

## **EXHIBIT B: FULL SERVICE PARTNERSHIP TERMS AND CONDITIONS OF PAYMENT**

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

### **I. ATTACHMENTS**

The following exhibits are attached hereto and made a part of the Agreement. Contractor's use of funds, and **Alameda County Health, Behavioral Health Department's (ACBHD's)**<sup>1</sup> reimbursement to Contractor, shall comply with these exhibits.

- Exhibit B-1: Funded Program Budget (for Actual Cost reimbursed program components only)
- Exhibit B-2: Agency Composite Budget
- Exhibit B-3: Method and Rate of Reimbursement (Rate Sheet)
- Exhibit B-4: Cost Report Submission Timeline
- Exhibit B-5: Cost Settlement Appeal Procedure

### **II. MAXIMUM CONTRACT AMOUNT**

#### **A. Reserved**

#### **B. Available Resources**

Contractor understands and acknowledges that this contract is one of a pool of contracts, and that it is one of a number of contractors receiving payment for the same or similar services. The Parties agree that the total compensation payable to the pool of Contractors under the pool of contracts designated by County shall not exceed the amount approved by the Alameda County Board of Supervisors.

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

### **III. DEFINITIONS**

#### **A. Reserved**

#### **B. General**

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<sup>1</sup> Previously known as Alameda County Behavioral Health Care Services Agency (ACBH). References to ACBH mean ACBHD.

- 1. Actual Cost:**  
The total costs incurred by Contractor for providing contracted services.
- 2. Actual Cost Per Unit:**  
The total costs incurred by Contractor for providing each unit of contracted services.
- 3. Actual Net Cost:**  
Actual Cost less all revenues received from Other Payers.
- 4. Available Staff Hours:**  
All hours in which 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.
- 5. Capital Expenditures:**  
Improvements to land, buildings or equipment, which materially increase the value of the property or appreciably extend its useful life. These are not allowable as a direct cost except where explicitly approved in writing by ACBHD and must be depreciated.
- 6. Exhibits A and B:**  
Program descriptions and scope of work for each program is defined in the Exhibit A. Each contracted program is represented in a separate column in Exhibit B-1: Funded Program Budget.
- 7. External Grant Funding:**  
Money or other direct assistance provided by a government or other entity to Contractor outside of the Agreement between the County and Contractor.
- 8. Federal Financial Participation (FFP):**  
FFP provides federal Title XIX/Medi-Cal reimbursement for approved State programs providing substance use treatment.
- 9. Indirect Cost:**  
Cost that is not directly accountable to a cost object (such as a particular program or site). It may be either fixed or variable and may include administration, personnel and security costs.
- 10. Major Budget Expenditure Categories:**  
Personnel Expenses (such as salaries and benefits), and Operating Expenses.
- 11. Other Payers:**  
Applicable and appropriate payers other than ACBHD, which may include but shall not be limited to Medicare and/or other health insurance.

**12. Program Maximum Amount**

The maximum total compensation payable to Contractor for an applicable program in Exhibit B-3.

**13. Published Charge (Usual and Customary Charge):**

The rate published by Contractor for its usual and customary charges for specific services.

**14. Trial Balance:**

An accounting term used to identify a listing of the individual ledger accounts along with their respective debit or credit balances.

**15. Utilization:**

The total actual units of service provided.

**IV. APPLICABLE FUNDING SOURCE REQUIREMENTS**

**A. Funding Source**

ACBHD may, at its sole discretion, with or without notice to Contractor, add or delete sources of funding used by ACBHD for purposes of reimbursement for Contractor costs in providing services covered by this Contract as set forth in Exhibit A. Costs incurred through this Contract shall be reasonable and shall comply with all regulatory requirements and restrictions based on the funding source. All costs are subject to requirements set forth by County, and applicable agreement(s) between ACBHD and the Department of Health Care Services, or other funding entity.

**B. Revenue Enhancement**

ACBHD may 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 local, State and/or Federal insurance revenue maintenance or enhancement requirements within 30 days from ACBHD notice. ACBHD shall provide Contractor with specific information on how to operationalize any new procedures.

**1. Medi-Cal Funding Provisions**

Contractor shall comply with Federal and State laws requiring Medi-Cal members to report Other Health Coverage (OHC) and share of cost to ensure Medi-Cal is the payer of last resort (California Welfare and Institutions Code, Section 14124.90<sup>2</sup>). Contractor shall maintain, implement and utilize procedures to collect appropriate charges from clients for services provided under this Contract. Contractor must bill charges for said services to any third-party payer and/or for Share of Cost Medi-Cal to client responsible for payment of services in compliance with 42 C.F.R. 438.900. Charges must be billed in the amount of Contractor's Published Charge or negotiated insurance rate. All revenue collected from third-party payers and/or from clients must be reported to the County in accordance with instructions included in the Denied Correction Report

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<sup>2</sup> <https://www.dhcs.ca.gov/services/Pages/OHCResources.aspx>

(DCR) Cover Letter, Year-End Cost Report instructions and any subsequent letters or instructions from the County.

