EXHIBIT A

FINANCIAL EXHIBIT

(FINANCIAL PROVISIONS)

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ATTACHMENTS

ATTACHMENT A-1: COUNTY OF LOS ANGELES DEPARTMENT OF MENTAL HEALTH CONTRACTOR CLAIMS CERTIFICATION FOR TITLE XIX SHORT-DOYLE MEDI-CAL AND TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM REIMBURSEMENTS

EXHIBIT A
FINANCIAL EXHIBIT
(FINANCIAL PROVISIONS)

A. GENERAL

(1) The County shall pay Contractor in arrears for eligible services provided under the Department of Mental Health (DMH) 24-Hour Residential Treatment Contract (Contract) and in accordance with the terms of this Financial Exhibit A (FINANCIAL PROVISIONS) up to the amounts identified for each Funded Program as shown in Exhibit B, the Financial Summary, and as otherwise may be limited under the DMH 24-Hour Residential Treatment Contract and the exhibits thereto, including but not limited to this Financial Exhibit A (FINANCIAL PROVISIONS) and Exhibit B, the Financial Summary.

(a) For purposes of the Contract, a "Funded Program" is a set of services and/or activities (including invoiced services and activities) paid through a particular funding source for the benefit of a specific beneficiary group or program (e.g., Medi-Cal or Non-Medi-Cal) as identified on a row of the Financial Summary.

(b) For purposes of the Contract, the "Funded Program Amount" is the amount identified in the last column of Exhibit B, the Financial Summary, for each Funded Program.

(c) For purposes of the Contract, "Non-Medi-Cal" includes funding for services not eligible for reimbursement under the State Medi-Cal programs.

(d) The Contractor understands and agrees that the Medi-Cal Funded Program Amount(s) in Exhibit B, the Financial Summary is/are provided based on Contractor's ability to provide specific services and/or serve specific populations, which may include but are not limited to, Medi-Cal beneficiaries eligible under Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program; Title XXI Medicaid Children's Health Insurance Program (MCHIP); Title XIX Short-Doyle/Medi-Cal (SD/MC) Program for low-income individuals who are age 65 or older, blind, disabled, or members of families with dependent children or qualified pregnant women or children; Senate Bill (SB) 75; and Medicaid (Medi-Cal in California) Coverage Expansion under the Affordable Care Act, as set forth in the Service Delivery Plan. Therefore, Contractor shall ensure access and provision of a full array of Specialty Mental Health Services (SMHS) to all eligible beneficiaries based on client needs, as set forth in the applicable

Service Delivery Plan, Statement(s) of Work, and/or Service Exhibit(s) under the Contract.

(2) The Contractor shall comply with all requirements necessary for reimbursement as established by federal, State and local statutes, laws, ordinances, rules, regulations, manuals, policies, guidelines and directives.

(3) In order to reduce County costs, the Contractor shall comply with all applicable provisions of the Welfare and Institutions Code (WIC) and/or California Code of Regulations (CCR) related to reimbursement by non-County and non-State sources, including, but not limited to, collecting reimbursement for services from clients (which shall be the same as patient fees established pursuant to WIC Section 5710) and from private or public third-party payers. In addition, Contractor shall ensure that, to the extent a recipient of services under the Contract is eligible for coverage under Medi-Cal or Medicare or any other federal or State funded program (an eligible beneficiary), services provided to such eligible beneficiary are billed appropriately.

(a) To the extent that the County determines Contractor has improperly billed for services to a particular Funded Program, County, in its discretion, may disallow payment of said services and/or may make corrective accounting entries to post the payment of the said services to the appropriate Funded Program and/or require Contractor to void said claimed services and/or replace/resubmit said services for payment from the correct Funded Program, if applicable.

(4) Contractor shall have, for each SMHS it provides, a published charge, which it will set at its own discretion.

B. REIMBURSEMENT FOR INITIAL PERIOD

(1) The Maximum Contract Amount (MCA) for the Initial Period of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Contract shall not exceed _____ _____ _____ DOLLARS (**$**_____) and shall consist of Funded Programs as shown in Exhibit B, Financial Summary.

C. REIMBURSEMENT IF CONTRACT IS AUTOMATICALLY RENEWED

(1) Reimbursement For First Automatic Renewal Period : The MCA for the First Automatic Renewal Period of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Contract shall not exceed _____ _____ _____ DOLLARS (**$**

_____) and shall consist of Funded Programs as shown in Exhibit B, Financial Summary.

(2) Reimbursement For Second Automatic Renewal Period: The MCA for the Second Automatic Renewal Period of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Contract shall not exceed _____ DOLLARS (**$**_____) and shall consist of Funded Programs as shown in Exhibit B, Financial Summary.

(3) Reimbursement For Third Automatic Renewal Period : The MCA for the Third Automatic Renewal Period of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Contract shall not exceed _____ DOLLARS (**$**_____) and shall consist of Funded Programs as shown in Exhibit B, Financial Summary.

(4) Reimbursement For Fourth Automatic Renewal Period: The MCA for the Fourth Automatic Renewal Period of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Contract shall not exceed **n/a** DOLLARS (**$**_____**n/a**___) and shall consist of Funded Programs as shown in Exhibit B, Financial Summary.

(5) Reimbursement For Fifth Automatic Renewal Period: The MCA for the Fifth Automatic Renewal Period of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Contract shall not exceed **n/a** DOLLARS (**$**_____**n/a**___) and shall consist of Funded Programs as shown in Exhibit B, Financial Summary.

D. REIMBURSEMENT BASIS

(1) Reimbursement Rates for Mental Health Services: For mental health services claimed and billed through the County's claims processing information system or through an invoice process, and except as further limited elsewhere in the Contract, Contractor will utilize fixed rates, specified in the rate schedule published annually, except as may be provided under Subparagraph (D) (3) of this Exhibit A (FINANCIAL PROVISIONS) and Paragraph L (PATIENT/CLIENT ELIGIBILITY, UMDAP FEES, AND THIRD PARTY REVENUES). In addition, specialized rates may be provided via DMH communication, as applicable.

(2) Reimbursement of Other Costs and Direct Charges: Certain Funded Programs may provide for and allow Contractor to submit requests for reimbursement to the County for specific expenses that cannot be claimed through the County's claims processing information system. These expenses shall be referred to as a "Direct Charge." Such reimbursement shall be based on actual costs plus an indirect cost rate, if applicable, expressed as a percentage of actual costs, which shall be reviewed and approved in advance by the County. To the extent an indirect cost rate is charged, a copy of Contractor's indirect cost allocation plan is required to be submitted to DMH for review and approval.

