

**DMH LEGAL ENTITY CONTRACT
PSYCHIATRIC URGENT CARE CENTER SERVICES**

**FINANCIAL EXHIBIT A
(FINANCIAL PROVISIONS)**

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(FINANCIAL PROVISIONS)

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1 EXHIBITS

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**FINANCIAL EXHIBIT A
PSYCHIATRIC URGENT CARE CENTER SERVICES**

FINANCIAL PROVISIONS

A. GENERAL

(1) The County shall pay Contractor in arrears for costs associated with eligible service(s) provided under this DMH Urgent Care Center (UCC) Legal Entity Contract and in accordance with the terms of this Financial Exhibit A.

(a) The Contractor understands and agrees that payment under this Contract is provided for the provision of the Urgent Care Center (UCC) services as set forth in this Financial Exhibit A and UCC Statement of Work (SOW).

(b) For the purposes of this Contract, the phrase "Non-Medi-Cal" includes all of the following: Persons with no known outside payer source, persons for whom eligibility for benefits under the State's Medi-Cal programs is being determined or established, and persons whose eligibility for the Medi-Cal programs was unknown at the time that services were rendered.

(c) The Contractor understands and agrees that the Federal reimbursement for Medi-Cal services is provided based on Contractor's ability to provide specific services and/or serve specific populations, which may include but is not limited to, Medi-Cal beneficiaries eligible under Early and Periodic, Screening, Diagnosis, and Treatment (EPSDT) Program; Title XXI Medicaid Children's Health Insurance Program (MCHIP); existing Title XIX Short-Doyle/Medi-Cal Program for individuals with low income and resources such as children and families, pregnant women, seniors, and persons with disabilities; and Medicaid (Medi-Cal in California) Coverage Expansion under the Affordable Care Act, as set forth in the Negotiation Package (NP). Therefore, Contractor shall ensure the access and provision of UCC services to all eligible beneficiaries based on client needs as set forth in the NP under this Contract.

(2) The Contractor shall comply with all requirements necessary for reimbursement as established by federal, State and local statutes, laws, ordinances, rules, regulations, manuals, policies, guidelines and directives.

(3) In order to reduce County costs, the Contractor shall seek payment from all sources for services provided under this Contract consistent with the rules of the applicable payor, and further shall comply with all applicable provisions of the Welfare and Institutions Code (WIC) and/or California Code of Regulations (CCR) related to reimbursement by non-County and non-State sources, including, but not limited to, collecting reimbursement for services from clients (which shall be the same as patient fees established pursuant to WIC Section 5710) and from private or public third-party payers. In addition, Contractor shall ensure that, to the extent a recipient of services under this Contract is eligible for coverage under Medicaid or any other federal or State funded program, services provided to such eligible beneficiary are properly identified and reported in County's claims processing information system with properly designate funding sources.

(a) To the extent that the County determines Contractor has improperly reported services in the County's claims processing information system, including but not limited to incorrectly assigning services to particular funding sources, County in its discretion, may assess liquidated damages, per DMH Policy, Number 801.10, *Psychiatric Urgent Care Center Contract Reimbursement*.

(4) The Countywide Maximum Allowances (CMA) limitations shall not apply to eligible UCC services (i.e., Mode 10, Service Function Code 25) provided to a non-Medi-Cal or Medi-Cal beneficiary.

B. REIMBURSEMENT BASIS

(1) County agrees to reimburse Contractor for services rendered under this Contract to eligible clients during the term of this Contract based on the actual, allowable cost for the Initial Period, and any extension periods, as applicable, subject to all of the rules, regulations, and policies established by the County, State and/or federal governments regarding payment and reimbursement of services, and in accordance with the terms of this Contract.

(2) The total maximum amount that will be paid by County to Contractor under this Contract, including Cash Flow Advances if applicable, for the Initial Period, and any extension periods, shall be, in no event, more than the actual, allowable cost to provide UCC

services stipulated in this Contract, for the Initial Period, any extension periods, respectively, of this Contract.

(a) **Reimbursement for UCC services:** Pursuant to the DMH Policy Number 801.10, *Psychiatric Urgent Care Center Contract Reimbursement*, which is incorporated into this Financial Exhibit A by reference, reimbursement for UCC services shall be based on actual allowable cost consistent with the cost reimbursement methodology. As indicated in the policy, allowable costs only include those costs which are reasonable in amount, and which would be incurred by a prudent buyer of goods and services. As specified in DMH Policy Number 801.10, *Psychiatric Urgent Care Center Contract Reimbursement*, Contractor shall submit, monthly, an invoice detailing the allowable actual cost related to the operation of the UCC and the provision of services as outlined in Contractor's most recent approved NP. Contractor shall continue to submit mental health units of service (UOS) data related to UCC services through the County's claims processing information system.

(b) **Reimbursement for Start-up and Capital Improvements costs:** Pursuant to the DMH Policy Number 801.10, *Psychiatric Urgent Care Center Contract Reimbursement*, notwithstanding any other provisions of this Contract, Contractor may bill County for start-up costs. County may pay start-up costs to the Contractor for a limited time period to cover expenses associated with the implementation of a UCC as allowed by the funding source identified for the UCC.

(i) Such start-up costs and capital improvements may include an one-time cost for capital asset acquisitions and/or improvements associated with the facility(ies) of the UCC under this Contract. These expenses must be \$5,000 or greater and they shall be claimed in the fiscal year in which Contractor makes the purchase or improvement. These expenses may include: 1) construction or rehabilitation of the UCC facility(ies); 2) related "soft" costs for development of such facility(ies); and 3) other capital assets dedicated solely to the UCC implementation, as stated in Attachment II, Exhibit A -5 (CSS Expenditure Coding Guide for UCC Programs) of the Contract.

(c) **County Payments:** After Director's review and approval of a complete and accurate invoice, County shall make good faith efforts to make payments for services billed through the invoice as soon as possible, subject to the limitations and conditions

specified in this Contract, but in any event, such payment will be made no more than thirty (30) calendar days after each submitted invoice is approved.

C. BILLING PROCEDURES

(1) UCC: Contractors shall, no later than the 15th of each month, submit an invoice for the monthly allowable and actual cost for the operation of the UCC for the previous month to the persons and at the address identified in Paragraph R (PAYMENT AND INVOICE NOTIFICATIONS) of this Financial Exhibit A. Said invoice shall be in a form as specified by the County, and will include an itemized accounting, as specified in the DMH Policy Number 801.10, *Psychiatric Urgent Care Center Contract Reimbursement*, of all allowable costs incurred to operate the UCC. In the event that the 15th of any month falls on a weekend or holiday, then the invoice shall be submitted by the last business day before the 15th.

(a) In addition to the monthly invoices, Contractor shall submit, to the persons and at the address identified in Paragraph R (PAYMENT AND INVOICE NOTIFICATIONS) of this Financial Exhibit A, an Annual Expenditure Report (AER) that summarizes and/or updates, if any, actual and allowable costs for the entire fiscal year as specified in the DMH Policy Number 801.10, *Psychiatric Urgent Care Center Contract Reimbursement*. The AER is due no later than thirty (30) calendar days after the Annual Cost Report due date for the applicable fiscal year and may be used as the final invoice for the applicable fiscal year.

(2) If Title XIX Short-Doyle/Medi-Cal services and/or Title XXI MCHIP services are provided under this Contract, Contractor authorizes County to serve as the Mental Health Plan for State claiming and reimbursement of Title XIX Short-Doyle/Medi-Cal services and/or Title XXI MCHIP services and to act on Contractor's behalf with SDHCS in regard to claiming.

(3) Claims Certification and Program Integrity:

(a) Contractor hereby certifies that all UOS entered by Contractor into the County's claims processing information system and/or claims for actual costs submitted to County for any services covered by this Contract are true and accurate to the best of Contractor's knowledge.

(b) Contractor shall annually provide the additional certification set forth in the "Urgent Care Center Contractor Claims Certification for Title XIX Short-Doyle/Medi-Cal and Title XXI Medicaid Children's Health Insurance Program Reimbursements" (Exhibit A-1 to this Attachment II) related to Contractor's compliance with specific State and federal statutory and regulatory requirements which are conditions for the reimbursement of Title XIX Short-Doyle/Medi-Cal and/or Title XXI MCHIP claims.

(4) Mental Health Services: UOS for all mental health services, including services funded by Title XIX Short-Doyle/Medi-Cal and Title XXI MCHIP but not including clients with private health insurance, shall be entered into County's claims processing information system within thirty (30) calendar days of the end of the month in which services are delivered, except as otherwise provided in this Paragraph C (BILLING PROCEDURES). For clients with private health insurance, Contractor must enter UOS within sixty (60) calendar days of the end of the month in which services are delivered, except as otherwise provided below.

(a) In the event that Contractor has a reasonable justification for not submitting UOS data within the time frame specified above, Contractor shall promptly, but in no event later than ten (10) business days after the timeline specified above, notify the Chief Information Office Bureau (CIOB), in writing, of the justification and remedy for the delay in submission of UOS in the County's claims processing information system, with a copy to Countywide Resource Management (CRM). County will determine whether a reasonable justification exists; if it does not, Contractor may be liable for liquidated damages, as specified in Paragraph D (4) below. If reasonable justification exists, Contractor shall submit (i) an initial or original (non-replacement) UOS data as soon as possible but for services under Title XIX Short-Doyle/Medi-Cal or under Title XXI MCHIP, no later than six (6) months after the end of the month in which the services were rendered, to the extent doing so would not preclude payment from a funding source; and (ii) replacement UOS data, if appropriate, for services under Title XIX Short-Doyle/Medi-Cal or under Title XXI MCHIP no later than nine (9) months after the end of the month in which the services were rendered, to the extent doing so would not preclude payment from a funding source.

(b) In addition to all other limitations provided in this Paragraph C (BILLING PROCEDURES), UOS for all services provided through June 30th of a given fiscal

year under certain categorical funding, i.e., Assembly Bill (AB) 109 funding, Department of Children and Family Services funding, as specified in the approved NP, shall be entered into the County's claims processing information system no later than July 15th of the subsequent fiscal year.

