

Contract Self-assessment Checklist

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

SELF-ASSESSMENT TOPIC	YES/NO	ACTION(S) NEEDED TO REDUCE RISKS
BUSINESS		
<ul style="list-style-type: none"> Are both parties' expectations clearly expressed within the contract? 		
<ul style="list-style-type: none"> Does the contract include a provision regarding termination, both for cause and without cause? 		
<ul style="list-style-type: none"> If the contract imposes post-termination obligations on the payer, such as returning intellectual property or keeping identifiable patient information confidential, are these obligations clearly stated? 		
<ul style="list-style-type: none"> Does the contract specify the renewal arrangement, i.e., whether renewal is automatic or must be agreed upon by both parties at or prior to the renewal date? 		
<ul style="list-style-type: none"> Are there requirements for ongoing review of the contract, i.e., are there quality indicators that must be met or patient satisfaction initiatives that must be achieved? 		
<ul style="list-style-type: none"> Is there a "disruption of business interest" clause, as well as a stipulation that the party responsible for any business interruption must be given an opportunity to cure the disruption or reimburse the other party for lost earnings? 		
<ul style="list-style-type: none"> Are antitrust issues addressed, preventing competitors from collectively negotiating prices, i.e., through a clause that requires the parties to abide by federal and state laws and regulations regarding the subject matter of the contract? 		
<ul style="list-style-type: none"> Can reimbursement arrangements be administered, i.e., can the healthcare organization give or receive something of value in exchange of business paid for by Medicare or other government programs? 		
<ul style="list-style-type: none"> Are payment methods and risk-sharing issues expressly addressed? 		
<ul style="list-style-type: none"> Does the contract protect against the potential consequences of criminal actions – such as Medicare fraud and abuse – committed by the contracted party? 		
<ul style="list-style-type: none"> Does the contract prohibit disclosure of negotiated rates and fees? 		
<ul style="list-style-type: none"> Is there an opt-out clause to protect against payer insolvency? 		
CLINICAL		
<ul style="list-style-type: none"> Is there a reasonably restrictive non-competition clause for clinicians who may terminate services with the healthcare business? 		
<ul style="list-style-type: none"> Are the contract's credentialing procedures for contracted healthcare professionals consistent with applicable laws and organizational policy? 		
<ul style="list-style-type: none"> Are contracted personnel required to participate in facility committees, such as those involved with risk management, safety, quality and clinical service? 		
<ul style="list-style-type: none"> Does the contract address the issues of healthcare information access, confidentiality and disclosure in a manner consistent with HIPAA and other state and federal laws? 		
<ul style="list-style-type: none"> Does the contract reference peer and clinical care review processes? 		

SELF-ASSESSMENT TOPIC	YES/NO	ACTION(S) NEEDED TO REDUCE RISKS
INSURANCE		
<ul style="list-style-type: none"> Does the contract specify the type and minimum limits of coverage to be carried by each party? 		
<ul style="list-style-type: none"> Is tail coverage required for parties carrying claims-made liability insurance? 		
<ul style="list-style-type: none"> Does the contract discuss sufficiency of coverage for self-insured parties, i.e., self-insured parties must maintain, at a minimum, the state required professional liability coverage(s) for the duration of the contract? 		
<ul style="list-style-type: none"> Is a hold harmless provision included in the contract to minimize vicarious liability? 		
<ul style="list-style-type: none"> Does the contract limit indemnification to the scope of insurance coverage? 		
<ul style="list-style-type: none"> Is the organization named as a certificate holder with respect to practitioners' professional liability carrier? 		
<ul style="list-style-type: none"> Does the contract require written notice of changes in insurance coverage? 		
<ul style="list-style-type: none"> Does the contract address joint cooperation in the event of a claim, as applicable? 		
<ul style="list-style-type: none"> If the contract involves performance of administrative duties, does the facility's directors and officers liability insurance policy cover associated exposures? 		
<ul style="list-style-type: none"> Is there a contractual right of subrogation, which provides adequate notice of each party's interest in any claim settlement, and which permits recovery of expenses incurred for a specific event involving a subrogation matter? 		
LEGAL		
<ul style="list-style-type: none"> Does the contractor have the appropriate legal structure and authority to contract, i.e., are the parties signing the contract authorized to make decisions on behalf of their business? 		
<ul style="list-style-type: none"> Have all necessary documents and references been obtained and carefully reviewed? 		
<ul style="list-style-type: none"> Is the contract wording clear and unambiguous? 		
<ul style="list-style-type: none"> Are contractual obligations explicit, comprehensible and reasonable? 		
<ul style="list-style-type: none"> Is every word of the document specific, clear and well-defined? 		
<ul style="list-style-type: none"> Are both parties permitted to negotiate changes in the contract prior to execution? 		
<ul style="list-style-type: none"> Does the contract contain guidelines for dispute resolution, such as mediation and arbitration? 		



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