(a) Startup Costs: During the initial year that the contract is in effect, the MCA, as identified in Paragraph B (REIMBURSEMENT FOR INITIAL PERIOD), may include startup costs for a period not to exceed *[## of months]*. Startup costs are those necessary to plan, prepare for, and assume operation of the eligible *[Program Name]*, specified in the Contract. The startup costs must be reasonable and allowable, and will only be provided to Contractor on a one-time basis, subject to Director's review and approval. Once Contractor begins providing eligible direct services, startup cost is no longer available and reimbursement is based on claims for eligible mental health services.

(3) Unique Funded Program: To the extent that the Contract includes a Funded Program which has billing and payment requirements that are not consistent with the provisions of this Paragraph D (REIMBURSEMENT BASIS), the special billing and payment requirements shall be set forth in an amendment or other written form of addenda to this Financial Exhibit A (FINANCIAL PROVISIONS), Statement(s) of Work, and/or Service Exhibit(S) memorializing the specific billing and payment requirement which shall be signed by Contractor and Director.

E. BILLING PROCEDURES

(1) If Title XIX SD/MC services, and/or Title XXI MCHIP services are provided under the Contract, Contractor hereby agrees and understands that County DMH is the Mental Health Plan and as such shall act on the Contractor's behalf with DHCS in regard to State claiming and reimbursement purposes.

(2) Claims Certification and Program Integrity:

(a) Contractor hereby certifies that all units of service entered by Contractor into the County's claims processing information system and/or claims for actual costs submitted as Direct Charges to County for any Funded Program covered by the Contract are true and accurate to the best of Contractor's knowledge.

(b) Contractor shall annually provide the additional certification set forth in the "Contractor Claims Certification for Title XIX SD/MC and Title XXI Medicaid Children's Health Insurance Program Reimbursements" (Exhibit A–1 to this Exhibit A) related to the Contractor's compliance with specific State and federal statutory and regulatory requirements which are conditions for the reimbursement of Title XIX SD/MC and/or Title XXI MCHIP claims.

(3) Mental Health Services: Claims for all mental health services, including services funded by Title XIX SD/MC and Title XXI MCHIP, shall be entered into the County's claims processing information system within 30 calendar days of the end of the month in which services are delivered, except as otherwise provided in this Paragraph E (BILLING PROCEDURES).

(a) Contractor must submit claims within 30 calendar days as specified above unless there is a reasonable justification, in which case Contractor must submit (i) an initial or original (non-replacement) claim, including claims for services under Title XIX SD/MC or under Title XXI MCHIP, within six months after the end of the month in which the services were rendered, to the extent doing so would not preclude payment from a funding source; (ii) replacement claims for services under Title XIX SD/MC or under Title XXI MCHIP within nine months after the end of the month in which the services were rendered, to the extent doing so would not preclude payment from a funding source; and (iii) any Non-Medi-Cal claims within eight months after the end of the month in which the services were rendered, to the extent doing so would not preclude payment from a funding source.

(b) Notwithstanding Subparagraphs (3) (a) of this Paragraph E (BILLING PROCEDURES), for Title XIX SD/MC and Title XXI MCHIP claims, good cause justification for late claim submission is governed by applicable federal and State laws and regulations and is subject to approval by the State and/or County.

(c) In the event the State or federal government or any funding source agency denies any or all claims submitted by County on behalf of Contractor, County will not be responsible for any payment obligation and, accordingly, Contractor shall not seek or retain payment from County and shall indemnify and hold harmless County from any and all liabilities for payment of any or all denied claims, including those denied claims that were submitted outside the period of time specified in Subparagraph (3) of this Paragraph E (BILLING PROCEDURES), except any claims which are denied due to the fault of the County. Any controversy or dispute arising from the denial of claims from the State, federal government, or other agencies shall be handled by Contractor

in accordance with the applicable State, federal, or other agency's administrative appeal process.

(d) Contractor shall, as soon as practicable, notify County of any delay in meeting the timeframe for submitting claims specified in Subparagraph (3) of this Paragraph E (BILLING PROCEDURES). In the event Contractor is not able to make timely submission into the County's claims processing information system due to no fault on the part of Contractor, such Contractor notification should be immediate upon Contractor's recognition of the delay and must include a specific description of the problem that the Contractor is having with the County's claims processing information system. Notification shall be pursuant to the DMH 24-Hour Residential Treatment Contract, Subparagraph 8.34 (NOTICES), and such notification shall also be made by Contractor to the DMH Chief Information Office Bureau's (CIOB) Help Desk.

i. Contractor shall be responsible for ensuring all response files (e.g., Health Care Claim Status Response/277 Claim Acknowledgment File, TA1, 999, and 835 files) are received, reviewed, and dispositioned within the time frame(s) established by DMH CIOB.

(e) The County will notify Contractor in writing as soon as practicable of any County issue(s) which will prevent the submission by Contractor of claiming information into the County's claims processing information system, and County, if appropriate, will waive the requirement of Subparagraph (3) of this Paragraph F (BILLING PROCEDURES) in the event of any such County issue(s). Once County has notified Contractor that its issues are resolved, Contractor shall enter billing information into the County's claims processing information system within 30 calendar days of County's notice unless otherwise agreed to by County and Contractor.

To the extent that issues identified pursuant to Subparagraph (3) (d) of this Paragraph E (BILLING PROCEDURES) require that Contractor modify its procedures for entering claims into the County's claims processing information system, Contractor shall consult with County regarding a reasonable time required to implement such modifications and, upon approval by County, the 30 calendar days required by Subparagraph (3) (d) of this Paragraph E (BILLING PROCEDURES) shall be extended by the amount of time required to implement such modifications.

(f) County may modify the County's claims processing information system at any time in order to comply with changes in, or interpretations of,

State or federal laws, rules, regulations, manuals, guidelines, and directives. County shall notify Contractor in writing of any such modification and the reason, if known, for the modification and the planned implementation date of the modification. To the extent that such modifications create a delay in Contractor submitting claims into the County's claims processing information system for a period of time, the timelines under this Paragraph E (BILLING PROCEDURES) shall be extended by the number of calendar days reasonably based on the time the system is inactive.

(4) For mental health services claimed and billed through an invoice process, Contractor shall, no later than the 15th of each month following the service month, submit an invoice to the County for patient days approved in writing by the County. Said invoice shall be in a form as specified by the County, and will include an itemized accounting of all charges for each patient day. Invoices shall be submitted to the persons and at the address identified in Paragraph U (PAYMENT AND INVOICE NOTIFICATIONS). Contractor acknowledges County is transitioning to an electronic claiming system and may need to submit claims electronically for timely payment.