(c) In the event the State or federal government or any other funding source denies any or all UOS or claims submitted by County on behalf of Contractor, Contractor shall correct and resubmit/replace such UOS or claims within the time frame provided in Subparagraph (4) (a) of this Paragraph C (BILLING PROCEDURES).

(d) Notwithstanding the requirements in UOS specified in Subparagraph (4)(a) of this Paragraph C (BILLING PROCEDURES), Contractor shall, as soon as practicable, notify County of any delay in meeting the timeframe for submitting UOS specified in Subparagraph (4) of this Paragraph C (BILLING PROCEDURES) in the event Contractor is not able to make timely data entry into the County's claims processing information system due to no fault on the part of Contractor. Such Contractor notification should be immediate upon Contractor's recognition of the delay and must include a specific description of the problem that the Contractor is having with the County's claims processing information system. Notification shall be pursuant to the DMH Urgent Care Center Legal Entity Contract, Paragraph 70 (NOTICES), and such notification shall also be made by Contractor to the DMH CIOB's Help Desk with a copy to CRM.

(e) The County will notify Contractor in writing as soon as practicable of any County issue(s) which will prevent the entry by Contractor of UOS data into the County's claims processing information system, and County will waive the requirement of Subparagraph (4) of this Paragraph C (BILLING PROCEDURES) in the event of any such County issue(s). Once County has notified Contractor that its issues are resolved, Contractor shall enter billing information into the County's claims processing information system within thirty (30) calendar days of County's notice unless County and Contractor otherwise agreed to by County and Contractor to a different period, or pursuant to Subparagraph (i) below.

(i) To the extent that issues identified pursuant to Subparagraph (4) (e) of this Paragraph C (BILLING PROCEDURES) requires that Contractor modify its procedures for entering UOS into the County's claims processing information system,

Contractor shall consult with County regarding a reasonable time required to implement such modifications and, upon approval by County, the thirty (30) calendar days required by Subparagraph (4) (e) of this Paragraph C (BILLING PROCEDURES) shall be extended by the amount of time required to implement such modifications.

(f) County may modify the County's claims processing information system at any time in order to comply with changes in, or interpretations of, State or federal laws, rules, regulations, manuals, guidelines, and directives. County shall notify Contractor in writing of any such modification and the reason, if known, for the modification and the planned implementation date of the modification. To the extent that such modifications create a delay in Contractor submitting claims into the County's claims processing information system for a period of time, the timelines under this Paragraph C (BILLING PROCEDURES) shall be extended by the number of calendar days reasonably based on the time the system is inactive.

D. BILLING AND PAYMENT LIMITATIONS

(1) Provisional Payments: County payments to Contractor for performance of eligible services hereunder are provisional until the completion of the Annual Cost Report, AER, and all audits, as such payments are subject to future County, State, and/or federal adjustments to allowable costs. County adjustments to provisional payments to Contractor will be based upon the AER, annual cost report, and compliance reviews, and/or County, State, or federal audits, all of which take precedence over monthly claim reimbursements provided by County. County and Contractor acknowledge that the references in this Paragraph D (BILLING AND PAYMENT LIMITATIONS) represent examples only and are not intended, nor shall be construed, to represent all of the circumstances or conditions that may result in adjustments to provisional payments.

(2) Other Limitations for Certain Categorical Funding: In addition to all other limitations provided in this Paragraph D (BILLING AND PAYMENT LIMITATIONS), reimbursement for services rendered under certain funding sources may be further limited by rules, regulations and procedures applicable to that funding source. Contractor shall be familiar with said rules, regulations and procedures and submit all claims in accordance therewith.

(3) Contractor shall submit an NP and an updated NP as specified in DMH Notice, *Negotiation Package Submission Procedures*. Contractor shall compare its costs at least on a quarterly basis to Schedule 6-a (UCC Budget Schedule) of the approved NP, and shall not exceed UCC Budget Schedule amount. Costs in excess of the UCC Budget Schedule amount which are not approved by County pursuant to DMH Policy Number 801.10, *Psychiatric Urgent Care Center Contract Reimbursement*, will not be considered allowable.

(4) Recognizing that County will be damaged in the event that Contractor fails to meet certain obligations under this Contract, and further recognizing that the damages may be difficult to determine in some instances, Contractor agrees that County has the right to assess damages per DMH Policy Number 801.10, *Psychiatric Urgent Care Center Contract Reimbursement* based on the following:

(a) Contractor agrees that County has the right to assess liquidated damages under the following circumstances:

(i) Contractor Invoicing: Contractor fails to timely submit invoices as required by County;

(ii) Submission of Client Data: Contractor fails to timely input data related to services to all clients regardless of payor(s) in the County's claims processing information system without reasonable justification. In the case of Medi-Cal or MCHIP beneficiaries, if Contractor submits data in sufficient time to allow billing to Medi-Cal or MCHIP, only liquidated damages apply.

(iii) Designation of Funding Sources: Contractor improperly designates the funding source responsible for the client and corrects the error before the time to bill the funding source has lapsed; and

(iv) Default: County determines that Contractor is in default under the provisions of this Contract designated in DMH Policy Number 801.10, *Psychiatric Urgent Care Center Contract Reimbursement*.

(b) Contractor agrees that County has the right to assess actual damages incurred under the following circumstances:

(i) Submission of Medi-Cal or MCHIP Data: Contractor fails to input data related to services to Medi-Cal or MCHIP beneficiaries in County's claims

processing information system, or without good cause, such information is reported too late to allow timely claiming to Medi-Cal or MCHIP; and

(ii) Documentation: Contractor fails to ensure documentation of clinical work meets the minimum federal, State, and County written standards.

(c) Concurrent with any such action(s) specified in Subparagraph (4)(a) or (4)(b) of this Paragraph D (BILLING AND PAYMENT LIMITATIONS) and except in cases of alleged fraud or similar intentional wrongdoing or a reasonable good faith determination of impending insolvency, Director shall provide Contractor with written notice of the County's decision to take such action(s), including the reason(s) for the action, per DMH Policy Number 801.10, *Psychiatric Urgent Care Center Contract Reimbursement*.

(5) Expiration/Termination of Contract: Contractor shall have no claim against County for payment of any money, or reimbursement of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract or any part thereof. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

(6) Contract Compliance: Director, in his/her sole discretion and at any time and without prior written notice to Contractor, may take any necessary actions required to ensure that Contractor shall not be paid a sum in excess of the amount due to the Contractor under the terms and conditions of this Contract. Such actions may include, but are not limited to, denying all or in part the payment of any invoices, and/or demanding repayment from Contractor.

(7) Contractor agrees to hold harmless both the State and beneficiary in the event County cannot or will not pay for services performed by Contractor pursuant to this Contract.

E. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

(1) This Contract shall be subject to any restrictions, limitations, or conditions imposed by State which may in any way affect the provisions or funding of this Contract, including, but not limited to, those contained in State's Budget Act.

(2) This Contract shall also be subject to any additional restrictions, limitations, or conditions imposed by the federal government which may in any way affect the provisions or funding of this Contract.

(3) In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in County contracts, County reserves the right to unilaterally reduce its payment obligation under this Contract to implement such Board of Supervisors reductions for that fiscal year and any subsequent fiscal year during the term of this Contract, and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such action. Except as set forth in this Subparagraph (3) of this Paragraph E (LIMITATIONS OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS) and Subparagraph (3) of Paragraph F (CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS), the Contractor shall continue to provide all of the services set forth in this Contract.

(4) Notwithstanding any other provision of this Contract, County shall not be obligated for Contractor's performance hereunder or by any provision of this Contract during this or any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Contract in County's Budget for each such fiscal year. In the event funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor of any such non-appropriation of funds at the earliest possible date.

F. CONTRACTOR'S REQUIREMENTS FOR PAYMENT OF SERVICES BASED ON CLIENT ELIGIBILITY

(1) Payment under this Contract is provided for the delivery of mental health services at a UCC to eligible beneficiaries identified in the UCC SOW and established in accordance with the requirements and restrictions imposed by each respective County, State and/or federal policies, guidelines, and regulations.

(2) Contractor shall not, in County's claims processing system, report services delivered to an eligible beneficiary for Medi-Cal to the Non-Medi-Cal Plan except in such cases where a client's eligibility for benefits is being established or determined at the time the report is made. Upon confirming that said client is approved for Medi-Cal benefits, Contractor shall void the original UOS for services provided on or after the effective date that Medi-Cal services became eligible for reimbursement, and replace/resubmit such UOS for Medi-Cal under the correct Plan. Similarly, where County determines that a service reported originally through the Non-Medi-Cal Plan was to a client approved for Medi-Cal, and so notifies Contractor, Contractor shall void the original UOS for services provided on or after the effective date that Medi-Cal services became eligible for reimbursement, and replace/resubmit such UOS for Medi-Cal under the correct Plan.

(3) Contractor shall be responsible for delivering services to clients to the extent that aggregate funding is in a County approved NP, except for special populations, not including County responsible clients, who have restricted sources of funding. Where Contractor determines that services to clients can no longer be delivered, Contractor shall provide thirty (30) calendar days prior written notice to County. Contractor shall thereafter refer clients to County or to another appropriate Contractor.

(a) Contractor shall not be required to provide the notice required under Subparagraph (3) of this Paragraph F (CONTRACTOR'S REQUIREMENT FOR PAYMENT OF SERVICES BASED ON CLIENT ELIGIBILITY) if the County reduces funding to the Contractor under Paragraph E (LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS) whether such reductions occur at the beginning or during a fiscal year. In addition, if County reduces or eliminates funding, or portion thereof, Contractor shall not be responsible for continuing services for those clients served by such funding, or portion thereof.

G. CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN

(1) County and Contractor may by written amendment reduce programs or services. The Director shall provide fifteen (15) business days prior written notice of such funding changes to Contractor, including any changes in the amount of services to be received by County.

