



TIPS FOR NEGOTIATING WITH DESIGNATED COLLABORATING ORGANIZATIONS (DCOs)

THE P.E.N. STRATEGY: PREPARE, EDUCATE AND NEGOTIATE!

Prepare

A party that recognizes its strengths and weaknesses is better prepared to negotiate a mutually beneficial contract.

- Describe the value that a contractual relationship with the Certified Community Behavioral Health Clinics (CCBHC) can provide to a community partner in the designated collaborating organization (DCO) role.
 - With respect to the CCBHC, answer the following general questions:
 - What geographical areas do I serve?
 - What organizations furnish similar services in the same geographical area?
 - What organizations in the same area furnish services to the Medicaid population?
 - For each of the CCBHC's services, what percent of the market does the CCBHC serve compared to other organizations?
 - With respect to the CCBHC service that the CCBHC is seeking to purchase through a DCO relationship:
 - Is the service reimbursed under the Medicaid state plan outside the context of the CCBHC demonstration? If so, what is the reimbursement methodology for the service?
 - Is the service commonly reimbursed by payors other than Medicaid (e.g., Medicare, private health insurers)?
 - Is the service otherwise supported by federal, state or local grant funding?
- Identify and assess potential partners based on your market analysis.
 - Does the potential DCO presently provide the service that the CCBHC seeks to purchase? If so,
 - Is the service provided under clinical conditions that largely conform to the program requirements in the Substance Abuse and Mental Health Services Administration (SAMHSA) CCBHC guidance (so major changes in services delivery would not have to be made for the service to be furnished as a CCBHC service)?



- How is the provision of the service currently reimbursed or financed by the DCO?
- Would contractual consideration from the CCBHC supplement the potential DCO's income stream relating to the service, or supplant it? (The latter might be the case if the existing income stream is from "gap" grant funding.)
- Is the potential DCO otherwise capable of meeting the clinical requirements for carrying out CCBHC services on behalf of the CCBHC (e.g., cultural and linguistic competency, requirement that services are provided on a timely basis)?
- Is the potential DCO otherwise capable of meeting the financial and operational requirements for carrying out CCBHC services on behalf of the CCBHC?
 - Examples:
 - Sharing health record information with CCBHC sufficient to communicate encounter data to justify billing a CCBHC "visit."
 - Sharing clinical and quality data with CCBHC sufficient to enable CCBHC to meet SAMHSA Uniform Reporting System (URS) requirements.
 - The provider or its individual employed or contracted clinicians undergoing credentialing with managed care plans, where necessary, to enable CCBHC to bill plans for services furnished by the DCO.
 - Collecting consumer fees and cost-sharing based on requirements in CCBHC's sliding fee discount schedule (if CCBHC seeks to delegate this collection function contractually).
- Assess fair market value of any services that the CCBHC may purchase from the potential DCO.
 - For more information on the fair market valuation for DCO contracting, see [Determining Fair Market Value](#).
- Draft contract for relationship.
 - For more information on DCO contracting, see the [Overview of Legal Requirements and Checklist](#).



Educate

Explain to potential DCOs how a potential partnership aligns with the goals and expectations of each organization in the partnership and the demonstration project.

- Communicate value of the CCBHC and the demonstration.
 - Create marketing materials that communicate the value your organization and the demonstration project can offer to a potential partner.
 - Conduct in-person meetings with potential partners.
 - Participate in conferences that highlight your organization's achievements—both in and outside of the demonstration project.
 - Attend informal networking events.
 - Attend community events to showcase value to a broader audience.
- Identify and explain requirements unique to CCBHCs and the demonstration.
 - For more concise information geared towards potential partners, see the Fact Sheet on DCOs [***[HYPERLINK TO FACT SHEET FOR DCO PARTNERS, DOC 8](#)***] and the Top 5 DCO Questions and Answers [***[HYPERLINK TO "TOP 5 QUESTIONS" DOCUMENT, DOC 9](#)***].
- Identify your most critical concerns; recognize which are flexible and which are mandatory.
 - Examples:
 - Given the legal exposure that a CCBHC faces by furnishing a service through contract with another entity, requiring the DCO to indemnify the CCBHC against potential malpractice liability associated with services furnished by the DCO might be identified as a “non-negotiable” item.
 - The CCBHC may wish to delegate some financial functions (such as collection of fees and cost-sharing for services rendered under the contract) to the DCO, but may classify this as a “flexible” item if the CCBHC is operationally capable of shouldering this responsibility.
- Provide draft contracts to potential partners.
 - Hint: Establish a point person for the other entity to work with and answer questions during the contracting process.

Negotiate

Negotiation is discussion aimed at reaching an agreement.

- A common error is bargaining over positions. This results in a loss of focus on concrete concerns and occurs when:
 - One or both parties are stuck in ensuring that they win on their positions, regardless of whether the overall goal is attained.
 - Parties take extreme positions in the expectation that they will have room to bargain down.
- Instead:
 - Respond with questions regarding potential partners' issues, rather than uncompromising statements.
 - Respond specifically to the concerns of potential partners.
 - Develop options for mutual gain and generate a variety of possibilities before deciding what to do.
 - Look for zones of agreement and areas of overlap.