

Sanctions and Penalties Enactment

Policy

Sanctions and penalties may be applied to providers that do not meet obligations under a CFBHN subcontract or agreement or do not achieve contract compliance and/or demonstrate unsatisfactory contractual performance, Sanctions and penalties shall be applied to providers when required by CFBHN's contract with DCF or required by law, rule (65E-14, F.A.C) or regulation.

Purpose

To implement an objective, predictable, progressive and systematic approach to addressing unacceptable performance by CFBHN providers specific to the responsibilities as delineated in the CFBHN Subcontract.

Procedure

I. Definitions

- A. Administrative/Operational Violation: A lack of submission of a necessary contract document, billing data, service data, program report or other documentation that is related to the contract compliance.
- B. Contractual Violations: Violations that occur when a provider fails to meet the prescribed obligations as specified and agreed to in the subcontract with CFBHN.
- C. Corrective Action Plan (CAP): A plan of action agreed upon by the provider and CFBHN to remediate performance deemed unacceptable or noncompliant with the conditions of the provider's subcontract. This plan specifies the actions to be taken and the timeframes within which acceptable performance or compliance is to be achieved.
- D. Health and Safety Violation: Failure to protect the health and safety of individuals during the provision of healthcare services. These violations include, but are not limited to: Preventable injuries or death; Failure to follow requires risk management or care procedures; Lack of safety drills; and failure to maintain safety equipment.
- E. Involuntary Termination: When CFBHN has determined the provider has failed to meet the mandatory requirements of the subcontract or agreement or provides evidence that the provider has substantial non-compliance. Termination may occur to one or more specific program or the entire contract, depending on the severity of the violation(s). A termination letter will be sent to the provider giving them 30 days' notice, except when CFBHN determines that termination should be immediate upon notice.
- F. Patient Safety: The prevention of errors and adverse effects to consumers associated with healthcare.
- G. Voluntary Termination: Termination of a CFBHN subcontract, program or agreement, initiated by the provider. The provider willingly gives up the subcontract or agreement with a 30-day notification.

II. Notification of Sanctions and Penalties

CFBHN will notify its Board of Directors of any penalties imposed on a provider prior to the termination of a subcontract, program or agreement.

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- III. Voluntary Contract Termination:
- A. A provider under a subcontract or agreement can terminate the subcontract, a program or agreement without cause with a 30-day notice. Notification must be provided in writing and submitted to the contract manager.
 - B. Upon notification of the termination, the contract manager will notify CFBHN management.
 - C. The contract manager will work with the appropriate program staff in Network Development and Clinical Services (NDCS) to develop a transition plan to avoid a break in services
 - D. The contract manager will ensure that all required documents are on file and work with the other CFBHN departments to ensure all outstanding requirements are met before the termination date.
 - D. Once all of the information has been received by the contract manager, he or she will notify the Finance department to release the final payment. The provider's failure to comply with the contract obligations may result in delay of payment.
- IV. Involuntary Contract Termination
- A. Immediate Termination
 - 1. As part of its contract with the Department of Children of Families (DCF), the presence of any one of the following may result in an immediate termination notification of the subcontract or agreement:
 - a. A gap in the insurance coverage. (Note: if the provider can re-establish coverage within the specified timeframe, CFBHN has the option to retract the contract termination.)
 - b. A provider is listed on the government-wide exclusions in the System for Award Management (SAM);
 - c. A provider has been debarred, suspended, proposed for debarment, and declared ineligible, or voluntarily excluded from participation in a subcontract by any federal department or agency; or
 - d. If the subcontract is for an amount of \$1 million or more and:
 - 1) The provider is found to have submitted a false certification under section 287.135, F.S., or
 - 2) Has been placed on the Scrutinized Companies with Activities in Sudan List, or
 - 3) Has been placed on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.
 - 4). Regardless of the amount of this contract, the ME may terminate this contract at any time the Provider is found to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.
 - 2. The 30-day termination notice will be sent to the provider's CEO and its Board Chairperson. However, a 30-day termination notice is not required if the provider's contract or agreement or Florida law allows for immediate termination.

3. If within the 30-day period, verification is provided that the presence on the list was a mistake or the company has been removed from the list, the contract termination may be retracted.
4. The list of items in this Immediate Termination section are not exclusive. Nothing in this list limits CFBHN's right to terminate as provided in the provider's contract or agreement or as provided in Florida law.

B. Contract Non-Compliance and Termination

1. If a provider has not submitted documentation required to be submitted by the subcontract or agreement and CFBHN staff has notified the provider three times that such documentation has not been submitted, CFBHN may withhold payment to a provider until the documentation is received or may terminate the subcontract, agreement or program.

a. The contract manager will endeavor to notify providers of missed deadlines for submission of documentation, but failure of the contract manager to provide such notification does not waive any contract requirements or limit CFBHN's remedies.

2. During the course of the year, a provider's failure to meet performance targets established in the subcontract or agreement may result in the initiation of a corrective action plan.

- 1) CFBHN may provide technical assistance to the provider.
- 2) If, by year end, the provider has not met the required targets, a corrective action plan may be issued.
- 3) Repeated noncompliance, in two consecutive years, may result in a penalty as defined in the schedule that accompanies this policy.
- 4) If it is determined that the provider is not able to correct the problematic issue(s), the funds may be removed from the contract.

b. CFBHN will not issue a corrective action plan on performance measures on which it will not be held accountable by DCF.