(2) Contractor shall be responsible for delivering and monitoring services so that Contractor can provide continued and uninterrupted quality services to eligible beneficiaries as specified in this Contract. Notwithstanding Subparagraph (1) of this Paragraph G (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN), if the County reasonably determines the Contractor will not meet expectations listed in Subparagraph (3), County may contact Contractor to discuss whether a corrective action plan (CAP) will be required. If County determines that a CAP is required, Contractor shall prepare such CAP. After receiving County approval of the CAP, Contractor shall implement its terms.

(3) Without limiting Contractor's obligations under this Contract, Contractor shall meet the following expectations:

(a) Contractor shall not deviate twenty-five (25) percent or more from its projected unique client count, UOS, or costs for UCC services based on a quarterly review of Schedule 8 (Legal Entity Mental Health Service Plan) of the approved NP unless it has advised County of such deviation and County has agreed that it is permissible.

(b) Contractor shall meet performance and/or outcome expectations that are specified in the Contract and/or any Service Exhibit, and/or are set forth in Department policies, guidelines, directives, and/or practice parameters.

(4) If a CAP is established pursuant to Subparagraph (2) of this Paragraph G (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN), and Contractor fails to comply with such CAP, County may implement options listed in subsections (a), (b), and/or (c) to safeguard County's mission to ensure access to quality services for all client populations and to ensure the types of services and supports necessary to assist clients in achieving hope, wellness, and recovery.

(a) Restrict payment to Contractor of any amount above the amount agreed to in the NP.

(b) In the event that Contractor is operating at capacity as defined in the approved NP and Contract, clients will be redirected to other UCCs for services.

(c) Eliminate funding sources related to the deficiency within the Contractor's Contract and/or terminate the Contractor's Contract in its entirety for failure to meet performance and/or outcome expectations as specified in program service exhibit(s) and/or Department policies, guidelines, directives, and practice parameters.

(d) Changes that are based on one-time circumstances will be applicable to the current contract year only and shall not result in reductions (or increases) of funding in subsequent years, while changes that are based on clearly documented ongoing historical trends may result in ongoing reductions (or increases) of funding in subsequent years.

Prior to implementing options (a), (b), and/or (c) of Subparagraph (4), County shall provide fifteen (15) business days prior written notification to Contractor of County's intent to implement one or more such options. Such notification shall include an explanation of how the County reached the conclusion that Contractor is not meeting the expectations listed in Subparagraph (3) and copies of relevant data, such as but not limited to County information system reports used by County in making this decision, the nature and amount of proposed funding changes, and any proposed changes in the amount of services to be provided by Contractor.

(5) In the event Contractor believes that an adjustment under Subparagraph (4) of this Paragraph G (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN is unjustified, Contractor may, within the fifteen (15) business days notice period, so notify the Director in writing, and request a meeting with County to review County's documentation. Any such meeting shall be held within thirty (30) calendar days of the initial written notification. If Contractor fails to meet with County in this period of time, and County has provided an opportunity to meet within that time period, Contractor is deemed to have waived its opportunity to meet with County and accepts County recommended changes in funding and/or program/service delivery up to and including termination of the entire Contract.

If, after any such meeting, it is still determined that an adjustment under this Subparagraph (4) of Paragraph G (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES) is justified, the County shall take the appropriate action, as provided above. Director shall provide final prior written notice to Contractor of such action(s), including any changes in the amount of services to be received by County, and the determination of the Director will be final. Any such change in Contractor's Contract, including termination of the entire Contract shall be effected by an administrative amendment to this Contract issued by the Director.

The determination by the Director shall be effective upon the receipt of such final prior written notice by Contractor and the changes to funding and services shall be incorporated into this Contract as of the date of receipt. Contractor understands and agrees that funding may be reduced as a result of the adjustments authorized by this provision, and further acknowledges that County has relied upon this flexibility in establishing the funding for this Contract. By executing this Contract, Contractor specifically consents to the prospective adjustments set forth in this provision up to and including termination of the Contract.

H. LIMITATION ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM

(1) If, under this Contract, Contractor serves Title XIX Short-Doyle/Medi-Cal and/or Title XXI MCHIP clients, Contractor shall certify annually by submitting completed "Urgent Care Center Contractor Claims Certification for Title XIX Short-Doyle/Medi-Cal and Title XXI Medicaid Children's Health Insurance Program Reimbursements" (Exhibit A-1 to this Attachment II), no later than July 10 of each year, that all necessary documentation will exist at the time any claims for Title XIX Short-Doyle/Medi-Cal services and/or Title XXI MCHIP are submitted by Contractor to County.

Contractor shall be solely liable and responsible for all service data and information submitted by Contractor.

(2) Contractor acknowledges and agrees that the County, in undertaking the processing of services, claims, and payment for services rendered under this Contract to

Title XIX Short-Doyle/Medi-Cal and/or Title XXI MCHIP beneficiaries, does so as the Mental Health Plan for the State and federal governments.

(3) Contractor shall submit to County all Title XIX Short-Doyle/Medi-Cal and/or Title XXI MCHIP UOS or other State required service data within the time frame(s) prescribed by this Contract to allow the County to meet the timeframes prescribed by the State and federal governments.

(4) County, as the Mental Health Plan, shall submit to the State in a timely manner claims for Title XIX Short-Doyle/Medi-Cal services and/or Title XXI MCHIP services only for those services/activities identified and entered into the County's claims processing information system, as appropriate, which are compliant with State and federal requirements. County shall make available to Contractor any subsequent State approvals or denials of such claims within thirty (30) days of receipt thereof.

(5) Contractor shall comply with all written instructions provided to Contractor by Director, State or other applicable payer source regarding claiming and documentation.

(6) Nothing in this Paragraph H (LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM) shall be construed to limit Contractor's rights to appeal State and federal settlement and/or audit findings in accordance with the applicable State and federal regulations.

I. PATIENT/CLIENT ELIGIBILITY, UMDAP FEES, THIRD PARTY REVENUES, AND INTEREST

(1) Contractor shall comply with all County, State, and federal requirements and procedures relating to:

(a) The determination and collection of patient/client fees for services hereunder based on the Uniform Method of Determining Payment (UMDAP), in accordance with State guidelines and Welfare and Institutions Code Sections 5709 and 5710; and

(b) The eligibility of patients/clients for Short-Doyle/Medi-Cal, private insurance, or other third party coverage; , and

(c) The collection, reporting, and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. Contractor shall pursue and report collection of all patient/client and other revenue.

(2) All fees paid by patients/clients receiving services under this Contract and all fees paid on behalf of patients/clients receiving services hereunder shall be utilized by Contractor only for the delivery of mental health service/activities specified in this Contract.

(3) Contractor may retain unanticipated revenue, which is not shown in Contractor's NP for this Contract, for a maximum period of one fiscal year, provided that the unanticipated revenue is utilized for the delivery of mental health services/activities specified in this Contract. Contractor shall report the expenditures for the mental health services/activities funded by this unanticipated revenue in the Annual Cost Report submitted by Contractor to County.

(4) Contractor shall not retain any fees paid by any sources for, or on behalf of, Medi-Cal beneficiaries without deducting those fees from the cost of providing those mental health services for which fees were paid.

(5) Contractor may retain any interest and/or return which may be received, earned or collected from any funds paid by County to Contractor, provided that Contractor shall utilize all such interest and return only for the delivery of mental health services/activities specified in this Contract.

(6) Failure of Contractor to report in all its claims and in its Annual Cost Report all fees paid by patients/clients receiving services hereunder, all fees paid on behalf of patients/clients receiving services hereunder, all fees paid by third parties on behalf of Medi-Cal beneficiaries receiving services and/or activities hereunder, all unanticipated revenue not shown in Contractor's NP for this Contract, and all interest and return on funds paid by County to Contractor, shall result in:

(a) Contractor's submission of a revised claim statement showing all such non-reported revenue.

(b) A report by County to SDHCS of all such non-reported revenue including any such unreported revenue paid by any sources for or on behalf of Medi-Cal beneficiaries.

(c) Any appropriate financial adjustment to Contractor's reimbursement.

J. CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED

(1) The Cash Flow Advance (CFA), if approved by County, is an advance of funds to be repaid by Contractor through direct payment of cash and/or through the provision of appropriate services/activities under this Contract during the applicable period.

(2) For each month of each period of this Contract, County will reimburse Contractor based upon Contractor's actual allowable cost, in accordance with the terms of this Contract. However, for each month of the first two (2) months, of the Initial Term, the and any extension periods, Contractor may request in writing from County a monthly County General Fund CFA as herein described.

(3) CFA disbursement(s), if any, shall be part of the total maximum reimbursement, which is limited to the actual allowable cost as specified in Paragraph B (REIMBURSEMENT BASIS).

(4) CFA is intended to provide cash flow to Contractor pending Contractor's submission of invoices required by Subsection (1) of Paragraph C (BILLING PROCEDURES) for eligible services/activities, as identified in DMH Legal Entity Contract Paragraph 5 (DESCRIPTION OF SERVICES/ACTIVITIES) and UCC SOW, and County payment thereof. Contractor may request each monthly CFA only for such services/activities and only to the extent that there is no other reimbursement from any public or private sources for such services/activities.

(5) No CFA will be given if a Contractor has not been certified as an eligible Medi-Cal service provider unless otherwise agreed to by County.

(6) Cash Flow Advance Request Letter: For each month for which Contractor is eligible to request and receive a CFA, Contractor must submit to the County a letter requesting a CFA and the amount of CFA Contractor is requesting.

(a) In order to be eligible to receive a CFA, the letter requesting a CFA must be received by County on or before the 15th of that month (i.e., for the month of July 2014, the request must be received by July 15, 2014).

i. If the letter requesting CFA is received by the County from the Contractor after the 15th of the month, Contractor will not be eligible to receive a CFA for that month.

(b) The signed letter requesting a CFA must be sent via mail, fax or email (PDF file) to the Department of Mental Health Financial Services Bureau – Accounting Division, Provider Reimbursement Section (PRS).

i. PRS staff will determine whether Contractor is eligible to have its request considered based on the date the request letter is received by PRS and not the date on the request letter.

