

EXHIBIT B: SUBSTANCE USE DISORDER 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, Parties (Contractor and ACBH) to this Contract shall abide by the terms of payment contained herein.

I. DEFINITIONS

A. Services

1. Nonresidential Programs: Outpatient, Intensive Outpatient, and Recovery Service Programs:

- i. The unit of service for all DMC-ODS Waiver Programs is a 15-minute increment. The County will contract for these programs using per-minute rates to simplify calculations.
- ii. Individual Service: includes intake, assessment, crisis intervention, patient education, family therapy, medication-assisted treatment services, and **care coordination** for adults (also includes family contact, screening and engagement for adolescents).
- iii. Group Services: A face-to-face contact in which one or more counselors/therapists treat a minimum of two and a maximum of twelve clients at the same time.
- iv. Intensive Outpatient Service (IOS): A visit in which a client actively participates for a minimum number of hours per week as defined in the Exhibit A.

2. Prevention and Transition-to-Treatment Programs:

- i. Unit of Service: The unit of service is equal to one staff hour of labor.
- ii. 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.
- iii. Direct Staff Hours: The face-to-face time spent on an activity.
- iv. Indirect Staff Hours: The time spent preparing for the activity, and travel to and from the activity site.

3. Residential and Recovery Residence Programs:

- i. Residential Bed Day: A calendar day (12:01 a.m. to midnight) in which a client participates and resides in a program.
- ii. Recovery Residence Bed Day: A calendar day (12:01 a.m. to midnight) in which a client resides in an alcohol and drug-free living environment.
- iii. 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 as a Resident Day.
- iv. Residential Detoxification Bed Day: When a client occupies a bed for more than three hours.

- v. A client admitted to a residential program more than once during any calendar day shall be counted as only one Residential Bed Day, one Recovery Residence Bed Day or one Residential Detoxification Bed Day.

B. General

1. Actual Net Cost:

The total cost to Contractor for negotiated contracted services minus revenues received from all other payers.

2. All Other Payers:

Applicable and appropriate payers other than ACBH.

3. Available Capacity:

The total number of units of service that Contractor makes available in the current fiscal year.

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 and must be depreciated.

6. Client:

Individual who receives services specified in this Contract (i.e. patient, consumer, partner, beneficiary etc.).

7. Drug Medi-Cal Program:

State of California system wherein eligible beneficiaries receive covered services from Drug Medi-Cal certified substance use disorder treatment providers who are reimbursed for the services with Realignment funds and Federal Medicaid funds.

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 can include administration, personnel and security costs.

10. Interim Cost Settlement:

The Cost Settlement amount before and during any Federal, State, County or other funding source’s audited review and appeals period.

11. Major Budget Expenditure Categories:

Personnel Expenses, (such as salaries and benefits), and Operating Expenses.

12. 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.

13. Slot:

The capacity to provide treatment services to one individual. Total slots reflect the number of individuals Contractor can serve at any given time.

14. Utilization:

The total actual units of service provided.

II. BUDGET (EXHIBITS)

ACBH may, at its sole discretion, with or without notice to Contractor, add or delete sources of funding used by ACBH 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 funded 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)

A. Equipment Purchase

Purchase of items over \$5,000 requires prior written approval of the ACBH Fiscal Contract Manager. 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 and depreciated pursuant to 45 CFR §92.32¹. This provision applies to all programs with the exception of those Drug Medi-Cal Programs which are fully funded by Drug Medi-Cal.

B. Procurement of Fixed Assets

Programs funded with Drug Medi-Cal, a combination of State Realignment and Drug Medi-Cal or Federal Grant awards are subject to Federal Medicaid rules and must follow the Uniform Administrative Requirements pursuant to Cost Principles, Title 2, Subtitle A, Ch. II, Part 200, Subpart E² for any qualifying fixed assets purchased with a per unit cost of \$500 and a minimum total cost of \$2,500 or greater must be capitalized and depreciated

¹ <https://www.govinfo.gov/content/pkg/CFR-2004-title45-vol1/pdf/CFR-2004-title45-vol1-sec92-32.pdf>