(5) Direct Charges: Contractor shall submit invoices for Direct Charges within 45 calendar days of the end of the month in which the eligible expense was incurred or accrued, unless otherwise required to comply with grant and/or funding source requirement, in which case, DMH will provide written notification to Contractor. Contractor shall assign a unique invoice number to each invoice. Such invoice shall be in the form and include the content specified by County for each Funded Program. Invoices shall be submitted pursuant to Paragraph U (PAYMENT AND INVOICE NOTIFICATIONS). Failure to comply with the terms specified in Subparagraph (5) of this Paragraph E (BILLING PROCEDURES) may result in non-payment of said invoice.

F. COUNTY PAYMENT FOR SERVICES RENDERED

(1) County Payments: After Director's review and approval of the billing (i.e., claim or invoice), County shall pay Contractor in accordance with the following:

(a) County shall make good faith efforts to make payments for services billed through the County's claims processing information system as soon as possible after submission and approval, subject to the limitations and conditions specified in the Contract, but within 60 calendar days after submission and approval. County shall make available a schedule of anticipated payment dates for claims submitted by Contractor into the County's claims processing information system on or prior to July 1 of each year.

(b) Payments for services or Direct Charges billed through invoices shall be paid within 60 calendar days after receipt of a complete and accurate invoice, subject to the limitations and conditions specified in the Contract.

G. BILLING AND PAYMENT LIMITATIONS

(1) County payments to Contractor for performance of eligible services hereunder are subject to limitations of the Contract, application of various County, State and/or federal reimbursement limitations, application of any County, State and/or federal policies, procedures and regulations, and/or County, State or federal audits.

(2) The total maximum reimbursement that will be paid by County to Contractor under the Contract, including Cash Flow Advances (CFA), if applicable, for the Initial Period, First Automatic Renewal Period, and any subsequent Automatic or Optional Renewal Period shall be, in no event more than, the MCA specified in Contract, for the Initial Period, First Automatic Renewal Period, and any subsequent Automatic or Optional Renewal Period, respectively.

(a) In addition to the general limitation of Paragraph B (1), above, in no event shall the maximum reimbursement that will be paid by County to Contractor under the Contract for any Funded Program be more than the amount identified as the Funded Program Amount for each Funded Program, as stated on Exhibit B, the Financial Summary, for the Initial Period, First Automatic Renewal Period and any subsequent Automatic or Optional Renewal Period, as applicable.

(b) Contractor shall immediately provide written notice to the County when, based on the Contractor's own internal records, it has billed for services/activities under the Contract in an amount equal to 60 percent of the total MCA or 60 percent of the Funded Program Amount(s) during the Initial Period, First Automatic Renewal Period and any subsequent Automatic or Optional Renewal Period of the Contract.

(i) Contractor shall send such notice to those persons and addresses which are set forth in the DMH 24-Hour Residential Treatment Contract, Subparagraph 8.34 (NOTICES).

(ii) Failure of Contractor to comply with this Subparagraph (G) (2) (b) will be considered a breach of the Contract.

(3) Except as otherwise provided in the Contract, the total MCA and/or the Funded Program Amount(s) for any of the periods specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraphs B (REIMBURSEMENT FOR INITIAL PERIOD) and C (REIMBURSEMENT IF CONTRACT IS

AUTOMATICALLY RENEWED) may not be increased or decreased without a properly executed amendment to the Contract. The Parties acknowledge that the actual number of individuals seeking care from Contractor who are eligible under a particular Funded Program may differ from the estimated number upon which the Funded Program Amounts were based, and that it may be appropriate to increase Contractor's responsibility to provide services to certain eligible individuals while decreasing its responsibilities to provide services to other eligible individuals. Any such modification in Contractor's responsibilities, along with commensurate changes in the appropriate Funded Program Amounts, may be accomplished through a formal amendment or administrative amendment for shifting of funds, completed in advance of the provision of services and as outlined in the DMH Policy, *Shifting Guidelines for the Legal Entity Agreement*. In case of an administrative amendment, such administrative amendment may be executed by Director under delegated authority from the Board of Supervisors without prior approval of County Counsel. Such administrative amendment may be initiated by the County, with Contractor's written consent. Contractor's signature will be required to make such administrative amendment effective.

(a) County and Contractor may by written amendment reduce programs or services and revise the applicable MCA and/or Funded Program Amount. The Director shall provide 15 business days' prior written notice of such funding changes to Contractor, including any changes in the amount of services to be received by County. Any such change in any applicable MCA and/or Funded Program Amount shall be effected by a written amendment or administrative amendment to the Contract, prepared by Director or designee, and executed by both parties.

(4) Other Limitations for Certain Funded Programs: In addition to all other limitations provided in this Paragraph G (BILLING AND PAYMENT LIMITATIONS), reimbursement for services rendered under certain Funded Programs may be further limited by rules, regulations and procedures applicable only to that Funded Program. Contractor shall be familiar with said rules, regulations and procedures and submit all claims in accordance therewith.

(a) Reimbursement of certain Direct Charges, such as but not limited to capital improvement, are contingent upon the completion of appropriate deliverable(s). If the County reasonably determines from a review of Contractor's service, billing, and other applicable records that the Contractor failed to provide required deliverable(s) associated with such Direct Charge(s), County shall have the right to adjust and/or recover payment(s) associated with such Direct Charge(s). The recovery from Contractor shall be made through cash payment made by Contractor to County and/or County offsets to County payment(s)

of Contractor's approved claim(s) in accordance with the terms of Paragraph P (PAYMENTS BY CONTRACTOR TO COUNTY) and Paragraph U (PAYMENT AND INVOICE NOTIFICATIONS).

(5) Adjustment of Claims Based on Other Data and Information: The County shall have the right to adjust claims based upon data and information that may include, but is not limited to, County's claims processing information system reports, remittance advices, State adjudication of Medi-Cal claims, and 835 data, all of which shall supersede and take precedence over the claimed amount submitted by Contractor.

(6) Adjustment of Claims for Contract Compliance: Director, in her sole discretion and at any time and without prior written notice to Contractor, may take any necessary actions required to ensure that Contractor shall not be paid a sum in excess of the amount due to the Contractor under the terms and conditions of the Contract. Such actions may include, but are not limited to, reimbursing claims submitted through the claims processing information system at an amount less than that amount that would be calculated using Contractor's rates, denying claims for payment; holding claims for Medi-Cal services from being forwarded for adjudication by the State; withholding payment of certain claims; and/or demanding repayment from Contractor.

(a) Concurrent with any such action, Director shall provide Contractor with written notice of the County's decision to take such action(s), including the reason(s) for the action(s). Thereafter, Contractor may, within 10 calendar days of Contractor's receipt of the notification, request reconsideration of the County's decision. Contractor may request in writing, and shall receive if requested, County's computations for making a determination that such action was necessary, including any amount(s) held, denied or reduced.

