

**Payment and Monitoring Procedures
Contractor Services Agreement
July 1, 2015 – June 30, 2016**

I. General Provisions

The payments are intended to compensate Contractor for a combination of factors, which include the actual units of service provided, and the cost of maintaining its business on a continuous basis. Therefore, subject to the provisions of this Attachment, if Contractor provides fewer units of service than are specified in the Exhibit(s) to the Agreement, the County will compensate Contractor for part of its costs in maintaining its available capacity on a continuous basis. However, in no event will the total payments to Contractor exceed the maximum contract obligation specified in Paragraph 3.A. of the body of said Agreement unless that maximum amount is changed by the execution of a written Amendment.

II. Performance Required to Receive Full Payment

- A. County will consider Contractor's performance as being acceptable for the purposes of full payment, and Contractor will not be financially penalized for providing fewer units of service than set forth in the Exhibit(s) to this Agreement, (except where noted) unless performance, by modality, is below 90% of the contracted number of units set forth in the Exhibit. The 10% service variance is based upon each modality and is not an overall contract variance.
- B. Funding designated as Bridge Funding must be utilized at 100%. The Contractor will be required to return any unutilized Bridge Funding to the County.
- C. In addition to the units of service, there are also reporting requirements to receive full payment. Reporting requirements for Alcohol and Other Drug Services are:
 1. Submit to County a quarterly report utilizing the Quarterly Report Form developed by Alcohol and Other Drug Services (AODS). The Quarterly Report shall include expenses, revenues and units of service reports outlining expenditures made and describing actual delivery of services provided under the Exhibits my modality and funding source. Reports are due quarterly on the following dates: October 20th; January 20th; April 20th; and July 20th.
 2. If the mid-year quarterly report due annually on January 20th. If this report indicates that Contractor has not provided forty-five percent (45%) of the anticipated annual amount of contracted services, County may require Contractor to submit monthly corrective action plan describing actual delivery of services provided under the Exhibits for the remainder of the contract term.

III. County's Responsibilities

- A. A County program liaison will monitor the submission of all correspondence required in this Agreement, including, but not limited to:
 1. Quarterly Utilization Reports;
 2. Financial reports such as annual budgets, cost allocation plans, and cost reports;
 3. Unusual Incident reports;
 4. Outcome data; and
 5. Other requested reports
- B. A County program liaison will visit Contractor during the contract term. The visits shall be for the purpose of reviewing any aspect of Contractor's program operations. The visit may include, but is not limited to:
 1. Review all pertinent participant records.
 2. Conduct appropriate interviews/discussions with participants served by Contractor.
 3. Review and monitor all correspondence and reports submitted by Contractor related to Contractor's services provided under said Agreement.
 4. Meet with appropriate program management and operations staff.
 5. Site visit(s) may include a review of Contractor's programmatic and fiscal documentation related to required reports on services specified in the Exhibits.
 - a. Provide a written site review report documenting areas of compliance and any necessary corrective action(s) required.
 6. A County program liaison will attend an organized activity of a selected component or selected components of Contractor's program(s) at least once during the contract term.
 7. Every three years AOD will monitor Contractor / Provider and document compliance with Section 504 of the Rehabilitation Act of 1973 (as amended) and Americans with Disabilities Act of 1990 to ensure that recipients / beneficiaries and intended recipients / beneficiaries of services are provided services without regard to physical or mental disability. Contractor shall also document and monitor to ensure that beneficiaries and intended beneficiaries of service are provided services without regard to race, creed, national origin, sex, or age. Contractor shall establish written procedures under which service participants are informed of their rights including their right to file a complaint alleging discrimination or violation of their civil rights. Participants in programs funded here under shall be provided a copy of their rights that shall include the right of appeal and the right to be free from sexual harassment and sexual contact by members of the treatment, recovery, advisory, or consultant staff.
- C. AODS will conduct periodic mandatory provider meetings with representatives of all contracted service providers and appropriate staff.
- D. Provide ongoing technical assistance as needed.

- E. AODS shall act as intermediary on behalf of each contracted alcohol and drug service provider in the submission of the California Outcomes Measurement System (CalOMS) treatment data submissions.

IV. Corrective Action Plans

After six (6) months of the contract term have passed, Contractor shall provide a corrective action plan annually by January 31st for quarters in which the quarterly report indicates that the program's performance is less than 90% of the prorated current twelve (12) month contract service level. The corrective action plan shall specify the time period during which the service provided was below 90% of contracted services, and shall specify how the Contractor plans to bring performance up to contracted service levels.

V. Payments

Except where otherwise described herein, County will pay Contractor total contract amount in twelve (12) equal monthly payments for Flat Rate contracts. County will pay Contractor's monthly payment within 30 days, upon timely submission of reports as outlined above.

