

**EXHIBIT B: PAYMENT PROVISIONS  
TERMS AND CONDITIONS OF PAYMENT  
ALCOHOL AND OTHER DRUGS SERVICES**

|                               |   |
|-------------------------------|---|
| <b>Contracting Department</b> | Alameda County Behavioral Health Care Services (BHCS) |
| <b>Contractor Name</b>        |   |
| <b>Contract Period</b>        |   |
| <b>Contract Maximum</b>       |   |

In addition to all terms of payment described in the Master Contract Terms and Conditions and all relevant Exhibits and Attachments, Parties (Contractor and BHCS) to this Contract shall abide to the terms of payment contained herein.

**I. Budget**

BHCS may, at its sole discretion, with or without notice to the Contractor, add or delete sources of funding used by BHCS for purposes of reimbursement for Contractor costs in providing services covered by this Contract as set forth in Exhibit A. Contractor shall use all payments solely in support of the program budget, set forth as follows:

- Exhibit B-1: Funded Program Budget
- Exhibit B-2: Agency Composite Budget
- Exhibit B-3: Method and Rate of Reimbursement (Rate Sheet)
- Exhibit B-4: Source of Funding
- Exhibit B-5: Rate Caps and Revenue Requirements
- Exhibit B-6: Additional Terms for Chemically Assisted Service Programs

The following provisions apply to programs within this Contract;

- a. Capital Expenditures: Improvements to land, buildings or equipment, which materially increase the value of the property or appreciably extend its useful life, are not allowable as a direct cost and must be depreciated.
- b. Equipment Purchase: Equipment having a useful life of three or more years and with an acquisition cost over \$5,000 or more per unit must be capitalized. Purchase of items between \$500 and \$5,000 requires prior written approval of the Department. This provision applies to all programs with the exception of Drug Medi-Cal Programs.

Programs funded with Drug Medi-Cal funding or a combination of BHCS Realignment and Drug Medi-Cal funding fall under Federal Medicaid rules and any items purchased with an acquisition cost of \$500 or more must be capitalized and depreciated.

Acquisition cost is the net invoice unit price of an item of equipment, including the costs of any modification, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.

- c. Lease or Rent of Equipment or Facilities. Contractor shall not, without written approval of the Department, rent or lease equipment or facilities from a parent organization or individual who is a "common owner" (as defined by Federal Health Insurance Manual 15, Chapter 10, Paragraph 1002.2).

## II. Terms and Conditions of Payment

### A. Contract Amount/Maximum

1. Contract and Program Maximum Funding

Total payments under this Contract shall in no event exceed the total contract maximum specified in this Contract. Payments shall be based on Exhibit B-3: Method and Rate of Reimbursement (Rate Sheet). Any change in the contract maximum shall be made through an amendment to this Contract.

2. General and Administrative Costs

Indirect costs reimbursed by BHCS to Contractor shall not exceed twenty-one percent (21%) of a program's direct costs.

a. *Non-Profit Agreement:*

For BHCS to consider the Non-Profit Agreement, Contractor must include a copy of the agreement in a submittal to BHCS Fiscal Contract Manager.

Use of the Non-Profit Agreement is subject to BHCS' approval.

3. Indirect Cost Rate

Indirect costs reimbursed by BHCS to Contractor shall not exceed twenty-one percent (21%) of the total direct service program costs, unless otherwise approved by BHCS. Indirect costs reimbursed by BHCS to Contractor shall not exceed the lowest corresponding percentage of general and administrative costs reimbursed by any other funding sources or entities.

a. *Indirect Cost Rate Proposal:*

If indirect costs are reflected in Exhibit B-1: Funded Program Budget, or requested by BHCS, Contractor must prepare and submit either an Indirect Cost Rate Proposal, as described below.

For BHCS to consider the Indirect Cost Rate Proposal, Contractor must include all of the following in a submittal to BHCS Fiscal Contract Manager:

- i. Exhibit B-1: Funded Program Budget with proposed general and administrative costs included in the indirect costs; and
- ii. A worksheet with each of the Contractor's proposed operating costs and the allocation of general and administrative indirect costs to each direct service program.

Use of the Indirect Cost Rate Proposal and/ Non-Profit Agreement is subject to BHCS' approval.