² <https://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1.5&rgn=div6>

over the life of the asset. Computing devices such as laptops, tablets and smartphones do not meet the threshold requirements and are considered supplies §200.439³

C. Rent or Lease of Equipment or Facilities

Contractor shall not, without written approval of the ACBH Fiscal Contract Manager, rent or lease equipment or facilities from a parent organization or individual who is a "common owner" (as defined by the Centers for Medicare and Medicaid Services Provider Reimbursement Manual 15-1, Chapter 10, Paragraph 1002.2⁴)

III. TERMS AND CONDITIONS OF PAYMENT

A. Contract Amount/Maximum

1. Contract Maximum Funding

Total payments under this Contract shall in no event exceed the total contract maximum. 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. Allowable Expenses

Costs incurred through this contract shall be reasonable and shall comply with all regulatory requirements and restrictions based on the funding source.

a) Indirect Cost Rate⁵:

The Indirect Cost Rate applicable to this Agreement shall comply with the Indirect Cost Rate set forth by the Federal Government through the Non-Profit Rate Agreement that is effective on or before the effective date of this agreement.

b) Non-Federally Funded Programs

Non-profit organizations without an established indirect cost rate with the Federal Government, who wish to claim reimbursement, must submit an Indirect Cost Rate Proposal (ICRP) based on the organization's consolidated operating budget to the ACBH Fiscal Contract Manager for approval. Indirect costs reimbursed by ACBH for programs with no federal funding shall not exceed fifteen percent (15%) of a program's Modified Total Direct Costs (MTDC) or the lowest corresponding percentage of indirect costs reimbursed by any other funding sources or entities as reflected on the ICRP. Calculation of the program's MTDC shall comply with guidance issued by the Office of Management and Budget (OMB) 2CFR §200.68, §200.412 – 200.415.

3. Salary Requirements and Cost Principles

a) Prevailing Minimum Wage Standards:

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

³ https://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1.5&rgn=div6#se2.1.200_1439

⁴ <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals-Items/CMS021929>

⁵ <https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200-appIV.pdf>

b) *Restrictions on Salaries:*

Contractor agrees that no part of any Federal funds, including but not limited to, Substance Abuse Prevention and Treatment Block Grant (SABG) funds provided under this Agreement shall be used by Contractor to pay the salary and wages of an individual at a rate in excess of Level I of the Executive Schedule published by the United States Office of Personnel Management.⁶

SABG funds used to pay salary in excess of the rate of basic pay for Level I Executive Schedule shall be subject to disallowance. The amount disallowed shall be determined by subtracting the individual's actual salary from the Level I rate of basic pay and multiplying the result by the percentage of the individual's salary that was paid with the SABG funds.

c) *Salary and Wage Cost Principles:*

Standards for charging costs of personnel expenses shall be in accordance to Uniform Administrative Requirements pursuant to Cost Principles, Title 2, Part 200, Subpart E, §200.430 – 200.431⁷.

d) *Non-Drug Medi-Cal Funding:*

Maximum Funding for Drug Medi-Cal and Non-Drug-Medi-Cal Funded Clients Contractor shall not exceed the maximum allocation for Non Drug-Medi-Cal (Non DMC) funded clients if applicable and stipulated in Exhibit B-3.

B. Budget Revision Procedures

1. Revisions to Personnel and/or Operating Expenses

Contractor must request written approval from ACBH 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.⁸

2. Program Maximum Funding and Movement of Funds

Maximum allocations for each program are provided each year in the contract renewal package. Movement of funds between programs may be requested and must also follow the terms below.

a) *Contract Awards Resulting from Request For Proposal (RFP)*

Contract/program awards resulting from an RFP process must be tracked separately, and have a separate Exhibit A: Scope of Work, and a separate Funded Program Budget column for a minimum of three years. These programs will also be specified as RFP programs on the Exhibit B-3: Method and Rate of

⁶ <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/executive-senior-level>

⁷ [Part 200—Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards](#)

⁸ 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.

