STATE OF CALIFORNIA

# STANDARD AGREEMENT AMENDMENT

STD. 213A_DHCS (Rev. 03/15)

Napa County Agreement No. 3579 amend. 2

☒ Check here if additional pages are added: 63 Page(s)

| Agreement Number | Amendment Number |
|---|---|
| 14-90075 | A02 |
| Registration Number: | |

1. This Agreement is entered into between the State Agency and Contractor named below:

State Agency's Name (Also known as DHCS, CDHS, DHS or the State)
Department of Health Care Services

Contractor's Name (Also referred to as Contractor)
County of Napa

2. The term of this Agreement is: July 1, 2014 through June 30, 2017

3. The maximum amount of this Agreement after this amendment is: $ 3,280,231 Three Million, Two Hundred Eighty Thousand, Two Hundred Thirty-One Dollars

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

I. **Amendment effective date:** July 1, 2015

II. **Purpose of amendment:** This amendment 1) modifies the terms and conditions; 2) increases funding for Fiscal Year 2015-16 and 3) identifies the changes in Exhibit B Attachment I A2 – Funding Amounts. The contractor is performing more of the same services as outlined in the original contract. .

III. Certain changes made in this amendment are shown as: Text additions are displayed in **bold and underline**. Text deletions are displayed as strike through text (i.e., ~~Strike~~).

IV. Paragraph 3 (maximum amount payable) on the face of the original STD 213 is increased by $115,092 and is amended to read: ~~$3,165,139 (Three Million, One Hundred Sixty-Five Thousand, One Hundred Thirty-Nine Dollars)~~ **$3,280,231 (Three Million, Two Hundred Eighty Thousand, Two Hundred Thirty- One Dollars).**

(Continued on next page)

All other terms and conditions shall remain the same.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

| CONTRACTOR | | CALIFORNIA Department of General Services Use Only |
|---|---|---|
| Contractor's Name *(If other than an individual, state whether a corporation, partnership, etc.)* County of Napa | | |
| By *(Authorized Signature)* Diane Dillon | Date Signed *(Do not type)* 10/20/15 | |
| Printed Name and Title of Person Signing Diane Dillon, Chair of the Board of Supervisors | | |
| Address 2261 Elm Street, Bldg S, Napa, CA 94559 | | |
| **STATE OF CALIFORNIA** | | |
| Agency Name Department of Health Care Services | | |
| By *(Authorized Signature)* | Date Signed *(Do not type)* | ☒ Exempt per DGS memo dated 07/10/96 and Welfare and Institutions Code 14087.4 |
| Printed Name and Title of Person Signing Don Rodriguez, Chief, Contract Management Unit | | |
| Address 1501 Capitol Avenue, Suite 71.5195, MS 1403, P.O. Box 997413, Sacramento, CA 95899-7413 | | |

APPROVED AS TO FORM
County Counsel

APPROVED
BOARD OF SUPERVISORS
COUNTY OF NAPA
CLERK OF THE BOARD
BY

V. Paragraph 4 (incorporated exhibits) on the face of the original STD 213 is amended to add the following revised exhibit.

Exhibit A, Attachment I A1– Program Specification (41 pages)

All references to Exhibit A, Attachment I – Program Specifications in any exhibit incorporated into this agreement shall hereinafter be deemed to read Exhibit A, Attachment I A1 – Program Specifications. Exhibit A, Attachment I is hereby replaced in its entirety by the attached revised exhibit.

VI. Paragraph 4 (incorporated exhibits) on the face of the original STD 213 is amended to add the following revised exhibit:

Exhibit B A1 - Budget Detail and Payment Provisions (20 pages)

All references to Exhibit B – Budget Detail and Payment Provisions in any exhibit incorporated into this agreement shall hereinafter be deemed to read Exhibit B A1– Budget Detail and Payment Provisions. Exhibit B is hereby replaced in its entirety by the attached revised exhibit.

VII. Paragraph 4 (incorporated exhibits) on the face of the STD 213 is amended to add the following revised exhibit:

Exhibit B Attachment I A2 – Funding Amounts (1 page)

All references to Exhibit B Attachment I A1, in any exhibit incorporated into this agreement shall hereinafter be deemed to read Exhibit B Attachment I A2. Exhibit B Attachment I A1 is hereby replaced in its entirety by the attached revised exhibit.

VIII. All other terms and conditions shall remain the same.

ATTEST:
Clerk of the Board of Supervisors
By: Gladys I. Coil

**APPROVED AS TO FORM**
**Napa County Counsel**
By: [signature]
Date: 9/6/15
Doc Title: #14-90075 A02

APPROVED 10/20/15
BOARD OF SUPERVISORS
COUNTY OF NAPA
GLADYS I. COIL
CLERK OF THE BOARD
BY [signature] Deputy

# Exhibit A, Attachment I A1
# Program Specifications

## Part I - General

A. Additional Contract Restrictions

This Contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress, or any statute enacted by the Congress, which may affect the provisions, terms, or funding of this Contract in any manner.

