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**FINANCIAL EXHIBIT A  
(FINANCIAL PROVISIONS)**

(FINANCIAL PROVISIONS)

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FINANCIAL EXHIBIT A  
FINANCIAL PROVISIONS

**A. GENERAL**

(1) The County shall pay Contractor in arrears for eligible services provided under this DMH Legal Entity Agreement and in accordance with the terms of this Financial Exhibit A up to the amounts identified for each Funded Program as shown in the Financial Summary and as otherwise may be limited under this DMH Legal Entity Agreement and the attachments thereto, including but not limited to this Financial Exhibit A and the Financial Summary.

(a) For the purposes of the Agreement, a “Funded Program” is a set of services paid through a particular funding source for the benefit of a specific beneficiary (e.g., Medi-Cal or Non-Medi-Cal) as identified on a row on the Financial Summary.

(b) For the purposes of the Agreement, the “Funded Program Amount” is the amount identified in the last column of the Financial Summary for each Funded Program.

(c) For the purposes of this Agreement, “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.

(d) The Contractor understands and agrees that the Medi-Cal Funded Program Amount(s) in the Financial Summary is provided based on Contractor’s ability to provide specific services and/or serve specific populations, which may include but not be limited to, Medi-Cal beneficiaries eligible under Early and Periodic, Screening, Diagnosis, and Treatment (EPSDT) Program; Title XXI State Children’s Health Insurance Program (formerly Healthy Families Program); 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 specified in the Negotiation Package. Therefore, Contractor shall ensure access and provision of a full array of Specialty Mental Health Services to all eligible beneficiaries based on client needs as set forth in the Negotiation Package under this Agreement.

(e) The Contractor understands and agrees that the Financial Summary is the aggregation of funds provided under distinct subprograms that are allocated or awarded based on Contractor's areas of expertise and its ability to provide specific services and/or serve specific populations through specialized programs as indicated in Contractor's Subprogram Schedule in the Negotiation Package, approved by the Director. The Contractor understands and agrees that this aggregation of funds is intended to facilitate provisional payments to the Contractor for eligible services rendered under this DMH Legal Entity Agreement and to facilitate the ability of the County to obtain reimbursement from its funding sources, including federal and State reimbursement for eligible services to Medi-Cal beneficiaries.

(f) The Contractor understands and agrees that this aggregation of funds in the Financial Summary is not intended to allow Contractor to redirect funds that were originally allocated or awarded for the benefit of a specific population or for specific types of services.

(g) The Contractor understands and agrees that the Subprogram Schedule reflects the specific subprogram amount(s) per Funded Program as indicated in the approved Negotiation Package.

(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 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 Agreement is eligible for coverage under Medicaid or Medicare or any other federal or State funded program (an eligible beneficiary), services provided to eligible beneficiaries are properly identified and claimed to the Funded Program responsible for such services to said eligible beneficiaries.

(a) Contractor shall be responsible for delivering services to the extent that funding is provided by County. To the extent that Contractor does not have funds allocated in this Agreement for a Funded Program that pays for services to a particular eligible beneficiary, Contractor shall, at the first opportunity, refer said eligible

beneficiary to another Contractor or County facility, within the same geographic area to the extent feasible, that has available funds allocated for that Funded Program.

(b) To the extent that the County determines Contractor has improperly claimed services to a particular Funded Program, County may disallow payment of said services and/or may make corrective accounting transactions to transfer the payment of the said services to the appropriate Funded Program and/or require Contractor to void said claimed services and replace/resubmit said services for payment from the correct Funded Program, if applicable.

(5) The Countywide Maximum Allowances (CMA) are in effect during the Initial Period, the First Automatic Renewal Period, or the Second Automatic Renewal Period, or any part thereof, and shall be applicable to this Agreement as of the date adopted by DMH.

**B. LIMITATIONS ON MAXIMUM REIMBURSEMENT**

(1) The total maximum reimbursement that will be paid by County to Contractor under this Agreement shall be, in no event, more than the Maximum Contract Amount (MCA) for the Initial Period, First Automatic Renewal Period and the Second Automatic Renewal Period, respectively, of this Agreement.

(a) In addition to the general limitation of Paragraph B (1) of this Financial Exhibit A, in no event shall the maximum reimbursement that will be paid by County to Contractor under this Agreement for any Funded Program be more than the amount identified as the Funded Program Amount for each Funded Program, as provided on the Financial Summary for the Initial Period, First Automatic Renewal Period and the Second Automatic Renewal Period, respectively, of this Agreement.

(2) Contractor shall immediately provide written notice to the County when, based on the Contractor's own internal records, it has billed for services/activities under this Agreement in an amount equal to seventy-five (75) percent of the total MCA or seventy-five (75) percent of the Funded Program Amount(s) during the Initial Period, First Automatic Renewal Period or the Second Automatic Renewal Period of this Agreement.

(a) Contractor shall send such notice to those persons and addresses which are set forth in the DMH Legal Entity Agreement, Paragraph 65 (NOTICES).

(b) Failure of Contractor to comply with Subparagraph (2) of this Paragraph B (LIMITATIONS ON MAXIMUM REIMBURSEMENT) will be considered a breach of this Agreement.

(3) Except as otherwise provided in this Agreement, the total MCA and/or the Funded Program Amount(s) for any of the periods specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraphs C (REIMBURSEMENT FOR INITIAL PERIOD) and

D (REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED) may not be increased or decreased without a properly executed amendment to this Agreement. The Parties acknowledge that the actual number of individuals seeking care from Contractor who have coverage under a particular Funded Program may differ from the estimated number upon which the Funded Program Amounts were based and that it may be appropriate to increase Contractor's responsibility to provide services to some eligible individuals while decreasing its responsibilities to provide services to other types of eligible individuals. Any such modification in Contractor's responsibilities, along with commensurate changes in the appropriate Funded Program Amounts, may be accomplished through a formal amendment or administrative amendment for shifting of funds, completed in advance of the provision of services and as outlined in the DMH Policy, *Shifting Guidelines for the Legal Entity Agreement*. In case of an administrative amendment, such administrative amendment may be executed by Director under delegated authority from the Board of Supervisors without prior approval of County Counsel. Such administrative amendment may be initiated by the County, with Contractor's written consent. Contractor's signature will be required to make such administrative amendment effective.

(5) The MCA for each period of this Agreement includes Cash Flow Advance which 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 Agreement for the applicable period.

**C. REIMBURSEMENT FOR INITIAL PERIOD**

(1) The MCA for the Initial Period of this Agreement as described in Paragraph 1 (TERM) of the Legal Entity Agreement shall not exceed \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) and shall consist of Funded Programs as shown on the Financial Summary.

**D. REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED**

(1) Reimbursement For First Automatic Renewal Period: The MCA for the First Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) of the DMH Legal Entity Agreement shall not exceed \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) and shall consist of Funded Programs as shown on the Financial Summary.