C. Finance Non-Compliance and Termination

1. Finance staff will monitor the providers' financial health. If the ratio testing conducted demonstrates that a provider is on a downward trend:
 - a. The Finance staff may recommend that benchmarks be added into the provider's subcontract or included in a corrective action plan.
 - b. CFBHN's CEO or designee may meet with the provider's Board Chairperson, to ensure that CFBHN's concerns about the provider's financial health are known and a plan is in place to address the identified issues. The CEO will also inform the CFBHN Executive Committee of the meeting and related concerns.
 - c. If the provider fails to correct any deficiencies, CFBHN may terminate part or the entire contract.
2. Complaints received from the providers vendors/subcontractors including, but not limited to, failure to make payments on time will be noted by CFBHN.

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D. Continuous Quality Improvement (CQI) Non-Compliance and Termination

1. Risk Management

- a. Providers are required to adhere to the incident reporting requirements established by DCF policies CFOP 215-4 and CFOP 215-6.
- b. Failure to meet the reporting requirements established by these policies may result in a penalty up to, and including, the termination of the provider’s funding for the program(s) involved.
- c. The amount of the penalty will be determined according to the penalty schedule.

2. CQI Monitoring

- a. As a component of the monitoring process, areas of weakness or non-compliance are identified and corrective actions issued. In response, providers are required to submit an action plan that identifies:
 - 1) The steps that will be taken to correct the issue;
 - 2) Who is responsible for ensuring that it is corrected; and
 - 3) The date on which the process will be completed.
- b. If a provider is cited with a Corrective Action on the same monitoring tool, in two consecutive monitoring reviews, penalties may be enacted, as prescribed on the penalty schedule outlined in this policy. Technical assistance may be offered, as required, by the QI team and CFBHN managers of the cited program.
- c. The charts below outline the process by which a first, second or third offense, related to CQI monitoring, is defined and determined.

First Corrective Action Issued at Annual Monitoring		
Offense #1	Offense #2	Offense #3
<p>Annual Monitoring – Year 1: Corrective Action is issued for a problem identified during the monitoring</p>	<p>Annual Monitoring – Year 2: The same issue identified in the Corrective Action from the previous year has not been corrected or continues to be problematic</p>	<p>Annual Monitoring – Year 3: The same issue identified in the Corrective Action from the previous year has not been corrected or continues to be problematic</p>
<p>Follow-Up – Year 1: The issue identified in the Corrective Action has not been corrected or continues to be problematic</p>	<p>Follow-Up – Year 2: The same issue identified in the Corrective Action from the previous year has not been corrected or continues to be problematic</p>	<p>Follow-Up – Year 3: The same issue identified in the Corrective Action from the previous year has not been corrected or continues to be problematic</p>

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First Corrective Action Issued at Follow-Up		
Offense #1	Offense #2	Offense #3
<p>Annual Monitoring – Year 1: Issue is not present or identified</p>	<p>Follow-Up – Year 2: The same issue identified in the Corrective Action from the previous year has not been corrected or continues to be problematic</p>	<p>Follow-Up – Year 3: The same issue identified in the Corrective Action from the previous year has not been corrected or continues to be problematic</p>
<p>Follow-Up – Year 1: Corrective Action is issued for a problem identified during the Follow-Up</p>		
<p>Annual Monitoring – Year 2: In the Annual monitoring conducted in the next year, the same issue identified in the Corrective Action from the previous year’s Follow-up has not been corrected or continues to be problematic</p>	<p>Annual Monitoring – Year 3: The same issue identified in the Corrective Action from the previous year has not been corrected or continues to be problematic</p>	<p>Annual Monitoring – Year 4: The same issue identified in the Corrective Action from the previous year has not been corrected or continues to be problematic</p>

E. Termination due to unsatisfactory performance

1. Unsatisfactory performance of a subcontract or agreement by a provider includes but is not limited to a situation in which the Chief Clinical Officer (CCO), Program Manager or other CFBHN staff member determines that:

- a. There is evidence of a provider’s substantial non-compliance in fulfilling its obligations in the subcontract or agreement;
- b. The provider has consistently performed in a manner that is unsatisfactory as determined in the sole reasonable discretion of CFBHN senior staff.

2. CFBHN senior staff will review the documentation to verify that opportunities were afforded to the provider to correct the issues through technical assistance, or a corrective action plan, except when CFBHN senior staff determines that immediate withholding of funds or termination is appropriate.

2. Notification may be sent to the provider’s CEO and Board Chairperson giving them 60 days to correct the deficiency.

- a. During this time, CFBHN staff may continue to provide technical assistance, if requested by the provider in writing.
- b. Failure to comply within this timeframe may result in the termination of the contract.

3. If client health and safety is impacted due to gross misconduct, the contract will be terminated with 24-hour notice.

4. CFBHN staff may meet internally to determine the next steps and put a plan in place to ensure there is a smooth transition of client services to a new provider.

V. Penalty Schedule

A. The schedule below outlines the penalties for first, second and third offenses as defined by this policy.

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	Administrative/Operational Violation	Health & Safety Violation
1st Occurrence	No Penalty; CAP Required	No Penalty; CAP Required
2nd Occurrence	2% of contract payments will be withheld	5% of contract payments will be withheld
3rd Occurrence	5% of contract payments will be withheld	10% of contract payments will be withheld

- B. Payments withheld after the 2nd occurrence may be returned to the provider after 2 months, and after it has been verified that the provider has had time to correct identified issues and/or implement any necessary changes.
- C. Funds withheld at the 3rd Occurrence will not be returned to the provider and will be contracted to another provider.
- D. Additionally, staff may recommend to the board to impose additional penalties, if the situation warrants, up to contract termination.
- E. Disputes and appeals will be processed in accordance with the *Network Provider Dispute/Appeal Process* policy.

<p>CFBHN Policy - Sanctions and Penalties</p> <p>Approval: _____ Linda McKinnon, President/Chief Executive Officer</p>	<p>Date Issued:</p> <p>Last Review Date:</p> <p>Last Revision Date:</p>
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