(b) Upon receiving a request for reconsideration from Contractor, County shall, within 15 calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or documentation relevant to the circumstances that led the County to take such actions and may propose alternative actions.

(c) Within 15 calendar days of said meeting, County shall, in writing, notify Contractor, of its final decision which may include County's request to Contractor to void said claims in the County's claim processing information system. The decision of the Director will be final.

Should the County grant reconsideration, such reconsideration will only be applicable to claims paid and processed to the appropriate funding sources after the date that said reconsideration is granted.

(7) No Payment for Services Rendered Following Expiration/Termination of Contract: Contractor shall have no claim against County for payment of any money, or reimbursement of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of the Contract or any part thereof. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of the Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of the Contract.

(8) Contractor agrees to hold harmless both the State and beneficiary in the event County cannot or will not pay for services performed by Contractor pursuant to the Contract.

H. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

(1) The Contract is subject to any restrictions, limitations, or conditions imposed by State which may in any way affect the provisions or funding of the Contract, including, but not limited to, those contained in State's Budget Act.

(2) The Contract is also subject to any additional restrictions, limitations, or conditions imposed by the federal government which may in any way affect the provisions or funding of the Contract.

(3) In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in County contracts, the County reserves the right to reduce its payment obligation under the Contract corresponding with that fiscal year and any subsequent fiscal year during the term of the Contract (including any extensions), and the services to be provided by the Contractor under the Contract shall also be reduced accordingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within 30 calendar days of the Board's approval of such action. Except as set forth above in Subparagraph (3) of this Paragraph I (LIMITATIONS OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS) and Subparagraph (5) of Paragraph J (CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS), the Contractor shall continue to provide all of the services set forth in the Contract.

(4) Notwithstanding any other provision of the Contract, County shall not be obligated for Contractor's performance hereunder or by any provision of the Contract during this or any of County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for the Contract in County's Budget for each such fiscal year. In the event funds are not appropriated for

the Contract, then the Contract shall terminate as of June 30th of the last fiscal year for which funds were appropriated. County shall notify Contractor of any such non-appropriation of funds at the earliest possible date.

(5) Notwithstanding any other provision of the Contract, for the purposes of any special grants such as Substance Abuse and Mental Health Services Administration (SAMHSA) and discretionary funds received from the Board of Supervisors, any unspent amounts of such grants and/or discretionary funds, if so authorized by the grantor or the Board of Supervisors, may be rolled over from one fiscal year to the next by decreasing the Funded Program Amount and MCA for the fiscal year in which the funds were unspent and increasing the Funded Program Amount and MCA by the same amount in the following fiscal year. Such roll over of funds shall not, in any event, allow Contractor to receive reimbursement for services/activities paid by these grants and/or discretionary funds in excess of the total allotment of such grants and discretionary funds over the period covered by such grants and discretionary funds. Any such change in the MCA due to such roll over of funds shall be effected by a duly executed amendment to the Contract.

I. CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS

(1) Funds under the Contract are provided for the delivery of mental health services to eligible beneficiaries under each of the Funded Programs identified in Exhibit B, Financial Summary. Each Funded Program has been established in accordance with the requirements and restrictions imposed by each respective County, State and/or federal payer source contributing to the Funded Program.

(2) Contractor may not redirect funds from one Funded Program to another Funded Program, except through a duly executed amendment to the Contract as outlined in DMH Policy, *Shifting Guidelines for the Legal Entity Contract*.

(3) Contractor may not charge services delivered to an eligible beneficiary under one Funded Program to another Funded Program unless the recipient is also an eligible beneficiary under the second Funded Program. When a recipient of services is an eligible beneficiary under more than one Funded Program, Contractor shall charge the services to the Funded Program under which the County shall receive maximum reimbursement from non-County sources, provided that Contractor has available funds under the appropriate Funded Program.

(4) Contractor also shall not charge services delivered to an eligible beneficiary for Medi-Cal to the Non-Medi-Cal Funded Program Amount except in such cases when a client's eligibility for benefits is being established or determined, or when the client is eligible for Medi-Cal minor consent, or when DMH has given advance approval to use the Non-Medi-Cal Funded Program Amount.

Upon confirming that said client is approved for Medi-Cal benefits, or in such case that the County may determine that a service paid originally through the Non-Medi-Cal Funded Program Amount was to a client approved for Medi-Cal, Contractor shall void the original claims for services provided on or after the effective date that Medi-Cal services became eligible for reimbursement, and resubmit such claims for Medi-Cal under the correct Funded Program, to the extent the claim submission complies with the timeline specified in Subparagraph E (3).

(6) Contractor shall deliver services to clients to the extent that funding is provided by the County. Where Contractor determines that services to clients can no longer be delivered, Contractor shall provide 30 calendar days prior written notice to County. Contractor shall thereafter refer clients to County or to another appropriate Contractor.

(a) Contractor shall not be required to provide the notice required under Subparagraph (5) of this Paragraph I (CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS) if the County reduces funding to the Contractor under Paragraph I (LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS) whether such reductions occur at the beginning of, or during, a fiscal year. In addition, if County reduces or eliminates funding for a specific Funded Program, or portion thereof, Contractor shall not be responsible for continuing services for those clients served by the Funded Program, or portion thereof.

J. CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN

(1) Contractor shall deliver and monitor services so that Contractor can provide continued and uninterrupted provision of quality eligible services to eligible beneficiaries as specified in the Contract, to the extent funding is provided by County. If the County reasonably determines the Contractor will not meet expectations listed in Subparagraph (2) of this Paragraph J (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN), County may notify Contractor to discuss and determine whether a corrective action plan (CAP) will be required.

(a) If a CAP is issued and Contractor fails to comply with such CAP, County may implement remedies specified in Subparagraph (2) of Paragraph V (COUNTY REMEDIES FOR CONTRACTOR DEFAULT OR NON-COMPLIANCE).

(2) Without limiting Contractor's obligations under the Contract, Contractor shall meet performance and/or outcome expectations that are specified in

the Contract, Statement(s) of Work, Service Exhibit(s), approved Service Delivery Plan (SDP), and/or Department guidelines, directives, and practice parameters.

(a) County will follow up with the Contractor to discuss and determine remedies for late submission of an SDP.

K. LIMITATION ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM

(1) If, under the Contract, Contractor has Funded Programs that include Title XIX SD/MC services, and/or Title XXI MCHIP services, Contractor shall certify annually, no later than July 10th of each year, in writing, that all necessary documentation will exist at the time any claims for Title XIX SD/MC services and/or Title XXI MCHIP are submitted by Contractor to County.