B. Nullification of Drug Medi-Cal (DMC) Treatment Program substance use disorder services (if applicable)

The parties agree that if the Contractor fails to comply with the provisions of Welfare and Institutions Code (W&I) Section 14124.24, all areas related to the DMC Treatment Program substance use disorder services shall be null and void and severed from the remainder of this Contract.

In the event the Drug Medi-Cal Treatment Program Services component of this Contract becomes null and void, an updated Exhibit B, Attachment I **A2** I will take effect reflecting the removal of federal Medicaid funds and DMC State General Funds from this Contract. All other requirements and conditions of this Contract will remain in effect until amended or terminated.

C. Hatch Act

Contractor agrees to comply with the provisions of the Hatch Act (Title 5 USC, Sections 1501-1508), which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

D. No Unlawful Use or Unlawful Use Messages Regarding Drugs

Contractor agrees that information produced through these funds, and which pertains to drug and alcohol - related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug or alcohol - related program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (HSC Section 11999-11999.3). By signing this Contract, Contractor agrees that it will enforce, and will require its Subcontractors to enforce, these requirements.

E. Noncompliance with Reporting Requirements

Contractor agrees that the State has the right to withhold payments until Contractor has submitted any required data and reports to the State, as identified in Exhibit A, Attachment I A1, Part III – Reporting Requirements, or as identified in Document 1F(a), Reporting Requirements Matrix for Counties.

F. Limitation on Use of Funds for Promotion of Legalization of Controlled Substances

None of the funds made available through this Contract may be used for any activity that promotes the legalization of any drug or other substance included in Schedule I of Section 202 of the Controlled Substances Act (21 USC 812).

G. Restriction on Distribution of Sterile Needles

No **Substance Abuse Prevention and Treatment (SAPT) Block Grant** funds made available through this Contract shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug unless the State chooses to implement a demonstration syringe services program for injecting drug users. ~~with Substance Abuse Prevention and Treatment Block Grant funds.~~

H. Health Insurance Portability and Accountability Act (HIPAA) of 1996

If any of the work performed under this Contract is subject to the HIPAA, then Contractor shall perform the work in compliance with all applicable provisions of HIPAA. As identified in Exhibit G, the State and County shall cooperate to assure mutual agreement as to those transactions between them, to which this Provision applies. Refer to Exhibit G for additional information.

1. Trading Partner Requirements

(a) No Changes. Contractor hereby agrees that for the personal health information (Information), it will not change any definition, data condition or use of a data element or segment as proscribed in the federal HHS Transaction Standard Regulation. (45 CFR Part 162.915 (a))

(b) No Additions. Contractor hereby agrees that for the Information, it will not add any data elements or segments to the maximum data set as proscribed in the HHS Transaction Standard Regulation. (45 CFR Part 162.915 (b))

(c) No Unauthorized Uses. Contractor hereby agrees that for the Information, it will not use any code or data elements that either are marked "not used" in the HHS Transaction's Implementation specification or are not in the HHS Transaction Standard's implementation specifications. (45 CFR Part 162.915 (c))

(d) No Changes to Meaning or Intent. Contractor hereby agrees that for the Information, it will not change the meaning or intent of any of the HHS Transaction Standard's implementation specification. (45 CFR Part 162.915 (d))

2. Concurrence for Test Modifications to HHS Transaction Standards

Contractor agrees and understands that there exists the possibility that the State or others may request an extension from the uses of a standard in the HHS Transaction Standards. If this occurs, Contractor agrees that it will participate in such test modifications.

3. Adequate Testing

Contractor is responsible to adequately test all business rules appropriate to their types and specialties. If the Contractor is acting as a clearinghouse for enrolled providers, Contractor has obligations to adequately test all business rules appropriate to each and every provider type and specialty for which they provide clearinghouse services.

4. Deficiencies

Contractor agrees to cure transactions errors or deficiencies identified by the State, and transactions errors or deficiencies identified by an enrolled provider if the Contractor is acting as a clearinghouse for that provider. When County is a clearinghouse, Contractor agrees to properly communicate deficiencies and other pertinent information regarding electronic transactions to enrolled providers for which they provide clearinghouse services.

5. Code Set Retention

Both Parties understand and agree to keep open code sets being processed or used in this Agreement for at least the current billing period or any appeal period, whichever is longer.

6. Data Transmission Log

Both Parties shall establish and maintain a Data Transmission Log, which shall record any and all Data Transmission taking place between the Parties during the term of this Contract. Each Party will take necessary and reasonable steps to ensure that such Data Transmission Logs constitute a current, accurate, complete, and unaltered record of any and all Data Transmissions between the Parties, and shall be retained by each Party for no less than twenty-four (24) months following the date of the Data Transmission. The Data Transmission Log may be maintained on computer media or other suitable means provided that, if it is necessary to do so, the information contained in the Data Transmission Log may be retrieved in a timely manner and presented in readable form.