(c) Upon receipt of a request, Director, in his/her sole discretion, shall determine whether to approve the CFA and, if approved, whether the request is approved in whole or in part.

i. If a CFA is not approved, Director will notify Contractor within ten (10) business days of the decision, including the reason(s) for non-approval. Thereafter, Contractor may, within fifteen (15) calendar days, request reconsideration of the decision.

(7) Business Rules for the Determination of the Maximum Amount of the Cash Flow Advance Request:

For each of the first two (2) months of each period that this Contract is in effect, Contractor may request in writing from County a monthly County General Fund CFA. Contractor shall specify in its request the amount of the monthly CFA it is requesting, not to exceed 1/12th of UCC's budget as identified in the current and approved NP as of the specified month the CFA is requested.

(8) Recovery of Cash Flow Advances: If Contractor has received any CFA pursuant to this Paragraph J (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED), then recovery of such CFA shall be made through County offsets to County payment(s) of Contractor's monthly approved claim(s) and/or invoice(s) as follows:

(a) County will initiate recovery of the CFA balance, if any, for a particular fiscal year in July following the close of such fiscal year. Such recovery is initiated through the Contractor's submission of invoices for actual and allowable cost of rendering appropriate services and activities. The determination to begin recovery of CFA balance in

July of the following fiscal year is based on the presumption that when a contractor is meeting its contractual levels, then the Contractor will have incurred appropriate and allowable cost for services/activities, subject to the limitations and conditions specified in this Contract, and submitted all invoices reflecting allowable actual cost by July 15 following the end of the fiscal year. In addition, Contractor will have entered such services/activities into the County's claims processing information system by July 30 following the end of the fiscal year.

(b) If at any time during the fiscal year, County determines that Contractor is not rendering services at a level that would meet the performance standard, County may initiate recovery of the CFA prior to July 1 of the following fiscal year. If County intends to initiate recovery of the CFA prior to July 1, County will give Contractor at least thirty (30) calendar days prior written notice, including the reason(s) for the intended actions. Contractor may, within fifteen (15) calendar days of the receipt of County's written notice, request reconsideration of the County's decision.

(c) Upon receipt and review of the AER, County will perform a reconciliation to determine if any of the CFA balance is owed to County. Contractor repayment of amounts owed shall be conducted as specified in Paragraph N (PAYMENT BY CONTRACTOR TO COUNTY) unless otherwise agreed to by County.

(9) Should Contractor request and receive CFA, Contractor shall exercise cash management of such CFA in a prudent manner.

K. ANNUAL COST REPORT AND AER

(1) For each fiscal year or portion thereof that this Contract is in effect, Contractor shall provide County with two (2) copies of an accurate and complete Annual Cost Report, along with a statement of expenses and revenue, and a Cost Report Certification. The statement of expenses and revenue and Cost Report Certification must be signed by a Contractor's executive official or designee, by the due date specified in Subparagraph (4) of this Paragraph K (ANNUAL COST REPORT AND AER).

(a) If Contractor has multiple DMH Contracts with the County under one Legal Entity, Contractor shall submit a single consolidated Annual Cost Report for all

provider numbers used by the Legal Entity, and such report shall include information regarding the costs and services under this Contract.

(2) An accurate and complete Annual Cost Report shall be defined as a cost report which is completed to the best of the ability of Contractor on such forms or in such formats as specified by the County, is consistent with such instructions as the County may issue, and is based on the best available data.

(3) The Annual Cost Report will be comprised of a separate set of forms for the County and State based on the funding applicable to the fiscal year.

(4) The Annual Cost Report will be due on September 15th for the fiscal year ending on the previous June 30th or seventy-five (75) calendar days following the expiration or termination date of this Contract, whichever occurs earlier. Should the due date fall on a weekend, such report will be due on the following business day.

(a) Failure by Contractor to submit an Annual Cost Report within thirty (30) calendar days after the due date specified in above Subparagraph (4) of this Paragraph K (ANNUAL COST REPORT) shall constitute a breach of this Contract.

i. In addition to, and without limiting, any other remedy available to the County for such breach, County may undertake any or all of the following to remedy such breach:

(A) In such instance that Contractor does not submit an Annual Cost Report by such thirty (30) calendar days after the applicable due date specified in Subparagraph (4) of this Paragraph K (ANNUAL COST REPORT AND AER), then all amounts covered by the outstanding Annual Cost Report and paid by County to Contractor for the fiscal year for which the Annual Cost Report is (are) outstanding shall be due by Contractor to County. Contractor shall pay County according to the method described in Paragraph N (PAYMENT BY CONTRACTOR TO COUNTY). Such payments shall be submitted to the persons and at the address identified in Paragraph R (PAYMENT AND INVOICE NOTIFICATIONS).

(B) If this Contract is automatically renewed as provided in Paragraph 1 (TERM), then County may opt to suspend payments to Contractor under this Contract until the Annual Cost Report is submitted. County shall give Contractor at least fifteen (15) business days written notice of its intention to suspend payments hereunder,

including the reason(s) for its intended action. Thereafter, Contractor shall have fifteen (15) business days either to submit the Annual Cost Report, or to request reconsideration of the decision to suspend payments. Payments to Contractor shall not be suspended during said fifteen (15) business days provided to correct the deficiency or, if reconsideration is requested, pending the results of the reconsideration process.

(b) Failure by the Contractor to submit an Annual Cost Report by the due date specified in Subparagraph (4) of this Paragraph K (ANNUAL COST REPORT AND AER) will result in damages being sustained by the County. County and Contractor agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to submit its Annual Cost Report to the County under this Paragraph K (ANNUAL COST REPORT AND AER). The County and Contractor hereby agree that a reasonable estimate of said damages is \$100 per day for each day that the Contractor fails to submit to the County by the due date.

i. Liquidated damages shall be assessed separately on each outstanding Annual Cost Report.

ii. Liquidated damages shall be assessed commencing on September 16th or on the seventy-sixth (76th) day following the expiration or earlier termination of this Contract and shall continue until the outstanding Annual Cost Report is received.

iii. Upon written request from the County, Contractor shall, within thirty (30) calendar days of the date of the written request, submit to the County payment for said damages. Said Payment shall be submitted to the persons and at the address identified in Paragraph R (PAYMENT AND INVOICE NOTIFICATIONS).

iv. Contractor may ask that liquidated damages not be assessed by sending a written request for an extension to submit the Annual Cost Report to the Director no later than thirty (30) calendar days prior to the due date specified in this Subparagraph (4) of this Paragraph K (ANNUAL COST REPORT AND AER). The decision to grant an extension without assessing liquidated damages in accordance with Subparagraph (4) (b) of this Paragraph K (ANNUAL COST REPORT AND AER) shall be at the sole discretion of the Director.

(5) Each Annual Cost Report shall be prepared by Contractor in accordance with the Centers for Medicare and Medicaid Services' Publications #15-1 and #15-2; "The Provider Reimbursement Manual Parts 1 and 2;" the State's Cost and Financial Reporting System (CFRS) Instruction Manual; and any other written guidelines that shall be provided to Contractor at the Cost Report training, to be conducted by County on or before June 30 of the fiscal year for which the Annual Cost Report is to be prepared.

(a) Attendance by Contractor at the County's Cost Report Training is mandatory.

(b) Failure by the Contractor to attend the Cost Report Training shall be considered a breach of this Contract that will result in damages being sustained by the County. County and Contractor agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to attend the Cost Report Training. County and Contractor hereby agree that a reasonable estimate of said damages is \$100 per occurrence. Therefore, County may, in its sole discretion, assess liquidated damages in the amount of \$100 for Contractor's non-attendance at the Cost Report Training. Said Payment shall be submitted to the persons and at the address identified in Paragraph R (PAYMENT AND INVOICE NOTIFICATIONS).

(6) Upon written notification from the Director that its Annual Cost Report contains errors or inaccuracies, Contractor shall, within thirty (30) calendar days, correct such errors and inaccuracies and resubmit its Annual Cost Report.

(a) If Contractor fails to correct inaccuracies in Annual Cost Report within thirty (30) calendar days after receipt of written notification from the Director and said inaccuracies result in the loss of reimbursement to County for claimable amounts that were paid to Contractor, Contractor must pay County the amount of lost reimbursement that County could have claimed if the inaccuracy was corrected by Contractor.

(7) Contractor shall be solely responsible for any loss incurred by County due to Contractor's failure to comply with County and State cost report requirements.

(8) The AER will be due 30 calendar days after the Annual Cost Report due date for the applicable fiscal year or 90 days following the expiration or termination date of this Contract, which occurs earlier.

(a) Upon review and approval of the AER, County will reconcile the AER with total payments to Contractor for UCC services. County will issue an interim settlement with the Contractor for the allowable cost of such UCC services, as certified in the Annual Cost Report and reflected in the AER.

(i) If an additional amount is owed to Contractor, County shall issue payment to Contractor or reduce any other amounts owed to County within 60 days of issuance of the settlement.

(ii) If an amount is owed to County, Contractor will issue payment to County consistent with Paragraph N (PAYMENT BY CONTRACTOR TO COUNTY).

L. OTHER REQUIREMENTS FOR CONTRACTORS PROVIDING TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM SERVICES

(1) Contractor shall maintain records documenting all Title XIX Short-Doyle/Medi-Cal services and/or Title XXI MCHIP services in compliance with the terms of Paragraph 13 (RECORDS AND AUDITS) of the Contract.

(2) Contractor shall complete and certify, in accordance with State and County instructions, and provide DMH with two (2) copies of an accurate and complete Specialty Mental Health Services (SMHS) Reconciliation Report, also referred to as Title XIX Short-Doyle/Medi-Cal Reconciliation Report, by the due date set by the State for the applicable fiscal year. If Contractor also provides specialty mental health services pursuant to any other Contract with County, a single SMHS Reconciliation Report covering all contracted services shall be filed.

(a) Should Contractor fail to provide County with the SMHS Reconciliation Report by the due date, then Director, in his/her sole discretion, shall determine which State approved Short-Doyle/Medi-Cal services shall be used by County for completion of the SMHS Reconciliation Report.

