Contract Exhibit: Subcontractors

This exhibit focuses on subcontractors and should be included where the contracting entity has subcontractors involved in the delivery of their work. This section then details how those subcontractors will be selected, qualified for their roles, and what their responsibilities will be.

V1C CONSIDERATION: Subcontractors

Subcontractors of V1C solutions generally fall into three categories. Depending on which kinds of functions will be served by subcontractors, inclusion of one or several of these sections may be appropriate.

- Consultants or gig workers who may be on a 1099 (independent workers who receive non-employment income). For these individuals, contracts may specify required workforce controls such as background checks or verification of required licensure.
- Vendors and other service providers such as technology companies, cloud service providers, data processors, or other third-parties that support functions of the V1C (especially technology function). These subcontractors are the V1C’s business associates, and the V1C should have business associate agreements (BAAs) in place with them. Contracts may specify requirements around liability insurance.
- If the V1C solution operates as a professional corporation (PC) and affiliated management services organization (MSO) that entity should be referenced here. It is the V1C PC’s responsibility to ensure that this contract does not interfere with the MSO being able to perform necessary functions.

TO AVOID ★★★

Payer approval for subcontractors — Health Insurance Portability and Accountability Act (HIPAA)-covered entities should be trusted to select and perform their duties without payer approval

Strict BAA pass-thrus. V1C’s often have minimal ability to negotiate changes to service provider BAAs (especially BAAs from large cloud service providers)