I. Nondiscrimination and Institutional Safeguards for Religious Providers

Contractor shall establish such processes and procedures as necessary to comply with the provisions of Title 42, USC, Section 300x-65 and Title 42, CFR, Part 54, (Reference Document 1B).

J. Counselor Certification

Any counselor providing intake, assessment of need for services, treatment or recovery planning, individual or group counseling to participants, patients, or residents in a DHCS licensed or certified program is required to be certified as defined in Title 9, CCR, Division 4, Chapter 8. (Document 3H)

K. Cultural and Linguistic Proficiency

To ensure equal access to quality care by diverse populations, each service provider receiving funds from this contract shall adopt the federal Office of Minority Health Culturally and Linguistically Appropriate Service (CLAS) national standards (Document 3V).

L. Intravenous Drug Use (IVDU) Treatment

Contractor shall ensure that individuals in need of IVDU treatment shall be encouraged to undergo alcohol and other drug (AOD) treatment (42 USC 300x-23(b) of PHS Act).

M. Tuberculosis Treatment

Contractor shall ensure the following related to Tuberculosis (TB):

1. Routinely make available TB services to each individual receiving treatment for alcohol and other drug use and/or abuse;

2. Reduce barriers to patients' accepting TB treatment; and,

3. Develop strategies to improve follow-up monitoring, particularly after patients leave treatment, by disseminating information through educational bulletins and technical assistance.

N. Trafficking Victims Protection Act of 2000

Contractor and its Subcontractors that provide services covered by this Contract shall comply with Section 106(g) of the Trafficking Victims Protection Act of 2000 as amended (22 U.S.C. 7104). For full text of the award term, go to:
~~http://www.samhsa.gov/grants/trafficking.aspx~~
**http://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title22-section7104d&num=0&edition=prelim**

O. Tribal Communities and Organizations

Contractor shall regularly assess (e.g. review population information available through Census, compare to information obtained in CalOMS Treatment to determine whether population is being reached, survey Tribal representatives for insight in potential barriers) the substance use service needs of the American Indian/Alaskan Native (AI/AN) population within the County geographic area and shall engage in regular and meaningful consultation and collaboration with elected officials of the tribe, Rancheria, or their designee for the purpose of identifying issues/barriers to service delivery and improvement of the quality, effectiveness and accessibility of services available to AI/NA communities within the County.

P. Participation of County Alcohol and Drug Program Administrators Association of California **and County Behavioral Health Director's Association of California**.

Pursuant to HSC Section 11801(g), the **county** AOD **program** administrator shall participate and represent the county in meetings of the County Alcohol and Drug Program Administrators Association of California for the purposes of representing the counties in their relationship with the ~~s~~**S**tate with respect to policies, standards, and administration for alcohol and other drug abuse services. **Participation and representation shall also be provided by the County Behavioral Health Director's Association of California.**

Pursuant to HSC Section 11811.5(c), the county ~~alcohol and drug~~**AOD** program administrator shall attend any special meetings called by the Director of DHCS. **Participation and representation shall also be provided by the County Behavioral Health Director's Association of California.**

Q. Youth Treatment Guidelines

Contractor will follow the guidelines in Document 1V, incorporated by this reference, "Youth Treatment Guidelines," in developing and implementing youth treatment programs funded under this Exhibit, until such time new Youth Treatment Guidelines are established and adopted. No formal amendment of this contract is required for new guidelines to apply.

R. Restrictions on Grantee Lobbying – Appropriations Act Section 503

No part of any appropriation contained in this Act shall be ~~sued~~ **used**, other than for formal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support **or** defeat legislation pending before the Congress, ~~except in presentation to the Congress itself or any State legislature~~, except in presentation to the Congress or any State legislative body itself.

No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent **acting** ~~during~~ for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any State legislature.

S. Nondiscrimination in Employment and Services

By signing this Contract, Contractor certifies that under the laws of the United States and the State of California, incorporated into this Contract by reference and made a part hereof as if set forth in full, Contractor will not unlawfully discriminate against any person.

T. Federal Law Requirements:

1. Title VI of the Civil Rights Act of 1964, Section 2000d, as amended, prohibiting discrimination based on race, color, or national origin in federally funded programs.

2. Title VIII of the Civil Rights Act of 1968 (42 USC 3601 et seq.) prohibiting discrimination on the basis of race, color, religion, sex, handicap, familial status or national origin in the sale or rental of housing.

3. Age Discrimination Act of 1975 (45 CFR Part 90), as amended (42 USC Sections 6101 – 6107), which prohibits discrimination on the basis of age.

4. Age Discrimination in Employment Act (29 CFR Part 1625).

5. Title I of the Americans with Disabilities Act (29 CFR Part 1630) prohibiting discrimination against the disabled in employment.