(2) Reimbursement For Second Automatic Renewal Period: The MCA for the Second Automatic Renewal Period of this Agreement as described in Paragraph 1

(TERM) of the DMH Legal Entity Agreement shall not exceed \_\_\_\_\_

\_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)

and shall consist of Funded Programs as shown on the Financial Summary.

**E. REIMBURSEMENT BASIS**

(1) Reimbursement Rates for Mental Health Services: For mental health services claimed and billed through the County's claims processing information system, and except as further limited elsewhere in this Agreement, Contractor will utilize provisional rates based on a Cost Reimbursement methodology under this Agreement, except as may be provided under Subparagraph (5) of this Paragraph E (REIMBURSEMENT BASIS) of this Financial Exhibit A.

(a) Contractor shall calculate its requested rates in accordance with the terms and limitations set forth in DMH Policy, *Provisional Rate Setting*.

(b) Requested rates for services provided under this Agreement shall be uniform and will apply to all similar services regardless of Funded Program.

(c) Notwithstanding any other provision of this Agreement, in no event may Contractor request a rate that exceeds the CMA or request a rate that exceeds Contractor's published charge(s) to the general public except if the Contractor is a Nominal Charge Provider.

(d) All rates are subject to prior review and approval of the County consistent with the DMH Policy, *Provisional Rate Setting*.

(2) Reimbursement Rates for Institutions for Mental Diseases: Pursuant to Section 5902(e) of the WIC, Institutions for Mental Diseases (IMD), which are licensed as level two nursing facilities (SNF) by the State Department of Health Care Services (SDHCS), are reimbursed for basic services at the rate(s) established by SDHCS and in accordance with Assembly Bill 360 for Medi-Cal services provided by level B nursing facilities, in addition to the Medi-Cal rate established by SDHCS for a Special Treatment Plan (STP). Accordingly, the IMD reimbursement rate will consist of a basic SNF rate and a STP rate; and for some IMD programs a rate for specialized programming and/or provision of more intensive mental health services provided to clients at County's request, if applicable; or a Mental Health Rehabilitation Center (MHRC) rate established by the County for specialized programming and/or provision of more intensive mental health services provided to clients at County's request.

(3) Reimbursement for Medi-Cal Administrative Activities (MAA): Reimbursement for MAA shall be based on the direct and indirect costs of actual time spent in performing MAA services.

(4) Reimbursement Rates for Organizational Providers for Medi-Cal Specialty Mental Health Services: Reimbursement shall be based upon rate(s) published in the County of Los Angeles DMH Local Mental Health Plan Medi-Cal Specialty Mental Health Services Provider Manual and any subsequent Provider Bulletins.

(5) Reimbursement of Other Costs and Direct Charges: Certain Funded Programs may provide for and allow Contractor to submit requests for reimbursement to the County for specific expenses that cannot be claimed through the County's claims processing information system. These expenses shall be referred to as a "Direct Charge." Such reimbursement shall be based on actual costs plus an administrative fee, expressed as a percentage of actual costs, which shall be reviewed and approved in advance by the County.

(6) Unique Funded Program: To the extent that Contractor's Agreement includes a Funded Program which has billing and payment requirements that are not consistent with the provisions of this Paragraph E (REIMBURSEMENT BASIS), the special billing and payment requirements shall be set forth in an addendum to this Financial Exhibit A and signed by Contractor and Director.

**F. BILLING PROCEDURES**

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

(2) Claims Certification and Program Integrity:

(a) Contractor hereby certifies that all units of service entered by Contractor into the County's claims processing information system and/or the MAA data base system and/or claims for actual costs submitted as Direct Charges to County for any Funded Program covered by this Agreement are true and accurate to the best of Contractor's knowledge.

(b) Contractor shall annually provide the additional certification set forth in the "Contractor Claims Certification for Title XIX Short-Doyle/Medi-Cal and Title XXI State Children's Health Insurance Program Reimbursements" (Exhibit A-1 to this Attachment II) related to the 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 MAA and/or Title XXI State Children's Health Insurance Program claims.

(3) Mental Health Services: Claims for all mental health services, including services funded by Title XIX Short-Doyle/Medi-Cal and Title XXI State Children's Health Insurance Program, shall be entered into the 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 F (BILLING PROCEDURES).

(a) Contractor must submit claims within thirty (30) calendar days as specified above unless there is a reasonable justification in which case Contractor must submit (i) an initial or original (non-replacement) claim, including claims for services under Title XIX Short-Doyle/Medi-Cal or under Title XXI State Children's Health Insurance Program, within 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) a replacement claim for services under Title XIX Short-Doyle/Medi-Cal or under Title XXI State Children's Health Insurance Program within 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) Notwithstanding Subparagraph (3) (a) of this Paragraph (F) (BILLING PROCEDURES), good cause justification for late claim submission is governed by applicable federal and State laws and regulations and is subject to approval by the State and/or County.

(c) In addition to all other limitations provided in this Paragraph F (BILLING PROCEDURES), claims for all services provided through June 30<sup>th</sup> of a given fiscal year under Categorically Funded Programs as set forth in the Financial Summary shall be entered into the County's claims processing information system no later than July 15<sup>th</sup> of the subsequent fiscal year.

(d) In the event the State or federal government denies any or all claims submitted by County on behalf of Contractor, County will not be responsible for any payment obligation and, accordingly, Contractor shall not seek payment from County and shall indemnify and hold harmless County from any and all liabilities for payment of any or all denied claims, including those denied claims that were submitted outside the period of time specified in Subparagraphs (3) (a) and (b) of this Paragraph F (3) (BILLING PROCEDURES), except any claims which are denied due to the fault of the County. Any controversy or dispute arising from such State or federal denied claims shall be handled by Contractor in accordance with the applicable State and/or federal administrative appeal process.

(e) Contractor shall, as soon as practicable, notify County of any delay in meeting the timeframe for submitting claims specified in Subparagraph (3) of this Paragraph F (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 Legal Entity Agreement, Paragraph 65 (NOTICES), and such notification shall also be made by Contractor to the DMH Chief Information Office Bureau's Help Desk.

(f) The County will notify Contractor in writing as soon as practicable of any County issue(s) which will prevent the entry by Contractor of claiming information into the County's claims processing information system, and County will waive the requirement of Subparagraph (3) of this Paragraph F (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 otherwise agreed to by County and Contractor.

i. To the extent that issues identified pursuant to Subparagraph (3) (f) of this Paragraph F (BILLING PROCEDURES) requires that Contractor modify its procedures for entering claims 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 (3) (f) of this Paragraph F (BILLING PROCEDURES) shall be extended by the amount of time required to implement such modifications.

(g) 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 F (BILLING PROCEDURES) shall be extended by the number of calendar days reasonably based on the time the system is inactive.