Reimbursement for a minimum of three years. 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 ACBH. 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 their Fiscal and Program Contract Managers, and ACBH 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 Fiscal Contract Manager. If approved by ACBH, funding augmentations must be submitted to and approved by the Board of Supervisors prior to being added to the contract.

b) *Exhibit B-1 Line Item Revisions*

Notwithstanding the requirement set forth in **Section II.A. and Section III.B.1.**, Contractor must **obtain** written approval from ACBH Fiscal Contract Manager for line item revisions of \$5,000 or more within a program, Contractor shall submit a revised Exhibit B-1: Funded Program Budget to the ACBH Fiscal Contract Manager with detailed written justifications for revisions of \$5,000 or more in any one line-item, including the Expense Detail forms in Exhibit B-1.

Revisions to Exhibit B-1: Funded Program Budget in excess of \$5,000 in any one line-item are subject to approval by ACBH Fiscal Contract Manager.

c) *Movement of Funds*

For providers with two or more programs, in the event that the net reimbursable cost for any single program is less than the program maximum funding allocation, ACBH may apply or move the underutilized funding to provider's other programs whose net costs have exceeded the maximum funding allocation, as long as the movement of funding does not:

- i. Impact the amount of required County match; and/or
- ii. Move services between age-based Systems of Care (i.e., Adolescent, Adults); and/or
- iii. Move services between different service modalities (i.e. outpatient versus residential); and/or
- iv. Modify an allocation that has been set by a competitive procurement request for proposals (RFP) process; and/or
- v. Impact a categorical allocation and/or funding stream for a particular program/RU including but not limited to grants, CalWORKs; and/or
- vi. Shift funds between programs/RUs that have a different method of reimbursement such as provisional rate, negotiated rate or actual cost; and/or
- vii. Result in a program expansion of greater than 25 percent for the smaller program/RU when there is a funds transfer from a larger program/RU into a smaller program/RU; and/or

viii. Cause a cumulative transfer of funds from numerous programs/RUs to be greater than 20 percent of the total contract allocation during the contract term.

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 1st 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 the ACBH dollar allocation for contracted services. Should it be necessary to adjust the amount of the funding during the term of this Contract, ACBH 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 at the end of the term of this agreement between ACBH and Contractor will be considered an interim settlement until all Federal, State, and County audits and appeals have been completed.

Contractor shall account for each program separately and provide specific cost centers and audit trails for each program and service site per the cost report instructions set forth by the California Department of Health Care Services and ACBH.

Rate of reimbursement may be subject to renegotiation after ACBH review of Contractor's prior fiscal year Year-End Cost Report. Final reimbursement rates shall be determined by Contractor's Year-End Cost Report. See Exhibit B-3: Method and Rate of Reimbursement to identify which of the following method(s) apply to your contract:

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 payment sources up to the Contract Maximum.

2. Negotiated Rate Reimbursement Method

Final reimbursement shall be determined by multiplying Contractor's negotiated rate(s), specified in Exhibit B-3: Method and Rate of Reimbursement (Rate Sheet), by the actual allowable units of service provided, less any deductible revenues collected by Contractor from all other payers, subject to the maximum program funding amount.

3. Provisional Rate Reimbursement Method

Unless otherwise approved in writing by ACBH, ACBH will base Contractor's final reimbursement on actual cost per unit (CPU) of service up to the County Contract Maximum Rate (CCMR), less any applicable revenues collected from all other payers,

or Contractor's usual and customary charges during the contract period subject to the maximum program funding amount.

Contractors final reimbursement is subject to the maximum allowable CPU of service limitations established and subject to revision by the State of California. Should Contractor's actual CPU unit of service exceed the State's maximum allowable CPU of service, Contractor's reimbursable cost will be reduced to the limits mandated by the State.

Should Contractor's actual CPU of service exceed the CCMR or other ACBH rate cap, Contractor's reimbursable cost will be reduced to the CCMR or other ACBH rate cap times allowable units of service.

4. Fee for Service

Final reimbursement shall be determined by multiplying the fee-for-service rate(s), specified in Exhibit B-3 by the actual units of service provided, subject to maximum program funding amount. Any share of cost or revenues collected from all other payers shall be deducted from the net reimbursable cost.