6. Title II of the Americans with Disabilities Act (28 CFR Part 35) prohibiting discrimination against the disabled by public entities.

7. Title III of the Americans with Disabilities Act (28 CFR Part 36) regarding access.

8. Section 504 of the Rehabilitation Act of 1973, as amended (29 USC Section 794), prohibiting discrimination on the basis of handicap.

9. Executive Order 11246 (42 USC 2000(e) et seq. and 41 CFR Part 60) regarding nondiscrimination in employment under federal contracts and construction contracts greater than $10,000 funded by federal financial assistance.

10. Executive Order 13166 (67 FR 41455) to improve access to federal services for those with limited English proficiency.

11. The Drug Abuse Office and Treatment Act of 1972, as amended, relating to nondiscrimination on the basis of drug abuse.

12. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism.

U. State Law Requirements:

1. Fair Employment and Housing Act (Government Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.).

2. Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section 11135.

3. Title 9, Division 4, Chapter 8 of the CCR, commencing with Section 10800

4. No state or federal funds shall be used by the Contractor or its Subcontractors for sectarian worship, instruction, or proselytization. No state funds shall be used by the Contractor or its Subcontractors to provide direct, immediate, or substantial support to any religious activity.

5. Noncompliance with the requirements of nondiscrimination in services shall constitute grounds for state to withhold payments under this Contract or terminate all, or any type, of funding provided hereunder.

V. This Contract is subject to any additional restrictions, limitations, or conditions enacted by the federal or state governments after affect the provisions, terms, or funding of this Contract in any manner.

W. Subcontract Provisions

Contractor shall include all of the foregoing provisions in all of its subcontracts.

## Exhibit A, Attachment I A1
## Program Specifications

### Part II – Definitions

**Section 1 - General Definitions.**

The words and terms of this Contract are intended to have their usual meanings unless a particular or more limited meaning is associated with their usage pursuant to Division 10.5 of HSC, Section 11750 et seq., and Title 9, CCR, Section 9000 et seq.

A. **"Available Capacity"** means the total number of units of service (bed days, hours, slots, etc.) that a Contractor actually makes available in the current fiscal year.

B. **"Contractor"** means the county identified in the Standard Agreement or the department authorized by the County Board of Supervisors to administer substance use disorder programs.

C. **"Corrective Action Plan" (CAP)** means the written plan of action document which the Contractor or its subcontracted service provider develops and submits to DHCS to address or correct a deficiency or process that is non-compliant with laws, regulations or standards.

D. **"County"** means the county in which the Contractor physically provides covered substance use treatment services.

E. **"County Realignment Funds"** means Behavioral Health Subaccount funds received by the county as per California Code Section 30025.

F. **"Days"** means calendar days, unless otherwise specified.

G. **"Dedicated Capacity"** means the historically calculated service capacity, by modality, adjusted for the projected expansion or reduction in services, which the Contractor agrees to make available to provide non-Drug Medi-Cal substance use disorder services to persons eligible for Contractor services.

H. **"Final Allocation"** means the amount of funds identified in the last allocation letter issued by the State for the current fiscal year.

I. **"Final Settlement"** means permanent settlement of the Contractor's actual allowable costs or expenditures as determined at the time of audit, which shall be completed within three years of the date the year-end cost settlement report was accepted for interim settlement by the State. If the audit is not completed within three years, the interim settlement shall be considered as the final settlement.

J. **"Interim Settlement"** means temporary settlement of actual allowable costs or expenditures reflected in the Contractor's year-end cost settlement report.

K. **"Maximum Payable"** means the encumbered amount reflected on the Standard Agreement of this Contract and supported by Exhibit B, Attachment I **A2**.

L. **"Modality"** means those necessary overall general service activities to provide substance use disorder services as described in Division 10.5 of the HSC.

M. **"Non-Drug Medi-Cal Amount"** means the contracted amount of SAPT Block Grant funds for services agreed to by the State and the Contractor.

N. **"Performance"** means providing the dedicated capacity in accordance with Exhibit B, Attachment I **A2**, and abiding by the terms of this Exhibit A, including all applicable state and federal statutes, regulations, and standards, including Alcohol and/or Other Drug Certification Standards (Document 1P), in expending funds for the provision of alcohol and drug services hereunder.

O. **"Preliminary Settlement"** means the settlement of only SAPT funding for counties that do include DMC funding.

P. **"Revenue"** means Contractor's income from sources other than the State allocation.

Q. **"Service Area"** means the geographical area under Contractor's jurisdiction.

R. **"Service Element"** is the specific type of service performed within the more general service modalities. A list of the service modalities and service elements and service elements codes is incorporated into this Contract as Document 1H(a) "Service Code Descriptions".