### B. Budget Revision Procedures

1. Revisions to Personnel and/or Operating Expenses

Contractor must request written approval from BHCS Fiscal Contract Manager of any variance of ten percent (10%) or greater between actual costs and approved budget costs for Personnel and/or Operating Expenses.

2. Exhibit B-1 Line Item Revisions

To request line item revisions within a program, Contractor shall submit a revised Exhibit B-1: Funded Program Budget to the BHCS Fiscal Contract Manager with detailed written justifications for any variances of \$3,000 or more in any line-items, including the Explanation/Justification forms in Exhibit B-1.

Revisions to Exhibit B-1: Funded Program Budget in excess of \$3,000 in any one line-item are subject to BHCS' approval.

See Section IV.A.2.a. for details about the final budget revision.

3. Movement of Funds Between Programs/Reporting Units (RUs)

Contractor may request movement of funds between programs/RUs prior to March 1<sup>st</sup> of the fiscal year if Contractor submits written justification to BHCS Fiscal Contract Manager, including the following:

- i. The names of impacted programs/RUs;
- ii. The amounts to be moved; and
- iii. Justification of why funds are needed in one program/RU more than the other.

Movement of funds between programs/RUs is subject to BHCS' approval.

3. Cost of Living Adjustment (COLA)

COLAs are at the County's discretion. If, during the term of this Contract, the Alameda County Board of Supervisors approves a COLA, the increase may be retroactive to July 1, of the current contract year.

4. Available Resources

Parties to this Contract acknowledge the uncertainty of the funding resources supporting this Contract, which may impact BHCS' dollar allocation for contracted services. Should it be necessary to adjust the amount of the funding during the term of this Contract, BHCS shall notify Contractor at least thirty (30) days prior to the effective date of the adjustment.

**C. Cost Settlement/Final Payment Provisions**

A Cost Settlement between BHCS and Contractor is considered an interim settlement subject to audit by County, State, Federal and/or independent auditors.

In the event that any program's net reimbursable cost is less than the program maximum funding, BHCS may apply funds to another program whose net costs exceed the program's maximum funding.

Cost Reports for each program shall be settled through one of the following methods, depending on Contractor's reimbursement method as stated on Exhibit B-3: Method and Rate of Reimbursement (Rate Sheet).

1. Actual Cost Reimbursement Method

Final reimbursement shall be made on the basis of Contractor's actual allowable costs less any applicable revenues collected from all other payers.

2. Provisional Rate Reimbursement Method

Final reimbursement shall be made on an actual allowable cost per unit (CPU) of service, less any applicable revenues collected from all other payers.

a. *Provisional Rate Programs Funded Entirely by Drug Medi-Cal:*

BHCS will base final reimbursement on actual allowable CPU of service. BHCS will reimburse Contractor for services described herein on the basis of the lesser of the Contractor's actual reimbursable cost for providing such services less applicable revenues collected from all other payers, or Contractor's usual and customary charges during the contract period. The terms outlined in these provisions under revenue enhancement regarding a Medi-cal client with other health coverage (OHC) apply to programs funded entirely by Drug-Medical or other funding (see exceptions for Narcotic Treatment Programs).

Contractor's final reimbursement is subject to the maximum allowable CPU of service limitations established and subject to revision by the State of California. Should the State CPU of service maximum be revised, Contractor's actual costs are subject to the applicable CPU maximum.

Should Contractor's actual CPU of service exceed the State's maximum applicable CPU of service, Contractor's reimbursable cost will be reduced to the limits mandated by the State.

b. *Provisional Rate Programs Funded by Drug Medi-Cal and/or BHCS Realignment Funds:*

Unless otherwise approved by BHCS, BHCS will base Contractor's final reimbursement on actual CPU up to the maximum rate reflected in Exhibit B-5: Rate Caps and Revenue Requirements.

In the event that both sources of funding are included in Exhibit B-4: Source of Funding, and if Contractor is eligible for reimbursement of Drug Medi-Cal Funds in excess of the Drug Medi-Cal rate, BHCS shall reimburse Contractor

for such excess by reducing available BHCS Realignment funds in an equal amount.