Contractor shall be solely liable and responsible for all service data and information submitted by Contractor.

(2) Contractor acknowledges and agrees that the County, in undertaking the processing of claims and payment for services rendered under the Contract for these Funded Programs, does so as the Local Mental Health Plan for the State and federal governments.

(3) Contractor shall submit to County all Title XIX SD/MC and/or Title XXI MCHIP claims or other State required claims data within the timeframe(s) prescribed by the Contract to allow the County to meet the timeframes prescribed by the State and federal governments. County shall have no liability for Contractor's failure to comply with the timeframes established under the Contract and State and federal timeframes, except to the extent that such failure was due to the fault of the County.

(4) County, as the Mental Health Plan, shall submit to the State in a timely manner, claims for Title XIX SD/MC services and/or MAA, and/or Title XXI MCHIP services only for those services/activities identified and entered into the County's claims processing information system, which are compliant with State and federal requirements. County shall make available to Contractor any subsequent State approvals or denials of such claims within 30 days of receipt thereof.

(5) Contractor acknowledges and agrees that County's final payment for services and activities claimed by Contractor for Title XIX SD/MC services and/or Title XXI MCHIP services is contingent upon reimbursement from the State and federal governments and that County will re-coup any payments for said services that are not ultimately reimbursable.

(6) Contractor's ability to retain payment for such services and/or activities is entirely dependent upon Contractor's compliance with all laws and regulations related to same.

(7) Notwithstanding any other provision of the Contract, Contractor shall hold County harmless from and against any loss to Contractor resulting from the denial or disallowance of claims for or any audit disallowances related to said services by the County, State or federal governments, or other applicable payer source, unless the denial or disallowance was due to the fault of the County.

(8) Contractor shall repay to County the amount paid by County to Contractor for Title XIX SD/MC and/or Title XXI MCHIP services/activities which are subsequently denied or disallowed by the County, State, and/or federal governments. In no event shall County be liable or responsible to Contractor for any State approved Title XIX SD/MC and/or Title XXI MCHIP services/activities that are subsequently denied or disallowed by County, State, and/or federal governments unless the denial or disallowance was due to the fault of the County.

(9) The total County payment for Title XIX SD/MC services and/or Title XXI MCHIP services under federal requirements consists of federal financial participation, County, State and/or other grant funds. Contractor acknowledges that if such services are subsequently denied, voided, and/or disallowed, County shall make a full recovery of such payments, as applicable.

(10) Notwithstanding any other provision of the Contract, Contractor agrees that the County may offset future payments to the Contractor and/or demand repayment from Contractor when amounts are owed to the County pursuant to above Subparagraphs (7) and (8) of this Paragraph K (LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM). Such demand for repayment and Contractor's repayment shall be in accordance with Paragraph P (PAYMENTS BY CONTRACTOR TO COUNTY), except for denials reflected on the State's 835 files, which will be offset immediately from the County's next payment to Contractor.

(11) Contractor shall comply with all written instructions provided to Contractor by Director, State or other applicable payer source regarding claiming and documentation.

(12) Nothing in this Paragraph K (LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI MEDICAID

CHILDREN'S HEALTH INSURANCE PROGRAM) shall be construed to limit Contractor's rights to appeal State and federal audit findings in accordance with the applicable State and federal regulations.

L. PATIENT/CLIENT ELIGIBILITY, UMDAP FEES, AND THIRD PARTY REVENUES

(1) Contractor shall comply with all County, State, and federal requirements and procedures relating to:

(a) The determination and collection of patient/client fees for services hereunder based on the Uniform Method of Determining Payment (UMDAP), in accordance with State guidelines and WIC Sections 5709 and 5710.

(b) The eligibility of patients/clients for SD/MC, Medicare, private insurance, or other third party revenue, and the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. Contractor shall pursue and report collection of all patient/client and other revenue.

(c) Contractor shall not charge the client's financial responsibility for a service to the Non-Medi-Cal Funded Program Amount.

(2) All fees paid by patients/clients receiving services under the Contract and all fees paid on behalf of patients/clients receiving services hereunder shall be utilized by Contractor only for the delivery of mental health services/activities specified in the Contract.

M. CASH FLOW ADVANCE (CFA) IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED

(1) The CFA, if approved by County, is an advance of funds to be repaid by Contractor through direct payment of cash and/or through the provision of appropriate services/activities under the Contract during the applicable period.

(2) For each month of each period of the Contract, County will reimburse Contractor based upon Contractor's submitted claims for rendered services/activities subject to claim edits, and future audit processes. However, for each month of the first two months, of the Initial Period, the First Automatic Renewal Period, and any subsequent Automatic or Optional Renewal Period, Contractor may request in writing from County a monthly County General Fund CFA as herein described.

(3) CFA disbursement(s), if any, shall be part of the total maximum reimbursement, which is limited to the MCA as specified in Paragraph G (BILLING AND PAYMENT LIMITATIONS).

(4) A CFA is intended to provide cash flow to Contractor pending Contractor's rendering and billing of eligible services/activities, as identified in the DMH 24-Hour Residential Treatment Contract Subparagraph 3.3 (DESCRIPTION OF SERVICES/ACTIVITIES), and County payment thereof. Contractor may request each monthly CFA only for such services/activities and only to the extent that there is no reimbursement from any public or private sources for such services/activities.

(5) Notwithstanding any other provision to the contrary, funding for Wraparound Case Rate (i.e., Specialized Foster Care Wraparound Invoice Funded Program), Full Service Partnership Incentives, and Startup Costs shall not be included when computing monthly CFA amount(s).

(6) Cash Flow Advance Request Letter: For each month for which Contractor is eligible to request and receive a CFA, Contractor must submit to the County a letter requesting a CFA and the amount of CFA Contractor is requesting.

(a) In order to be eligible to receive a CFA, the letter requesting a CFA must be received by the Director on or before the 15th day of that month (e.g., for the month of July , the request must be received by July 15).

i. If the letter requesting CFA is received by the County from the Contractor after the 15th day of the month, Contractor will not be eligible to receive a CFA for that month.

(b) The signed letter requesting a CFA must be sent via email (PDF file) to the Department of Mental Health Financial Services Bureau – FSB Administration at: FSB@dmh.lacounty.gov.

i. FSB staff will determine whether Contractor is eligible to have its request considered based on the date the request letter is received by DMH and not the date on the request letter.

(c) Upon receipt of a request, Director, in her sole discretion, shall determine whether to approve the CFA and, if approved, whether the request is approved in whole or in part.

i. If a CFA is not approved, Director will notify Contractor within 10 business days of the decision, including the reason(s) for non-approval. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the decision.