(4) Institutions for Mental Diseases (IMD): If Contractor is an IMD, Contractor shall, no later than the 15<sup>th</sup> of each month, submit an invoice to the County for patient days approved in writing by the County for the previous month. Said invoice shall be in a form as specified by the County, and will include an itemized accounting of all charges for each patient day. Invoices shall be submitted to the persons and at the address identified in Paragraph X (PAYMENT AND INVOICE NOTIFICATIONS).

(5) Medi-Cal Administrative Activities (MAA): To the extent that MAA is identified as a Unique Funded Program in the Financial Summary, Contractor shall submit claims for reimbursement for MAA by entering the eligible MAA services provided and the actual time incurred rendering the MAA services into the County's MAA data base system within thirty (30) calendar days of rendering the MAA services.

(a) County may modify the County's MAA data base 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 prior to implementing any such modification and the reason, if known, for the modification and the planned implementation date of the modification.

(6) Direct Charges: Contractor shall submit invoices for Direct Charges within sixty (60) calendar days of the end of the month in which the eligible expense was incurred. Such invoice shall be in the form and include the content specified by County for each Funded Program. Invoices shall be submitted to the persons and at the address identified in Paragraph X (PAYMENT AND INVOICE NOTIFICATIONS) of this Financial Exhibit A. Failure to comply with the terms specified in Subparagraph (6) of this Paragraph F (BILLING PROCEDURES) may result in non-payment of said invoice.

(a) In addition to all other limitations provided in this Paragraph F (BILLING PROCEDURES), Direct Charges for all services provided through June 30<sup>th</sup> of a given fiscal year under Categorically Funded Programs as set forth in the Financial Summary shall be submitted to the persons and at the address identified in Paragraph X (PAYMENT AND INVOICE NOTIFICATIONS) no later than July 15<sup>th</sup> of the subsequent fiscal year.

**G. COUNTY PAYMENT FOR SERVICES RENDERED**

(1) General: County agrees to reimburse Contractor for services rendered under Funded Programs during the term of this Agreement based on the provisional rates agreed to by the County for the Initial Period, First Automatic Renewal Period and Second Automatic Renewal Period, respectively, 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 Agreement.

(2) County Payments: After Director's review and approval of the billing or invoice, County shall provisionally pay Contractor in accordance with the following:

(a) County shall make good faith efforts to make payments for services billed through the County's claims processing information system as soon as possible after submission and approval, subject to the limitations and conditions specified in this Agreement, but no more than sixty (60) calendar days after submission and approval. County shall make available a schedule of anticipated payment dates for claims submitted by Contractor into the County's claims processing information system prior to July 1 of each year.

(b) Payments for services or Direct Charges billed through invoices shall be paid no more than sixty (60) calendar days after receipt of a complete and accurate invoice, subject to the limitations and conditions specified in this Agreement.

(c) Payments for MAA will be made on a quarterly basis and will be based upon actual State approval and State payment to the County of MAA claims. Only Contractors who have been approved by the State to participate in and to claim reimbursement for MAA and who have MAA authorized as a Unique Funded Program in their Contract are permitted to claim MAA.

#### **H. BILLING AND PAYMENT LIMITATIONS**

(1) Provisional Payments: County payments to Contractor for performance of eligible services hereunder are provisional until the completion of all settlement activities and audits, as such payments are subject to future County, State and/or federal adjustments. County adjustments to provisional payments to Contractor will be based upon the match fund amount specified in the Financial Summary, County's claims processing information system data, MAA data base information, State adjudication of Medi-Cal claims files, contractual limitations of this Agreement, annual cost report, application of various County, State and/or federal reimbursement limitations, application of any County, State and/or federal policies, procedures and regulations, and/or County, State or federal audits, all of which take precedence over monthly claim reimbursements. County and Contractor acknowledge that the references in this Paragraph H (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) Limitations on Payments to Organizational Providers: In addition to all other limitations provided in this Paragraph H (BILLING AND PAYMENT LIMITATIONS), reimbursement to Organizational Providers also shall be limited by number of authorized

visits over the threshold as stipulated in the County of Los Angeles DMH Local Mental Health Plan Provider Manual.

(3) Other Limitations for Certain Funded Programs: In addition to all other limitations provided in this Paragraph H (BILLING AND PAYMENT LIMITATIONS), reimbursement for services rendered under certain Funded Programs may be further limited by rules, regulations and procedures applicable only to that Funded Program. Contractor shall be familiar with said rules, regulations and procedures and submit all claims in accordance therewith.

(a) Reimbursement of certain Direct Charges, such as but not limited to capital improvement, are contingent upon the delivery of appropriate and associated services. If the County reasonably determines from a review of Contractor's service and billing records that the Contractor failed to deliver required services associated with such Direct Charge(s), County shall have the right to adjust and/or recover provisional payment(s) associated with such Direct Charge(s). The recovery from Contractor shall be made through cash payment made by Contractor to County and/or County offsets to County payment(s) of Contractor's approved claim(s) in accordance with the terms of Paragraph S (METHOD OF PAYMENT FOR AMOUNTS DUE TO COUNTY) and Paragraph X (PAYMENT AND INVOICE NOTIFICATIONS).

(4) Adjustment of Claims Based on Other Data and Information: The County shall have the right to adjust claims based upon data and information that may include, but is not limited to, County's claims processing information system reports, remittance advices, State adjudication of Medi-Cal claims, 835 data, and Contractor's annual Cost Report, all of which shall supersede and take precedence over claims.

(5) Adjustment of Claims for Agreement Compliance: Director, in his 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 Agreement. Such actions may include, but are not limited to, reimbursing claims submitted through the claims processing information system at an amount less than that amount that would be calculated using Contractor's provisional rates, denying claims for payment; holding claims for Medi-Cal services from being forwarded for adjudication by the State; withholding payment of certain claims; and/or demanding repayment from Contractor.

(a) Concurrent with any such action, Director shall provide Contractor with written notice of the County's decision to take such action(s), including the reason(s) for the action. Thereafter, Contractor may, within ten (10) calendar days of

Contractor's receipt of the notification, request reconsideration of the County's decision. Contractor may request in writing, and shall receive if requested, County's computations for making a determination that such action was necessary, including any amount(s) held, denied or reduced.

(b) Upon receiving a request for reconsideration from Contractor, County shall, within fifteen (15) calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or documentation relevant to the circumstances that led the County to take such actions and may propose alternative actions.

(c) Within fifteen (15) calendar days of said meeting, County shall, in writing, notify Contractor, of its final decision which may include County's request to Contractor to void said claims in the County's claim processing information system. The decision of the Director will be final.