3. Fee for Service Method

Final reimbursement shall be determined by multiplying the fee-for-service rate(s), specified in Exhibit B-3: Method and Rate of Reimbursement (Rate Sheet), by the actual units of service provided, subject to the maximum program funding amount.

Any share of cost collected from a Drug Medi-Cal beneficiary or other payer source shall also be deducted from the net reimbursable cost.

Any fee-for-service rate may be subject to renegotiation after BHCS' review of Contractor's prior fiscal year Year-End Cost Report. Final reimbursement rates shall be determined by Contractor's Year-End Cost Report.

a. *Fee for Service Programs Funded Entirely by Drug Medi-Cal*

Unless otherwise approved by BHCS or with the exception of Narcotic Treatment Programs (Methadone Maintenance Programs), BHCS will base final reimbursement on actual allowable CPU of service. Services provided by Contractor, as specified in this Contract, shall be reimbursed by BHCS on the basis of the lesser of the Contractor's actual reimbursable cost for providing such services less applicable revenues collected from all other payers, or Contractor's usual and customary charges during the contract period.

b. *Fee-for-Service Savings:*

In the event that Contractor's actual cost of providing services is less than the net reimbursable cost, Contractor may submit a written plan for the use of savings for alcohol and/or drug programs, which are allowable under County, State and Federal regulations to BHCS Fiscal Contract Manager including the following how savings will be spent. Use of savings is subject to BHCS' approval.

Narcotic Treatment Programs (Methadone Maintenance Programs) funded entirely by Drug Medi-Cal are not required to submit a written plan.

4. Federal Financial Participation (FFP)

For Contractors with FFP, in order for Contractor to be reimbursed up to the program maximum amount, Contractor must earn a minimum of Drug Medi-Cal FFP as shown in Exhibit B-5: Rate Caps and Revenue Requirements. If year-end FFP revenue is less than the amount shown in Exhibit B-5 Rate Caps and Revenue Requirements, the revenue shortfall will be deducted from the Program Maximum Amount.

BHCS will apply any excess FFP earned in Contractor's program to another program within this Contract whose FFP is below the required amount.

BHCS may waive this provision in the event that the cost for each unit of service is less than maximum rate of reimbursement specified.

5. Cost Settlement

Contractor shall account for each program separately and provide specific cost centers and audit trails for each program.

Cost Settlements will be considered interim until all Federal, State, and County audits and appeals have been completed. Audit results shall supersede the information previously provided by Contractor and accepted by BHCS. Should County, State, Federal; or any other funding agency refuse to reimburse BHCS or disallow previous payments, Contractor agrees to refund excess to BHCS within 120 days of notification, unless otherwise approved by BHCS. BHCS may withhold all funds owed from any subsequent payments due to Contractor until the settlement is satisfied in full.

**D. Conditions of Withholding Payment**

BHCS may withhold payments to Contractor due to one or more of the following conditions.

1. Contractor Non-Compliance Sanction Policy

If BHCS determines that Contractor is not in compliance with any provisions of this Contract, BHCS will provide Contractor with a written notice of non-compliance and may withhold payment if the identified issue is not remedied within the timeline specified in the notice of non-compliance. Non-compliance includes failure to submit required programmatic and/or fiscal reports, which are complete and accurate by the specified due date, such as but not limited to Quarterly Financials; Year-End Cost Reports; cost data; audits; or other information required for contract administration, monitoring and/or renewal.

BHCS may, after three months of withholding funds for non-compliance impose a non-refundable penalty of one percent of the total contract amount each month thereafter, until BHCS deems Contractor in compliance with the Contract.

2. Disallowances

BHCS may withhold all funds owed to Contractor based on disallowances and/or penalties until settlement is satisfied in full. If applicable, Contractor shall refund any disallowances and/or penalties resulting from the Drug Medi-Cal Utilization Review Process within 120 days of notice, unless otherwise agreed upon by BHCS.

County will indemnify Contractor as set forth in the general provisions of the Contract between the parties should the disallowance and/or penalties be the result of: a) County's negligence or intentional acts or omissions as it relates to

the Year-End Cost Report; or b) Contractor's compliance with the written directions, guidelines, policies or instructions of the County.

Any disallowance and/or penalties where County does not indemnify Contractor shall be the sole responsibility of Contractor. This includes any and all State disallowances and/or penalties.

