# The Three "R"s of Vendor Performance Management & Oversight:

## *Requirements, Roles & Resources*

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**EmblemHealth**®

If….you hire a vendor….

And….the contract requires the vendor to comply with *"all regulatory requirements"*….

Then…vendor performance will be compliant….

Right?

Ummmm, not so fast…

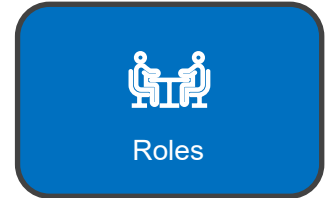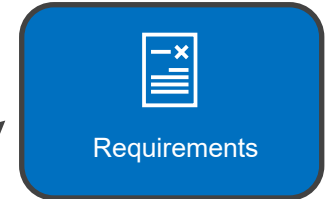# Vendor Performance Management & Oversight is an Evolution to Excellence.

# WHAT'S YOUR WHY?

*The MA organization agrees to take ultimate responsibility for all services provided and terms of the contract and otherwise fulfilling all terms and conditions of its contract with CMS regardless of any relationships that the organization may have with entities, contractors, sub-contractors, first-tier or downstream entities.\**

**By adopting a *consistent* and *well-documented* approach, you will:**

- ✓ **Ensure that vendors comply with *regulatory* and *organizational* business requirements.**

- ✓ **Demonstrate to *auditors* that you take vendor compliance seriously.**

**Requirements**

**Roles**

**Resources**

# REQUIREMENTS

# THE THREE "R"s OF VENDOR PERFORMANCE MANAGEMENT & OVERSIGHT

| Requirements | Roles | Resources |
| --- | --- | --- |

**Input from Business Owners, Procurement, Legal and Compliance enhances the clarity and completeness of the company's expectations of vendor performance.**

| Collaborative Process | Contract Language | Performance Monitoring |
| --- | --- | --- |

