



Policy Title: Subcontractor Risk Assessment		
Department: Contracts		
Date Issued: 02/07/2012	Revised Date: 05/16/2021 Review Date: 05/16/2021	
CEO Approval: 	Effective Date: __10/15/2021__	

**POLICY:**

It is the policy of Central Florida Cares Health System, Inc. (CFCHS) to assess each Subcontractor annually to determine the level of risk. The level of risk assessed will be used to determine the Subcontractor monitoring schedule. The Risk Assessment Tool is developed by CFCHS

**RELATED POLICIES:** Subcontractor Monitoring

**PURPOSE:**

This procedure is used by CFCHS to assess the level of risk associated with each Subcontractor services.

**PROCEDURE:**

1. Risk Assessments for all CFCHS Subcontractors will be conducted annually in the first quarter of each fiscal year.
2. Risk Assessments are conducted by the Contract Managers, with input from the Finance, Compliance, Data and System of Care Departments by populating the Subcontractor Risk Assessment Tool with the most recent data available for each Subcontractor.
3. The completed Subcontractor Risk Assessment will automatically calculate and assign a risk level for each risk factor identified in the Risk Assessment by Subcontractor, based on the data and associated scoring. Each factor has a rank or scoring weight assigned. Each risk factor area is then scored, and the points are multiplied based upon the rank/weight points of the factor. The results of these calculations are then added together, resulting in the final Risk Assessment score.
4. CFCHS management may override the determined risk level at any time and documenting the justification in the Subcontractor file.
5. The Risk Assessment score will assist in determining the number of Subcontractor programs and records to be reviewed, and the date of the Subcontractor monitoring.
6. The Risk Assessment may include but is not limited to the following items. Items may be included:
  - a. Dollar value of the subcontract
  - b. Financial Ratios calculated from latest Independent Audit
  - c. Nature of the services (type and intensity)
  - d. Performance Measures
  - e. Change in management
  - f. Past monitoring results

- g. Data Submission
- h. Critical Incidents