

Chapter 5

**Contract
Monitoring**

Chapter 5: Contract Monitoring

Section 1: Monthly Monitoring

HIVCS staff reviews your monthly reports to see how well you are meeting contracted service and expenditure levels. In the first year, contracts are monitored using these indicators:

- Adherence to the program implementation timeline
- Reporting timeliness and accuracy (reports submitted on time and data entered correctly)
- Service Levels
- Expenditures
- Client-Level Data

Performance-based contracts will be monitored based on service levels, which translate into how much of your contract award you have drawn down.

Reporting Timeliness and Accuracy

Monthly reports (client-level data extracts, PNR's, etc.) are generally due by the 15th of each month to HIVCS. If your report(s) are more than 5 business days late, you will receive a letter indicating which reports are missing. If late reporting becomes a persistent issue, HIVCS may request you submit a Corrective Action Plan (CAP) outlining the reasons why your reports are late and what steps you are taking to rectify the situation.

Implementation Timeline

According to the terms of your contract with HIVCS, start-up activities for new contracts should be completed within 90 days of the start date of the contract. When your contract is negotiated, you will agree upon a description of all start-up activities and a timeline for completion of each milestone. These documents will be a part of your contract. In the narrative section of your PNR (Program Narrative Report), you should describe your progress in relation to the timeline in your contract. If you are not progressing according to your contracted schedule, describe the corrective actions you are taking to get back on track. You should also discuss problems in implementing your new program according to the plan with your HIVCS Contract Manager.

Expenditure Levels

HIVCS will monitor your contract spending (or drawdown, for performance-based and deliverables-based contracts) on an ongoing basis throughout the contract period. If your spending is below its projected level for that point in the year, HIVCS reserves the right to reduce your Maximum Reimbursable Amount at any point in the fiscal year.

Client Level Data

HIVCS analyzes your submitted client-level data for completeness of required data (i.e. all demographics, test results, referrals for linkage to care, etc.)

Expect to be in close touch with your HIVCS Contract Manager. Your Contract Manager will contact you about any concerns raised in monthly reports or other communications, or sometimes just to check in. We encourage you to keep your Contract Manager informed of any changes related to your contract.

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Section 2: Site Visits

HIVCS generally conducts site visits 2-3 times per year. Site visits allow HIVCS staff to become more familiar with your program, verify reimbursable services that you have reported, observe program activities, examine program and fiscal records, insure compliance with contract terms, to meet your clients or patients and provide technical assistance or referrals for such assistance. Site visits are also an opportunity for you to highlight your program accomplishments and challenges.

Please note that program and fiscal site visits are very different and are generally performed separately.

HIVCS will contact you to arrange a convenient time for a site visit, usually at least two weeks prior to the visit. The date and time of the visit will be confirmed in a letter, which will also briefly describe any monitoring activities that will be carried out during the visit. We do not wish to interfere with the delivery of services in any way and will make every effort to schedule the site visit at a convenient time. However, HIVCS reserves the right to conduct unannounced site visits when deemed necessary.

Program Site Visits

HIVCS generally conducts a Routine Site Visit once a year. In the first year of a contract, HIVCS conducts an Initial Site Visit early in the contract period. For performance-based contracts, HIVCS conducts a Reimbursable Site Visit.

Initial Site Visits

During the initial start-up phase of a new contract, HIVCS staff reviews agency systems, staffing, program design and client flow, adherence to the contract's implementation timeline as outlined in the scope of services. HIVCS staff will provide technical assistance (not related to program design or model) as appropriate.

Routine Site Visits

Routine site visits take place at least once a year. These visits include a review of all aspects of the contract including: program design, client recruitment activities, documentation of services, activity observation. Services found to be undocumented or insufficiently documented at the site visit will be shared with you at an exit conference to provide an opportunity to locate acceptable back-up. You will have one week to submit the missing or more appropriate documentation. Failure to do so will be noted in a site visit report, and may be disallowed.