- A. Contractor will submit a monthly invoice for Fee-for Service contracts no later than the 10th of the following month for the previous month's services. County will pay Contractor's monthly payment within 30 days, upon timely submission of invoice and reports as outlined above.
- B. In the event Contractor is not in compliance with the performance standards set forth in paragraph II above based upon Contractor's six month performance data, County will withhold an amount sufficient to recover the projected performance shortfall, per modality, for the remainder of the contract term. The total amount to be withheld will be divided equally over the remaining months of the term of the Agreement.
 - 1. Any outstanding payment issues will be reconciled at year-end settlement as set forth in this attachment subject to section VI below.
 - 2. However, if, based on Contractor's performance, the County determines that Contractor will be unable to meet the performance standards set forth in paragraph 2 above during the term of this Agreement, County may request that Contractor agree to an Amendment of this Agreement to reduce the units of service, and Contractor's consent will not be unreasonably withheld. In the event of said Amendment, County may allocate the funds for those units of service to another provider offering the same service.
- C. Any requests for variation, exemption or waiver of the payment procedures set forth in this Attachment must be submitted, in writing, to the County AODS Administrator or designee, who will review the request and make recommendations to the Director of the Behavioral Health and Recovery Services agency, whose decision will be final. Waivers may be

requested due to unanticipated circumstances that would cause undue hardship. The Contractor shall provide justification of a compelling need as part of its request.

- D. AODS is the payer of last resort. The Contractor must make every reasonable effort to collect reimbursement for the costs associated for providing services to individuals who are entitled to insurance benefits under the Social Security Act, including programs under title XVIII and title XIX, any State compensation program, any other public assistance program for medical expenses, any grant program, any private health insurance, or any other benefit program; and secure from patients or clients payments for services in accordance with their ability to pay.
- E. Restrictions on expenditure of Block Grant Funds
Programs funded by SAPTBG funds must comply with expenditure requirements set forth in the Code of Federal Regulations 42, 96.135

VI. Year End Settlement

- A. At the conclusion of each year of the term of this Agreement, a year-end settlement and reconciliation will take place as follows:
 - 1. The County's maximum payment to Contractor will be the lesser of the full contract amount or the actual Net Allowable Costs for actual or accrued expenditures made pursuant to the annual budget for contracted services submitted by Contractor for the term of the contract. Actual Net Allowable Costs will be determined by the final/year-end Cost Report.
 - 2. If Contractor's performance by modality for the year is at or above 90% of the contracted service levels set forth in the Exhibit(s) to this Agreement, County will pay Contractor the difference between the amount it has paid Contractor as of the year-to-date and the lesser of either the contract amount or Contractor's actual Net Allowable Cost for each modality. This payment will be made within thirty (30) days of determination of year-end settlement.
 - 3. If Contractor's performance by modality for the year is below 90% of the contracted service level, Contractor will reimburse the County the difference between the amount that County has paid Contractor as of the year-to-date and the lesser of Contractor's performance percentage applied against the contract amount or Contractor's actual Net Allowable Cost for each modality. If it is determined that the Contractor has been paid in excess of its actual Net Allowable Costs, Contractor will reimburse County within thirty (30) days of written notification by the County AODS Administrator or designee.

VII. Required Fiscal Documentation

- A. Prior to execution of this Agreement, Contractor will have submitted to County for review and approval an annual budget covering all contracted services under this Agreement.

- B. Contractor will submit to County a final/year-end Cost Report no later than August 15, 2016 for fiscal year 2015/2016.

VIII. Withholding Payment for Failure to Submit Reports

- A. County may withhold all or part of Contractor's monthly payment if Contractor fails to submit timely satisfactorily completed reports during the term of this Agreement or the term(s) of previous Agreements, including but not limited to:
 - 1. Annual budget proposal;
 - 2. Cost allocation plan;
 - 3. California Outcomes Measurement System (CalOMS) client records and requirements;
 - 4. Quarterly reports;
 - 5. Final/Year-end Cost Report; and
 - 6. Addiction Severity Index (ASI) to be completed within 30 days after admission.
- B. County will release to Contractor any payments withheld under this section to Contractor when County verifies that Contractor has submitted all required documents.

IX. Procedures in the Event of Non-renewal of Agreement

- A. County shall provide Contractor with thirty (30) days notice of its intent not to renew this Agreement or to contract with Contractor for any of the modalities described in the Agreement in the following fiscal year, and County may withhold all or part of Contractor's final payment until:
 - 1. Contractor satisfactorily submits all reports required by this Agreement and until County has reviewed all of these reports, including the final/Year End Cost Report.
 - 2. Federal, state, or county government complete any audit that has been commissioned or is underway and submits the audit report, and County has reviewed said audit report.
 - 3. In the events of audits, set forth above, payment of amounts due and owing under the Agreement on the final invoice shall not be withheld more than one hundred eighty (180) days from notice of termination of the Agreement or from expiration of the term.

X. Contractor's Risk in Providing Extra Services

Services provided by Contractor more than thirty (30) days after County has given notice of termination, in excess of County's maximum contractual financial obligation, or in excess of Contractor's contractual responsibility are solely at Contractor's risk and financial responsibility, unless said extra services are specifically authorized in writing by the County and reflected in a duly executed Amendment to this Agreement.