoice.

Within fifteen (15) days of receipt of the returned invoice, the Provider shall correct any incorrect invoice and re-submit the corrected invoice to the Buyer for payment. If the Provider finds that the invoice is correct, the Provider shall forward a written explanation for the invoice with supporting documents to the Buyer within fifteen (15) days of receipt of the returned invoice. If the Provider's notification and supporting evidence are not received by the Buyer within the fifteen (15) day limit, then the Buyer shall not be obligated to make payment upon any disputed portion of the invoice. The Provider shall immediately notify the Buyer of any overpayment for services by the Buyer.

By signing this agreement, the Buyer and the Provider are in agreement that costs for services provided should be billed within thirty (30) days of the date on which the service was provided. The Buyer agrees to mail payment for all correct invoices within forty-five (45) days of receipt of the invoice.

11. Accounting and Record Keeping. The Provider shall maintain an accounting system and supporting records adequate to assure that claims for funds are in accordance with applicable state, federal and appropriate accrediting agency requirements. Such supporting records shall reflect all direct and indirect costs of any nature expended in the performance of this Contract and all income from any source. The Provider shall also collect and maintain fiscal and statistical data pursuant to the servicing of this Contract and any PSO for a child under the supervision or authority of the Buyer on forms designated by the Buyer.

The Provider agrees to retain all books, records, and other documents relative to this Contract and any PSO for a child under the supervision or authority of the Buyer for five (5) years after any final payment pursuant to this Contract and any PSO for a child under the supervision or authority of the Buyer or as long as necessary for purposes of any unresolved state or federal audit. The Buyer, its authorized agents, and state or federal auditors shall have full access to and the right to examine any of said materials during an audit.

12. Confidentiality. Any information obtained by the Provider pursuant to this Contract concerning applicants, a child under the supervision or authority of the Buyer, or such child's family members shall be treated as confidential. Use or disclosure of such information by the Provider shall be limited to purposes

directly connected with the Provider's responsibility for services under this Contract. Both parties further agree that this information shall be safeguarded in accordance with the provisions of the Code of Virginia, as amended, and any other relevant provisions of state or federal laws.

13. **Reports:** Unless otherwise stipulated, the Provider shall submit to the Buyer written suggestions for the IEP or IFSP (also known as Treatment Plan, Plan of Care or Service Plan), as the case may be, within thirty (30) calendar days of the initiation of services to the child/youth. The IEP/IFSP shall include at least the following information: type(s) and number(s) of disabilities, mental health and mental retardation diagnoses, or delinquent behaviors for which the purchased services are intended to address, prognosis, short and long term goals, expected outcomes, and performance timeframes mutually agreed to between the Buyer and Provider when the services are purchased. Progress reports shall include progress or lack of progress of child on long and short term goals, services rendered by the provider, client's response to the services, any changes to goals or interventions and reasons thereof, any anticipated change to expected goals, interventions or outcomes, medications administered (if any), and any significant incidents affecting the child. If the Provider fails to provide any written treatment plan, progress report, or termination report in a timely manner, the Buyer may withhold payment of the Provider's invoices until such plan or report is received.

The Provider shall provide the case manager with a copy of any reports of annual physical and dental examinations and psychological or psychiatric examinations of the child/youth conducted while under the care of the Provider.

If requested by the Buyer, the Provider shall provide a monthly utilization report for each child. The Provider shall submit the monthly utilization report within five (5) days after the end of each calendar month.

Upon two weeks notice of a meeting of the FAPT for a child, the Provider shall ensure that a representative with personal knowledge of the progress of the child and authority to bind the Provider attends and participates in such meeting

14. **Serious Incident Reporting:** The following procedures shall be adhered to in reporting a serious incident, actual or alleged, which is related to youth placed by the Buyer. A serious incident includes, among others, abuse or neglect; criminal behavior; death; emergency treatment; facility related issues, such as fires, flood, destruction of property; food borne diseases; physical assault/other serious acts of aggression; sexual misconduct/assault; substance abuse; serious illnesses, (such as tuberculosis or meningitis), serious injury (accidental or otherwise); suicide attempt; unexplained absences; or other incidents which jeopardize the health, safety, or well being of the youth.

Within 24 hours of a serious incident, or by the next business day, the Provider shall report the incident by speaking to or leaving a message for the case manager

of the placing agency of each youth involved. Within 48 hours of the serious incident, the Provider shall complete and submit to the case manager of the placing agency for each youth involved a written report.

The written report of the serious incident shall provide a factual, concise account of the incident and include:

Name of facility/provider; name of person completing form; date and time of serious incident; date of the report; child/youth's name, age, gender, ethnicity; placing agency name; placing agency case manager's name; where the incident occurred, description of incident (including what happened immediately before, during and after the incident); names of witnesses; action taken in response to incident; names/agencies notified (family, legal guardian, child protective services, medical facility, police); recommendation for follow-up and/or resolution of incident; signature of person completing report; and facility/provider director's (or designee) signature and date.

Separate reports should be completed and submitted for each child/youth involved and placed by the Buyer. The provider is responsible for ensuring the confidentiality of the parties involved in the incident.

In the event the case manager of the placing agency determines that a serious incident has occurred, the case manager will notify the Provider of the allegation. The provider shall within 48 hours of the case manager's notification complete and submit a written report as provided, supra.