# COLLABORATIVE PROCESS

**THIRD PARTY SUPPLIER ENGAGEMENT**

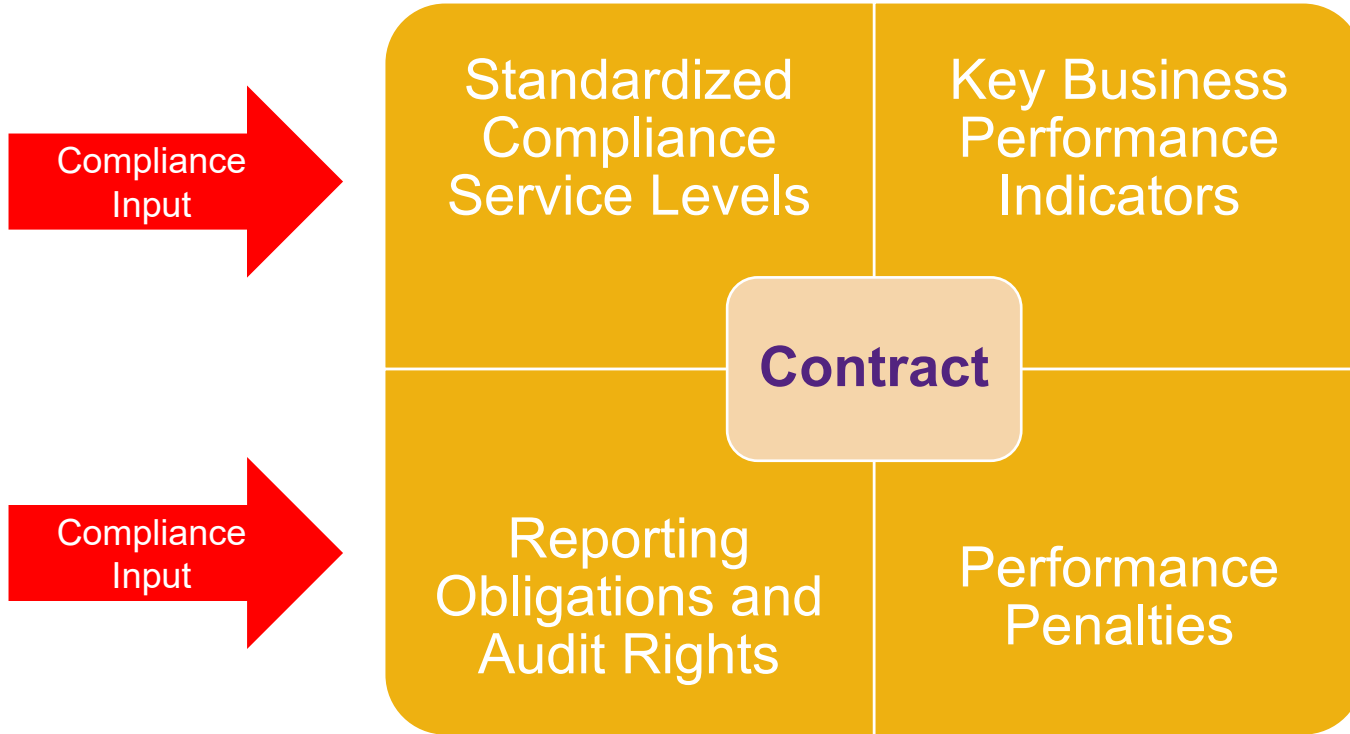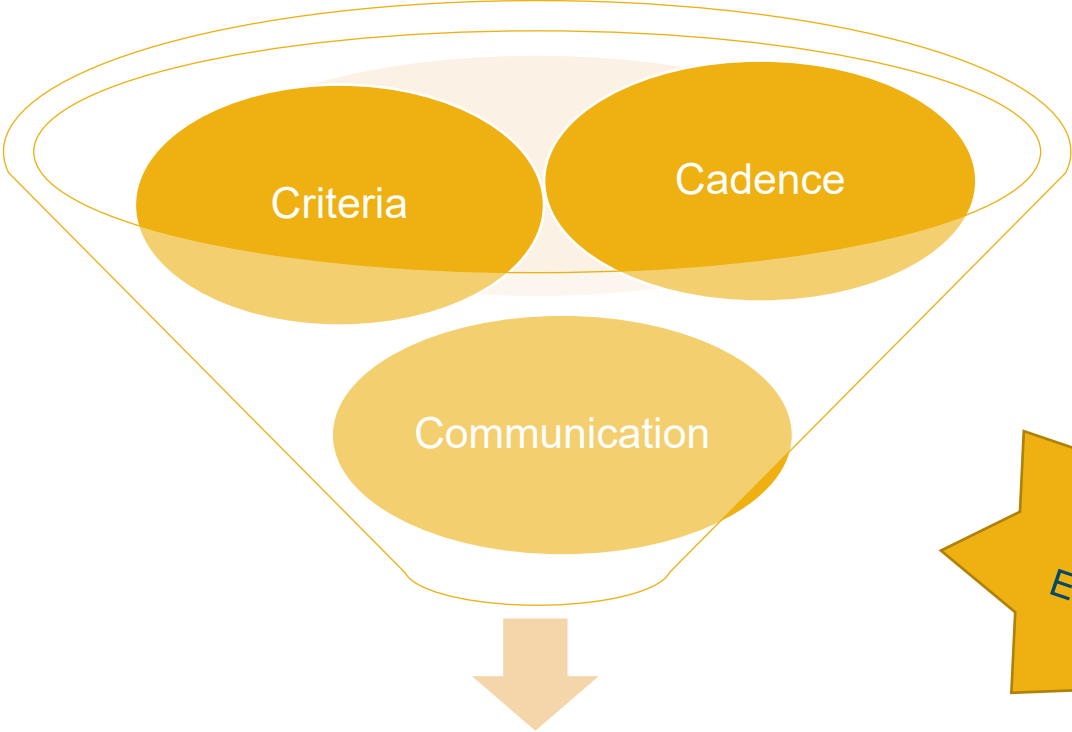| Process Step | Details |
|---|---|
| **Develop Business Case** | • Responsible Party: Business Owner<br>• Contributing Parties: Functional Areas, IT, Finance, Legal, Compliance |
| **Assess Opportunity** | • Responsible Parties:  Procurement, Business Owner<br>• Contributing Parties:  Finance, IT |
| **Define Requirements** | • Responsible Parties:  Procurement, Business Owner<br>• Contributing Parties:  IT, Functional Areas |
| *Sourcing Strategy* | • *Responsible Parties:  Procurement, Business Owner*<br>• *Contributing Parties: IT, Legal, **Compliance*** |
| *Evaluate Suppliers* | • *Responsible Parties:  Procurement, Business Owner*<br>• *Contributing Parties:  IT, Functional Areas, **Compliance*** |
| **Award & Contract** | • Responsible Parties:  Business Owner, Procurement, Legal<br>• Contributing Parties:  IT, Functional Areas, **Compliance** |
| **Implement Supplier** | • Responsible Parties:  Business Owner, IT, Functional Areas<br>• Contributing Party:  **Compliance** |
| **Monitor Supplier** | • Responsible Party:  Business Owner<br>• Contributing Parties:  Functional Area SMEs, **Compliance** |