Reimbursable Site Visits

These reviews check documentation of reported and required services to verify the number of services provided, evaluate service quality, and to ensure that all data elements were documented as required. Reimbursable site visits take place at least once per year (in addition to the reimbursement review which takes place during the routine visit). HIVCS may propose to consolidate these visits if the contract starts in the middle of the year. Services found to be

undocumented or insufficiently documented at the site visit will be reported to you at an exit conference. You will have one week to submit the missing or more appropriate documentation. Failure to do so will be noted in a site visit report, and may be disallowed.

Fiscal Site Visits

HIVCS reviews compliance with fiscal requirements by way of Fiscal Site Visits, Back-up Reviews, and/or Fiscal Infrastructure Reviews.

Fiscal Site Visit

For cost-based contracts, HIVCS conducts a Fiscal Site Visit at least once every three years. This visit serves to monitor all fiscal aspects and documentation for at least two months of expenditures. If your agency has multiple contracts with Public Health Solutions, reviews of all contracts may be combined in a joint site visit by multiple HIVCS staff.

Back-up Review

Every year, a review of back-up documentation for one month of the contract or of service will be conducted. This back-up review may be conducted on-site at your agency or as a request to have the documentation sent to HIVCS for review. Monitoring activities include a review of original back-up documentation for past expenditure reports, including payroll registers, payroll tax filings and proof of payment, personnel files, timesheets, the general ledger, petty cash account, purchase orders, invoices, lease agreements, consultant agreements, and canceled checks.

Fiscal Infrastructure Review

For performance-based and deliverables-based contracts, a Fiscal Infrastructure Review is conducted periodically. This review includes a verification of allocation methodology for fringe benefits and other expenses, an evaluation of staff time allocation systems to verify that the contract is being charged the appropriate percentage of personnel expenses, and an equipment inspection to verify that equipment purchased with contract funds is being used for approved purposes and that the equipment is appropriately labeled. Note that organizations with only performance-based or deliverables-based contracts with HIVCS are prioritized for fiscal infrastructure visits.

Other Site Visits

Event Response

This visit may take place in response to alleged or suspected improprieties resulting from grievances or audit findings. If allegations come through HIVCS's grievance procedure, event response site visits must be conducted and reported on in compliance with the timeframes set forth in the grievance procedure. Event Response Site Visits take place with little or no advance notice.

Technical Assistance (TA)

TA visits will be conducted at HIVCS's discretion and/or at the contractor's or NYCDOHMH's request and will serve to provide TA in addition to the Routine Site Visit.

Corrective Action Review

For contracts with identified compliance problems, HIVCS may conduct a site visit to check the expected outcomes and the actions taken to accomplish the goals outlined in a Corrective Action or Compliance Plan. This activity may also be included in a Routine Site Visit.

Site Visit Report

HIVCS staff document site visit findings and recommendations in site visit reports sent to your contract's designated Senior Administrator within 60 days of the site visit. The site visit report provides a section for your comments on the content of the report. A copy of the report, with any comments, must be signed and returned to HIVCS within 15 business days. If we do not receive a signed copy of the site visit report within 15 business days, we will assume that you accept the findings and recommendations in the report.

Site visit reports include comments, findings and recommendations on all reviewed contract activities. Fiscal Site Visit Reports and Back-up Review reports include a Schedule I, which itemizes the expenses reported/paid and indicates if they were fully substantiated with documentation or not. Reports documenting other site visits will include comments, findings and recommendations on the specific areas reviewed during the monitoring visit.

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Section 3: Contract Compliance

HIVCS staff monitors contract compliance on a regular basis by reviewing monthly reports, conducting site visits, coordinating with NYCDOHMH representatives and through regular contact with your agency. If deficiencies are found with your program (low service levels, persistently late reporting, lack of appropriate documentation, etc.) you may be required to complete a Corrective Action Plan, or your contract may be placed on Conditional Status.