(b) Contractor shall hold County harmless from and against any loss to Contractor resulting from the Contractor's failure to provide County with the SMHS Reconciliation Report and County's subsequent determination of which State-approved

Short Doyle/Medi-Cal services to use for completion of the SMHS Reconciliation Report for the Contractor.

M. AUDITS, AUDIT APPEALS AND POST-AUDIT APPEAL SHORT-DOYLE/MEDI-CAL (SD/MC) SETTLEMENT

(1) At any time during the term of this Contract or after the expiration or termination of this Contract, in accordance with State and federal law including but not limited to the California Welfare and Institutions Code (WIC) Sections 14170 et seq., authorized representatives from the County, State or federal governments may conduct an audit of Contractor regarding the services/activities provided under this Contract.

(2) Settlement of audit findings will be conducted according to the auditing party's procedures in place at the time of the audit.

(3) Post-Audit SD/MC Settlement: In the case of a State Short-Doyle/Medi-Cal (SD/MC) audit, the State and County will perform a post-audit SD/MC settlement based on State audit findings. Such settlement will take place when the State initiates its settlement action, which customarily is after the issuance of the audit report by the State and before the State's audit appeal process.

(4) County may appeal any such audit findings in accordance with the audit appeal process established by the party performing the audit for UCC services.

(a) Contractor shall provide all applicable documentation as requested by County, if County decides to appeal any such audit disallowances.

(b) For federal audit exceptions, federal audit appeal processes shall be followed.

(c) County may appeal the State audit findings in conformance with provisions of Sections 51016 et seq. of Title 22 of the California Code of Regulations. County shall notify Contractor of State appeal deadlines after County's receipt of information from State in order to coordinate receipt of applicable documentation.

(5) County Audits: Should County be the auditing party, Contractor will have thirty (30) calendar days from the date of the audit report within which to file an appeal with County. The letter providing the Contractor with notice of the audit findings shall indicate the persons and address to which the appeal should be directed. County shall consider all information

and arguments provided by Contractor with its appeal, and will issue its decision on the appeal after such consideration. Such decision is final. County will issue an invoice for any amount due County fifteen (15) calendar days after County has notified Contractor of the County's audit appeal findings. Contractor shall make payment to the County in accordance with the terms of Paragraph N (PAYMENT BY CONTRACTOR TO COUNTY). Said payment shall be submitted to the persons and at the address identified in Paragraph R (PAYMENT AND INVOICE NOTIFICATIONS).

N. PAYMENT BY CONTRACTOR TO COUNTY

(1) Payment Amount: In the event that it is determined that the Contractor owes County under this Contract as the result of the CFA Reconciliation, Interim Settlement based on Cost Report/AER, SMHS Reconciliation and Settlement, SD/MC Audit and Post-Audit Settlement processes, and/or any other audits, Contractor agrees to pay County the sum owed to County upon a written notification by County. County first shall offset this amount against any other amount owed to Contractor. If there is a remaining amount owed to County, Contractor will pay County using one or more of the options provided below by notifying County within ten (10) business days of receipt of County's written notification:

- (a) Paid in one cash payment by Contractor to County;
- (b) Paid by cash payment(s) by Contractor to County over a period not to exceed twelve (12) months;
- (c) A repayment plan for up to and not to exceed six (6) years as negotiated between County and Contractor and approved by the Director or his designee:
 - i. Paid by cash payments(s) or deducted from future claims.
- (d) Use of in-kind services; or

(e) A combination of any or all of the above to run concurrently, but up to and not to exceed six (6) consecutive years.

(2) If Contractor does not so notify County within such ten (10) business days as stated in Paragraph N. PAYMENT BY CONTRACTOR TO COUNTY, (1) Payment Amount, above, or if Contractor fails to make payment of any such amount to County as required, then Director, in his sole discretion, shall determine which of the above five (5) payment options shall be used by County for recovery of such amount from Contractor.

(3) In-Kind Services: This Contract considers the repayment of settlement amounts owed from Contractor to the County through the provision of in-kind services. As such, County and Contractor agree to the following terms and conditions:

(a) The term of the in-kind repayment may be for up to and not to exceed six (6) years from the execution of this Contract as amended.

(b) No payment of any kind will be made by County to Contractor for such in-kind services provided under this Contract.

(c) In-kind services from Contractor will be valued at the hourly rate of Contractor's staff assigned to a DMH Directly Operated facility or otherwise specified by the Director, to perform the in-kind service. The hourly rate should be the higher of whatever the County pays for a compatible service or Contractor's rate. If Contractor's hourly rate is used, it will be verified according to Contractor's payroll records. Contractor shall not include costs and units of service for such staff while performing in-kind services to County on its year-end cost report.

(d) County will assign a contract program monitor, or designate, to oversee the in-kind repayment of services by Contractor's staff in a DMH Directly

Operated facility or as otherwise specified by the Director. County's contract program monitor, or designate, will oversee Contractor's staff.

(e) County and Contractor agree that the in-kind services to be performed under this Contract will consist of appropriate clinical services as specified by the Director or his designee within mutually agreed upon service areas. This includes the type and qualification of staff to be assigned to such Directly Operated facilities to perform the in-kind services.

(f) County's contract program monitor has the discretion to terminate the in-kind services based upon work performance issues associated with the Contractor's staff performing the in-kind services.

(g) County's contract program monitor may ask for a Corrective Action Plan which may include, but not be limited to, recommending a new repayment option for the Contractor which may include:

- i. Paid in cash by Contractor to County over a period not to exceed three (3) months;
- ii. Deducted from future claims over a period not to exceed three (3) months;
- iii. A repayment plan for up to and not to exceed six (6) years as negotiated between County and Contractor and approved by the Director or his designee:
 - 1) Paid in cash payment(s) or deducted from future claims.

iv. Any combination of the above, not to exceed a total of six (6) consecutive years from the date of the original repayment plan under this Contract as amended.

(h) County will notify Contractor of the need for a Corrective Action Plan in writing.

i. If upon receipt of such written notice, Contractor does not provide the County with a written Corrective Action Plan within ten (10) business days, then Director, in his sole discretion, shall determine which of the four (4) payment options shall be used by County for recovery of amount owed by Contractor.

(i) Contractor will report the units of service delivered under the in-kind service arrangement in a format specified by County no later than the tenth calendar day of the month following the month of service. If the tenth calendar day of the month falls on a weekend or a County recognized holiday, the report is due the following business day.

(3) Under special circumstances, Contractor may request in writing an extension of the payment period beyond the six (6) - year extension period referenced in Paragraph N. PAYMENT BY CONTRACTOR TO COUNTY, (1) Payment Amount, (c) – extended repayment plan option.

(a) Director in his sole discretion may approve Contractor's request.

(4) Administrative Fee: A monthly administrative fee will be assessed for any Contractor repayment plan beyond 12 months;

(a) The fee assessed shall be a flat monthly amount based on the amount owed to County and the term of the repayment period at the time of the request.

(b) The amount of the fee will be determined by County at the time of Director's approval of Contractor's request, and shall be paid by Contractor to County with the monthly payment until Contractor pays County in full.

(5) Contractor may make additional cash payments to County at any time.

(6) If SMHS Reconciliation and Settlement, and/or SD/MC Audit and Post-Audit Settlement processes results in money owed to Contractor by County, such amount(s) shall be offset from the balance owed to County.

(7) Contractor shall ensure that no current-year County funding is used to pay prior years' liabilities and that the County offset is absorbed by revenues, donations, and/or other sources of funds.

(8) Notwithstanding any other provision of this Contract as amended, in the event that County determines that Contractor has failed to make the payment to County as described in Paragraph N. PAYMENT BY CONTRACTOR TO COUNTY, and that there is no current written Contract between County and Contractor for mental health services so that no amounts are due by County to Contractor from which the withhold/offset described in Paragraph N. PAYMENT BY CONTRACTOR TO COUNTY, can be made, then the total outstanding amount, as determined by County, shall be immediately due and payable by Contractor to County. Contractor shall repay County by cash payment upon demand."

O. FINANCIAL SOLVENCY

Contractor shall maintain adequate provisions to meet the solvency/working capital criteria specified in DMH Policy 812.03, *Financial Responsibility Requirements for Existing DMH Contractors*.

P. COUNTY AND CONTRACTOR REQUESTED CHANGES

(1) If Contractor desires any change in the terms and conditions of this Contract, Contractor shall request such change in writing prior to April 1 of the fiscal year for which the change would be applicable, unless otherwise agreed to by County.

(a) All changes requested by Contractor shall be made by an amendment pursuant to DMH Legal Entity Contract Paragraph 40 (ALTERATION OF TERMS).

(b) After requesting any change, Contractor shall submit a Mid-Year Change to the last approved NP, which must be approved by the Director as specified in DMH Notice, *Negotiation Package Submission Procedures*.

(2) If County requires changes per options specified in Paragraph G (CONTRACTOR'S RESPONSIBILITY TO MONITOR SERVICE PLAN), Contractor must submit a Mid-Year Change to the last approved NP as specified in DMH Notice, *Negotiation Package Submission Procedures*.

(3) If County requires changes per Paragraph E (LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS), Contractor must submit a Mid-Year Change to the last approved NP as specified in DMH Notice, *Negotiation Package Submission Procedures*.

(4) If County and Contractor agree to make a funding and/or service plan change relevant to this Contract, Contractor must submit a Mid-Year Change to the last approved Negotiation Package as specified in DMH Notice, *Negotiation Package Submission Procedures*.

Q. PAYMENT AND INVOICE NOTIFICATIONS

(1) Contractor shall submit all Invoices, including any supporting documentation, to the following:

County of Los Angeles Department of Mental Health
Financial Services Bureau – Accounting Division
510 S. Vermont Avenue
Los Angeles, CA 90020
Attn: Provider Reimbursement Section

(2) Contractor shall submit all remittances and payments for amounts due to the County under this Contract to the following:

County of Los Angeles Department of Mental Health

Financial Services Bureau – Accounting Division

510 S. Vermont Avenue

Los Angeles, CA 90020

Attn: Accounts Receivable

COUNTY OF LOS ANGELES DEPARTMENT OF MENTAL HEALTH CONTRACTOR CLAIMS
CERTIFICATION FOR TITLE XIX SHORT-DOYLE MEDI-CAL and TITLE XXI MEDICAID CHILDREN'S
HEALTH INSURANCE PROGRAM REIMBURSEMENTS

Legal Entity: PACIFICA OF THE VALLEY CORPORATION dba PACIFICA HOSPITAL OF THE VALLEY

Legal Entity Number: _____

Claims for services/activities with dates of services: _____ through _____.