(7) Reduction of Cash Flow Advance Amount by Actual Adjudicated Claims: The CFA amount available to Contractor for any particular month will be reduced by County payments for claims received from Contractor. The County's

claims payment process is initiated immediately upon County receipt from Contractor of a reimbursement claim.

(8) Business Rules for the Determination of the Maximum Amount of the Cash Flow Advance Request:

(a) For each of the first two months of each period that the Contract is in effect, Contractor may request in writing from County a monthly County General Fund CFA for any funds which may be part of the MCA for such period as identified in the Financial Summary. Contractor shall specify in its request the amount of the monthly CFA it is requesting, not to exceed $_____ for the first month and $_____ for the second month, if applicable. In no event shall the monthly CFA requested by Contractor exceed 1/12th of the annualized MCA as identified on Exhibit B, Financial Summary, as of the specified month the CFA is requested.

(b) In case the Contract is amended to increase or reduce the MCA during the first two months during which the Contractor may request and receive CFA, the CFA amount shall be recalculated for the remaining month(s) based on the executed date of the amendment. For the month in which the amendment is executed, the revised CFA amount shall be based on the executed date of the amendment, and if such executed date falls between the 1st and the 15th of the month, the revised CFA amount will be adjusted based on the total amount of the change in the MCA. If the executed date falls between the 16th and the end of the month, the revised CFA amount will be calculated based on one half (1/2) of the total change in the MCA.

(c) The Contractor may request in writing from County, consistent with above Subparagraph (8) (a) of this Paragraph M (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED), for additional monthly CFA to accommodate extraordinary circumstances that are beyond Contractor's control, including but not limited to, Contractor's inability to submit claims to the County as described in Subparagraph (3) of Paragraph E (BILLING PROCEDURES) or due to procedural matters associated with transitioning Contractor to County's new claims processing information system, County's inability to process claims due to extended disruption in the County's claims processing information system, or any other circumstance determined by the Director, in her sole discretion, to constitute an extraordinary circumstance beyond Contractor's control. The County, in its sole discretion, shall review Contractor's request, including but not limited to, the amount of CFA requested and the amount of CFA requested in relation to the number of months

remaining in the fiscal year, and shall respond accordingly within 15 business days from the receipt of such request.

i. Additional monthly CFA is subject to approval by the Director, County Auditor-Controller, County Counsel and County Chief Executive Office.

(9) Recovery of Cash Flow Advances: If Contractor has received any CFA pursuant to this Paragraph M (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED), then recovery from Contractor's monthly claims shall be made through cash payment made by Contractor to County and/or through County offsets to County payment(s) of Contractor's approved claim(s) as follows:

(a) Generally, when Contractor renders services at a level that would indicate it will utilize all or a substantial portion of its MCA, County initiates recovery of the CFA balance, if any, for a particular fiscal year in July following the close of such fiscal year or at such time as payments to Contractor, including the CFA, reach the MCA. Such recovery is initiated through the Contractor's rendering and submitting of appropriate services and activities into the County's claims processing information system and/or the submission of invoices for direct charges.

(b) If at any time during the fiscal year, County determines that Contractor is not rendering services at a level that would utilize all of its MCA, County may initiate recovery of the CFA as specified above in Subparagraph (9) (a) of this Paragraph M (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED) prior to November 30th of the following fiscal year. If County intends to initiate recovery of the CFA prior to that November 30th, County will give Contractor 30 calendar days' prior written notice, including the reason(s) for the intended actions, to ensure Contractor renders and submits sufficient services/activities to have repaid all, or a substantial portion of the CFA, by November 30th. Contractor may, within 15 calendar days of the receipt of County's written notice, request reconsideration of the County's decision.

(c) Notwithstanding any other provisions of the Contract, if CFA balance remains by November 30th of the following fiscal year, County shall initiate recovery of the outstanding CFA balance within 30 calendar days. Repayment by Contractor shall be due within 30 calendar days from the date of the letter from County.

(10) When Contractor's CFA balance is zero in any fiscal year of the term of the Contract, any County and/or State and/or federal government(s) approved

Contractor reimbursement claims for eligible services/activities will be disbursed in accordance with the terms and conditions of the Contract.

(11) Should Contractor request and receive a CFA, Contractor shall exercise cash management of such CFA in a prudent manner.

N. OTHER REQUIREMENTS FOR CONTRACTORS

(1) Contractor shall maintain records documenting all Title XIX SD/MC services and/or Title XXI MCHIP services for a period of 10 years from the end of the fiscal year in which such services were provided or until three years after final resolution of any audits or appeals, whichever occurs later.

(2) County may require and Contractor shall submit financial data/report related to this Contract in the format and timeline specified by County, for the purposes of evaluating MCA, Funded Program Amount, shifting of funds, and/or program review and audit. County may collect from Contractor financial data/report related to this Contract in the format and timeline specified by County for the purpose of evaluating contract rate(s), if mutually agreed to by the County and Contractor.

(3) To comply with the Federal Medicaid Managed Care Final Rule and Federal Mental Health and Substance Use Disorder Services Parity Final Rule requirements related to the recovery and reporting of overpayment(s) due to fraud, waste, or abuse (CMS-2390-P), Contractor shall void any claims associated with such overpayment(s) within 30 calendar days of discovery of such overpayment(s).

(a) To comply with the reporting requirement in Title 42 of Code of Federal Regulations, Part 438 and Centers for Medicare and Medicaid Services' (CMS) Final Rule, CMS-2390-P, Contractor shall submit a report quarterly detailing the reasons for all voids requested as specified in DMH Policy 813.05 and in DMH Central Business Office (CBO) Bulletins NGA 20-009R, NGA 20-013, NGA 20-017, and any subsequent CBO Bulletin(s) related to Reporting of Overpayments (published in https://dmh.lacounty.gov/for-providers/cbo-bulletins/). Submission deadlines will be published in CBO Bulletins. Contractor bears the responsibility of all penalties or consequences resulting from submitting reports after the published due date unless otherwise notified.

O. AUDIT AND AUDIT APPEAL

(1) At any time during the term of the Contract or after the expiration or termination of the Contract, in accordance with State and federal law including but not limited to Welfare and Institutions Code (WIC) Section 14170 et seq.,

authorized representatives from the County, State or federal governments may conduct an audit of Contractor regarding the services/activities provided under the Contract.

(2) Settlement of audit findings and appeals will be conducted according to the auditing party's procedures in place at the time of the audit.

(a) County shall follow all applicable federal, State, and County laws, regulations, manuals, guidelines and directives in recovering any over-payments from Contractor.

(b) If the audit findings result in an amount due to Contractor by the County, County shall initiate the payment process to Contractor within 30 days of receiving the Audit Report settlement payment from DHCS.