Corrective Action

If your contract has persistent problems maintaining contract compliance, you may be asked to submit a Corrective Action Plan (CAP). In the CAP, you will be asked to provide information about the obstacles you have faced and how you plan to overcome them and come into compliance with the terms of your contract.

Some reasons your Contract Manager may request a CAP include:

- Service levels below 85% of projections (75% in the first year of the contract)
- Persistently late or inaccurate reporting
- Insufficient documentation of client services per your contract scope of services
- A material finding in your audited financial statement
- Administrative spending above budgeted amounts (cost-based contracts)
- Lack of supporting documentation for reported expenditures (cost-based contracts)
- Program and fiscal site visit findings

The purpose of a Corrective Action Plan is to provide a clear macro-identified perspective on the Areas of Concern by: a) identifying the issues that have directly contributed to the deficiency; b) formulating clear and concise remedial steps; and c) establishing acceptable outcomes. The overall objective—achieving Expected Outcomes-- should be projected to be achieved within the shortest time period possible and rarely should exceed 4-5 months.

Each action step and the expected outcome should follow **SMART** guidelines and be: ***Specific; Measurable; Attainable/Achievable; Relevant; and Time-Based***. This format provides you and HIVCS staff the ability to monitor the CAP and, if needed, identify areas for continued improvement or where additional support or technical assistance may be needed.

Please note that there is a firm due date for completing an initial draft of the CAP which is specified in the Request for Corrective Action letter. At that time, your Contract Manager will review the draft with you to verify it is completed in an acceptable manner. Upon agreeing on a completed version of the CAP, a due date will be issued to make any revisions, insert authorized signatures and submit to HIVCS. The signed CAP will undergo final approval by HIVCS and in some cases, NYCDOHMH. Failure to adhere to this timeline or incorporate changes as per HIVCS staff instructions may result in escalated compliance measures being taken.

Instructions for completing a CAP are provided with the form at the time it is requested.

Conditional Status

If problems continue despite your corrective action, if you do not submit a CAP, or if you cannot come to an agreement with HIVCS staff on reasonable corrective action, your contract may be put on Conditional Status. If your contract is put on Conditional status you will be notified in writing and will be required to attend a compliance meeting with HIVCS staff. The purpose of the compliance meeting is to discuss deficiencies and to develop a plan for correcting them. A contract will generally be placed on Conditional status for a period of six months.

All contractors on Conditional status are required to develop a Compliance Plan. The Compliance Plan is a second-stage CAP. This must be submitted within 15 business days of the compliance meeting or, if a compliance meeting is not required, 15 business days after the date you are notified that your contract is being placed on Conditional status. The Compliance Plan must include a mutually agreed-upon timetable for correcting deficiencies.

The approved Compliance Plan becomes part of your contract. During the Conditional period, reimbursement on your contract is limited to the prorated amount available during the conditional period. If the terms of the Compliance Plan are met and deficiencies are corrected, the Conditional status will be removed and the remainder of your contract funds will be restored to your contract. If deficiencies are not corrected, the contract may continue on Conditional status or may be recommended for termination. You will be notified in writing of a change in status.

Instructions for completing a Compliance Plan are provided with the form at the time it is requested.

Contract Reduction/Termination

Contract Reduction

In instances of persistent under-performance and/or under-spending, HIVCS may recommend to NYCDOHMH or NYCDOHMH may instruct HIVCS that your contract be reduced (both dollar amount and services provided) to reflect a more realistic scale. Reductions may be one-time (for the current year only), or permanent.

Contract Termination

In instances of serious, ongoing deficiencies, non-compliance with contractual obligations, and/or failed corrective action, HIVCS may recommend to NYCDOHMH or NYCDOHMH may instruct HIVCS that a contract be terminated. Should your contract be terminated, you will be immediately notified in writing by certified mail. In most cases, a final closeout period will allow your agency to make proper referrals of clients and to terminate or re-deploy staff.

In cases of gross malfeasance or when deficiencies pose a threat to client safety, a contract may be recommended for immediate termination with no closeout period.