I HEREBY CERTIFY under penalty of perjury that I am the official responsible for the administration of the mental health services in and for said claimant; that the amounts for which reimbursement will be claimed for Medi-Cal and Medicaid Children's Health Insurance Program (MCHIP) services to be rendered during the above indicated fiscal year and to be claimed to the County of Los Angeles Department of Mental Health will be in accordance the terms and conditions of the Legal Entity Agreement; and that to the best of my knowledge and belief each claim will be in all respects true, correct, and in accordance with State and federal law and regulation. I agree and shall certify under penalty of perjury that all claims for services to be provided to county mental health clients will be provided to the clients by this Legal Entity. The services will be provided in accordance with the client's written treatment plan. This Legal Entity also certifies that all information submitted to the County Department of Mental Health will be accurate and complete. I and this Legal Entity understand that payment of these claims will be from County, State and federal funds, and any falsification or concealment of a material fact may be prosecuted under federal and/or State laws. The Legal Entity agrees to keep for a minimum period of as specified in its Legal Entity Agreement with County a printed representation of all records which are necessary to disclose fully the extent of services furnished to the client. The Legal Entity agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California, to the County of Los Angeles Department of Mental Health, California Department of Health Care Services; the Medi-Cal Fraud Unit; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services, or their duly authorized representatives. The Legal Entity also agrees that services will be offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.

FURTHER, I HEREBY CERTIFY under penalty of perjury to the following: An assessment of the beneficiary will be conducted in compliance with the requirements established in the County's Mental Health Plan (MHP) contract with the California Department of Health Care Services (State DHCS). The beneficiary will be determined to be eligible to receive Medi-Cal services at the time the services are provided to the beneficiary. The services to be included in the claims during the above indicated period will actually be provided to the beneficiary. Medical necessity will be established for the beneficiary as defined under Title 9, California Code of Regulations, Division 1, Chapter 11, for the service or services to be provided, for the timeframe in which the services will be provided. A client plan will be developed and maintained for the beneficiary that meets all client plan requirements established in the County's MHP contract with the State DHCS. For each beneficiary with day rehabilitation, day treatment intensive, or EPSDT supplemental specialty mental health services to be included in the claim during said period, all requirements for payment authorization for day rehabilitation, day treatment intensive, and EPSDT supplemental specialty mental health services will be met, and any reviews for such service or services will be conducted prior to the initial authorization and any re-authorization periods as established in the County's MHP contract with the State DHCS.

Date: _____ Signature: _____

Executed at _____, California

I CERTIFY under penalty of perjury that I am a duly qualified and authorized official of the herein Legal Entity claimant responsible for the examination and settlement of accounts. I further certify that this Legal Entity claimant will provide from the eligible designated funds in the Financial Summary of the Legal Entity Agreement with County, the local share of payment for Short-Doyle/Medi-Cal and/or MCHIP covered services to be included in the claims to be submitted to County during the above referenced period in order to satisfy matching requirements for federal financial participation pursuant to the Title XIX and Title XXI of the Social Security Act.

Date: _____ Signature: _____

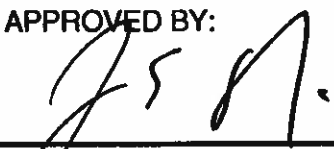
Executed at _____, California

Please forward the completed form to the Department of Mental Health (DMH):

Los Angeles County – Department of Mental Health
Attn: Contract Development and Administration Division
510 S. Vermont Ave., 20th Floor
Los Angeles, CA 90020



DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

SUBJECT	POLICY NO.	EFFECTIVE DATE	PAGE
URGENT CARE CENTER COST-BASED PAYMENT	801.10	07/17/2017	1 of 14
APPROVED BY:  Director	SUPERSEDES N/A	ORIGINAL ISSUE DATE 07/17/2017	DISTRIBUTION LEVEL(S) 1, 2

PURPOSE

- 1.1 To establish the guidelines and parameters for a cost-based payment structure for Los Angeles County Department of Mental Health (LACDMH) Legal Entities (LE) that operate Crisis Stabilization Units (CSUs), also referred to as psychiatric Urgent Care Centers (UCCs), in the County of Los Angeles (County). Throughout this policy, the term "UCC" will be used to mean CSU.

DEFINITION

- 2.1 **Annual Expenditure Report (AER):** A summary of actual payments of a cost-based UCC for a given fiscal year.
- 2.2 **Cash Flow Advance:** Disbursement amounts from County General Fund to a LE for purposes of providing cash flow pending the rendering, billing, and processing of claims for eligible services/activities. Such amounts are to be repaid by the LE, generally using amounts owed by the County or earned by Contractor for services rendered.
- 2.3 **Chair:** Comfortable furniture authorized by LACDMH for use in the UCC for clients admitted for treatment. The chair is able to recline to allow clients to rest comfortably during their stay in the UCC.
- 2.4 **Contractor:** A LACDMH contracted agency responsible for services identified in the LE Agreement.
- 2.5 **Cost Report:** A State of California required report for the Medi-Cal Program. The Annual Cost Report contains actual cost, revenue, and statistical information used to determine cost reimbursement for LE Mental Health Services Providers.
- 2.6 **Crisis Stabilization:** A service described in California Code of Regulations (CCR) Title 9 Section 1810.210 (Authority 1) lasting less than 24 hours, to or on behalf of a client for a condition that requires more timely response than a



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regularly scheduled visit. Service activities include, but are not limited to, one or more of the following: assessment, collateral, and therapy. Crisis stabilization is distinguished from crisis intervention by being delivered by providers who meet the crisis stabilization contact and site requirements, CCR Title 9 Section 1840.338 (Authority 2) and staffing requirements, CCR Title 9 Section 1840.348 (Authority 3).

- 2.7 **DMH Provider Reimbursement Section (PRS):** A unit within LACDMH Financial Services Bureau responsible for reimbursement of rendered services.
- 2.8 **Fiscal Year (FY):** A 12-month budget and financial reporting period. The FY for LACDMH begins on July 1 and ends on the following June 30.
- 2.9 **Legal Entity (LE):** A corporation, partnership, or agency providing specialty mental health services under contract with LACDMH, exclusive of individual or group providers, Fee-For-Service/Medi-Cal hospitals or psychiatric nursing facilities, CCR Title 9 Section 1840.100(c). (Authority 4)
- 2.10 **LACDMH Program Manager:** A manager responsible for monitoring administrative, fiscal, and clinical operations of an LACDMH mental health program.
- 2.11 **LACDMH Program Staff:** A staff responsible for monitoring the day-to-day operations of a mental health program within LACDMH.
- 2.12 **Maximum Capacity:** The maximum number of clients each UCC can treat at any one time. This maximum client capacity is specified on the Medi-Cal certification issued to UCC.
- 2.13 **Mode of Service:** A classification of service types used in the Client and Services Information System and for Cost Reporting. This allows any mental health service recognized by LACDMH to be grouped with similar services.
- 2.14 **Program Budget:** Schedule 6-A of DMH LE Agreement, Negotiation Package (Attachment 1), which is a set of anticipated costs and revenues for a particular funded program or a particular provider clinic/site for an entire FY.



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- 2.15 **Service Function Code (SFC):** Numeric billing codes used to identify a service or service category within a Mode of Service.
- 2.16 **Start-up Costs:** A set of expenses allowed under a specific funding source(s) typically granted for a period of up to three months and intended to assist a contractor in fully implementing a funded program.
- 2.17 **Urgent Care Center (UCC):** An outpatient program that provides, for up to 24 hours, intensive crisis services composed of immediate care and linkage to community-based services and supports for individuals who would otherwise be brought to emergency rooms. UCCs must be Medi-Cal certified to provide crisis stabilization services, including integrated services for co-occurring substance abuse disorders and must be Lanterman-Petris-Short designated to evaluate and treat individuals involuntarily detained pursuant to Welfare and Institutions Code, Sections 5150 and 5585. (Authority 5)

POLICY

- 3.1 To the extent that reimbursement for UCC services provided by a LE is cost-based and the services are provided under a contract without a maximum contract amount, LACDMH shall ensure that the costs submitted for reimbursement are reasonable and allowable under applicable funding plans and monitored on a regular and ongoing basis.
- 3.2 The provisions regulating cost reimbursement procedures and cost report and settlement requirements shall be contained in the LACDMH LE Agreement, Financial Exhibit A. This policy contains the guidelines for implementation of the contract provisions.

PROCEDURE

- 4.1 **Negotiation Package and Program Budget Approval**
- 4.1.1 By May 1st, before the commencement of a new FY, or prior to the commencement of a new contract, contractor shall submit a Schedule 6-A of the LE Agreement (Program Budget in the Negotiation Package). The Program Budget shall be based upon the UCC's Maximum



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Capacity. LACDMH reserves the right to review the Negotiation Packages (NPs), including the Program Budget, for accuracy and reasonableness, and approve or reject NPs or Program Budgets, including providing instructions for remedying any rejected NPs or Program Budgets.

4.1.2 Program Budget Requirements

4.1.2.1 The anticipated annual program costs in the Program Budget shall be developed using the UCC's Maximum Capacity. The Program Budget shall reflect all direct and indirect costs needed to appropriately cover peak service times. Contractor is required to make every attempt to stay within the approved initial amount. To the extent possible, contractor shall, in preparing the Program Budget, account for possible price fluctuations and build in reasonable contingencies to prevent exceeding the approved Program Budget. Further, LACDMH may assess financial consequences when contractor, as instructed by LACDMH Program Staff, does not take reasonable steps to ensure program costs are minimized when the UCC is not able to operate at Maximum Capacity for extended periods of time.