S. **"State"** means the Department of Health Care Services or DHCS.

~~T. **"Unit of Service"** means the type of unit used to quantify the service modalities/elements. The units of services are listed below:~~

| | |
|---|---|
| ~~Support Services~~ | ~~staff hours~~ |
| ~~Primary Prevention Services~~ | ~~N/A~~ |
| ~~Secondary Prevention Services~~ | ~~staff hours~~ |
| ~~Nonresidential Services (Outpatient and Aftercare)~~ | ~~staff hours~~ |
| ~~Intensive Outpatient Services~~ | ~~visit days~~ |
| ~~Residential Treatment Services~~ | ~~bed days~~ |
| ~~Narcotic Treatment Program~~ | |
| ~~Inpatient Detoxification~~ | ~~bed days~~ |
| ~~Outpatient Detoxification~~ | ~~slot days~~ |
| ~~Narcotic Replacement Therapy~~ | ~~slot days~~ |
| ~~Methadone~~ | |
| ~~Ancillary Services~~ | ~~staff hours~~ |
| ~~Driving Under-the-Influence~~ | ~~persons served~~ |

~~U.~~ T. **"Utilization"** means the total actual units of service used by clients and participants.

## Section 2 – Definitions Specific to Drug Medi-Cal

The words and terms of this Contract are intended to have their usual meaning unless a specific or more limited meaning is associated with their usage pursuant to the HSC, Title 9, and/or Title 22. Definitions of covered treatment modalities and services are found in Title 22 (Document 2C) and are incorporated by this reference.

A. **"Administrative Costs"** means the Contractor's actual direct costs, as recorded in the Contractor's financial records and supported by source documentation, to administer the program or an activity to provide service to the DMC program. Administrative costs do not include the cost of treatment or other direct services to the beneficiary. Administrative costs may include, but are not limited to, the cost of training, programmatic and financial audit reviews, and activities related to billing. Administrative costs may include Contractor's overhead per the approved indirect cost rate proposal pursuant to OMB Circular A-87 and the State Controller's Office Handbook of Cost Plan Procedures.

B. **"Authorization"** is the approval process for DMC Services prior to the submission of a DMC claim.

C. **"Beneficiary"** means a person who: (a) has been determined eligible for Medi-Cal; (b) is not institutionalized; (c) has a substance-related disorder per the "Diagnostic and Statistical Manual of Mental Disorders III Revised (DSM)," and/or DSM IV criteria; and (d) meets the admission criteria to receive DMC covered services.

D. **"Certified Provider"** means a substance use disorder clinic and/or satellite clinic location that has received certification to be reimbursed as a DMC clinic by the State to provide services as described in Title 22, California Code of Regulations, Section 51341.1.

E. **"Covered Services"** means those DMC services authorized by Title XIX or Title XXI of the Social Security Act; Title 22 Section 51341.1; W&I Section 14124.24; and California's Medicaid State Plan.

F. **"Direct Provider Contract"** means a contract established between the State and a Drug Medi-Cal certified provider entered into pursuant to this Agreement for the provision of Drug Medi-Cal services.

G. **"Drug Medi-Cal Program"** means the state system wherein beneficiaries receive covered services from DMC-certified substance use disorder treatment providers.

H. **"Drug Medi-Cal Termination of Certification"** means the provider is no longer certified to participate in the Drug Medi-Cal program upon the State's issuance of a Drug Medi-Cal **certification termination notice.** ~~Termination of Certification termination notice.~~

I. **"Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT)"** means the federally mandated Medicaid benefit that entitles full-scope Medi-Cal-covered beneficiaries less than 21 years of age to receive any Medicaid service necessary to correct or ameliorate a defect, mental illness, or other condition, such as a substance-related disorder, that is discovered during a health screening.

~~J.~~ ~~**"EPSDT (Supplemental Service)"** means the supplemental individual outpatient drug-free (ODF) counseling services provided to beneficiaries eligible for the EPSDT program. Supplemental individual ODF counseling consists of any necessary individual substance use disorder counseling not otherwise included in the ODF counseling modality under the DMC program.~~

~~K.~~ J. **"Provider Certification"** means the provider must be certified in order to participate in the Medi-Cal program.

~~L.~~ K. **"Federal Financial Participation (FFP)"** means the share of federal Medicaid funds for reimbursement of DMC services.

~~M.~~ L. **"Medical Necessity"** means those substance use treatment services that are reasonable and necessary to protect life, prevent significant illness or disability, or alleviate severe pain through the diagnosis and treatment of a disease, illness, or injury or, in the case of EPSDT, services that meet the criteria specified in Title 22, Sections 51303 and 51340.1.

~~N.~~ M. **"Minor Consent DMC Services"** are those covered services that, pursuant to Family Code Section 6929, may be provided to persons 12-20 years old without parental consent.

~~O.~~ N. **"Narcotic Treatment Program"** means an outpatient clinic licensed by the State to provide narcotic replacement therapy directed at stabilization and rehabilitation of persons who are opiate-addicted and have a substance use diagnosis.