Contractor shall complete monthly Medi-Cal eligibility verification for all clients prior to submission of Medi-Cal claims to the State. ACBHD will provide test claim reports for all Medi-Cal billable services prior to submission to the State. In the event ACBHD receives notification of services denied by the State for any Medi-Cal claims submitted for reimbursement, a notice of the denial of claim(s) will be communicated to Contractor via a Denied Correction Report. Contractor shall research the DCR and submit a response on the DCR to ACBHD to include any necessary corrections for the denied claim within the timeframe noted in the DCR Cover Letter. Upon research by Contractor, if the DCR is due to input or entry errors, Contractor to submit the DCR response to ACBHD and follow Claims Correction Form guidance located on ACBHD Provider website: <https://bhcsproviders.acgov.org/providers/Forms/Forms.htm>.

**C. Reserved**

**V. BUDGET**

**A. Detailed Line-Item Budget**

For non-Medi-Cal treatment portion of program(s), Contractor shall maintain a detailed line-item budget and expenditures for each of their ACBHD-funded programs which conforms to all requirements stated in this Agreement and the State-County Plan(s). Contractor shall provide a copy of the detailed line-item budget and expenditures to ACBHD within 30 days of notice.

**B. Reserved**

**C. Salary Requirements and Cost Principles**

*1. Prevailing Minimum Wage Standards:*

Contractor shall comply with all federal, state and local minimum wage standards.

**D. Reserved**

**E. Reserved**

**F. Reserved**

**G. Budget Revision Procedures**

**1. Revisions to Personnel and/or Operating Expenses**

Contractor must request written approval from the ACBHD Fiscal Contract Manager of any variance of ten percent or greater between Actual Costs and approved budget costs in each program budget column for Personnel and/or Operating Expenses.<sup>3</sup>

**2. Contract Awards Resulting from Request For Proposal (RFP)**

Contractor shall implement new program(s) resulting from RFP award according to the budget and deliverables in Contractor’s bid submission. Contractor shall not revise the budget or deliverables prior to program implementation without prior written consent from ACBHD. Contractor may request changes during the first year after program implementation provided such changes will not result in a material difference in the scope of work awarded through the RFP. Contractor must submit these change requests in writing to the ACBHD Fiscal and Program Contract Managers, and ACBHD is ultimately responsible for reviewing and approving/denying all requested changes. Budget revision changes can be requested by Contractor after the first full year of program implementation. Requests must be submitted in writing to the ACBHD Fiscal and Program Contract Managers. If approved by ACBHD, funding augmentations must be submitted to and approved by the Board of Supervisors prior to being added to the contract.

**3. External Grant Funding**

If Contractor is the recipient of External Grant Funding, no External Grant Funding shall be used to fund, in whole or in part, personnel providing direct treatment services under the Fee-for-Service component of this Agreement.

**VI. PAYMENT METHODOLOGY**

See Exhibit B-3: Method and Rate of Reimbursement to identify which of the following method(s) apply to your contract:

**A. Actual Cost Reimbursement Method**

The monthly interim reimbursement and final total reimbursement amount shall be calculated based on the Actual Cost, minus all applicable revenues collected from Other Payers, and subject to any Program Maximum Amount.

**B. Reserved**

**C. Reserved**

**D. Fee-For-Service Reimbursement Method**

The monthly interim reimbursement and final total reimbursement amount shall be calculated based on Utilization and fee-for-service rates per unit of service (as negotiated

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<sup>3</sup> A singular or cumulative shift in excess of 10 percent of the amount within the budget category requires prior written approval from the Grantor. This is a common requirement for federal and state funding sources that the County also requires.

between ACBHD and Contractor), minus all applicable revenues collected from Other Payers, and subject to the maximum pooled program funding amount.

## **VII. INVOICES**

### **A. Monthly - Claim Service Report**

Submissions must be made to the ACBHD Accounts Payable Unit. Contractor shall submit a monthly invoice/reimbursement claim for services rendered that month and applicable attachments, using a template approved by ACBHD.

Costs for separate programs must be tracked by Contractor separately and must be invoiced to ACBHD separately by program, subject to any Program Maximum Amount and the maximum pooled program funding amount. Invoices that do not contain the information required under this section are incomplete and will not be paid until complete information is submitted. Contractor shall follow-up timely on requests for corrections or additional information related to claims as requested by ACBHD Accounts Payable Unit.