- County may pay start-up costs to a contractor for a limited time period to cover expenses associated with the implementation of a UCC. Allowable start-up costs will be determined by the funding source(s) identified in the contract.

NOTE: IN INSTANCES WHERE A NEW UCC CONTRACT IS BEING ESTABLISHED AND A THIRD PARTY FUNDING SOURCE DOES NOT ALLOW A CONTRACTOR TO CLAIM FOR CERTAIN START-UP EXPENSES THAT THE COUNTY WOULD ALLOW, THE COUNTY MAY, AT ITS SOLE DISCRETION, DETERMINE WHETHER TO PAY START UP EXPENSES, USING OTHER FUNDS.



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- In no event shall a contractor increase or reduce the number of chairs that have been authorized for use in the initial Program Budget without first submitting a written request to the LACDMH Program Manager detailing the reasons for a modification, and receiving written approval from the LACDMH Program Manager for the modification.
- Contractor may only submit requests for changes in staff salary and benefit rates, including amounts paid in salary and bonuses to its executive management, at the beginning of each FY. Requests are subject to review and approval based on the availability of funds and inflation factors.

4.1.3 Program Budget Modifications

4.1.3.1 It is the contractor's responsibility to ensure it maintains policies and procedures to monitor its Program Budget and spending to effectively operate the UCC. If at any point during the FY, contractor discovers that ongoing FY costs will exceed the total for either the direct or indirect categories of the approved Program Budget, contractor shall immediately submit a written notice to the LACDMH Program Manager of the potential of exceeding the approved Program Budget.

4.1.3.2 The notice must provide a revised Program Budget, a cost analysis and justification for the anticipated increase in the approved program budget and explain the steps taken to mitigate the increase in cost, including an explanation as to why an increase is unavoidable and whether contractor anticipates that the increase will carry on into future FYs or is considered a one-time incident. Contractor must also explain the extent to which it is possible to reduce the unavoidable costs. LACDMH Program Manager will review the notice upon receipt, and if the costs are deemed unavoidable and justified, the LACDMH Program Manager will make a recommendation to LACDMH executive management that the revised program budget be approved. Contractor shall be



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notified in writing within five (5) business days of executive management's approval or rejection of the revised program budget.

- 4.1.3.3 LACDMH shall not be responsible for the payment of costs that are greater than the amount in an approved revised Program Budget which is adopted by LACDMH after following the procedure in Section 4.1.2. In the event that there is no approved revised Program Budget, LACDMH will not reimburse amounts above the original approved Program Budget. Furthermore, LACDMH will not pay particular costs which are not reasonable and not allowable under Medi-Cal or other funding source rules irrespective of whether such costs are within the aggregated approved Program Budget or revised Program Budget amount.

4.1.4 Cash Flow Advances (CFA)

- 4.1.4.1 Contractor shall refer to and follow the instructions in Financial Exhibit A of the LACDMH LE Agreement titled CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED.

4.2 Invoices, Reports, and Claiming

- 4.2.1 Contractor shall submit monthly invoices to PRS. The UCC Contract Reimbursement Invoice Claim Template (Attachment 2) shall include the total monthly cost related to the provision of direct services, as well as indirect and administrative costs, and other direct charges associated with the delivery of UCC services that are eligible under Mode 10, SFC 25. Contractor shall separately submit monthly Client Supportive Services Expense Claims (Attachment 3) to LACDMH PRS for the allowable costs associated with UCC Mode 60 services. Invoices shall be prepared in accordance with generally accepted accounting practices and consistent with the allocation guide provided in Cost Allocation Methodology (Attachment 4).



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4.2.1.1 In some instances, such as where a third party is providing funding, a contractor may need to incur costs up front and seek reimbursement through a third party source. Contractor shall follow the procedures and guidelines established by such third party source or LACDMH to obtain such reimbursement.

4.2.2 Invoices shall be submitted to PRS by the 15th of the month following the month for which costs were incurred. For example, requests for payment for costs incurred in the month of July shall be submitted by no later than August 15th. In the event that the 15th of any month falls on a weekend or holiday, then the invoice shall be submitted by the last business day before the 15th. LACDMH Program Staff will then review invoices for accuracy. Upon approval of the invoice, LACDMH Program Staff will submit the invoices to PRS for processing payment.

4.2.2.1 To avoid delays in payment, contractors shall ensure invoices are accurate and submitted in a timely manner. Submissions provided beyond the identified deadline require a justification that will be reviewed by LACDMH Program Staff for payment.

4.2.2.2 It is contractor's responsibility to ensure all invoices contain the required information as set forth in the authorized invoice document to ensure payment. Invoices that do not contain all required information may result in delayed processing and payment of the invoice(s). Contractor shall record "N/A" for categories that do not apply.

4.2.2.3 Contractor shall also be responsible for providing supporting documents to justify any invoice(s) submitted. Supporting documents shall clearly identify what charge on the invoice they are supporting, and be easily identifiable. Unless LACDMH specifies or instructs otherwise, copies of supporting documents are acceptable. The following are examples of supporting documentation expected to be provided when submitting invoices.



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Type of Cost	Supporting Documentation
Direct Cost – Program Staffing	Timesheets, certified statement of hours worked, or check stubs.
Direct Cost – Services and Supplies	Copies of receipts, invoices, or contracts.
Indirect and Administrative Costs	Methodology (provided one time, unless changed).

4.2.2.4 LACDMH will provide a schedule of payment as noted in the LE Agreement, Financial Exhibit A, Reimbursement Basis.

4.2.3 **Mode 10 Services:** Contractor shall report all allowable crisis stabilization services (Mode 10, SFC 25) in LACDMH's claims processing information system in accordance with LE Agreement, Financial Exhibit A, Billing Procedures and complete and submit UCC Contract Reimbursement Invoice Claim Template (Attachment 2) to report all direct and indirect costs associated with the delivery of Mode 10, SFC 25.

4.2.4 Contractor shall ensure that all Mode 10 services provided through the UCC are reported in the LACDMH claims processing information system within 30 days of the end of the month in which services are delivered and data for services provided are appropriate and accurate. If contractor fails to enter claims within this time period without reasonable justification, LACDMH may assess liquidated damages as provided for in LE Agreement, Financial Exhibit A, subparagraph (4) of Paragraph D, (BILLING AND PAYMENT LIMITATIONS).

4.2.5 **Mode 60 Services:** Contractor shall claim allowable expenses under Mode 60, SFCs 70, 71, 72, 75, and 78 by completing and submitting the Client Supportive Services Expense Claim (Attachment 3) to report all costs associated with the delivery of Mode 60, SFCs 70, 71, 72, 75, and 78.

4.2.6 Contractor is responsible for resolving any claims for services provided by contractor and submitted by LACDMH which are rejected or denied by the Medi-Cal program for reasons other than lack of eligibility or



LE UCC CONTRACT
EXHIBIT A-2

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coverage, and for assisting LACDMH in the submission of replacement claims in a timely manner. Unresolved denied claims may result in LACDMH assessing damages pursuant to LE Agreement, Financial Exhibit A, subparagraph (4) of Paragraph D, (BILLING AND PAYMENT LIMITATIONS).

4.3 Assessment of Damages

4.3.1 Conditions for Assessment of Liquidated or Other Damages: It is acknowledged that contractor's failure to adhere to LE Agreement, Financial Exhibit A, will cause LACDMH to incur damages and losses, some of which are types and in amounts difficult to ascertain with certainty, and that the liquidated damages and the actual damages formulas as set forth in LE Agreement, Financial Exhibit A, Paragraph D, (BILLING AND PAYMENT LIMITATIONS) represent a fair, reasonable and appropriate remedy thereof.

4.3.1.1 Accordingly, in lieu of actual damages for non-compliance with LE Agreement, Financial Exhibit A, liquidated damages may, at LACDMH's sole discretion, be assessed and recovered by County from contractor, in the event of repeated occurrences of non-compliance with the timely and proper reporting of service information into LACDMH's claims processing information system, where such information is reported in time for LACDMH to submit a timely claim or reprocess a claim to Medi-Cal or Medicaid Children's Health Insurance Program (MCHIP).

4.3.1.2 Actual damages may be assessed in the event that complete and accurate service information is not reported in time for LACDMH to submit a timely claim or reprocess a defective claim for a covered service to an eligible Medi-Cal or MCHIP beneficiary. No liquidated or other damages will be assessed if the contractor has good cause for the untimely submission, and actual damages will not be assessed if the payment for the services is denied due to lack of beneficiary eligibility, or lack of coverage. Actual damages may be assessed where



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coverage is denied due to lack of documentation.

4.3.2 Process for Assessment of Liquidated and Other Damages: The process for determining if liquidated or actual damages may be assessed is as follows:

4.3.2.1 For each month an invoice is submitted, LACDMH program staff shall, within 10 business days of the end of the contractual reporting deadline as described in LE Agreement, Financial Exhibit A, Paragraph C (BILLING PROCEDURES), reconcile data provided by contractor, the LACDMH claims processing information system, including IS/IBHIS data, contractor's monthly invoice and monthly census reports/client lists and the unbilled Medi-Cal Report, to determine whether contractor has adhered to reporting responsibilities as set forth in LE Agreement, Financial Exhibit A, Billing Procedures.

4.3.2.2 If it is determined that timely reporting was not done, LACDMH program staff will submit an initial written notice to contractor within five (5) business days of the reconciliation process to inform contractor of its failure to meet contractual obligations. Such notice shall also serve to inform contractor that any repeated occurrence or failure to remedy the initial non-compliance issue will automatically result in the assessment of liquidated damages. The amount of such liquidated damage as set forth below shall be deducted from payment of the following month's invoice. Such notice shall further advise contractor that continued failure to report data necessary to timely claim for services to Medi-Cal and MCHIP beneficiaries shall result in assessment of actual damages.

4.3.2.3 If contractor continues to demonstrate poor compliance with LE Agreement, Financial Exhibit A, Billing Procedures, the County may pursue additional remedies up to and including termination of the contract.