(d) In the event of failure of Contractor to timely notify County of its intended disposition of questioned claims, County reserves the right to take such action as is necessary as to preserve possible reimbursement of said claims from a funding source. Should the County grant reconsideration, such reconsideration will only be applicable to claims paid and processed to the appropriate funding sources after the date that said reconsideration is granted.

(6) County Withhold of Payment for Contractor Lapse in Providing Service Data: If Contractor fails to submit service data as required by County, then the County may, in its discretion, withhold all or a portion of its payment until County is in receipt of complete and correct service data and such service data has been reviewed and approved by Director.

(a) Prior to withholding payment, Director shall provide Contractor with at least thirty (30) calendar days written notice of the County's decision to withhold payment, including the reason(s) for intended action and the identification of the incomplete or incorrect service data. Thereafter, Contractor may, within fifteen (15) calendar days, request reconsideration of the County's decision.

(b) Upon receiving a request for reconsideration from Contractor, County shall, within fifteen (15) calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or documentation relevant to the circumstances that led the County to take such actions and may propose a date for submitting the complete and correct data.

(c) Within fifteen (15) calendar days of said meeting, County shall, in writing, notify Contractor, of its final decision. The decision of the Director will be final.

(d) Upon receipt from the Contractor of revised service data, Director shall review such revised service data within sixty (60) calendar days of receipt. Upon determination that such submitted service data is complete and correct, County shall release withheld payments within thirty (30) days of such determination.

(7) **County Denial of Payments for Lack of Documentation:** Director may deny payment for services when documentation of clinical work does not meet minimum State and County written standards.

(a) Prior to denying payment, Director shall provide Contractor with at least thirty (30) calendar days' written notice of the County's decision to deny payment, including the reason(s) for the intended actions. Thereafter, Contractor may, within fifteen (15) calendar days, request reconsideration of the County's decision.

(b) Upon receiving a request for reconsideration from Contractor, County shall, within fifteen (15) calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or documentation relevant to the circumstances that led the County to take such actions and may propose alternative actions.

(c) Within fifteen (15) calendar days of said meeting, County shall, in writing, notify Contractor of its final decision. The decision of the Director will be final.

(8) **County Suspension of Payment for Default:** Director may suspend payments to Contractor, for good cause, if the Director determines that Contractor is in default under any of the provisions of this Agreement.

(a) Except in cases of alleged fraud or similar intentional wrongdoing or a reasonable good faith determination of impending insolvency, Director shall provide Contractor with at least thirty (30) calendar days' notice of such suspension, including a statement of the reason(s) for such suspension. Thereafter, Contractor may, within fifteen (15) calendar days, request reconsideration of Director's decision to suspend payment. Suspension of payment to Contractor shall not take effect pending the results of such reconsideration process.

(b) Upon receiving a request for reconsideration from Contractor, County shall, within fifteen (15) calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may

present to the County information or documentation relevant to the circumstances that led the County to take such actions and may propose alternative actions.

(c) Within fifteen (15) calendar days of said meeting, County shall, in writing, notify Contractor of its final decision. The decision of the Director will be final.

(9) No Payment for Services Rendered Following Expiration/Termination of Agreement: 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 Agreement 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 Agreement 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 Agreement.

(10) 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 Agreement.

**I. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS**

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

(2) This Agreement 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 Agreement.

(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, the County reserves the right to unilaterally reduce its payment obligation under this Agreement to implement such Board of Supervisors reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement, and the services to be provided by the Contractor under this Agreement shall also be reduced correspondingly. The 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 above in Subparagraph (3) of this Paragraph I (LIMITATIONS OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS) and Subparagraph (5) of Paragraph J (CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS), the Contractor shall continue to provide all of the services set forth in this Agreement.

(4) Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during this or any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such fiscal year. In the event funds are not appropriated for this Agreement, then this Agreement 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.

(5) Notwithstanding any other provision of this Agreement, for the purposes of any special grants such as Substance Abuse and Mental Health Services Administration (SAMHSA) and discretionary funds received from the Board of Supervisors, any unspent amounts of such grants and/or discretionary funds, if so authorized by the grantor or the Board of Supervisors, may be rolled over from one fiscal year to the next by decreasing and increasing the Funded Program Amount, thus the MCA, by the same amount in the related fiscal years. Such roll over of funds shall not, in any event, allow Contractor to receive reimbursement for services/activities paid by these grants and/or discretionary funds in excess of the total allotment of such grants and discretionary funds over the period covered by such grants and discretionary funds. Any such change in the MCA due to such roll over of funds shall be effected by a duly executed amendment to this Agreement.

**J. CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS**

(1) Funds under this Agreement are provided for the delivery of mental health services to eligible beneficiaries under each of the Funded Programs identified in the Financial Summary . Each Funded Program has been established in accordance with the requirements and restrictions imposed by each respective County, State and/or federal payer source contributing to the Funded Program.

(2) Contractor may not redirect funds from one Funded Program to another Funded Program, except through a duly executed amendment to this Agreement as outlined in DMH Policy, *Shifting Guidelines for the Legal Entity Agreement*.

(3) Contractor may not charge services delivered to an eligible beneficiary under one Funded Program to another Funded Program unless the recipient is also an eligible beneficiary under the second Funded Program. When a recipient of services is an eligible beneficiary under more than one Funded Program, Contractor shall charge the services to the Funded Program under which the County shall receive maximum reimbursement from non-County sources, provided that Contractor has available funds under the appropriate Funded Program.

(4) Contractor also shall not charge services delivered to an eligible beneficiary for Medi-Cal to the Non-Medi-Cal Funded Program Amount except in such cases where a client's eligibility for benefits is being established or determined. Upon confirming that said client is approved for Medi-Cal benefits, or in such case that the County may determine that a service paid originally through the Non-Medi-Cal Funded Program Amount was to a client approved for Medi-Cal, Contractor shall void the original claims for services provided on or after the effective date that Medi-Cal services became eligible for reimbursement, and replace/resubmit such claims for Medi-Cal under the correct Funded Program.

(5) Contractor shall be responsible for delivering services to clients to the extent that funding is provided by the County. 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 Suparagraph (5) of this Paragraph J (CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS) if the County reduces funding to the Contractor under Paragraph I (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 for a specific Funded Program, or portion thereof, Contractor shall not be responsible for continuing services for those clients served by the Funded Program, or portion thereof.

**K. CONTRACTOR'S RESPONSIBILITY TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS**

(1) County and Contractor may by written amendment reduce programs or services and revise the applicable Maximum Contract Amount and/or Funded Program Amount. 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, to Contractor, and DMH Contracts Development and Administration Division. Any such change in any applicable MCA and/or Funded Program Amount shall be effected by an administrative amendment to this Agreement by Director.

