

SHORT TERM RESIDENTIAL THERAPEUTIC PROGRAM (STRTP)
STARTUP CLAIMING GUIDELINES

I. OVERVIEW

In response to the Continuum of Care Reform (CCR) legislation regulatory requirements, Los Angeles County Department of Mental Health (DMH) has designed and implemented contracts, policies, procedures and payment processes that support the implementation of new STRTPs.

DMH has developed these STRTP Startup Claiming Guidelines to facilitate reimbursement of startup expenses associated with the development of a new STRTP. These are Non-Medi-Cal expenditures.

II. ALLOWABLE ONE-TIME EXPENSES

A. Service Function Code (SFC) 75: Non-Medi-Cal Capital Assets

SFC 75 applies to the one-time capital asset expenses dedicated solely to non-Medi-Cal activities. These expenses shall be \$5,000 or greater; they may be claimed in the year purchased. Expenses that should be reported under SFC 75, provided such expenses are dedicated solely to non Medi-Cal activities, include:

- Related “soft” costs for development of office/meeting spaces
- Other capital assets dedicated solely to non-Medi-Cal activities.

Units of Service shall not be reported for SFC 75.

All Capital Assets purchased within the parameters of this exhibit require the DMH’s Director’s or the Director’s designee’s prior approval.

B. Service Function Code (SFC) 78: Other Non-Medi-Cal Client Support Expenditures

SFC 78 applies to startup expenses, other than SFC 75 expenses, that are associated with starting a new STRTP program. These expenses include general operating expenditures incurred in providing non-Medi-Cal client supports not otherwise reported in treatment or outreach programs (Mode 05, 10, 15 or 55). Allowable expenses include extraordinary costs associated with leases and utilities (e.g. deposits), recruitment, staff orientation/training, staff time dedicated to program development and equipment. Equipment expenses must be less than \$5,000. Lease costs, utilities, staff orientation/training and staff time dedicated to

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program development that are directly related to the STRTP Startup may be claimed prior to the provision of service delivery. However, in no event may claims be made for costs that are incurred prior to the effective date of any agreement and/or amendment that allocates specific dollars for such one-time costs.

III. REIMBURSEMENT

The procedures for reimbursement for Startup expenses associated with developing a new STRTP are provided in Attachment A

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REIMBURSEMENT PROCEDURES

The following procedures shall be used for reimbursement of STRTP Startup expenditures:

1. ONE-TIME EXPENSES ELIGIBLE FOR REIMBURSEMENT

- A. Service Function Code 75: One-Time Non-Medi-Cal Capital Assets >\$5,000
- B. Service Function Code 78: One-Time Non-Medi-Cal Client Support Expenditures <\$5,000

2. REIMBURSEMENT GUIDELINES

The funds allocated for STRTP Startup expenses shall be used only when no other non-Medi-Cal funds are available.

3. DOCUMENTATION REQUIREMENTS FOR REIMBURSEMENT

The following supportive documentation shall be maintained on file in accordance with the Records and Audits paragraph of the Agreement:

- A. A written plan, approved by the DMH Director or the Director's designee, outlining the specifics of how the agency will utilize the Startup allocation;
- B. Original receipts to support payment invoices. If an original receipt is not obtainable, a copy of the receipt or justification as to why the receipt was not obtained;
- C. Copies of Real Estate Contracts/Agreements/Leases;
- D. Copies of Payroll Records; and
- E. Documentation of costs for recruitment or orientation/training of staff.
- F. DMH Director's or the Director's designee's prior approval, if applicable to the purchase.

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4. SUBMISSION OF MONTHLY INVOICES

Contractor shall complete DMH Mental Health Services Startup Fund Invoice Expense Claim Forms (Attachment B, Schedule 1 and 2) indicating the funding source category of expenses (SFC 75 or 78) and the amount spent, including staff salaries. All claims shall be submitted by Contractor to DMH in accordance with the LE Mental Health Agreement, Exhibit A, Financial Provisions. DMH reserves the right to deny reimbursement for any claim(s) not submitted within the aforementioned time frame.

5. DMH REVIEW AND APPROVAL OF INVOICES

DMH's Provider Reimbursement Unit will record receipt of the DMH Mental Health Services Startup Fund Invoice Expense Claim Forms (Attachment B, Schedule 1 and 2). DMH Program Manager will review the monthly invoice(s) and sign to affirm that expenditures meet established procedures for Startup expenses associated with the development of a new STRTP. Approved invoices will be forwarded to the DMH Provider Reimbursement Unit for payment.

DMH shall process all completed requests for reimbursement on a monthly basis. DMH's decision as to the allowability of any expenditure shall be final.

6. MONTHLY RECONCILIATION REPORT

Monthly disbursements reports will be generated by the DMH Accounting Division for the contractors and program staff to ensure that expenditures do not exceed the allocation. The County shall not be liable for reimbursement of any expenses claimable hereunder in the event that Contractor exceeds its allocation or violates the terms and conditions of these procedures or the Legal Entity Agreement.