Final reimbursement rates shall be determined by Contractor's Year-End Cost Report. Fee-for-service rate(s) may be subject to renegotiation after ACBH's review of Contractor's Year-End Cost Report.

For Programs Funded Entirely by Drug Medi-Cal (Opioid Treatment Programs), ACBH will base final reimbursement on actual allowable units of service multiplied by the fee for service rate specified in Exhibit B-3.

5. Final Reimbursement

Final reimbursement is made after County's submission of an acceptable Year-End Cost Report to the State. The term "acceptable" shall be understood as a Year-End Cost Report that has been accepted by the State. Should Contractor's final maximum allowable reimbursement 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 by ACBH.

6. Audit

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.

Cost Settlements will be considered interim until all County, State and Federal audits and appeals have been completed. Audit results shall supersede the information previously provided by Contractor and accepted by ACBH. Should County, State and Federal or any other funding agency refuse to reimburse ACBH or disallow previous payments, Contractor agrees to refund excess to ACBH within 120 days of notification,

unless otherwise approved in writing by ACBH. ACBH may withhold all funds owed from any subsequent payments due to Contractor until the settlement is satisfied in full.

D. Conditions of Withholding Payment

ACBH may withhold payments to Contractor due to one or more of the following conditions:

1. Contractor Non-Compliance Sanction Policy

If ACBH determines that Contractor is not in compliance with any provisions of this Contract, ACBH will provide Contractor with a written notice of non-compliance and may withhold payment, or a portion of payment, or apply a payment penalty 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 ACBH 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, Quarterly Financials, Year-End Cost Reports, cost data, audits, lapse of insurance, or other information required for contract administration, monitoring and/or renewal.

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

2. Disallowances

ACBH 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 ACBH.

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 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.

3. Contract or Program Termination

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

4. Overpayments, Reporting and Recovery

- a) Contractor shall notify their ACBH Fiscal Contract Manager 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.
- b) 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.

IV. INVOICING PROCEDURES

Contractor shall comply with the following invoicing procedures:

A. Monthly - Claim Service Report

Contractor shall use the most current Claim Form Template provided to them by their ACBH Fiscal Contract Manager. Contractor shall submit a claim (invoice, request for reimbursement) for services rendered each service month, with units of service based on the rates in Exhibit B-3: Method and Rate of Reimbursement (Rate Sheet). Contractor shall submit claims by the tenth calendar day of the month following the service month. Monthly claims submitted after the twentieth calendar day of the month following the service month, or multiple claims held by the provider and submitted to ACBH simultaneously, may result in claim repayment being delayed. Claims submitted late may be reimbursed during the year-end cost settlement process, at ACBH' sole discretion.

Contractor shall submit one original signed claim, with appropriate attachments (such as PSP 131 reports or other approved expense backup documentation) to ACBH Fiscal Contract Manager. The following requirements apply to such monthly claims:

B. Claim Attachments

1. For programs with Reporting Units (RUs):

Contractor shall attach the corresponding PSP (Poolman, Shih and Platton) 131 report to the monthly claim. Contractor shall complete the input of all required data into the system designated by ACBH IS according to the written data entry procedures specified by ACBH IS as stated in the Exhibit A to be eligible for timely claim payment.

2. For prevention programs that input data into the California Outcomes Measurement System (CalOMS):

Contractor shall also attach the corresponding CalOMS Staff Hour Summary Report with Contractor's monthly claim, in addition to one of the additional backup documentation reports required.

3. For other programs:

Contractor shall attach the Trial Balance from the organization's financial accounting system, or the ACBH Prevention Program Claim Report Attachment form with the Contractor's monthly claim report.

4. For programs paid at actual line-item cost,

Contractor's invoices shall reflect cost savings in the event that there are budgeted positions are vacant.

C. Reimbursement Payments Made on a Provisional Rate

Programs reimbursed using the Provisional Rate reimbursement method are specified on the Exhibit B-3: Method and Rate of Reimbursement, if applicable to this contract. Should Contractor's provisional payments be in excess of actual net costs reported at the close of the Third-Quarter or Year-End Cost Report period, ACBH, may at its sole discretion, withhold any excess payment from Contractor's subsequent claim.