(2) Contractor shall be responsible for delivering and monitoring services so as to provide for, to the extent funding is provided by County, the continued and uninterrupted provision of eligible services to eligible beneficiaries as specified in this Agreement. Notwithstanding Subparagraph (1) of this Paragraph K (CONTRACTOR'S

RESPONSIBILITY TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS), if the County reasonably determines from a quarterly review of Schedule 8 (Legal Entity Mental Health Plan) of the approved Negotiation Package that Contractor will deviate twenty-five (25) percent or more from its projected claim amount for any provider number/funding source, County may notify Contractor to discuss and determine whether a corrective action plan (CAP) will be required. Also notwithstanding Subparagraph (1) of this Paragraph K (CONTRACTOR'S RESPONSIBILITY TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS), if the County reasonably determines from a review of Schedule 9 (Subprogram Schedule) of the approved Negotiation Package that Contractor will deviate fifteen (15) percent or more from any projected subprogram amount, i.e., gross Non-Medi-Cal, gross Medi-Cal, and gross Medicaid Expansion amounts, County may notify Contractor to discuss and determine whether a CAP will be required. If a CAP is required in either case, and a CAP is written and Contractor does not comply with such CAP, County may implement options (a) and/or (b) as specified below to safeguard County's mission to ensure access to services for all client populations and to the types of services and supports necessary to assist clients in achieving hope, wellness, and recovery.

(a) Restrict Contractor from expending any additional funds and after providing fifteen (15) business days prior written notification to Contractor of County's intent to reallocate funds to another program budget category for the same period within this Agreement, and/or reallocate such funds for the efficient use of such funds. This written notification is to include an explanation of how the County reached the conclusion that Contractor is deviating from the approved levels of services and/or number of beneficiaries and/or funds; copies of relevant data, such as but not limited to County information system reports that County used in making this decision; the nature and amount of funding changes to Contractor; and any changes in the amount of services to be received by County;

(b) Provide fifteen (15) business days prior written notification to Contractor of County's intent to decrease Contractor's said fund amount for subsequent fiscal years and reallocate funds for the efficient use of such funds.

(3) In the event Contractor believes that an adjustment under Subparagraph (2) of this Paragraph K (CONTRACTOR'S RESPONSIBILITY TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS) 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, Contractor is deemed to have waived its opportunity to meet with County and accepts County recommended changes to its MCA and/or Funded Program Amount.

If, thereafter, it is still determined that an adjustment under this Subparagraph (2) of Paragraph K (CONTRACTOR'S RESPONSIBILITY TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS) is justified, the County shall reallocate such funds, as provided above. Director shall provide final prior written notice of such funding changes, including any changes in the amount of services to be received by County, to Contractor and DMH Contracts Development and Administration Division, and the determination of the Director will be final. Any such change in any applicable MCA and/or Funded Program Amount shall be effected by a formal amendment or administrative amendment to this Agreement by Director. 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 MCA and/or Funded Program Amount in subsequent years, while changes that are based on clearly documented ongoing historical trends may result in ongoing reductions (or increases) of MCA and/or Funded Program Amount in subsequent years.

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 Agreement as of the date of receipt. Contractor understands and agrees that its MCA and/or Funded Program Amount 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 MCA and/or Funded Program Amount for this Agreement. By executing this Agreement, Contractor specifically consents to the prospective adjustments set forth in this provision.

**L. LIMITATION ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES, MEDI-CAL ADMINISTRATIVE ACTIVITIES AND/OR TITLE XXI STATE CHILDREN'S HEALTH INSURANCE PROGRAM**

(1) If, under this Agreement, Contractor has Funded Programs that include Title XIX Short-Doyle/Medi-Cal services, Medi-Cal Administrative Activities, and/or Title XXI State Children's Health Insurance Program services, Contractor shall certify annually, no later than July 10 of each year, in writing that all necessary documentation will exist at the time any claims for Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal

Administrative Activities, and/or Title XXI State Children's Health Insurance Program 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 claims and payment for services rendered under this Agreement for these Funded Programs, 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 Medi-Cal Administrative Activities, and/or Title XXI State Children's Health Insurance Program claims or other State required claims data within the time frame(s) prescribed by this Agreement to allow the County to meet the timeframes prescribed by the State and federal governments. County shall have no liability for Contractor's failure to comply with the time frames established under this Agreement and/or State and federal time frames, except to the extent that such failure was through no fault of Contractor.

(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 Medi-Cal Administrative Activities, and/or Title XXI State Children's Health Insurance Program services only for those services/activities identified and entered into the County's claims processing information system and/or into the Medi-Cal Administrative Activities data base 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 acknowledges and agrees that County's final payment for services and activities claimed by Contractor for Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI State Children's Health Insurance Program services is contingent upon reimbursement from the State and federal governments and that County's provisional payment for said services does not render County in any way responsible for payment of, or liable for, Contractor's claims for payment for these services.

(6) Contractor's ability to retain payment for such services and/or activities is entirely dependent upon Contractor's compliance with all laws and regulations related to same.

(7) Notwithstanding any other provision of this Agreement, Contractor shall hold County harmless from and against any loss to Contractor resulting from the denial

or disallowance of claims for or any audit disallowances related to said services by the County, State or federal governments, or other applicable payer source, unless the denial or disallowance was due to the fault of the County.

(8) Contractor shall repay to County the amount paid by County to Contractor for Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI State Children's Health Insurance Program services/activities which are subsequently denied or disallowed by the County, State, and/or federal governments. In no event shall County be liable or responsible to Contractor for any State approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI State Children's Health Insurance Program services/activities that are subsequently denied or disallowed by County, State, and/or federal governments unless the denial or disallowance was due to the fault of the County.

(9) Contractor acknowledges that any recovery by County of payments made to Contractor for Title XIX Short-Doyle/Medi-Cal services and/or Title XXI State Children's Health Insurance Program services and/or MAA which are subsequently denied, voided, and/or disallowed shall be the total County's payment amount for such claim(s). The total County payment under federal requirements consists of federal and local match, and such local match may consist of County and/or State funds.

(10) Notwithstanding any other provision of this Agreement, Contractor agrees that the County may offset future payments to the Contractor and/or demand repayment from Contractor when amounts are owed to the County pursuant to above Subparagraphs (7) and (8) of this Paragraph L (LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES, MEDI-CAL ADMINISTRATIVE ACTIVITIES AND/OR TITLE XXI STATE CHILDREN'S HEALTH INSURANCE PROGRAM). Such demand for repayment and Contractor's repayment shall be in accordance with Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY), except for denials reflected on the State's 835 files, which will be offset immediately from the County's next payment to Contractor.

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

(12) Nothing in this Paragraph L (LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES, MEDI-CAL ADMINISTRATIVE ACTIVITIES

AND/OR TITLE XXI STATE 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.

**M. 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.

(b) The eligibility of patients/clients for Short-Doyle/Medi-Cal, Medicare, private insurance, or other third party revenue, and 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 Agreement 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 Agreement.

