

<b>Stanford University Medical Network Risk Authority, LLC</b>	<b>Last Approval Date:</b> February 2019
<b>Name of Policy:</b> Contract Administration Policy	<b>Page 1 of 8</b>
<b>Departments Affected:</b> All Departments	

**I. PURPOSE:**

- A. To provide rules and guidelines for requests, approvals, drafting, review, signature, and administration of Contracts.

**II. POLICY:**

- A. Stanford University Medical Network Risk Authority, LLC (“The Risk Authority”) will use consistent standards for requests, approvals, drafting, review, signature, and administration of Contracts so that all contractual relationships are lawful, ethical, protect The Risk Authority and satisfy internal policies, external regulations, and optimize legal and Business Terms.
- B. A Contract is required if any of the following statements is true:
  - 1. A Vendor presents a legal or contractual document to sign.
  - 2. A Vendor includes terms and conditions on a quote, proposal, estimate, or invoice for the purchase of services.
  - 3. A Vendor is providing services on The Risk Authority’s premises.
  - 4. A Vendor is an Independent Contractor that is providing services to The Risk Authority.
  - 5. A Vendor will be paid more than One Hundred Fifty Thousand Dollars (\$150,000).
  - 6. A Vendor is considered a “Referral Source” and is providing services to, receiving services from, issuing payment to, or requesting payment from The Risk Authority.
  - 7. A Vendor will have access to Protected Health Information (“PHI”), internal data, or the Digital Solutions IT network.
  - 8. NOTE: A Contract is not required if a purchase involves only advertising insertion orders providing for the placement of advertisements in print, online, or broadcast media.
- C. A Contract must be in place before a Vendor provides goods and/or services.
- D. A Contract must be in writing and signed by all parties to the Contract.

<b>Stanford University Medical Network Risk Authority, LLC</b>	<b>Last Approval Date:</b> February 2019
<b>Name of Policy:</b> Contract Administration Policy	<b>Page 2 of 8</b>
<b>Departments Affected:</b> All Departments	

- E. With the exception of contracts prepared on The Risk Authority contract templates that were created by Contract Administration or the Office of the General Counsel for third-party client business activities, a Contract must be sent to Contract Administration before the Contract is signed. Contracts that involve software, hosted computing, or IT hardware are reviewed by the Digital Solutions department.
- F. A Contract that requires review by Contract Administration will not be signed by The Risk Authority unless accompanied by a signed Contract Approval Form.
- G. Any exception to this policy must be requested for each Contract and approved by the Director of Contract Administration or the Chief Executive Officer of The Risk Authority.

### III. DEFINITIONS:

- A. **Business Terms:** core operational details of a Contract, which Stakeholders and Contract Responsible Parties are responsible for reviewing and approving before signing a Contract. Click [here](#) to access definitions of Business Terms.
- B. **Contract(s):** an agreement between two or more parties setting forth terms and conditions in which there is a promise or obligation to do something in return for a valuable benefit, usually the payment of money. Contracts may be for the purchase or provision of goods and/or services, licensing of software, or many other purposes. Documents that amend or modify Contracts are also considered Contracts.
- C. **Contract Administration:** a department of Stanford Health Care that provides centralized Contract management and legal review services that include coordinating Contract requests, advising on contractual matters, negotiating and drafting legal documents, performing legal review, and facilitating timely renewal or termination of Contracts to meet internal policies and external regulations and optimize legal and Business Terms.
- D. **Contract Approval Form:** a document that provides an executive summary of a Contract for the internal signatory and signifies that the Contract has been approved by Contract Administration for signature.

<b>Stanford University Medical Network Risk Authority, LLC</b>	<b>Last Approval Date:</b> February 2019
<b>Name of Policy:</b> Contract Administration Policy	<b>Page 3 of 8</b>
<b>Departments Affected:</b> All Departments	