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- 4.3.2.4 Contractor may meet with LACDMH within five (5) days of the date of the notice and demonstrate why good cause exists not to assess liquidated or actual damages.
- 4.3.2.5 Such liquidated damages are intended to represent estimated actual damages and are not intended as a penalty, but rather a reasonable measure of damages, based upon LACDMH's experience and the nature of the loss that may result from non-compliance.
- 4.3.2.6 Requests for delays in claims submissions due to good cause justification or no fault on the part of the contractor or due to County issues that prevent the entry by contractor of UOS data shall be handled in accordance with LE Agreement, Financial Exhibit A, Billing Procedures.
- 4.3.2.7 The table below provides the types of damages LACDMH may assess due to contractor's non-compliance and the amount associated with the particular damage. The provisions that constitute the damages are found in LE Agreement, Financial Exhibit A, subparagraph (4) of Paragraph D, (BILLING AND PAYMENT LIMITATIONS). These amounts are subject to change at LACDMH's discretion with 30 days' written notice provided to contractor.

Liquidated Damages	Assessed Amount
Contractor Invoicing	\$100 for each invoice that is late.
Submission of Client Data	If at the time of the LACDMH program staff review described in Section 4.3 of this policy client data is shown to be between one to five (1-5) days late, an amount of \$10 per client shall be assessed. If at the time of the LACDMH program staff review described in Section 4.3 of this policy client data is shown to be



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	between 6-10 days late, an amount of \$15 per client shall be assessed. If at the time of the LACDMH program staff review described in Section 4.3 of this policy client data is shown to be over 10 days late, an amount of \$20 per client shall be assessed.
Designation of Funding Sources	\$10 for each client incorrectly claimed on an invoice.
Default: Non-compliance with this LACDMH Policy No. 801.10.	\$100 per occurrence.
Default: Non-compliance with financial guidelines that govern particular funding sources.	\$100 per occurrence in a monthly invoice.
Default: Untimely submission of Schedule 6-A of the NP as described in Section 4.1 of this policy.	\$100 per day for each day the contractor fails to submit Schedule 6-A of the NP timely.
Actual Damages	Assessed Amount
Submission of Medi-Cal or MCHIP Data.	Actual amount of revenue expected to be generated by LACDMH when data is not submitted in sufficient time to allow billing to Medi-Cal or MCHIP.
Lack of Documentation.	Actual amount of revenue expected to be generated by LACDMH when documentation does not meet minimum federal, state and County written standards.

4.4 Annual Expenditure Report

- 4.4.1 Contractor shall submit an Annual Expenditure Report (AER) (Attachment 5) for each UCC it operates. The AER is due no later than 30 calendar days after the annual cost report due date for the applicable FY and shall be submitted to PRS staff. The AER shall identify and include the following:



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- A summary of expenses for the entire FY broken down by monthly direct and indirect expenses;
- Actual, allowable UCC expenses not captured during the FY. Contractor shall report all expenses that may have not been previously captured in monthly invoices and shall clearly delineate when and why a particular expense was not captured, and shall provide supporting documents to validate the expense;
- Remove expenses not attributable to the UCC. Contractor shall clearly delineate when and where an expense not attributable to the UCC was incurred. Revisions shall be reflected in subtotals of the AER; and
- Ensure all expenses attributed to the UCC are recognized in accordance with Generally Accepted Accounting Principles.

4.4.2 The AER shall be consistent with and serve to support the expenditures reported for cost reporting and settlement purposes. LACDMH program staff shall use the AER to validate program costs and set forth corrective actions, if necessary. Refer to Attachment 4 for a template of the AER.

4.5 County Rights and Options

4.5.1 LACDMH reserves the right to review and determine the efficacy of a UCC cost-based payment structure, and to take appropriate actions as a result of such review, including reverting to the previous payment structure or termination of the contract. LACDMH also reserves the right to amend existing policies and/or establish new or additional policies that govern the reimbursement of UCC services.

AUTHORITY

1. California Code of Regulations Title 9 Section 1810.210
2. California Code of Regulations Title 9 Section 1840.338
3. California Code of Regulations Title 9 Section 1840.348
4. California Code of Regulations Title 9 Section 1840.100
5. California Welfare and Institution Code Sections 5150 and 5585
6. LACDMH Notice: Negotiation Package Submission Procedures



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7. Code of Federal Regulations Title 2 Subtitle A Chapter II - Office of Management and Budget Guidance, Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E - Cost Principles

ATTACHMENT (HYPERLINKED)

1. [Schedule 6-A of DMH Legal Entity Agreement, Negotiation Package](#)
2. [Urgent Care Center Contract Reimbursement Invoice Claim Template](#)
3. [Client Supportive Services Expense Reimbursement Claim](#)
4. [Cost Allocation Methodology](#)
5. [Annual Expenditure Report](#)

RESPONSIBLE PARTY

LACDMH Countywide Resource Management
LACDMH Financial Services Bureau

URGENT CARE CENTERS

CONTRACT REIMBURSEMENT INVOICE CLAIM

Provider Name:
 Provider Number:
 Address:
 Program/Plan: Psychiatric Urgent Care Center Services
 Contract Number:
 Contract Term:
 Legal Entity Number:

INVOICE PERIOD: _____
 Monthly Invoice Total _____
 Y-T-D Total _____
 Units of Service _____

Description of Expense	UCC Approved NP Budget	UCC Monthly Expense	Balance
Personnel Expenses FTEs: _____ (See Attachment A)			
Salaries Expenses	\$	\$	\$
Employee Benefits			
Personnel Expenses Subtotal	\$	\$	\$
Services & Supplies			
Conferences	\$	\$	\$
Education and Training			
Equipment Leases (not lease purchase)			
Furniture			
Information Technology/Data Processing			
Insurance-Workers Compensation			
Insurance-Other			
Laboratory Services			
Medications			
Office Supplies			
Professional Services-Accounting			
Professional Services-Legal			
Professional Services - Other			
Publications			
Subcontracts (provide detail separately)			
Telecommunications			
Travel/Transportation			
Utilities			
Other (Specify)			
Other (Specify)			
Other (Specify)			
Services & Supplies Expenses Subtotal	\$	\$	\$
Facilities/Equipment:			
Equipment, Purchase under \$5000	\$	\$	\$
Equipment, Purchase w/ Unit Value \$5000 or more			
Facilities and/or Improvements w/ Unit Value \$5000 or more			
Facilities/Equipment Expenses Subtotal	\$	\$	\$
Indirect Administrative Overhead			
Indirect Administrative Overhead	\$	\$	\$
Indirect Administrative Overhead Expenses Subtotal	\$	\$	\$
Expense Total	\$	\$	\$

Agency Verification

I hereby certify that all of the above costs are eligible under the terms and conditions for reimbursement as set forth in the Legal Entity Agreement for UCC Services, Policy No. XXXX, and the guidelines set forth by the State for Crisis Stabilization Center services and are true and correct to the best of my knowledge.

Signature_____
Date_____
Print Name_____
Title**DMH Approval**_____
Signature_____
Date_____
Print Name_____
Title

EXPENDITURE CODING GUIDE ONE-TIME MHSA EXPENSES AND CLIENT SUPPORTIVE SERVICES FOR URGENT CARE CENTER PROGRAMS

DMH has developed reimbursement guidelines for one-time expenses and startup costs associated with starting new Urgent Care Centers (UCC). One-time expenses are allowed during the first year in which a program is initiated. Program startup costs are only permitted during the first two months of the program's initiation unless prior approval is obtained from the DMH Lead Program Manager. Listed below is a coding guide for common expenses and their corresponding Service Function Codes (SFCs).

It is important to remember that client related expenses are unique to each client. Client Support Services (CSS) are client specific and are intended to cover the cost of services directly related to the client. The service provider is responsible for utilizing CSS funds in a manner that is clearly tied to the client's treatment and recovery goals as well as delivered to the recipient in the fiscal year in which they were purchased. Client support service expenses may not necessarily be limited to those listed in the categories below. Expenses that are not listed in this guideline require DMH pre-approval for reimbursement.

ALLOWABLE EXPENSES

SFC 72 – CLIENT/FAMILY/CAREGIVER SUPPORT

- Client clothing
- Client personal hygiene items
- Client food/dietary service
- Client supplies for social/recreational activities
- Transportation, e.g. Bus Passes, Tokens, Taxi Vouchers
- Medical transport /ambulance
- Medical services including prescription drugs and laboratory tests (not covered by other benefits/insurance)

SFC 75 – NON-MEDI-CAL CAPITAL ASSETS

- Capital assets over \$5,000
- Tenant improvements and fixtures
- Construction, rehabilitation or repairs of facilities or buildings (with written DMH pre-approval)
- Related "soft" costs for development, including facilities, buildings or office/meeting spaces.
- Vehicles (with written DMH pre-approval)

SFC 78- OTHER NON-MEDI-CAL CLIENT SUPPORT

- Equipment less than \$5,000
- Program/office supplies and equipment
- Furniture/Appliances/Electronics
- Information Technology, e.g., computers, software, phones, network system, etc.
- Program staff salaries* (staff time dedicated to program development prior to service delivery)
- Staff training and orientation
- Recruitment and advertisement
- Printing and postage
- Utilities, e.g. electricity, gas, water including deposits
- Basic cable TV or bundled services (TV, telephone and internet)
- Housekeeping/cleaning service and supplies
- Furnishings and décor
- Medical supplies & equipment, e.g., OTC stock medications and first aid

**Members of the program's treatment team that bill through the IS cannot request their wages be reimbursed through this mechanism. See Guideline for details.*

NON-ALLOWABLE EXPENSES

- Alcohol
- Tobacco
- Incentives
- Sexually explicit materials
- Illegal substances / activities
- Medi-Cal Share of Cost
- Expenses related to purchasing land or buildings
- Costs for staff to accompany clients to venues such as sporting events, concerts or amusement parks
- Prescription drugs that would otherwise be available via Indigent Medication / Prescription Assistance programs
- Service Extenders (refer to the Older Adults Guidelines Manual for directions on submitting invoices for Service Extenders)
- Units of Service or any other service costs that are reported under Modes 05, 10, 15, or 45