(3) Contractor may retain unanticipated revenue, which is not shown in Contractor's Negotiation Package for this Agreement, 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 Agreement. 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 Agreement.

(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 Negotiation Package for this Agreement, 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.

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

(1) The MCA for each period of this Agreement may include Cash Flow Advance (CFA) which 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 Agreement during the applicable period.

(2) For each month of each period of this Agreement, County will reimburse Contractor based upon Contractor's submitted claims for rendered services/activities subject to claim edits, and future settlement and audit processes. However, for each month of the first three (3) months, of the Initial Term, the First Automatic Renewal Period, or the Second Automatic Renewal Period, Contractor may request in writing from County a monthly County General Fund CFA as herein described.

(3) CFA shall consist of, and shall be payable only from, the MCA for the particular fiscal year in which the related services are to be rendered and upon which the request(s) is (are) based.

(4) CFA is intended to provide cash flow to Contractor pending Contractor's rendering and billing of eligible services/activities, as identified in DMH Legal Entity Agreement Paragraph 5 (DESCRIPTION OF SERVICES/ACTIVITIES), and County payment thereof. Contractor may request each monthly CFA only for such services/activities and only to the extent that there is no 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 15<sup>th</sup> of that month (i.e., for the month of July 2012, the request must be received by July 15, 2012).

i. If the letter requesting CFA is received by the County from the Contractor after the 15<sup>th</sup> 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 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) Reduction of Cash Flow Advance Amount by Actual Adjudicated Claims: The CFA amount available to Contractor for any particular month will be reduced by County payments of claims received from Contractor. The County's claims payment process is initiated immediately upon County receipt from Contractor of a reimbursement claim.

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

(a) For each of the first three (3) months of each period that this Agreement is in effect, Contractor may request in writing from County a monthly County General Fund CFA for any funds which may be part of the MCA for such period as identified in the Financial Summary. Contractor shall specify in its request the amount of the monthly CFA it is requesting, not to exceed \$\_\_\_\_\_ for the first month, \$\_\_\_\_\_ for the second month, if applicable and \$\_\_\_\_\_ for the third month, if applicable. In no event

shall the monthly CFA requested by Contractor exceed 1/12<sup>th</sup> of MCA as identified on the Financial Summary as of the specified month the CFA is requested.

(b) In case the Agreement is amended to increase or reduce the Maximum Contract Amount during the first three months during which the Contractor may request and receive CFA, the CFA amount shall be recalculated for the remaining months based on the effective date of the amendment. For the month in which the amendment is executed, the revised CFA amount shall be based on the effective date of the amendment, and if such effective date falls between the first and the 15<sup>th</sup> of the month, the revised CFA amount will be adjusted based on the total amount of the change in the MCA; and if the effective date falls between the 16<sup>th</sup> and the end of the month, the revised CFA amount will be calculated based on one half (1/2) of the total change in the MCA.

(c) The Contractor may request in writing from County, consistent with above Subparagraph (8) (a) of this Paragraph N (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED), for additional monthly CFA to accommodate extraordinary circumstances that are beyond Contractor's control, i.e., Contractor's inability to submit claims to the County as described in Subparagraph (3) of Section F (BILLING PROCEDURES) due to extended disruption in the County's claims processing information system. The County in its sole discretion shall review Contractor's request and shall respond accordingly within fifteen (15) business days from the receipt of such request.

i. Additional monthly CFA is subject to approval by the Director, County Auditor-Controller, County Counsel and County Chief Executive Office.

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

(a) Generally, when Contractor rendering services at a level that would indicate it will utilize all or a substantial portion of its MCA, County initiates recovery of the CFA balance, if any, for a particular fiscal year in July following the close of such fiscal year or at such time as payments to Contractor, including the CFA, reach the MCA. Such recovery is initiated through the Contractor's rendering and submitting of appropriate services and activities into the County's claims processing information system and/or the submission of invoices for direct charges. The determination to begin recovery of CFA balance in July of the following fiscal year, or at such time as payments to Contractor, including the CFA, reach

the MCA, is based on the presumption that when a contractor is meeting its contractual levels, then the Contractor will have rendered sufficient services/activities and entered such services/activities into the County's claims processing information system by September 30 following the end of the fiscal year. September 30 is the date by which all or a substantial portion of the Contractor's prior fiscal year's claims should have been received from Contractor and processed by County.

(b) If at any time during the fiscal year, County determines that Contractor is not rendering services at a level that would utilize all of its MCA, County may initiate recovery of the CFA as specified above in Subparagraph (9) (a) of this Paragraph N (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED) prior to July 1. If County intends to initiate recovery of the CFA prior to July 1, County will give Contractor thirty (30) calendar days prior written notice, including the reason(s) for the intended actions, to ensure Contractor renders and submits sufficient services/activities to have repaid all, or a substantial portion of the CFA, by September 30 following the Fiscal Year close. Contractor may, within fifteen (15) calendar days of the receipt of County's written notice, request reconsideration of the County's decision.

(c) Should a Contractor have any remaining CFA balance for a particular Fiscal Year at such time as the State SD/MC Cost Report is complete, County will perform an analysis to determine the amount of unearned CFA balance based on the SD/MC Cost Report and Contractor repayment of the unearned CFA balance shall be conducted as specified in Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY) unless otherwise agreed to by County.

(10) When Contractor's CFA balance is zero in any fiscal year of the term of this Agreement, any County and/or State and/or federal government(s) approved Contractor reimbursement claims for eligible services/activities will be disbursed in accordance with the terms and conditions of this Agreement.

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

(12) CFA for IMD, PHF and Mental Health Rehabilitation Center Contractors Only: The amount of a CFA payment shall be based on the average daily census for the last two available months of the preceding fiscal year.

**O. ANNUAL COST REPORTS**

(1) For each fiscal year or portion thereof that this Agreement 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 O (ANNUAL COST REPORTS).

(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 and 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 Financial Summary applicable to the fiscal year.

(4) The Annual Cost Report will be due on September 15<sup>th</sup> for the fiscal year ending on the previous June 30<sup>th</sup> or seventy-five (75) calendar days following the expiration or termination date of this Agreement, 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 O (ANNUAL COST REPORTS) shall constitute a breach of this Agreement.

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(s) by such thirty (30) calendar days after the applicable due date specified in Subparagraph (4) of this Paragraph O (ANNUAL COST REPORTS), then all amounts covered by the outstanding Annual Cost Report(s) and paid by County to Contractor for the Fiscal Year for which the Annual Cost Report(s) is (are) outstanding shall be due by Contractor to County. Contractor shall pay County according to the method described in Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY).

Such payments shall be submitted to the persons and at the address identified in Paragraph X (PAYMENT AND INVOICE NOTIFICATIONS).