- E. **Contract Management Database:** software used by Contract Administration and Stakeholders to store fully signed Contracts, Contract data, and track Contract expiration dates.
- F. **Contract Request Form:** a document used to Request the preparation or review of a Contract. Click [here](#) to access the current Contract Request Form.
- G. **Contract Responsible Parties:** each Contract is assigned the following responsible parties who will receive automated email alerts about the Contract from the Contract Management Database:
  1. **Primary Responsible Party:** The Risk Authority Stakeholder, leader, or Contract Administrator.
  2. **Secondary Responsible Party:** the Chief Executive Office, or section Director of The Risk Authority.
  3. **Annual Contract Evaluation Responsible Party:** The Risk Authority's Contract Administrator.
- H. **Independent Contractor:** a Vendor that is an individual, a sole proprietorship, or business entity that is owned by a single individual, and that individual is providing services to The Risk Authority.
- I. **Protected Health Information:** Health Information, including genetic information, that is created or received by a Covered Entity and that is individually identifiable (i.e., is not de-identified).
  1. "Health Information" means any information (including genetic information), whether oral or recorded in any form or medium, that is created or received by a health care provider, health plan, public health authority, employer, life insurer, school or university, or health care clearinghouse; and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual.
  2. "Covered Entity" means a health care provider who transmits any health information in connection with a transaction; a health plan; or a health care clearinghouse.

<b>Stanford University Medical Network Risk Authority, LLC</b>	<b>Last Approval Date:</b> February 2019
<b>Name of Policy:</b> Contract Administration Policy	<b>Page 4 of 8</b>
<b>Departments Affected:</b> All Departments	

3. Under HIPAA, Protected Health Information does not include:
  - a. Education records covered by the Family Educational Rights and Privacy Act (“FERPA”);
  - b. Employment records held by a Covered Entity in its role as employer;
  - c. Information relating to blood banking activities, including procurement, testing, and other procedures; or
  - d. Individually identifiable information regarding a person who has been deceased for more than 50 years.

- J. **Referral Source:** a physician (a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor), physician group, hospital, ambulance service, managed care organization, nursing facility, laboratory, non-physician health care provider or other person or organization that refers patients to The Risk Authority, or to which The Risk Authority refers patients.
- K. **Request:** includes a request for: 1) a new Contract on a Contract Administration template, 2) the review of a Contract provided by a Vendor, 3) an amendment to or renewal of an existing Contract, and 4) a Contract termination letter.
- L. **Stakeholder:** a The Risk Authority workforce member who utilizes Contract Administration services.
- M. **Standard Contract Language:** a list of standard language maintained by Contract Administration that may be required in Contracts. Click [here](#) to access the current list.
- N. **Total Aggregate Value:** the total amount to be paid to The Risk Authority by a Vendor or paid to a Vendor by The Risk Authority pursuant to the Contract:
  1. *For new Contracts:* the Total Aggregate Value is the total expenditure under the Contract for the entire term of the Contract. In the case of a master agreement, pricing agreement, or other contract that does not specify a committed dollar amount, the Total Aggregate Value is the good faith estimated expenditure with the Vendor under the Contract for the entire term of the Contract.

<b>Stanford University Medical Network Risk Authority, LLC</b>	<b>Last Approval Date:</b> February 2019
<b>Name of Policy:</b> Contract Administration Policy	<b>Page 5 of 8</b>
<b>Departments Affected:</b> All Departments	

2. *For amendments to existing Contracts:* The Total Aggregate Value is the value of the new expenditure authorized by the amendment. For example: if the original Contract was for three years at \$1,000 per year and the amendment extends the term for one additional year at \$1,000 per year, the Total Aggregate Value of the Amendment is \$1,000.
  - a. If an affiliated entity is being added by amendment, the Total Aggregate Value of the Amendment is the good faith estimated expenditure by that affiliated entity with the Vendor for the remaining duration of the Contract.
3. *For statements of work, work orders, quotations, proposals, estimates, and similar documents that confirm the details of a specific order and are governed by the terms and conditions of a master agreement:* the Total Aggregate Value is the expenditure under the specific statement of work or similar ordering document, which should reflect the Stakeholder's good faith intent and plan for the entire scope of the project or goods and/or services. The scope and term (start/end dates) should not be artificially split into smaller pieces (e.g., three-month term when it is really a two-year project) so that the resulting total dollar value (e.g., \$149,999) falls under a certain signature authority threshold.

O. **Vendor:** a party with which The Risk Authority enters into a Contract.

#### IV. **PROCEDURES:**

##### A. **Contract Requests**

1. The Risk Authority Contract Administrator requests to Contract Administration must be submitted using the current Contract Request Form.
2. Contract Administration will verify the Vendor's legal name.
3. Contract Administration will verify that the Vendor is not an excluded party of the federal government.