(3) County Audits:

(a) Should the auditing party be the County, Contractor will have 30 calendar days from the date of the audit report within which to file an appeal with County. The letter providing the Contractor with notice of the audit findings shall indicate the persons and address to which the appeal should be directed. County shall consider all information presented by Contractor with its appeal, and will issue its decision on the appeal after such consideration. Such decision is final. County will issue a written notification of the amount due within 30 calendar days of the appeal decision. Contractor shall make payment to the County as instructed in the written notification of the amount due.

(b) If applicable, Director, in her sole discretion, shall determine the need to revise certain reports/forms as needed to reflect the audit disallowance related to costs and expenditures as agreed by Contractor. To the extent such revisions are made, County will inform Contractor of such action and provide Contractor with a copy of the revised reports/forms.

(4) At times, it may be necessary for County to negotiate a settlement with the Contractor outside of the appeals and hearing process with the State or another auditing party. In those cases, County will execute a separate written agreement with Contractor to formalize mutually agreed upon terms.

P. PAYMENTS BY CONTRACTOR TO COUNTY

Payment Amount: If it is determined that the Contractor owes County under this Contract, including repayment to County as a result of non-compliance and/or County, State, and federal audit, Contractor agrees to pay County the total amount due upon receipt of written notification by County. County shall first apply any amounts owed by Contractor to offset any amounts owed by County to Contractor. If there is a remaining amount owed to County

after applying the offset, County shall initiate recovery of the outstanding balance within 30 calendar days, and repayment by Contractor will be due within 30 calendar days from the date of the written notification from County.

Q. FINANCIAL SOLVENCY

Contractor shall maintain adequate provisions to meet the solvency/working capital criteria specified in DMH Policy, *Financial Responsibility Requirements for Existing DMH Contractors*.

R. COUNTY AND CONTRACTOR REQUESTED CHANGES

(1) If Contractor desires any change in the terms and conditions of the Contract, Contractor shall request such change in writing prior to March 1st of the fiscal year for which the change would be applicable, except as otherwise provided in Paragraph T (SURVIVAL: AMENDMENTS TO MAXIMUM CONTRACT AMOUNT AND FINANCIAL SUMMARY (EXHIBIT B)) or unless otherwise agreed to by County.

(a) All changes requested by Contractor and approved by County shall be made by an amendment pursuant to the DMH 24-Hour Residential Treatment Contract Subparagraph 8.1 (AMENDMENTS).

(b) All changes requested by the Contractor shall be followed by a Mid-Year Change to the last approved Service Delivery Plan to be submitted by the Contractor, which must be approved by the Director as specified in DMH Policy, *Service Delivery Plan Submission Procedures*.

(2) If Contractor requests an increase or decrease in the MCA or in the Funded Program Amount, Contractor shall provide all reports, data, and other information requested by the County, within 15 calendar days of County's request.

(a) Contactor's request for consideration of an increase in the MCA or in the Funded Program Amount, must be made and approved prior to Contractor rendering services that exceed the MCA or the Funded Program Amount. To the extent that County agrees to increase MCA or a Funded Program Amount, such approval shall be in the form of an executed amendment to the Contract. Director will make best efforts to expedite the amendments provided under this Subparagraph (2) (a) of this Paragraph R (COUNTY AND CONTRACTOR REQUESTED CHANGES).

(b) Requests received after the Contractor has rendered services in excess of the MCA, or the Funded Program Amount, will only be considered on a prospective basis for payment of services rendered

after the effective date of any executed amendment. The County shall not be responsible for payment of, nor otherwise be liable for, services/activities that Contractor provided in excess of the MCA or the Funded Program Amount during any part of the Initial Period, First Automatic Renewal Period or any subsequent Automatic or Optional Renewal Period, respectively.

(3) If County requires changes per Paragraph V (COUNTY REMEDIES FOR CONTRACTOR DEFAULT OR NON-COMPLIANCE) and/or Paragraph H (LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS), Contractor must submit a Mid-Year Change to the last approved Service Delivery Plan as specified in DMH Policy, *Service Delivery Plan Submission Procedures*.

(4) If County and Contractor agree to make a funding and/or service plan change relevant to the Contract, Contractor must submit a Mid-Year Change to the last approved Service Delivery Plan as specified in DMH Policy, *Service Delivery Plan Submission Procedures*.

S. DELEGATED AUTHORITY

(1) Notwithstanding any other provision of the Contract, the Director may, without further action by County's Board of Supervisors, prepare and sign amendments to the Contract under the following conditions.

(a) County's total payments to Contractor under the Contract, for each fiscal year of the term of the Contract, does not exceed an increase of more than the 25 percent of the Board of Supervisor-approved MCA; and

(b) Amendments may add, delete, modify, or replace the Service Exhibits and/or Statements of Work; reflect federal, State, and County regulatory and/or policy changes; and/or roll over certain federal and/or State grant funds from one FY to the next FY, as appropriate; or allow shifting of funds pursuant to Paragraph T (SURVIVAL: AMENDMENTS TO MAXIMUM CONTRACT AMOUNT AND FINANCIAL SUMMARY (Exhibit B)); and

(c) Sufficient funds are available for all changes described in each such amendment to the Contract; and

(d) Approval of County Counsel, or designee, is obtained prior to any such amendment to the Contract.

(e) Director, or designee shall notify County's Board of Supervisors and the Chief Executive Officer of all Contract changes in writing within.

T. SURVIVAL: AMENDMENTS TO MAXIMUM CONTRACT AMOUNT AND FINANCIAL SUMMARY (EXHIBIT B)

(1) Due to the length of the DHCS SD/MC UOS claiming processes, County and Contractor acknowledge that the final determination of the amounts owed by the Parties to each other will occur during First, Second and/or any subsequent Automatic or Optional Renewal Period as described in the DMH 24-Hour Residential Treatment Contract, Paragraph 4 (TERM OF CONTRACT) and/or after the expiration or termination of the Contract. Therefore, the parties agree that all provisions of the Contract related to effectuating payment, including such provisions in this Exhibit A, Financial Provisions, survive the First, Second and/or any subsequent Automatic or Optional Renewal Period as described in the DMH 24-Hour Residential Treatment Contract, Paragraph 4 (TERM OF CONTRACT) and/or expiration or termination of the Contract. This Paragraph T shall not be interpreted to imply that other provisions of Contract do not survive its expiration, if the Parties' intent, as demonstrated by language, circumstances, law, or practice, is that the provision(s) should survive.