(B) If this Agreement is automatically renewed as provided in DMH Legal Entity Agreement Paragraph 1 (TERM), then County may opt to suspend payments to Contractor under this Agreement until the Annual Cost Report(s) is (are) 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 correct the deficiency, 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(s) by the due date specified in Subparagraph (4) of this Paragraph O (ANNUAL COST REPORTS) 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(s) to the County under this Paragraph O (ANNUAL COST REPORTS). 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 16<sup>th</sup> or on the seventy-sixth (76<sup>th</sup>) day following the expiration or earlier termination of this Agreement and shall continue until the outstanding Annual Cost Report(s) is (are) received.

iii. Upon written request from the County, Contractor shall, within thirty (30) calendar days, submit to the County payment for said damages. Said Payment shall be submitted to the persons and at the address identified in Paragraph X (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 O (ANNUAL COST REPORTS). The decision to grant an extension without assessing liquidated damages in accordance with Subparagraph (4) (b) of this Paragraph O (ANNUAL COST REPORTS) 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 for organizational providers in the Mental Health Specialty Services Mental Health Plan' service provider network, the "Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management;" 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 Agreement 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. The 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 X (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 the County for claimable amounts that were paid to Contractor, Contractor must return back to the County the amount of lost reimbursement that the County could have claimed if the inaccuracy was corrected by Contractor.

i. Upon written notice from the County, Contractor shall have thirty (30) calendar days to make payment to the County in the amount specified by the County. Said payment shall be submitted to the persons and at the address identified in Paragraph X (PAYMENT AND INVOICE NOTIFICATIONS).

(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.

**P. OTHER REQUIREMENTS FOR CONTRACTORS PROVIDING TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES, MEDI-CAL ADMINISTRATIVE ACTIVITIES AND/OR TITLE XXI STATE CHILDREN'S HEALTH INSURANCE PROGRAM SERVICES**

(1) Contractor shall maintain records documenting all Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI State Children's Health Insurance Program services for a period of seven (7) years from the

end of the fiscal year in which such services were provided or until three (3) years after final resolution of any audits or appeals, whichever occurs later.

(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 Title XIX Short-Doyle/Medi-Cal Reconciliation Report at the legal entity level by the due date set by the State for the applicable fiscal year. The due date is approximately sixteen (16) months after the close of the fiscal year.

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

**Q. ANNUAL COST REPORT RECONCILIATION AND SETTLEMENT**

(1) Based on the Annual Cost Report(s) submitted pursuant to Paragraph O (ANNUAL COST REPORTS) and the most updated State Medi-Cal approvals and County claims information, at the end of each fiscal year or portion thereof that this Agreement is in effect, the State and County will perform an Annual Cost Report Reconciliation and Settlement.

(a) Upon initiation and instruction by the State, County will perform the Short-Doyle/Medi-Cal Reconciliation with Contractors.

(b) County will perform settlement upon receipt of State Reconciliation Settlement to the County.

(2) Such reconciliation and settlement will be subject to the terms and conditions of this Agreement and any other applicable State and/or federal statutes, regulations, policies, procedures and/or other requirements pertaining to cost reporting and settlements for Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI State Children's Health Insurance Program, and other applicable federal and/or State programs.

(3) Annual Cost Report Reconciliation Settlement shall be subject to the limitations contained in the Financial Summary. Such limitations include, but are not limited to:

(a) Available Match funds as indicated in Column D of the Financial Summary;

(b) Actual submitted and approved claims to those third-parties providing funds in support of specific Funded Programs;

(c) Funded Program Amounts;

(4) County shall issue its Annual Cost Report Reconciliation Settlement findings no later than 180 calendar days after the receipt by County from the State of the State's Cost Report Settlement package and payment for a particular fiscal year.

(a) As part of its annual cost report settlement, County shall identify any amounts due to Contractor by the County or due from the Contractor to the County.

(b) Upon issuance of the County's annual cost report settlement, Contractor may, within thirty (30) calendar days, submit a written request to the County for review of the annual cost report settlement.

i. Upon receipt by County of the Contractor's written request, the County shall, within thirty (30) calendar days, meet with the Contractor to review the annual cost report settlement and to consider any documentation or information presented by the Contractor. Contractor may waive such meeting and elect to proceed based on written submission at its sole discretion.

ii. Within thirty (30) calendar days of the meeting specified above in Subparagraph (4) (i) of this Paragraph Q (ANNUAL COST REPORT RECONCILIATION AND SETTLEMENT), County shall issue a response to the Contractor including confirming or adjusting any amounts due to Contractor by the County or due from Contractor to the County.

(5) In the event that the Annual Cost Report Reconciliation Settlement indicates that the Contractor is due payment from the County, County shall initiate the payment process to Contractor within thirty (30) calendar days following the expiration of the date to request a review as specified above in Subparagraph (4) (b) of this Paragraph Q (ANNUAL COST REPORT RECONCILIATION AND SETTLEMENT) or issuance of the County response as specified above in Subparagraph (4) (b) (ii) of this Paragraph Q (ANNUAL COST REPORT RECONCILIATION AND SETTLEMENT), whichever is later.

(6) In the event that the Annual Cost Report Reconciliation Settlement indicates that the Contractor owes payments to the County, Contractor shall make payment to the County in accordance with the terms of Paragraph S (METHOD OF PAYMENTS FOR

AMOUNTS DUE TO COUNTY). Said payment shall be submitted to the persons and at the address identified in Paragraph X (PAYMENT AND INVOICE NOTIFICATIONS).

(7) Regardless of any other provision of this Paragraph Q (ANNUAL COST REPORT RECONCILIATION AND SETTLEMENT), reimbursement to Contractor shall not exceed the MCA and shall not exceed the Funded Program Amount, as identified on the Financial Summary

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

(1) At any time during the term of this Agreement or after the expiration or termination of this Agreement, 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 Agreement.

(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.

(a) County shall issue Post-Audit SD/MC Settlement to Contractor for any amount due County or due to Contractor no later than ninety (90) calendar days after the State issues its audit report to the County.

(b) If the Post-Audit SD/MC Settlement determines that the amount paid by County to Contractor for any units furnished hereunder are more than the amounts allowable pursuant to this Agreement, then the difference shall be due by Contractor to County upon the State and/or Federal collection from County of the amount due, or after exhausting all appeals, if any, whichever occurs first. Contractor shall make payment to the County in accordance with the terms of Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY). Said payment shall be submitted to the persons and at the address identified in Paragraph X (PAYMENT AND INVOICE NOTIFICATIONS).

(c) County shall follow all applicable federal laws, regulations manuals, guidelines and directives in recovering from Contractor any federal over-payment.

(d) In the event that Post-Audit SD/MC Settlement indicates that Contractor is due payment from County, County shall initiate the payment process to Contractor within thirty (30) days of settlement issuance date.

(e) If the auditing party stays its collection of any amounts due or payable because of the audit findings, County will also stay its settlement of the same amounts due or payable until the responsible auditing party initiates its settlement action with County.