##### B. **Contract Approvals**

1. The designated Contract Responsible Parties must review and approve the Contract Business Terms before signing the Contract.

<b>Stanford University Medical Network Risk Authority, LLC</b>	<b>Last Approval Date:</b> February 2019
<b>Name of Policy:</b> Contract Administration Policy	<b>Page 6 of 8</b>
<b>Departments Affected:</b> All Departments	

**C. Contract Drafting**

1. Contract Administration will use an approved Contract Administration or The Risk Authority Contract template that includes appropriate Standard Contract Language when a Contract is not provided by a Vendor.

**D. Contract Review**

1. Contract Administration will include Standard Contract Language when reviewing a Contract that is provided by a Vendor.

**E. Contract Signature**

1. Contracts must be signed by The Risk Authority’s Chief Executive Officer, unless otherwise directed by the Chief Executive Officer.

**F. Contract Administration**

1. Fully signed Contracts will be stored either in Contract Administration’s central files (e.g., for one-time purchases) or in the Contract Management Database (e.g., for services Contracts that have an expiration date).
2. Contract Responsible Parties will receive notification in advance of the Contract expiration so that the Contract may be renewed or terminated before expiration.
3. Contract Administration will identify Contracts that require an annual Contract evaluation. A Contract will require annual evaluation if a Vendor provides a service that can impact patient health outcomes or directly involves the care or treatment of patients in the hospital.
4. For Contracts that are identified as requiring an annual evaluation, the designated Annual Contract Evaluation Responsible Party will review the performance of the Vendor at least annually.

**V. COMPLIANCE:**

- A. All workforce members including employees, contracted staff, students, volunteers, credentialed medical staff, and individuals representing or engaging in the practice at The Risk Authority are responsible for ensuring that individuals comply with this policy.

<b>Stanford University Medical Network Risk Authority, LLC</b>	<b>Last Approval Date:</b> February 2019
<b>Name of Policy:</b> Contract Administration Policy	<b>Page 7 of 8</b>
<b>Departments Affected:</b> All Departments	

- B. Violations of this policy will be reported to the applicable department manager and any other appropriate department as determined by the applicable department manager or in accordance with The Risk Authority policy. Violations will be investigated to determine the nature, extent, and potential risk to the hospital. Workforce members who violate this policy will be subject to the appropriate disciplinary action up to and including termination.

**VI. DOCUMENT INFORMATION:**

- A. Author/Original Date:
  - 1. Hardyn Winkler, Contract and Systems Administrator, The Risk Authority, January 2017
- B. Distribution and Training Requirements:
  - 1. This policy resides in the Administrative Manual of The Risk Authority.
  - 2. New documents or any revised documents will be distributed to Administrative Manual holders. Each department manager will be responsible for communicating this information to the applicable workforce members.
- C. Review and Renewal Requirements:
  - 1. This policy will be reviewed and/or revised every three years or as required by change of law or practice.
- D. Review and Revision History:
  - 1. June 2017, by Christopher Wintrode, Director of Contract Administration and Gay Meixel, Contract Specialist
  - 2. July 2017, by Hardyn Winkler, Systems Administrator, The Risk Authority
  - 3. November 2018, by Christopher Wintrode, Administrative Director of Business Operations & Strategic Initiatives and Contracts and Greg Lin, Contract Specialist
  - 4. January 2019, by Hardyn Winkler, Contract & Systems Administrator, Stanford University Medical Network Risk Authority, LLC

<b>Stanford University Medical Network Risk Authority, LLC</b>	<b>Last Approval Date:</b> February 2019
<b>Name of Policy:</b> Contract Administration Policy	<b>Page 8 of 8</b>
<b>Departments Affected:</b> All Departments	

E. Approvals:

1. June 2017, Christopher K. Goforth, Director of Compliance Program Integrity
2. June 2017, Sondra Hornsey, Associate Privacy Officer
3. June 2017, Sarah J. DiBoise, Chief Hospital Counsel
4. June 2017, by Christopher Wintrode, Director of Contract Administration and Gay Meixel, Contract Specialist
5. July 2017, Robert Cady, Chief Operations Officer, The Risk Authority
6. February 2019, Christopher Wintrode, Administrative Director of Business Operations & Strategic Initiatives and Contracts
7. February 2019, Elaine Ziemba, Chief Executive Officer, Stanford University Medical Network Risk Authority, LLC

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