~~P.~~ O. **"Payment Suspension"** means the Drug Medi-Cal certified provider has been issued a notice pursuant to W&I 14107.11 and is not authorized to receive payments after the payment suspension date for DMC services, regardless of when the service was provided.

~~Q.~~ P. **"Perinatal DMC Services"** means covered services as well as mother/child habilitative and rehabilitative services; services access (i.e., provision or arrangement of transportation to and from medically necessary treatment); education to reduce harmful effects of alcohol and drugs on the mother and fetus or infant; and coordination of ancillary services (Title 22, Section 51341.1(c) 4).

~~R.~~ Q. **"Postpartum"**, as defined for DMC purposes, means the 60-day period beginning on the last day of pregnancy, regardless of whether other conditions of eligibility are met. Eligibility shall end on the last day of the calendar month in which the 60th day occurs.

~~S.~~ R. **"Post Service Post Payment (PSPP) Utilization Review"** means the review for program compliance and medical necessity conducted by the State after service was rendered and paid. State may recover prior payments of Federal and State funds if such review determines that the services did not comply with the applicable statutes, regulations, or standards (**CCR, Title 22**, ~~Cal. Code Regs. Tit. 22,~~ Section 51341.1).

~~T.~~ S. **"Projected Units of Service"** means the number of reimbursable DMC units of service, based on historical data and current capacity, the Contractor expects to provide on an annual basis.

~~U.~~ T. **"Provider of DMC Services"** means any person or entity that provides direct substance use treatment services and has been certified by State as meeting the standards for participation in the DMC program set forth in the "DMC Certification Standards for Substance Abuse Clinics", Document 2E and "Standards for Drug Treatment Programs (October 21, 1981)", Document 2F.

~~V.~~ U. **"Re-certification"** means the process by which the certified clinic and/or satellite program is required to submit an application and specified documentation, as determined by DHCS, to remain eligible to participate in and be reimbursed in through the DMC program. Re-certification shall occur no less than every five years from date of previous DMC certification or re-certification.

~~W.~~ ~~**"Satellite Site"** has the same meaning as defined in the DMC Certification Standards for Substance Abuse Clinics.~~

~~X.~~ V. **"Statewide Maximum Allowances (SMA)"** means the maximum amount authorized to be paid by DMC for each covered unit of service for outpatient drug free, intensive outpatient treatment, perinatal residential, and Naltrexone treatment services. While the rates are approved by the State, they are subject to change through the regulation process. The SMA for FY ~~2014-15~~**2015-16** is listed in the "Unit of Service" table in Exhibit B **A1**, Part V.

~~Y.~~ W. **"Subcontract"** means an agreement between the Contractor and its Subcontractors. A Subcontractor shall not delegate its obligation to provide covered services or otherwise subcontract for the provision of direct patient/client services.

~~Z.~~ X. **"Subcontractor"** means an individual or entity that is DMC certified and has entered into an agreement with the Contractor to be a provider of covered services. It may also mean a vendor who has entered into a procurement agreement with the Contractor to provide any of the administrative functions related to fulfilling the Contractor's obligations under the terms of this Exhibit A, Attachment I **A1**.

~~AA.~~ Y. **"Temporary Suspension"** means the provider is temporarily suspended from participating in the DMC program as authorized by W&I Section 14043.36(a). The provider cannot bill for DMC services from the effective date of the temporary suspension.

**Exhibit A, Attachment I A1**
**Program Specifications**

**Part III – Reporting Requirements**

Contractor agrees that the State has the right to withhold payments until Contractor has submitted any required data and reports to the State, as identified in this Exhibit A, Attachment I **A1** or as identified in Document 1F(a), Reporting Requirement Matrix for Counties.

A. Quarterly Federal Financial Management Report (QFFMR)

The QFFMR must be submitted to reflect quarterly SAPTBG expenditures.

For the beginning of each federal award year, the due dates are:

March 1 for the period October through December
June 1 for the period January through March
September 1 for the period April through June
December 1 for the period July through September

B. Year-End Cost Settlement Reports

Pursuant to W&I Section 14124.24 Contractor shall submit to the State, on November 1 of each year, the following year-end cost settlement documents by paper or electronic**, as prescribed by the State,** submission for the previous fiscal year:

1. Document 2P, County Certification Year-End Claim for Reimbursement

2. Document 2P(a) and 2P(b), Drug Medi-Cal Cost Report Forms for Intensive Outpatient Treatment for Non-Perinatal or Perinatal (if applicable)

3. Document 2P(c) and 2P(d), Drug Medi-Cal Cost Report Forms for Outpatient Drug Free Individual Counseling for Non-Perinatal or Perinatal (if applicable)

4. Document 2P(e) and 2P(f), Drug Medi-Cal Cost Report Forms for Outpatient Drug Free Group Counseling for Non-Perinatal or Perinatal (if applicable)

5. Document 2P(g), Drug Medi-Cal Cost Report Forms for Residential for Perinatal (if applicable)

6. Document 2P(h) and 2P(i), Drug Medi-Cal Expenditure Forms for Narcotic Treatment Programs for Non-Perinatal or Perinatal (if applicable)

~~Electronic program as prescribed by the State that contains the detailed cost report data.~~

C. Drug Medi-Cal Claims and Reports

Contractors or providers that bill the State or the County for services identified in Section 51516.1 of Title 22 shall submit claims in accordance with the Department of Health Care Services DMC Provider Billing Manual.