(4) SD/MC Audit Appeals: Contractor may appeal any such audit findings in accordance with the audit appeal process established by the party performing the audit.

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

(b) Contractor may appeal the State audit findings in conformance with provisions of Sections 51016 et seq. of Title 22 of the California Code of Regulations. Such appeals must be filed through County. County shall notify Contractor of State appeal deadlines after County's receipt of information from State.

(5) Post-Audit Appeal SD/MC Settlement:

(a) If at any time the Appeal process results in a revision to the audit findings, and the State recalculates the audit settlement of the SD/MC cost report for a particular year and settles with County, County will perform a post-audit appeal Short-Doyle/Medi-Cal re-computed settlement after the State issues its revised settlement with the County, based on the State appeal resolution.

i. If the post-audit appeal SD/MC re-computed settlement results in amounts due to Contractor by the County, County shall initiate the payment process to Contractor within thirty (30) calendar days of issuing the post-audit appeal SD/MC re-computed settlement to Contractor.

ii. If the post-audit appeal SD/MC re-computed settlement results in amounts due from Contractor to the County, Contractor shall make payment to the County in accordance with the terms of Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY). Said payment shall be submitted to the persons and at the address identified in Paragraph X (PAYMENT AND INVOICE NOTIFICATIONS).

(b) Notwithstanding any other provisions of this Agreement, if Contractor appeals any audit report, the appeal shall not prevent the County from recovering from Contractor any amount owed by Contractor that the State has recovered from County.

(6) County Audits: Should the auditing party be the County, 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 argument 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 Section S (PAYMENT OF AMOUNTS DUE TO COUNTY). Said payment shall be submitted to the persons and at the address identified in Paragraph X (PAYMENT AND INVOICE NOTIFICATIONS).

**S. METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY**

(1) Within ten (10) business days after written notification by County to Contractor of any amount due by Contractor to County, Contractor shall notify County as to which of the following five payment options Contractor requests be used as the method by which such amount shall be recovered by County. Any such amount shall be:

- (a) Paid in one cash payment by Contractor to County;
- (b) Deducted from future claims over a period not to exceed three (3) months;
- (c) Deducted from any amounts due from County to Contractor whether under this Agreement or otherwise;
- (d) Paid by cash payment(s) by Contractor to County over a period not to exceed three (3) months; or
- (e) A combination of any or all of the above.

(2) If Contractor does not so notify County within such ten (10) days, 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 payment options shall be used by County for recovery of such amount from Contractor.

**T. INTEREST CHARGES ON DELINQUENT PAYMENTS**

(1) If Contractor, without good cause as determined in the sole judgment of Director, fails to pay County any amount due to County under this Agreement within sixty (60) calendar days after the due date, then Director, after written notice to Contractor, may assess interest charges on such late payment.

- (a) The amount of said interest charge shall be calculated at a rate equal to County's Treasury Pool Rate, as determined by County's Auditor-Controller, on

the delinquent amount due commencing on the sixty-first (61<sup>st</sup>) calendar day after the due date.

(2) Contractor shall have an opportunity to present to the Director information bearing on the issue of whether there is a good cause justification for Contractor's failure to pay County within sixty (60) calendar days after the due date.

(3) The interest charges shall be: (i) paid by Contractor to County by cash payment upon demand and/or (ii) at the sole discretion of Director, deducted from any amounts due to Contractor by County whether under this Agreement or otherwise.

**U. FINANCIAL SOLVENCY**

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

**V. COUNTY AND CONTRACTOR REQUESTED CHANGES**

(1) If Contractor desires any change in the terms and conditions of this Agreement, 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 Agreement Paragraph 40 (ALTERATION OF TERMS).

(b) All changes requested by the Contractor shall be followed by a Mid-Year Change to the last approved Negotiation Package to be submitted by the Contractor, which must be approved by the Director prior to amending the contract.

(2) If Contractor requests an increase or decrease in the MCA or in the Funded Program Amount, Contractor shall provide all reports, data, and other information requested by the County, within fifteen (15) calendar days of County's request.

(a) Contactor's request for consideration of an increase in the MCA or in the Funded Program Amount, must be made and approved prior to Contractor rendering services that exceed the MCA or the Funded Program Amount. To the extent that County agrees to increase MCA or a Funded Program Amount, such approval shall be in the form of an executed amendment to this Agreement. Director will make best efforts to expedite the amendments provided under this Subparagraph (2) (a) of this Paragraph V (CONTRACTOR REQUESTED CHANGES).

(b) Requests received after the Contractor has rendered services in excess of the MCA, or the Funded Program Amount, will only be considered on a prospective basis for payment of services rendered after the effective date of any executed

amendment. The County shall not be responsible for payment, nor otherwise be liable for, services/activities that Contractor provided in excess of the MCA or the Funded Program Amount during any part of the Initial Period, First Automatic Renewal Period or Second Automatic Renewal Period, respectively.

(3) If County requires changes per options (a) and/or (b) as specified in Paragraph K (CONTRACTOR'S RESPONSIBILITY TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS), Contractor must submit a Mid-Year Change to the last approved Negotiation Package.

(4) If County requires changes per Paragraph I (LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS), Contractor must submit a Mid-Year Change to the last approved Negotiatoin Package.

(5) If County and Contractor agree to make a funding and/or service plan change relevant to this Agreement, Contractor must submit a Mid-Year Change to the last approved Negotiatoin Package.

**W. DELEGATED AUTHORITY**

(1) Notwithstanding any other provision of this Agreement, the Director may, without further action by County's Board of Supervisors, prepare and sign amendments to this Agreement under the following conditions.

(a) County's total payments to Contractor under this Agreement, for each fiscal year of the term of this Agreement, does not exceed an increase of more than the Board of Supervisor-approved percentage of the current applicable MCA; and

(b) Any such MCA amendment increase or amendment change shall only be for the provision of additional services; for the provision of new services as reflected on Attachment VI (SERVICE EXHIBITS); or to reflect program and/or policy changes that affect this Agreement; and

(c) County's Board of Supervisors has appropriated sufficient funds for all changes described in each such amendment to this Agreement; and

(d) Approval of County Counsel, or the designee, is obtained prior to any such amendment to this Agreement.

(e) Director shall notify County's Board of Supervisors and the Chief Executive Officer of all Agreement changes in writing within thirty (30) calendar days following execution of any such amendment(s).

**X. 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  
550 S. Vermont Avenue, 8<sup>th</sup> Floor  
Los Angeles, CA 90020  
Attn: Provider Reimbursement Section

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

County of Los Angeles Department of Mental Health  
Financial Services Bureau – Accounting Division  
550 S. Vermont Avenue, 8<sup>th</sup> Floor  
Los Angeles, CA 90020  
Attn: Accounts Receivable