3. Contract or Program Termination

In the event of termination of this Contract or any program within this Contract, BHCS may withhold a sum not to exceed ten percent of the total contract amount or applicable program, until all provisions of this Contract are satisfied by Contractor and accepted by BHCS.

**E. Definitions**

1. Service Definitions

• Nonresidential Programs:

○ *CalWORKS Program:*

- Engagement Fee: Reimbursement for signed CalWORKs Release of Information submitted to Alameda County Social Services Agency for a CalWORKs client.
- Initial Reporting Fee: Reimbursement for preparation and submission of an Initial Assessment Report to Alameda County Social Services Agency for a CalWORKs client.
- Follow-up Reporting Fee: Reimbursement for preparation and submission of monthly progress and attendance reports to Alameda County Social Services Agency for a CalWORKs client.

○ Day Care Habilitative (DCH) Day: A visit in which a client actively participates for a minimum number of hours a day and is scheduled a minimum number of days a week. Each day of attendance is a unit of service. Requirements are as follows:

- Bay Area Services Network (BASN): Minimum four hours per day, scheduled five days per week.
- All Others: Minimum three hours per day, scheduled three days a week.

○ *Outpatient and All Other Modalities (Including, but not limited to, Secondary Prevention, HIV Early Intervention, Perinatal Outreach, Perinatal Case Management):*

- Unit of Service: For modalities identified above, except for outpatient programs with combined Drug Medi-Cal and BHCS Realignment funding, the unit of service is an available staff hour, which refers to all hours staff are available to work, exclusive of time off, such as vacation, sick leave and lunch. One full time equivalent (FTE) has an average of 1,779 available hours per year.
- Available Staff Hours: The available staff hours shown in Section II of this exhibit reflect ninety percent (90%) of 1,779 available hours per

FTE reflected in the program budgets contained in this exhibit. Major Budget Expenditure Categories: Personnel costs, such as salaries and benefits; services and supplies and fixed assets.

- *Outpatient Drug Medi-Cal Funded Programs:*
    - Individual Visit: A face-to-face contact between a client or significant person in the life of the identified client and a counselor/therapist. Individual counseling is limited to intake, assessment, treatment planning, which may include collateral services, discharge planning and crisis intervention.
    - Group Session: A face-to-face contact in which one or more counselors/therapists treat a minimum of four and a maximum of ten clients at the same time.
    - Group Visit: Each individual in a single group session is counted as one visit.
  - *Outpatient Realignment or Realignment/Medi-Cal Funded Programs:*
    - Individual Visit: A face-to-face contact between a client or significant person in the life of the identified client and a counselor/therapist.
    - Group Session: A face-to-face contact in which one or more counselors/therapists treat at least two or more clients at the same time.
    - Group Visit: Each individual in a single group session is counted as one visit.
  - *Primary Prevention Programs:*
    - Direct Time (Service Hours): The face-to-face time spent on an activity.
    - Staff Hours: The time staff spends on direct service.
    - Indirect Staff Hour: The time spent preparing for the activity and travel to and from the activity site.
  - *Residential and Transitional Living Programs:*
    - Residential Bed Day: A calendar day (12:01 a.m. to midnight) in which a client participates and resides in a program. \
    - Transitional Living Bed Day: A calendar day (12:01 a.m. to midnight) in which a client resides in an alcohol and drug free living environment.
      - If a client participates in a program for more than one Resident Day, the following shall also apply: The calendar day of admission shall constitute a Resident Day, regardless of the time of admission. The calendar day of discharge shall not constitute a Resident Day.
    - Residential Detoxification Bed Day: When a client occupies a bed for more than three hours.
    - If a client is admitted to a residential program more than once during any calendar day only one Residential Bed Day or Residential Detoxification Bed Day shall be counted.
2. General Definitions
- Actual Net Cost: The total cost to Contractor for negotiated contracted services.
  - All Other Payers: Applicable and appropriate payers other than BHCS.



