

**EXHIBIT B: MENTAL HEALTH SPECIALTY
SERVICES-AS-NEEDED (SAN)
TERMS AND CONDITIONS OF PAYMENT**

***** Please note:** There has been considerable reorganization and language changes throughout this Exhibit B to better align with the order and applicable clauses for other ACBHD Exhibit Bs. As such, changes from the prior version are not highlighted in yellow and we recommend full review of this updated Exhibit B.

In addition to all terms of payment described in the Services-As-Needed Contract general 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 Behavioral Health Department's (ACBHD's) reimbursement to Contractor, shall comply with these exhibits.

- Reserved
- Exhibit B-2: Method and Rate of Reimbursement (Rate Sheet)

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 of 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

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. Reserved

5. Reserved

6. Reserved

7. Reserved

8. Reserved

9. Exhibit A:

Program descriptions and scope of work for each program is defined in the Exhibit A.

10. Federal Financial Participation (FFP):

FFP provides federal Title XIX/Medi-Cal reimbursement for approved State programs providing mental health treatment.

11. Reserved

12. Reserved

13. Reserved

14. Other Payers:

Applicable and appropriate payers other than ACBHD, which may include but shall not be limited to Medicare and/or other health insurance.

15. Reserved

16. Published Charge (Usual and Customary Charge):

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

17. Trial Balance:

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

18. 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 and/or services provided which are covered by this Contract as set forth in Exhibits A and B. 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 California Department of Health Care Services (DHCS), 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. Reserved

2. 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)¹. 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 (DCR) Cover Letter, Year-End Final Report for Final Settlement 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 DCR. Contractor shall research the DCR and submit a response on

¹ <https://www.dhcs.ca.gov/services/Pages/OHCResources.aspx>

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

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 request.

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.

2. Reserved

3. Reserved

4. Reserved

D. Reserved

E. Reserved

F. Reserved

1. Reserved

2. Reserved

3. Reserved

4. Reserved

VI. PAYMENT METHODOLOGY

See Exhibit B-2: 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. Contractor shall reflect cost savings when budgeted positions are vacant. For the purposes of this Agreement, a position is considered vacant when there is no staff in the position and the position is not being covered by temporary staff.

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, minus all applicable revenues collected from Other Payers.

VII. INVOICES

A. Monthly – Provider Claim / Service Report (Invoice)

Submissions must be made to the ACBHD Accounts Payable Unit. Contractor shall submit a monthly Provider Claim / Service Report (Invoice) 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. 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 Provider Claim / Service Report.

For Eating Disorder programs with costs shared with the Managed Care Plans (MCPs) and an invoice deadline specified by the MCP, Contractor must submit invoices by the deadline indicated by ACBHD to be reimbursed for the program costs. Failure to submit invoices for MCP shared cost funded programs by the stated deadline may result in loss of funding to ACBHD, and therefore loss of reimbursement to Contractor. ACBHD will inform Contractor of any changes to invoice deadline date(s) for these programs with a minimum of 30 days' notice.

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.

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

The claim shall include units of service based on the rates in Exhibit B-2: Method and Rate of Reimbursement. Contractor shall attach the corresponding reports from the ACBHD electronic claims system to the monthly invoice/claim.

C. Supplemental Claims

County shall allow a maximum of two supplemental invoices per fiscal year for the following:

1. Rate Differential:

If the approved rates for services are increased during the term of the contract, Contractor may submit a supplemental invoice for reimbursement of the difference in the rate previously reimbursed by County to the effective date of the rate increase.

2. Missed Billings:

In the fourth quarter of the fiscal year, Contractor may submit a supplemental invoice for any services performed during the fiscal year that were not previously billed to County.

D. Reimbursement of Claims After End of Contract Term

Contractor shall submit any supplemental claim for reimbursement under this Contract within 60 calendar days following the end of the term of this Contract. All claims submitted after 60 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 each fiscal year covered by 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.

Contractor shall account for each program separately and provide specific cost centers and audit trails for each program and service site per the Final Report instructions set forth by ACBHD.

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 for the Actual Cost reimbursement method. 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.

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.

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 Final 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. Reserved

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 Contract Manager(s) at least 30 calendar days prior to termination; and
2. If initiated by ACBHD, ACBHD Contract Manager(s) 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 Contract Manager(s).
4. Surrender all fiscal records to ACBHD, if requested by ACBHD.

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

ACBHD may reimburse Contractor for reasonable and necessary costs or expenses incurred after ACBHD's receipt of Contractor's notice of termination.

C. Termination for Cause

If County determines that Contractor has failed, through any cause, to fulfill in a timely and proper manner its obligations under the Agreement, or if County determines that Contractor has violated 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. Reserved

B. Reserved

C. Hold Harmless

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

Last Revised: 11/18/25