# CONTRACT LANGUAGE

Compliance Input →

Compliance Input →

| Standardized Compliance Service Levels | Key Business Performance Indicators |
|---|---|
| Reporting Obligations and Audit Rights | Performance Penalties |

**Contract**

# PERFORMANCE MONITORING

CMS Program Audit FDR Tracer?

Criteria

Cadence

Communication

Establish the 7 Elements!!

## Is Corrective Action Needed?

# GETTING NERVOUS YET?

PLAY NICE!

# THE THREE "R"s OF VENDOR PERFORMANCE MANAGEMENT & OVERSIGHT

Requirements | **Roles** | Resources

**Building strong relationships with vendors facilitates trust and motivates performance excellence.**

Roles & Responsibilities

Job Descriptions

Training

# ROLES & RESPONSIBILITIES

**1st Line of Defense**

- Relationship Manager – "The Driver"
- Subject Matter Experts – "The Navigator"

**2nd Line of Defense**

- Vendor Oversight – "The Architect"
- Compliance – "The Supervisor"

**3rd Line of Defense**

- Internal Audit – "The Judge"
- Board/Leadership Committees – "The Authority"

# JOB DESCRIPTIONS

Partner with HR

Detailed Responsibilities with Clear Accountability

Performance Management

**Can't Do This "Off the Side of the Desk"**

# TRAINING

**Everyone**
- New Hire Training – Intro to Vendors
- Annual Compliance Training

**Relationship Managers**
- Contracting
- Vendor Code of Conduct

**Relationship Managers/Subject Matter Experts**
- Vendor Oversight Training
- Stakeholder Feedback Forums

# TRAINING

**Everyone**

- New Hires "Intro to Vendors 101"
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**Relationship Managers/ Subject Matter Experts**