15. **Transportation to Court.** The Provider agrees to transport a child in the care of the Provider to all scheduled court hearings and to ensure the child's timely arrival at such hearings unless exigent circumstances exist that prevent the Provider from providing such transportation. The Buyer agrees to provide the Provider with notice of a scheduled court date at least _____ business days prior to such date. The Provider agrees to notify the Buyer at least _____ business days prior to a scheduled court date of any inability on the Provider's part to transport a child to a scheduled court hearing.

The Provider further agrees that a shortage of staff does not constitute exigent circumstances for purposes of this Contract. The Provider agrees to bill the Buyer for costs of transportation in accordance with the Billing provisions agreed to in this Contract.

16. **Grievances.** In the event that a child under the supervision or authority of the Buyer submits a complaint to the Buyer concerning the Provider, the Provider shall promptly provide all verbal or written information or documents within its control relevant to such complaint to the Buyer upon a request by the Buyer for such information.

17. **Subcontracts.** The Provider shall not enter into any subcontract for any of the services approved under this Contract without obtaining the prior written approval of the Buyer. Subcontractors shall be subject to all of the provisions, requirements, and conditions of this Contract and any PSO signed pursuant to this Contract. The Provider shall be solely responsible for the performance of any of its subcontractors.
18. **Not Employees.** The Provider's performance under this Contract is as an independent contractor, and neither the Provider nor its employees, assignees or subcontractors shall be deemed employees of the Buyer while performing under this Contract.
19. **Insurance.** The Provider shall at its sole expense obtain and maintain during the term of this Contract the insurance policies listed and required herein, naming the Buyer as an additional insured, and shall furnish the Buyer with a certificate of insurance prior to commencing work upon any PSO signed pursuant to this Contract. Any required insurance policies must be effective prior to the provision of any services or performance by the Provider under this contract and such policies cannot be cancelled without ninety days written notice to the Buyer. The following insurance is required:
 - A. Commercial general liability insurance, written on an occurrence basis which shall insure against all claims, loss, cost damage, expense or liability from loss of life or damage or injury to person or property arising out of the Provider's performance under this Contract. The minimum limits of liability for this coverage shall be \$1,000,000.00 combined single limit for any one occurrence.
 - B. Contractual liability broad form insurance shall include the indemnification obligation set forth in this contract.
 - C. Workers' compensation insurance covering Provider's statutory obligations under the laws of the Commonwealth of Virginia and employers liability insurance shall be maintained for all its employees engaged in work under this contract. Minimum limits of Liability for employers liability insurance will be \$100,000 for bodily injury by accident each occurrence, \$100,000 bodily injury by disease (policy limit) and \$100,000 Bodily injury by disease (each employee). With respect to Workers' compensation coverage, the Provider's insurance company shall waive rights of subrogation against the Buyer, its officer, employees, agents, volunteers and representatives.
 - D. Automobile liability insurance shall be at least \$1,000,000.00 combined single limit applicable to owned or non-owned vehicles used in the performance of any work under this contract.

- E. Professional liability insurance with a minimum of liability of \$2,000,000.00.

The insurance coverage in amounts set forth in this Section may be met by an umbrella liability policy following the form of the underlying primary coverage and the minimum amounts as listed above. Should an umbrella liability coverage policy be used to satisfy the requirements of this section, such coverage shall be accompanied by a certificate of endorsement stating that the policy applies to all of the above types of insurance.

20. **Indemnity.** The Provider shall indemnify, defend and hold harmless (agency) its officers, agents and employees from and against any and all losses, liabilities, claims, damages and expenses including court costs and reasonable attorneys' fees arising from any material default or breach by the Provider of its obligations specified in this Contract, as well as all claims arising from errors, omissions, negligent acts or intentional acts of the Provider, its officers, agents employees and subcontractors.
21. **Force Majeure.** Neither party hereto shall be held responsible for delay or failure to perform hereunder when such delay or failure is due to acts of God, flood, severe weather, fire, epidemic, strikes, the public enemy, legal acts of public authorities or delays or defaults of public carriers, which cannot reasonably be forecast or provided against.
22. **Miscellaneous.**
- A. **Additional Provisions.** Any document referred to in this Contract but not attached hereto is hereby incorporated in this Contract by reference
 - B. **Merger.** This Contract, including all documents incorporated herein, constitutes both a complete and exclusive statement and the final written expression of all the terms of this Contract and of the entire understanding between the Provider and the Buyer regarding those terms. No prior written agreements or contemporaneous or prior oral agreements between the Provider and the Buyer regarding this Contract's subject matter shall be of any effect.
 - C. **Modification.** This Contract shall not be amended, modified, or otherwise changed except by the written consent of the Provider and the Buyer given in the same manner and form as the original signing of this Contract.
 - D. **Order of Precedence.** Where there exists any inconsistency between the provisions of this Contract and the provisions other documents that have been incorporated into this Contract by reference or otherwise, the provisions of this Contract shall control.

Signatures:

<hr/> Name and Title	<hr/> Provider	<hr/> Date
<hr/> Name and Title	<hr/> Buyer	<hr/> Date
<hr/> Name and Title	<hr/> Buyer	<hr/> Date