Should Contractor's provisional payments be less than ninety-five percent of the actual net costs reported at the close of the Third-Quarter or Year-End Cost Report period, Contractor may request from their ACBH Fiscal Contract Manager to augment the provisional payments up to the actual net costs.

D. Reimbursement of Claims After End of Contract Term

Contractor shall submit all claims for reimbursement under this Contract within sixty 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 ACBH.

E. Cash Advance

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

The repayment method requested is subject to ACBH approval. ACBH 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.

V. FUNDING AND REPORTING REQUIREMENTS

Contractor shall comply with the following funding and reporting requirements:

A. **Third-Quarter Financial Report and Adjustment**

Contractor shall provide ACBH with a detailed **Third-Quarter** Financial Report (expenditure and revenue reports) of actual costs and revenues applicable to each program reflected in Exhibit B-1: Funded Program Budget. Contractor shall submit **the Third-Quarter** Financial Report in the most current template provided by ACBH **covering July 1 – March 31 costs** to their ACBH Fiscal Contract Manager **by April 30**.

Third-Quarter Financial Reports not received within 15 calendar days after the Due Date of **April 30** will result in a hold of all provider claims for payment until satisfactory reports are received.

Total costs reported will be compared to total of invoice reimbursements for the **first three quarters**. Any unreimbursed costs will be reimbursed as an upward adjustment to the subsequent invoice. Any overpayment to provider will be recouped by ACBH as a downward adjustment to the subsequent invoice.

B. **Financial Reports – Year-End Cost Report**

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

Excess Fees: In the event Contractor has participant-generated fees (e.g. public benefits and/or other payer sources, such as food stamps) which are unexpended as of June 30, Contractor must include these fees as “Revenue” in the Year-End Cost Report’s revenue section. These funds cannot be held by the provider and applied to subsequent fiscal years.

Indirect Cost Rate Report: Contractor shall submit a final Indirect Cost Rate Report with the Year-End Cost Report, which shall include all of the following:

- Line-item detail showing actual indirect costs; and
- A worksheet showing the allocation of the indirect costs to each direct service program.

C. **Funding Requirements - Measure A Funding**

All Measure A funding shall be considered the last payer source within each program in cost settlement, excluding unearned Federal Financial Participation (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 Medicare, Medi-Cal, State or Federal grants.

VI. ADDITIONAL TERMS AND CONDITIONS OF PAYMENT

A. Revenue Enhancement

ACBH 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 of ACBH notice.

1. Federal Financial Participation (FFP)

In order for Contractor to be reimbursed up to the program maximum amount for programs with FFP, Contractor must earn a minimum amount of Drug Medi-Cal FFP. If year-end FFP revenue is less than the minimum, the revenue shortfall may be deducted from the Program Maximum Amount.

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

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

Future contract allocations may 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 ACBH' notice. ACBH 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.

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 14124.90⁹). 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. Charges must be billed in the amount of Contractor's published charge rate (usual and customary charges) 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

⁹ <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. ACBH will provide test claim reports for all Medi-Cal billable services prior to submission to the State. In the event ACBH 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 ACBH 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 ACBH and follow Claims Correction Form guidance located on ACBH Provider website:<http://www.acbhcs.org/providers/Forms/Forms.htm#CCF>

B. CONTRACT OR PROGRAM TERMINATION

1. Notice of 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 ACBH Program and Fiscal Contract Managers at least 30 calendar days prior to termination; and
- b) If initiated by ACBH, ACBH Fiscal Contract Manager shall provide written notice to Contractor at least 30 calendar days prior to termination.

2. Contractor Responsibility

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 ACBH upon written request from ACBH.
- c) Promptly submit a written report of all information necessary for the reimbursement of any outstanding claims and/or continuing costs to their ACBH Fiscal Contract Manager.
- d) Surrender all fiscal records to ACBH, if requested by ACBH.

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

ACBH may reimburse Contractor for reasonable and necessary costs or expenses incurred after ACBH' 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.

Last revised: March 29, 2022