- Available Capacity: The total number of units of service that Contractor makes available in the current fiscal year.
- Available Staff Hour: All available staff work, exclusive of time off, such as vacation, sick leave and lunch.
- BHCS: (Alameda County) Behavioral Health Care Services
- Capital Expenditures: Improvements to land, buildings or equipment, which materially increase the value of the property or appreciably extend its useful life, are not allowable as a direct cost and must be depreciated.
- Client: Individuals who receive services specified in this Contract (i.e. patients, consumers, partners, beneficiary etc.).
- Drug Medi-Cal Funding: State General Funds that are used to match Drug Medi-Cal, and Federal Medi-Cal.
- Drug Medi-Cal Program: State of California system wherein eligible beneficiaries receive covered services from Drug Medi-Cal certified substance abuse treatment providers who are reimbursed for the services with State General Fund and Federal Medicaid funds.
- Federal Financial Participation (FFP): FFP provides federal Title XIX/Medi-Cal reimbursement for approved State programs providing specific activities that meet the following two objectives:
  - Assisting Medi-Cal eligible individuals to enroll in the Medi-Cal/Family PACT Program.
  - Assisting individuals on Medi-Cal to access Medi-Cal or Family PACT providers and services.
- Indirect Cost: The non-direct service cost of providing services.
- Interim Cost Settlement Settlement: The Cost Settlement amount before and during any Federal, State, County or other funding source's audited review and appeals period.
- Programs: Each contracted program is represented in columns in Exhibit B-1: Funded Program Budget.
- Major Budget Expenditure Categories: Personnel costs, such as salaries and benefits; services and supplies, and fixed assets.
- Slot: The capacity to provide treatment services to an individual. Total slots reflect the minimum number of individuals a Contractor can serve at any given time, given its complement staffing and other resources.
- Utilization: The total actual units of service provided.

### **III. Invoicing Procedures**

Contractor shall comply with the following invoicing procedures:

#### **A. Monthly Invoices /Monthly Reimbursement Claim/Service Report**

Contractor shall submit a monthly invoice/reimbursement claim for services rendered that month, using the BHCS provided template with units of service based on the rates in Exhibit B-3: Method and Rate of Reimbursement (Rate Sheet). Contractor

shall submit invoices/reimbursement claims by the tenth calendar day of the month after the service month.

Contractor shall submit two original invoices/reimbursement claims with appropriate attachments to BHCS Fiscal Contract Manager. The following requirements apply to such monthly invoices and reimbursement claims:

1. Invoice/Claim Attachments

- a. *For programs with a Reporting Unit (RU):* Contractor shall attach the corresponding PSP (Poolman, Shih and Platton) 131 report to the monthly invoice/claim. Contractor shall input required data into the system (currently InSYST) the Friday before the second Saturday following the month of service to be eligible for invoice payment.
  - i. For California Work Opportunity and Responsibility to Kids (CalWORKs) programs:
    1. Contractor must submit a signed CalWORKs Release of Information to Social Services Agency to receive reimbursement for the Engagement Fee.
    2. Contractor must prepare and submit a monthly progress report to Social Services Agency to receive reimbursement for the Follow-Up Reporting Fee.
    3. Contractor must prepare and submit the Initial Assessment Report to Social Services Agency to receive reimbursement for the Initial Reporting Fee.
- b. *For prevention programs that input data into the California Outcomes Measurement System (CalOMS):* Contractor shall attached the corresponding CalOMS Staff Hour Summary Report with Contractor's monthly invoice.

2. Monthly Reimbursement (Does not apply to programs funded exclusively by Drug Medi-Cal)

Monthly reimbursement shall not exceed the monthly prorata of the annual contract maximum amount reflected in the Master Contract Exhibit A and B Coversheet unless the following conditions are met.

Contractor must submit a written request to exceed the prorata to the BHCS Fiscal Contract Manager showing that the Contractor's prior month's payments were less than the monthly prorata and that savings are being applied to documented costs in excess of the prorata. Authorization to exceed the monthly prorata is subject to BHCS' approval.

3. Payments Made on a Provisional Rate
  - a. Should Contractor's provisional payments be in excess of actual net costs reported at the close of each Quarterly or Year-End Cost Report period, BHCS, may at its sole discretion, withhold any excess payment from Contractor's subsequent invoice.
  - b. Should Contractor's provisional payments be less than ninety-five percent of the actual net costs reported, Contractor may request from BHCS Fiscal Contract Manager to augment the provisional payments up to the actual net costs.

