

**UC Riverside, School of Medicine Policies and Procedures**

**Policy Title: Contracting**

**Policy Number: 950-02-300**

<b>Responsible Officer:</b>	Chief Financial Administrative Officer
<b>Responsible Office:</b>	UCR School of Medicine ("SOM")
<b>Origination Date:</b>	(02/26/2016)
<b>Date of Revision:</b>	12/19/2018
<b>Scope:</b>	All School of Medicine Divisions

**I. Policy Summary**

To ensure controls over SOM business relationships and transactions, by defining the process for requesting, drafting, executing, and maintaining contracts and to establish procedures to manage the electronic contracts management system ("ECMS").

**II. Definitions**

Contract	A written agreement which binds the SOM to legal and financial terms and executed by an authorized SOM signer.
Contract Manager	The SOM staff member responsible for managing the operation of the ECMS.
Requesting Party	The SOM senior leadership member responsible for negotiating initial terms and submitting required documentation to the Contract Manager as described in Section V.Procedures below

**III. Exclusions**

This policy is not applicable to contracts administered by the Office of Research and Economic Development (RED), including contracts and grants for extramural sponsorship of University programs and agreements for patent and licensing transactions involving University technology and all such contracts shall follow the policies under RED, procurement, and real estate.

**IV. Policy Text**

- A. In order to minimize risk and maximize productivity it is the policy of the SOM that all arrangements or agreements wherein the SOM is agreeing to obligate itself or its resources to another entity or unit, be in writing. This policy applies to all arrangements/agreements regardless of:
  - 1. Limit
  - 2. Payment or receipt of money or other valuable consideration
  - 3. Duration (short or long term)
  - 4. Existing arrangement/agreement with UCR
- B. All arrangements are to be in writing and properly executed.
- C. Because it is equally as important to the minimization of risk that all arrangements, contracts, understandings, and/or agreements, receive the same level of scrutiny and review, it is policy of the SOM that all proposed arrangements, agreements, contracts, and/or understandings wherein SOM is agreeing to obligate itself or its resources to another entity or unit, be processed according to the procedures set forth below.

**IV. Responsibilities**

All School of Medicine Departments and their employees.

**V. Procedures**

- A. The person requesting either the review or drafting of an arrangement, agreement, contract and/or understanding shall submit a Contract Request Form (Attachment A) to the Contract Manager. The Contract Request shall be accompanied by a completed Stark Screening Form (Attachment B), a W-9 from the other contracting party/parties, and a completed Contract Financial Deliverables *Pro forma* (Attachment C) if required as described.
1. The Stark Screening form is used to determine whether or not a party to a proposed contract is a referral source. If, based on the Stark screening it is determined that the contracting party is a referral source, then:
    - a. A Fair Market Value (FMV) analysis must be undertaken to determine whether the proposed rates fall within range per guidelines as determined after reviewing against MGMA and/or AAMC.
    - b. FMV methodology must be documented.
    - c. FMV determination must be documented on the *Pro Forma*.
    - d. The transaction must be (objectively) commercially reasonable.
    - e. The initial term of the agreement must be at least a year's duration.
    - f. The agreement must not take into consideration the volume or value of referrals.
    - g. The SOM Health Sciences Counsel and/or Chief Compliance Officer must review and approve the proposed arrangement.
- B. A Contract Financial Deliverables *Pro forma* must be included for all contract requests involving money. This *pro forma*, which will be completed by the Finance and Administrative Officer for the relevant unit and approved by the CFAO before being returned to the contract requestor for submission with the Contract Request form to the Contract Manager.
- C. The Contract Request Form can be submitted either electronically, or via campus mail. Once all of the required information is provided there is generally a three week turnaround time for all contracts. Expedited service can be requested, with an explanation for the exigency and time frame for when it is needed. Please note that the Contract Manager will facilitate the processing of contracts, such as for the purchase of products and leases, that are to be processed through Campus offices.
- D. When the contract review is completed or the draft has been prepared, the Contract Manager will return the review/draft agreement to the requesting party via email, along with a recommendation regarding significant contractual risks that may negatively impact the proposed arrangement. The Contract Manager will also forward all proposed arrangements submitted with Attachment B to the UCR SOM Health Sciences Counsel for review and approval. The requesting party and the Contract Manager shall develop a mutually agreeable plan for proceeding with the contract. Negotiating the terms with the other party/parties in order to finalize a contract can be handled by:
- The requesting party
  - Contract Manager