Claims for DMC reimbursement shall include only those services covered under Title 22, Section 51341.1(c-d) and administrative charges that are allowed under W&IC, Sections 14132.44 and 14132.47.

1. Contractor shall certify the public expenditure **reflecting the approved amount of the 837P claim file.** ~~was made prior to submitting a claim for reimbursement.~~ Contractor shall submit the "Certified Public Expenditure" form **after the claims have been adjudicated.** ~~at the time of submitting the electronic Drug Medi-Cal claim, 42 CFR Section 433.51.~~ Contractor shall submit to the State the Drug Medi-Cal Certification Form DHCS Form DHCS 100224A (Document 4D) for each **835 transaction approved** ~~claim file submitted~~ for reimbursement of the federal Medicaid funds.

2. DMC service claims shall be submitted electronically in a Health Insurance Portability and Accountability Act (HIPAA) compliant format (837P). All adjudicated claim information must be retrieved by the Contractor via an 835 HIPAA compliant format (Health Care Claim Payment/Advice).

3. The following forms shall be prepared as needed and retained by the provider for review by State staff:

   (a) Multiple Billing Override Certification (MC 6700), Document 2K

   (b) Good Cause Certification (~~MC~~ 6065A), Document 2L(a)

   (c) Good Cause Certification (~~MC~~ 6065B), Document 2L(b)

   In the absence of good cause documented on the Good Cause Certification (~~MC~~ 6065A or 6065B) form, claims that are not submitted within 30 days of the end of the month of service shall be denied. The existence of good cause shall be determined by the State in accordance with Title 22, CCR, Sections 51008 and 51008.5.

4. Certified Public Expenditure County Administration

   Separate from direct service claims as identified in #2 above, county may submit an invoice for administrative costs for administering the DMC program on a quarterly basis. The form requesting reimbursement shall be submitted to DHCS.

5. If while completing the Utilization Review and Quality Assurance requirements of this Exhibit A, Attachment I **A1**, Part V, Section 4 any of the Contractor's skilled professional medical and personnel and directly supporting staff meet the criteria set forth in 42 C.F.R. 432.50(d)(1), then the Contractor shall submit a written request that specifically demonstrates how the skilled professional medical personnel and directly supporting staff meet all of the applicable criteria set forth in 42 C.F.R. 432.50(5)(1) and outlines the duties they will perform to assist the Department, or the Department's skilled professional medical personnel, in activities that are directly related to the administration of the Drug Medi-Cal Program. The Department shall respond to the Contractor's written request within 20 days with either a written agreement pursuant to 42 C.F.R. 432.50(d)(2) approving the request or a written explanation as to why the Department does not agree that the Contractor's skilled professional medical personnel and directly supporting staff do not meet the criteria set forth in 42 C.F.R. 432.50(d)(1).

D. California Outcomes Measurement System (CalOMS) for Treatment (CalOMS-Tx)

The CalOMS-Tx business rules and requirements are:

1. Contractor contracts with a software vendor that complies with the CalOMS-Tx data collection system requirements for submission of CalOMS-Tx data. A Business Associate Agreement (BAA) must be established between the Contractor and the software vendor. The BAA must state that DHCS is allowed to return the processed CalOMS-Tx data to the vendor that supplied the data to DHCS.

2. Contractor shall conduct information technology (IT) systems testing and pass State certification testing before commencing submission of CalOMS-Tx data. If the Contractor subcontracts with vendor for IT services, Contractor is responsible for ensuring that the subcontracted IT system is tested and certified by the DHCS prior to submitting CalOMS-Tx data. If Contractor changes or modifies the CalOMS-Tx IT system, then Contractor shall re-test and pass state re-certification prior to submitting data from new or modified system.

3. Electronic submission of CalOMS-Tx data is due 45 days from the end of the last day of the report month.

4. Contractor shall comply with data collection and reporting requirements established by the DHCS CalOMS-Tx Data Collection Guide (Document 3J) and all former Department of Alcohol and Drug Programs Bulletins and DHCS Information Notices relevant to CalOMS-Tx data collection.

5. Contractor shall submit CalOMS-Tx admission, discharge, annual update, resubmissions of records containing errors or in need of correction, and "provider no activity" report records in an electronic format approved by DHCS.