Invoices need to be received by ACBHD no later than 35 calendar days after the last day of the service month. ACBHD will authorize payment to Contractor no later than 45 County business days after receipt of a monthly claim/service report. Invoices received after 35 calendar days after the last day of the service month, may be subject to a reduction of one percent of the total monthly invoice/reimbursement claim.

### **B. Invoice/Claim Attachments**

#### **1. For program(s) or portion of program(s) paid under the Actual Cost Reimbursement Method:**

Contractor shall submit invoices which shall include detailed, line-item monthly expenditures (i.e., Trial Balance) incurred, less revenues collected by Contractor from Other Payers to perform the contracted services as indicated herein. Contractor's invoices shall reflect cost savings when budgeted positions in Exhibit B-1 are vacant.

#### **2. For program(s) or portion of program(s) paid under the Fee-For-Service Rate Reimbursement Method:**

The claim shall include units of service based on the rates in Exhibit B-3: Method and Rate of Reimbursement. Contractor shall attach the corresponding reports from the ACBHD electronic claims system to the monthly invoice/claim.

### **C. Reserved**

### **D. Reimbursement of Claims After End of Contract Term**

Contractor shall submit all claims for reimbursement under this Contract within 60 calendar days following the end of the term of this Contract. All claims submitted after sixty calendar days following the end date of this Contract will be subject to reimbursement at the sole discretion of ACBHD.

## **VIII. FINAL REPORT, SETTLEMENT AND PAYMENT**

A Cost Settlement at the end of the term of this Agreement between ACBHD and Contractor will be considered a final settlement. Final reimbursement for Medi-Cal Programs is contingent upon and limited to funds made available to the County as a result of participation in the State mental health program.

### **A. Year-End Final Report**

Contractor shall submit a Year-End Final Report in the format and by the due date issued by ACBHD. Contractor shall submit a separate Year-End Final Report for each program and site contained in this Contract. Year-End Final Reports not received within 15 calendar days after the due date issued by ACBHD will result in a hold of all provider invoices for payment until a satisfactory report is received.

### **B. Final Reimbursement**

Should Contractor's final total reimbursement amount be less than the total interim payments made pursuant to submitted invoices, Contractor agrees to remit said difference to County within 60 calendar days of Contractor's receipt of Final Contract Settlement, unless otherwise approved in writing by ACBHD.

If applicable to Contractor's funding source, ACBHD will provide the Final Medi-Cal Reconciliation data submitted to State of California based on the Final Mental Health Valid or Paid Units under Medi-Cal, the monthly 835 Form or equivalent, for Contractor's review. If Contractor has any adjustments that would impact Medi-Cal, non Medi-Cal, crossover units or crossover revenue, Contractor must advise ACBHD prior to the appropriate State of California department determining the Final Medi-Cal Reconciliation. No adjustment to total cost or units can be made after the Final Medi-Cal Reconciliation.

## **IX. RESERVED**

## **X. AUDIT**

Notwithstanding any provision to the contrary in this Contract, including without limitation, provisions referencing "final" with respect to reimbursement, payment, settlement, or other similar term, Contractor's records shall be subject to audit and disallowances by all applicable County, State and Federal authorities. Contractor shall account for each program separately and provide specific cost centers and audit trails for each program as applicable.

Audit results shall supersede the information previously provided by Contractor and accepted by ACBHD. Should County, State and Federal or any other funding agency refuse to reimburse ACBHD or disallow previous payments, Contractor agrees to refund excess to ACBHD within 60 days of closure of appeals period or ACBHD notification to Contractor (whichever is later), unless otherwise approved in writing by ACBHD. ACBHD may withhold all funds owed from any subsequent payments due to Contractor until the settlement is satisfied in full.

## **XI. PAYMENT WITHHOLDING**

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

### **A. Contractor Non-Compliance Sanction Policy**

If ACBHD determines that Contractor is not in compliance with any provisions of this Contract, ACBHD will provide Contractor with a written notice of non-compliance and may withhold payment, or a portion of payment, or apply a payment reduction of one percent of the total of the next monthly claim if the identified issue is not remedied within the timeline specified in the notice of non-compliance. For purposes of this provision, such notice provided by ACBHD shall be by First Class Mail (United States Postal Service), overnight delivery, facsimile, or email. Contractor non-compliance includes failure to comply with County, State, and Federal requirements and/or 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 Contract Renewal documents, Year-End Cost Reports, cost data, audits, current insurance documentation, or other information required for contract administration, monitoring and/or renewal.

ACBHD may, after three months of withholding funds or applying payment penalties for non-compliance, impose a non-refundable reduction of one percent of the total contract amount each month thereafter, until ACBHD deems Contractor in compliance with the Contract.

### **B. Disallowances**

ACBHD 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 Medi-Cal Utilization Review Process within 60 days of notice, unless otherwise agreed upon by ACBHD.