Authorization to exceed the monthly prorata is subject to BHCS' approval.

#### **B. Cash Advance**

Contractor may be eligible to receive a one-time cash advance. To request a cash advance, Contractor shall follow Alameda County's Cash Advance Policy located on BHCS' Provider website: <http://www.acbhcs.org/providers/network/docs.htm>.

Upon BHCS' approval of a cash advance, Contractor may request to repay in one of the following ways:

1. Over the course of this Contract term for a number of months approved by BHCS;  
or
2. With the final invoice for funds against this Contract, with any adjustments necessary to ensure the provision of services during the last month(s) of this Contract and complete recoupment by BHCS.

Repayment method is subject to BHCS approval. BHCS may make repayment adjustments or demand full repayment at any time after BHCS review to ensure service levels, contract compliance and adequate reimbursement, including holding payment of invoices until repayment is satisfied.

#### **C. Reimbursement of Invoices After End of Contract Terms**

With the exception of contracted CalWORKs programs, Contractor shall submit all invoices for reimbursement under this Contract within forty-five calendar days following the end of the term of this Contract. All invoices submitted after forty-five calendar days following the end date of this Contract will be subject to reimbursement at the sole discretion of BHCS.

CalWORKs program Contractors shall submit all claims for reimbursement under this Contract within fifteen days following the end of the term of this Contract. All CalWORKs invoices submitted after fifteen calendar days following the end date of this Contract will be subject to reimbursement at the sole discretion of BHCS.

## IV. Funding and Reporting Requirements

Contractor shall comply with the following funding and reporting requirements:

### A. Financial Reports

#### 1. Quarterly Financial Reports

Contractor shall provide BHCS with three detailed Quarterly Financial Reports, expenditure and revenue reports of actual costs and revenues applicable to each program reflected in Exhibit B-1: Funded Program Budget. Narcotic Treatment Program (Methadone Maintenance) programs are exempt from Quarterly Reports. Contractor shall submit Quarterly Financial Reports in the template provided by BHCS to BHCS Fiscal Contract Manager on the following schedule:

| <b>Report</b>                              | <b>Term</b>         | <b>Due Date</b> |
|--|---------------------|-----------------|
| 1 <sup>st</sup> Quarterly Financial Report | July 1-September 30 | October 31      |
| 2 <sup>nd</sup> Quarterly Financial Report | July 1-December 31  | January 31      |
| 3 <sup>rd</sup> Quarterly Financial Report | July 1-March 31     | April 30        |

#### 2. Year-End Cost Report

Contractor shall submit a Year-End Cost Report in the format issued by BHCS. Contractor shall submit a separate Year-End Cost Report for each program contained in this Contract.

##### a. *Final Budget Revision:*

Contractor shall submit the Year-End Cost Report as a final budget revision, which shall comply with all applicable provisions indicated in this Contract.

b. *Excess Fees:* In the event Contractor has participant-generated fees (e.g. public benefits and/or other payer sources) which are unexpended as of June 30, Contractor may identify these fees as “Excess Fees” in the Year-End Cost Report’s revenue section. Contractor shall include any “Excess Fees” as revenue in the Exhibit B-1: Funded Program Budget for the following year. Contractor shall expend these funds first.

c. *Measure A Funding:* All Measure A funding shown in Exhibit B-4: Source of Funding shall be considered the last payer source within each program in cost settlement, excluding unearned FFP. Should Contractor’s total net

reimbursement be less than the Contract Maximum, Measure A funding shall be designated as the savings, which Contractor may not retain.

Measure A funding shall not be used in programs that are funded entirely by the following:

- Medi-Cal
- Bay Area Service Network (BASN)
- HIV Early Intervention
- CalWORKs
- State or Federal grants

Notwithstanding all other provisions of this Contract to the contrary, Measure A funds may be used for capital expenditures and/or any costs not allowed under Medi-Cal and/or State and Federal guidelines. Contractor must budget separately for these funds from other program budgets. All such expenditures require prior authorization and approval from BHCS.