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**Relationship Managers**

- Contract Terms
- Vendor Code of Conduct
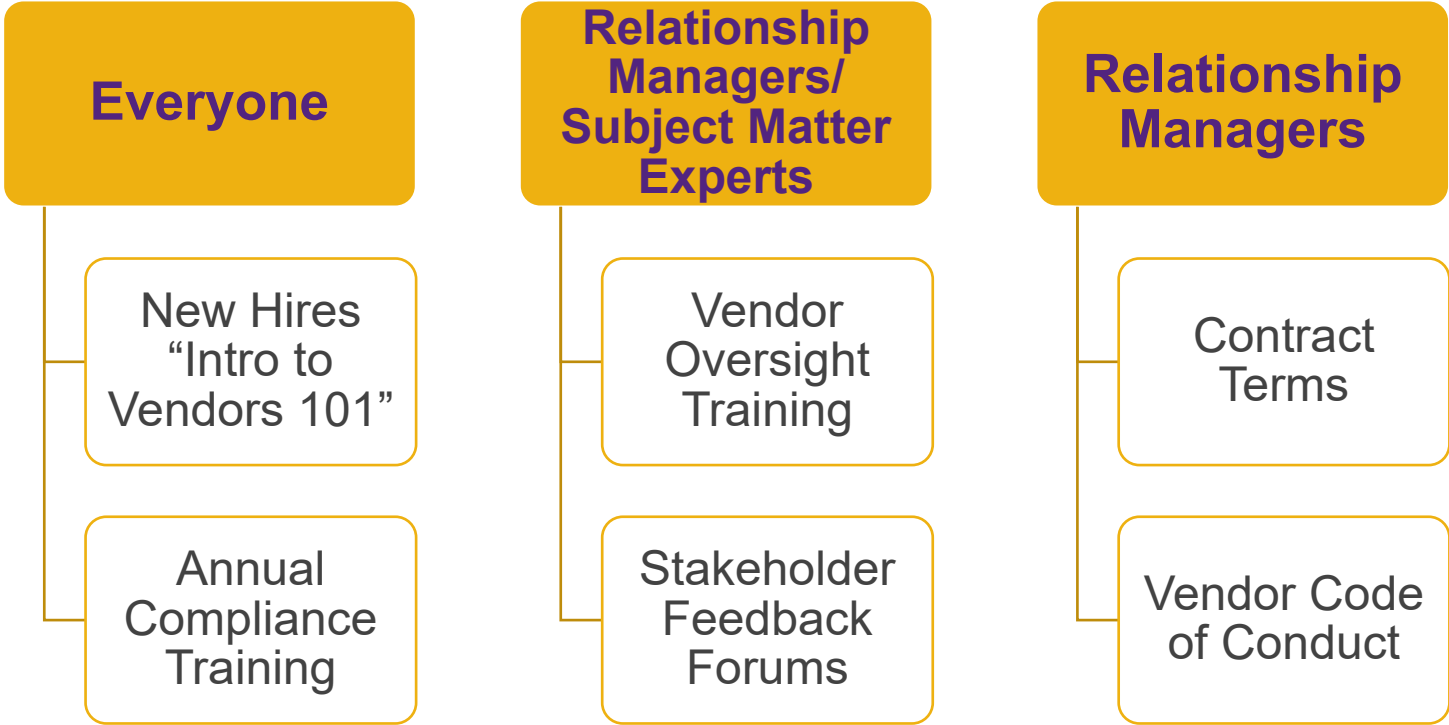
# Feeling Any Better?

# RESOURCES

# THE THREE "R"s OF VENDOR PERFORMANCE MANAGEMENT & OVERSIGHT

Requirements → Roles → **Resources**

**Monitoring vendor performance allows the organization to identify, manage and mitigate risk.**

| Templates | References | Toolkit |
|-----------|-----------|---------|

# TEMPLATES



- Roles/ Responsibilities
- Contracting Standards
- Checklists
- Monitoring & Auditing Tools
- Reporting Dashboards

# REFERENCES

Corporate Policies

Departmental Policies

Operating Procedures

Workflows

Regulatory Guidance

# TOOLKIT

- Make Templates and References publicly available to stakeholders.
- Provides end-to-end life cycle guidance to manage vendor relationships.

1. Contracting Checklist
2. Onboarding Checklist
3. Offboarding Checklist
4. Delegate Onboarding Workflow
5. 3rd Party Supplier Accountability Matrix
6. Vendor Escalation Plan
7. Performance Monitoring Plan
8. Reporting Dashboard

**YOU GOT THIS!!!!**

What
Else
Can
We
Share?

THANK YOU!!!