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; or b) Contractor's compliance with the written directions, guidelines, policies or instructions of the County.

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

### **C. Contract or Program Termination**

In the event of termination of this Contract or any program within this Contract, ACBHD 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 ACBHD.



#### **D. Overpayments, Reporting and Recovery**

1. Contractor shall notify ACBHD **Accounts Payable** in writing immediately or within ten calendar days of receipt of an overpayment made to Contractor from the County (including overpayments due to fraud), with an explanation of the reason for the overpayment. Contractor shall return any overpayment to the County within 60 calendar days of discovery of the overpayment.
2. When an audit or review performed by the County, State, Federal Government, or any other authorized agency discloses that Contractor has been overpaid under this Contract, or where the total payments exceed the total liability under this Contract, Contractor covenants that any such overpayment or excess payments over liability may be recouped by the County via withholding the amount due from future payments, seeking recovery by payment from Contractor, or a combination of these two methods.

## **XII. TERMINATION**

#### **A. Notice of Termination**

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

1. If initiated by Contractor, Contractor shall provide written notice to ACBHD Program and Fiscal Contract Managers at least 30 calendar days prior to termination; and
2. If initiated by ACBHD, ACBHD Program and Fiscal Contract Managers shall provide written notice to Contractor at least 30 calendar days prior to termination.

#### **B. Contractor Responsibility**

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

1. Immediately eliminate all new costs and expenses under the program or this Contract.
2. 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 ACBHD upon written request from ACBHD.
3. Promptly submit a written report of all information necessary for the reimbursement of any outstanding claims and/or continuing costs to the ACBHD Fiscal Contract Manager.
4. Surrender all fiscal records to ACBHD, if requested by ACBHD.

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

ACBHD may reimburse Contractor for reasonable and necessary costs or expenses incurred after ACBHD' receipt of Contractor's notice of termination, within the maximum specified allocation(s).

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

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.

### **XIII. ADDITIONAL PROVISIONS**

#### **A. Quality Incentive Pilot Program**

Contractor may be eligible for a one-time only quality-incentive budget for the ACBHD Quality Incentive Pilot Program, which will be based on performance evaluation for Fiscal Year (FY) 2024-2025, subject to available funding for the Quality Incentive Pilot Program. The following minimum requirements must be satisfied for eligibility:

3. The provider meets the quality benchmarks set forth in Exhibit A.
4. The provider accurately: (a) reports in the ACBHD electronic billing system; and (b) bills services to the County and Other Payers, to enable sufficient analysis for determination of the quality-incentive budget amount.
5. The Parties enter into a contract for FY 2025-2026 services corresponding to the qualifying quality incentive benchmarks.
6. Any quality-incentive budget is further subject to the following provisions and limitations:
  7. The scope of the Quality Incentive Pilot Program is limited to services provided under the FSP program.
  8. Any quality-incentive payments shall be based on services delivered in FY 2024-2025 and will be announced by October 31, 2025.
  9. Payments will only be made for the quality benchmarks outlined in Exhibit A.
  10. Contractor must use quality-incentive monies for reinvestment into ongoing services that support ACBHD clients. Monies provided under this program are further subject to Federal, State and County regulations and may not be used to fund any prohibited activities, services, or purchases.
11. Contractor will spend any quality-incentive monies in FY 2025-2026.
12. Quality-incentive related costs are subject to the same invoicing procedures as any other costs.
13. Any quality-incentive budget will only be provided for the quality-incentive benchmarks outlined in Exhibit A.
14. Contractor must report to the County in their Annual Cost Report Submission for FY 2025-2026 how monies received from the Quality Incentive Pilot Program are spent.

15. Monies provided through the Quality Incentive Pilot Program are separate and apart from Contractor's annual program cost and therefore are not subject to Contractor's annual Program Maximum Amount.
16. Any quality-incentive budget for Incentive payments may not exceed the quality-incentive limits per program under Exhibit B-3.
17. Any unused monies from any quality-incentive budget will not be carried forward in the program budget of future years.
18. Incentive payments not used by the provider by the end of FY 2025-2026 will revert back to the County.

**B. Cash Advance**

Contractor may be eligible to receive a one-time cash advance, consistent with Alameda County's Cash Advance Policy located on ACBHD's Provider website: <https://bhcsproviders.acgov.org/providers/network/cbos.htm>.

The repayment method requested is subject to ACBHD approval. ACBHD may make repayment adjustments or demand full repayment at any time to ensure service levels, contract compliance and adequate reimbursement, including suspending payment of invoices until repayment is satisfied.

**C. Hold Harmless**

Contractor agrees to hold harmless the State, County and clients or beneficiaries in the event that ACBHD cannot or does not pay for services performed by Contractor pursuant to this Agreement.