- d. *Indirect Cost Rate Plan:* Contractor shall submit a final Indirect Cost Rate Plan with the Year-End Cost Report, which shall include all of the following:
  - i. Line-item detail showing actual general and administrative costs included in the indirect cost pool; and
  - ii. A worksheet containing each of the Contractor's final direct service operating costs and the allocation of the administrative/indirect costs to each direct service program.

## **V. Additional Terms and Conditions of Payment**

### **A. Revenue Enhancement**

BHCS intends to establish targets for revenues earned by contractors, with those targets becoming part of operational budgets. Future contract allocations will be impacted by the revenue generated and by deficits. Contractor shall implement any new procedures related to Federal, State and local insurance revenue maintenance or enhancement within 30 days from BHCS notice. BHCS shall provide Contractor with specific information on how to operationalize any new procedures.

For services provided under this Contract, Contractor must bill for said services to any third party payer and/or for share of cost Drug Medi-Cal to client responsible for payment of services. Charges must be billed in the amount of the Contractor's published charge rate (usual and customary charges) or negotiated insurance rate. This applies only for services covered by such third party payers and/or Share of Cost Drug Medi-Cal.

#### **1. Fees**

Any treatment program funded under this Contract shall assess fees to participants in the program in accordance with Section 11841 et seq. (alcohol) and Section 11991.5 et seq. (drug) of the Health and Safety Code.

Any and all applicable other payer (e.g. third party medical, hospital, other insurance coverage, any other benefit program, etc.) available to program clients shall be utilized to offset any reimbursable services thereunder.

2. Programs Funded Entirely by Drug Medi-Cal

Contractor must bill in the amount of the Contractor's published charge rate (usual and customary charge) or negotiated insurance rate. Billings to and collections from clients shall be in accordance with the BHCS policy for Realignment funds or Drug Medi-Cal contract procedures prescribed by the State of California.

Contractor shall maintain, implement and utilize procedures to collect charges from clients for services provided under this Contract. Contractor shall report all revenue collected from third-party payers and/or from clients to BHCS in accordance with instructions included in the Denied Correction Report (DCR) Cover Letter, Year-End Cost Report instructions and, any subsequent letters or instructions from BHCS.

Contractor shall complete monthly Medi-Cal eligibility verification for all clients. BHCS will provide test claim reports for all claims prior to submission to the State of California. Should BHCS receive notification of claims denied by State for any Drug Medi-Cal claims submitted to the State for reimbursement, said information will be provided to Contractor after the County's receipt of a DCR. Contractor will submit the DCR providing any necessary corrections for the denied claim within the timeframe noted in the DCR Cover Letter.

Any contractor claim out of compliance with these regulations will result in non-payment of claim/s prior to or during the cost report settlement process.

**B. Contract or Program Termination**

In the event of termination of this Contract or a program within this Contract;

- a. If initiated by Contractor, Contractor shall provide written notice to BHCS Program and Fiscal Contract Managers at least 30 calendar days prior to termination; and
- b. If initiated by BHCS, BHCS Fiscal Contract Manager shall provide written notice to Contractor at least 30 calendar days prior to termination.

Upon notice of a Contract or program termination, Contractor shall do the following:

- a. Immediately eliminate all new costs and expenses under this Contract or program.
- b. Provide accounting of any unused or unexpended equipment and/or supplies purchased by Contractor with funds obtained through this Contract and deliver such equipment and/or supplies to BHCS upon written request from BHCS.

- c. Promptly submit a written report of all information necessary for the reimbursement of any outstanding invoices and/or continuing costs to BHCS Fiscal Contract Manager.
- d. Surrender all fiscal records to BHCS, if requested by BHCS.

For a Contract termination, Contractor must complete a Cost Report within thirty (30) calendar days of receipt of Cost Report template from BHCS.

BHCS may reimburse Contractor for reasonable and necessary costs or expenses incurred after BHCS' receipt of Contractor's notice of termination, within the contract maximum.

### **C. Termination for Cause**

If County determines that Contractor has failed, or will fail, through any cause, to fulfill in a timely and proper manner its obligations under the Agreement, or if County determines that Contractor has violated or will violate any of the covenants, agreements, provisions, or stipulations of the Agreement, County shall thereupon have the right to terminate the Agreement by giving written notice to Contractor of such termination and specifying the effective date of such termination, which may be the same date as the notice.