(2) To maximize the use of federal, State, and other revenues, and to align Financial Summary funded program amounts with actual, eligible services, Contractor, by September 30th following the fiscal year close, may submit in writing, a request to shift and/or increase funds on the Financial Summary (Exhibit B). Such shifting and/or increase of funds request shall reflect maximization of federal and other funding based on Contractor's actual, eligible services provided submitted in accordance with the terms and conditions of the Contract and in accordance with terms and limitations set forth in DMH Policy, *Shifting Guidelines for the Legal Entity Contract*. To the extent that County approves the shift of funds request, such approval shall be in the form of an executed amendment to the Contract. In addition, the Director, at her sole discretion, may propose and, with the agreement of Contractor, execute a written amendment to (a) modify the distribution of funds identified for each Funded Program as shown on the Financial Summary (Exhibit B); (b) change, including increase, the amount of federal or State funds on the Financial Summary (Exhibit B); or (c) increase the MCA to include additional federal or State funds for Medi-Cal services, but only to the extent that such amendment is necessary for Contractor to be reimbursed for otherwise uncompensated care. Such amendment may be executed during First and/or Second Automatic Renewal Period as described in the DMH 24-Hour Residential Treatment Contract, Paragraph 4 (TERM OF CONTRACT) and/or after the Contract has expired or terminated.

U. PAYMENT AND INVOICE NOTIFICATIONS

(1) Contractor shall submit all Invoices, including any supporting documentation, to their assigned Provider Reimbursement Section (PRS) liaison and to

Contract Management and Monitoring Division (CMMD), except as otherwise provided under Subparagraph (1) (a) of this Paragraph U (PAYMENT AND INVOICE NOTIFICATIONS).

(a) In the event the Invoice Funded Program is set up to be billed electronically, invoices shall be submitted in the specified electronic tracking system.

(2) Contractor shall submit all remittances and payments for amounts due to the County under the Contract to the following:

County of Los Angeles Department of Mental Health
Financial Services Bureau – Accounting Division
P.O. Box 514780
Los Angeles, CA 90051-4780
Attn: Cash Collections Section

V. COUNTY REMEDIES FOR CONTRACTOR DEFAULT OR NON-COMPLIANCE

(1) General Remedies:

(a) County may immediately, without prior written notice, suspend payments to Contractor, for good cause, if the Director determines that Contractor is in default of any Contract provisions due to alleged fraud or similar intentional wrongdoing.

i. Thereafter, Contractor may request reconsideration of Director's decision to suspend payment.

(b) County may suspend all, or a portion, of its payment if the Director determines that Contractor is in default of any Contract provisions due to noncompliance with - or failure to respond to - requests, policies, procedures, guidance, or other similar instructions from the County as required and until such time the Contractor complies and such response has been reviewed and approved by Director.

i. Notwithstanding any other provision of the Contract, examples of noncompliance include, but are not limited to:

a. Insufficient documentation of clinical work that does not meet federal, State, and County written standards;

b. Failure to timely provide outcomes data; and/or

c. Failure to comply with a Corrective Action Plan (CAP).

(c) County may also withhold all, or a portion, of its payment if there is a reasonable determination that Contractor is or may become insolvent.

(d) To the extent that the County intends to suspend all, or a portion of, its payment for reasons other than fraud or intentional wrongdoing:

i. Director shall provide Contractor with at least 30 calendar days' prior written notice of such suspension that includes the reason(s) for such suspension.

ii. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the County's decision.

iii. Upon receiving a request for reconsideration from Contractor, County shall, within 15 calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present information or documentation to the County relevant to the circumstances that led the County to take such actions and may propose alternative action(s).

iv. Within 15 calendar days of said meeting, County shall, in writing, notify Contractor, of its final decision. The decision of the Director will be final.

v. Upon determination that Contractor is no longer in noncompliance with the Contract provision(s) that resulted in the suspension of payment, County shall release withheld payments within 30 calendar days of such determination, unless otherwise prohibited by federal, State, and/or local statutes, laws, ordinances, rules, regulations, manuals, policies, guidelines, and directives.

(2) <u>Additional Remedies imposed for Failure to Comply with CAP</u>:

(a) If a CAP is issued and Contractor fails to comply with such CAP, County may impose the following remedies in addition to the general remedies identified in Subparagraph (1) of this Paragraph V (COUNTY REMEDIES FOR CONTRACTOR DEFAULT OR NON-COMPLIANCE):

i. Restrict Contractor from expending any more funds allocated for the program(s) at issue by de-obligating previously allocated funds.

ii. Decrease the amount of funds allocated in subsequent fiscal years for the program(s) at issue.

iii. Terminate specific program(s) within the Contractor's LE Contract and/or terminate the Contractor's LE Contract in its entirety for failure to meet performance and/or outcome expectations as specified in the Contract, Statement(s) of Work, Service Exhibit(s), approved Service Delivery Plan, and/or Departmental guidelines, directives, and practice parameters.

(b) To the extent that the County intends to impose such additional remedies:

i. Director shall provide Contractor with at least 30 calendar days' prior written notice of its intent to take such action, which will include an explanation of how the Contractor is not meeting the expectations identified in Paragraph J (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN); copies of relevant data, if applicable; the nature and the amount of the proposed funding allocation change; and any associated changes to the amount of services to be provided by Contractor.

ii. Thereafter, Contractor may, within 15 calendar days, request written reconsideration of the County's decision. Contractor's request must clearly indicate the reason why County's action is unjustified.

iii. Upon receiving a request for reconsideration from Contractor, County shall, within 15 calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or documentation relevant to the circumstances that led the County to take such actions and may propose alternative action(s).

a. If Contractor fails to meet with County in this period of time, and County has provided an opportunity to meet within the time period, Contractor is deemed to have waived its opportunity to meet with County and accepts County recommended actions.

iv. Within 15 calendar days of said meeting, County shall, in writing, notify Contractor of its final decision. The decision of the Director will be final and any remedies will be effective upon receipt of notification by Contractor.

(c) Any change in the Contract, including termination of specific program(s) and/or termination of the entire DMH 24-Hour Residential Treatment Contract shall be effected by an administrative amendment to the Contract or notice of termination issued by Director.

(d) Changes that are based on one-time circumstances will be applicable to the current contract fiscal year only and shall not result in reductions (or increases) of MCA and/or Funded Program Amount in subsequent fiscal years, while changes that are based on clearly documented ongoing historical trends may result in ongoing reductions (or increases) of MCA and/or Funded Program Amount in subsequent years.

(e) Contractor understands and agrees that its MCA and/or Funded Program Amount may be reduced as a result of the adjustments authorized by this provision, and further acknowledges that County has relied upon this flexibility in establishing the MCA and/or Funded Program Amount for the Contract. By executing the Contract, Contractor specifically consents to the prospective adjustments set forth in this provision up to and including termination of program(s) and/or the Contract.