- The requesting party and the Contract Manager
  - The requesting party, Contract Manager and other required SOM parties
- E. Standard terms and conditions as provided in the UC and/or UC-approved contract templates (e.g., AAMC Training Agreement) should be used for all contracts, if possible. If variations to the standard terms and conditions are requested, the contract administrator will review and consult with the UCR Office of Campus Counsel, UCR Risk Management and/or UCR SOM Chief Compliance Officer as necessary, in accordance with finance policies.
- F. The School of Medicine Dean will assign individual senior executives to act as business owners and decision makers for all SOM contracts. At the request of the business owner, the Contract Manager will provide a contract status with any items of concern explained and highlighted. The business owner will determine a contracts readiness to be forwarded on to the dean to be finalized.
- G. When the contract has been finalized, the Contract Manager shall request two signed originals from the other party/parties. Original signatures are required, electronic signatures will not be accepted. Contract Manager will maintain contact with the other party/parties until the executed contract is received.
- H. Upon receipt of the executed originals, the Contract Manager shall notify the requesting party and prepare a signing memorandum for appropriate signor. In most instances the signor is the Dean of the School of Medicine, or his/her designee. Exceptions are: Letters of Agreement for one time professional services, and contracts processed through campus purchasing. The signing memorandum shall indicate if the contract is a renewal, an amendment or a new contract, that it has been duly approved, and any other facts regarding the contract that the signor might require. The signing memorandum and the two originals shall be delivered to the signors office with instructions for signing and returning the documents to the CONTRACT MANAGER.
- I. Upon Receipt of the executed contracts, CONTRACT MANAGER shall:
1. Notify the requesting party
  2. Scan the contract into the ECMS
  3. Notify the other party/parties via email with a scanned copy of the agreement
  4. Send an original to the other party/parties using a trackable service
  5. File the original contract
- J. An ECMS will be maintained by the Contract Manager and will include all executed contracts, agreements, and arrangements. Information on the contracts will include:
1. Name of contracting party
  2. Type of contract
  3. Contract description
  4. Effective date
  5. Termination date
  6. Relevant comments and documents related to the contract, including negotiation communications, internal notes and correspondence

## **VI. Forms/Instructions**

Attachment A – Contract Request

Attachment B – Stark Checklist II

Attachment C – Contract Financial Deliverables *Pro forma*

## **VIII. Related Information (Not Applicable)**

## **IX. Revision History**

New Policy Created on 02/26/2016  
Revised Policy Effective 12/19/2018

**Approvals:**



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**Paul Hackman, J.D., L.L.M.**  
**Chief Compliance and Privacy Officer,**  
**School of Medicine**



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**Deborah Deas, M.D., M.P.H**  
**Dean, School of Medicine**  
**CEO, Clinical Affairs**

Attachment A

**CONTRACT REQUEST**

**Requesting Party**

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Department/Unit: \_\_\_\_\_

**Type of Contract** (Put an X in all applicable Boxes)

New	Renewal	Modification
Professional Services Agreement	Affiliation Agreement	Program Letter of Agreement
Medical Director	Other Administrative Services	Lease
Facility Use Agreement	UCR is Purchasing Goods	UCR is Purchasing Services
Third Party Payor	Managed Cared Agreement	Other (Please specify)
Other Party has Supplied Contract form (Be sure to attach)		

**Other Party/Parties to Contract**

Name: \_\_\_\_\_ Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

What type of entity is the other party?

Corporation	State of Formation	Name and Title of Person Authorized to Sign Contracts
Sole Proprietor	Name of Sole Proprietor and Address if Different	



Attachment B



STARK II

**Vendor Name** \_\_\_\_\_

UCR Health requires all vendors to provide the following information in order to comply with federal law concerning the financial arrangements between physicians and healthcare service providers.

For the purposes of answering these questions the following definitions apply:

"Immediate family member" includes: husband or wife; birth or adoptive parent; child; sibling; stepparent, child, brother or sister; in-laws-father, mother, daughter, son, sister, brother; grandparent or child; spouse of a grandparent or child.

"Physician": Doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, and doctor of optometry or a chiropractor.

1. Is your company owned in whole or part, directly or indirectly by any of the following?
  - Physician Yes No
  - Immediate family member of a physician Yes No
  - Other referral source (nurse practitioner, physician's assistant) Yes No
  
2. Does your company employ or contract with a physician or immediate family member of a physician who is capable of referring to or treats patients at a UCR Health Practice Location? Yes No
  
3. Are you entering into an agreement with UCR Health as an individual physician or immediate family member of a physician and you refer to or treat patients at a UCR Health Practice Location? Yes No

If you answered 'Yes' to any of the above please indicate if the physician/immediate family member or other referral person is:

- Owner    Employee    Contractor

And provide the following:

Name of Physician or other referral source: \_\_\_\_\_

I represent that the answers provided above are truthful and accurate as of the date of my signature below and that I will immediately notify UCR School of Medicine of any changes if they occur.

\_\_\_\_\_  
Vendor Officer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

Attachment C

Contract Financial Deliverables Proforma	
	Contract Terms
<b>Revenue</b>	
Clinical Revenue Projected	
Directorship Projected	
GME Revenue Projected	
Misc. revenue (explain)	
<b>Total Net Income</b>	<b>0</b>
<b>Expenses</b>	
<b><i>Personnel</i></b>	
Fac Salary includes benefits	
Staff Salary included benefits	
<b><i>Total Personnel</i></b>	<b>0</b>
<b><i>Non-Personnel</i></b>	
Misc. Expense	
SOM Assessment (25% fy18)	0
<b><i>Total Non-Personnel</i></b>	<b>0</b>
<b><i>Total Expenses</i></b>	<b>0</b>
<b>Total NOI (Surplus/(Deficit))</b>	<b>0</b>



ATTACHMENT D



