Topic: Vendor Management	**Department:** Compliance
Original effective date: 2/08	**Last Revision Date:** 10/29/26
Owner: VP for Quality and Compliance (VPQC)	**Frequency of reviews:** Annual
Internal/Regulatory Reference(s) (all that apply): 42 USC 1396a(a)(68); 18 NYCRR 521-1	
Related documents/Links: Please see references within the document	

Policy: It is the policy of The Arc of Monroe ("The Arc") that business, administrative and support functions promote personal and organizational outcomes.

Additional Information:

Definitions:

Vendor: A person or company, not employed by The Arc, from whom The Arc receives certain products or services.

Affected Individual: A person affected by The Arc's compliance risk areas, including employees, the chief executive and other senior administrators, managers, contractors, agents, subcontractors, independent contractors, and governing body and corporate officers.

Subject Vendor**:** A vendor that is an Affected Individual under The Arc's compliance program because its contracted role or responsibilities are affected by one or more of The Arc's Medicaid compliance risk areas.

A vendor will generally be considered a Subject Vendor if it:

- falls into at least one of the following categories:
    - provides a health-related service or item to The Arc;
    - provides a service or item related to health care;
    - is a landlord; or
    - provides general, non-health-related supplies to The Arc, including, but not limited to, office supplies, items used in the provision of services to people we support, car parts, automobiles, printing, food, shipping services, maintenance supplies, manufacturing supplies, appliance purchase or repair, or technology products or services; **and**
- receives at least two payments from The Arc during any calendar quarter; **and**
- receives at least $4,000 from The Arc during that same calendar quarter.

The VPQC may also designate a vendor as a Subject Vendor based on the nature of the vendor's services, relationship with The Arc, or potential impact on The Arc's Medicaid compliance risk areas, regardless of payment volume.

At the discretion of the VPQC in collaboration with the Finance Department, a summary of compliance-related information will be provided to new vendors at the time that the Purchase Order is issued.

The following are generally not considered Subject Vendors:

- Utility companies (electric, gas, phone, cell phone, internet, cable, trash removal, water, etc.)
- Professional organizations

- Insurance companies
- Benefit companies
- Investment companies
- Government agencies or offices

Procedure	
Task:	**Responsible party:**
1. In the month following the end of each quarter, the VPQC will request: *A list of new vendors for the preceding quarter from the finance office; and *A list of all vendor payments or disbursements made during the same period	VPQC (requests reports); Finance (provides the reports)
2. The VPQC or designee will review the vendor and payment information to identify vendors that meet the criteria for a Subject Vendor.	VPQC or designee
3. The VPQC or designee will send each identified Subject Vendor the following information and policies by certified mail: *Compliance Plan *Corporate Compliance Policy for Affected Parties *False Claims Acts *Non-compliance Detection and Response; and Confidential Communications *Whistleblowers, Non-intimidation and Non-retaliation *The core compliance training curriculum This includes information on where to find all corporate compliance and HIPAA privacy policies and procedures (Arcmonroe.org), and how to report a concern anonymously or confidentially (our compliance hotline). Annually thereafter, each Subject Vendor will receive the core compliance training curriculum. Copies of cover letters and certified mail return receipts will be kept as evidence of compliance.	VPQC or designee
4. Each vendor determined to be an Affected Individual will be validated to confirm that it is a legitimate individual or entity and screened to determine whether it is excluded from participation in Medicaid or other federal health care programs. Exclusion checks will be conducted at least every 30 days thereafter in accordance with the policy, "Exclusion Checks."	VPQC or designee
5. If a vendor is determined to be excluded, the vendor will no longer be permitted to work with or for The Arc in any capacity. In addition, a review will be conducted to determine the extent to which any prior activity with the excluded vendor may create risk to The Arc. Legal counsel will be consulted as appropriate. Appropriate actions will be taken to mitigate or remediate any risk or harm including, as appropriate, repayment of identified overpayments and self-disclosure to OMIG or another	VPQC

governmental authority. Please cross reference the policy, "Unsupported Claims and Paybacks" for further guidance.	
6. Subject Vendors are responsible for conducting exclusion checks to confirm the identity and determine the exclusion status of their employees to the extent that they are impacted by The Arc's Medicaid risk areas. They will be required to demonstrate completion of the required monthly exclusion checks upon request. At a minimum, these must be done every 30 days by reviewing the following databases: *New York State Office of the Medicaid Inspector General List of Restricted and Excluded Providers *U.S. Department of Health and Human Services, Office of Inspector General List of Excluded Individuals/Entities (LEIE).	Subject Vendors
7. If a contractor is an Affected Individual, its contract must: a. Specify that the contractor is subject to The Arc of Monroe's compliance program; and b. Contain termination provisions for failure to adhere to compliance-program requirements. If a contractor declines to accept the required compliance provisions, the matter will be referred to the VPQC and legal counsel for review and guidance.	CFO

Document revision record:

Revision Date	Release Date	Reason for change	Approver
5/30/08	5/30/08	Reasons for change not documented	VPQC
10/30/09	10/30/09	Reasons for change not documented	VPQC
5/4/10	5/4/10	Reasons for change not documented	VPQC
10/21/11	10/21/11	Reasons for change not documented	VPQC
2/21/12	2/21/12	Reasons for change not documented	VPQC
8/3/12	8/3/12	Reasons for change not documented	VPQC
6/5/17	6/5/17	Reasons for change not documented	VPQC
2/11/20	2/11/20	Transferred to new procedural format	VPQC
8/18/21	9/8/21	Adjusted the minimum disbursement level for subject vendors; added a discrete section for VPQC; added all general vendors to be considered subject vendors	ICC
7/18/22	7/18/22	Added technology vendors to the list under subject vendors	ICC
3/22/23	3/28/23	Further defined who a subject vendor is; added that information will be mailed certified; set frequency of vendors checks to quarterly from semi-annually; and added that core compliance training curriculum will be sent as well	ICC

4/12/23	4/28/23	Updated criteria for subject vendor to paid two times and minimum $4000 per quarter versus semi-annually	ICC
10/30/23	10/30/23	Added “Cover Letters” to #3 in general procedure. Formatting and typos corrected.	ICC
8/16/24	8/21/24	Added that vendors are responsible for conducting exclusion checks	ICC
9/26/24	9/26/24	Added a cross-reference and some clarifying information	ICC
10/30/25	11/20/25	Added a statement explaining mitigation/remediation if a vendor is determined to be excluded; clarified one statement; and added landlords as subject vendors	ICC
10/29/26	11/6/26	Clarified and streamlined language; added Affected Individual definition; updated exclusion screening scope; added contract requirements; clarified Subject Vendor criteria; added the discretionary option for VPQC to send compliance summary information at time of the PO	ICC