6. Contractor shall comply with the CalOMS-Tx Data Compliance Standards established by DHCS identified in Document 3S for reporting data content, data quality, data completeness, reporting frequency, reporting deadlines, and reporting method.

7. Contractor shall participate in CalOMS-Tx informational meetings, trainings, and conference calls.

8. Contractor shall implement and maintain a system for collecting and electronically submitting CalOMS-Tx data.

9. Contractor shall meet the requirements as identified in Exhibit G, Privacy and Information Security Provisions and Exhibit G, Attachment I – SSA Agreement 2014.

E. California Outcomes Measurement ~~System~~ **Service** ~~(CalOMS)~~ for Prevention (CalOMS-Pv)

The CalOMS-Pv Business Rules and Requirements are:

1. **Contractors and/or Subcontractors receiving Substance Abuse Prevention and Treatment (SAPT) Primary Prevention Set-Aside funding must input planning, service/activity and evaluation data into CalOMS Pv. When submitting data, Contractor must comply with the CalOMS Pv Data Quality Standards (Document #1T).** ~~By utilization of the CalOMS Prevention User Manual, Contractor shall comply with requirements which address the collection of information required in the SAPT Block Grant.~~

2. **Contractor must report services/activities by the date of occurrence on an ongoing basis throughout each month. Contractor shall submit all data for each month no later than the 10th day of the following month.** ~~Prevention services/activity data is to be reported by CalOMS-Pv by all funded primary prevention providers. Services are to be reported by the date of occurrence on a monthly basis. No more than one week's data shall be aggregated into one reported service~~.

3. **Contractor must review all data input into CalOMS Pv on a quarterly basis. Contractor shall verify that the data meets the CalOMS Pv Data Quality Standards by reviewing and releasing the data. Certification is due by the last day of the month following the end of the quarter.** ~~All CalOMS-Pv service/activity data shall be reviewed by each county and released to the State no later than 30 days following the close of each quarter. The reporting quarters are: July through September; October through December; January through March; and April through June.~~

4. **Contractor must report progress to DHCS via CalOMS Pv for the goals and objectives in the County Strategic Prevention Plan (as described in Exhibit A, Attachment 1 A1, Part IV, Section 1B. 2) on an annual basis by September 30th of each fiscal year.** ~~Reporting progress on prevention goals and objectives via the Evaluation Module within CalOMS-Pv shall be done on an annual basis. This information is due no later than September 30th of each fiscal year.~~

5. If **Contractor cannot meet the established due dates, a written request for an extension must be submitted to DHCS 10-days prior to the due date.** ~~the Contractor cannot submit CalOMS-Pv data by the established due dates, the~~

~~Contractor shall submit a written request for an extension. The DHCS will make a decision and issue a written response on the request for an extension prior to the established due date.~~

6. **In order to ensure that all persons responsible for CalOMS Pv data entry have sufficient knowledge of the CalOMS Pv Data Quality Standards, all new CalOMS Pv users, whether employed by the Contractor or its Subcontractors, shall participate in CalOMS Pv trainings prior to inputting data into the system.**~~Contractor shall participate in CalOMS-Pv informational meetings, trainings, and conference calls.~~

F. CalOMS-Tx and CalOMS-Pv General Information

1. If the Contractor experiences system or service failure or other extraordinary circumstances that affect its ability to timely submit CalOMS-Tx and/or CalOMS-Pv data, and or meet other CalOMS-Tx and/or CalOMS-Pv data compliance requirements, Contractor shall report the problem in writing before the established data submission deadlines. The written notice shall include a remediation plan that is subject to review and approval by the State. A grace period of up to sixty (60) days may be granted, at the State's sole discretion, for the Contractor to resolve the problem before non-DMC payments are withheld.

2. If the State experiences system or service failure, no penalties will be assessed to the Contractor for late data submission.

3. Contractor shall comply with the treatment and prevention data quality standards established by the State. Failure to meet these standards on an ongoing basis may result in withholding non-DMC funds.

4. If the Contractor submits data after the established deadlines, due to a delay or problem, Contractor is still responsible for collecting and reporting data from time of delay or problem.

G. Drug and **Alcohol** Treatment Access Report (DATAR)

The DATAR business rules and requirements are:

1. The Contractor shall be responsible for ensuring that the Contractor-operated treatment services and all treatment providers with whom Contractor makes a contract or otherwise pays for the services, submit a monthly DATAR report in an electronic copy format as provided by the State.

   In those instances where the Contractor maintains, either directly or indirectly, a central intake unit or equivalent which provides intake services including a waiting list, the Contractor shall identify and begin submitting monthly DATAR reports for the central intake unit by a date to be specified by the State.

2. The Contractor shall ensure that all DATAR reports are submitted by either Contractor-operated treatment services and by each subcontracted treatment provider to the State by the 10th of the month following the report activity month.

3. The Contractor shall ensure that all applicable providers are enrolled in the State's web-based DATARWeb program for submission of data, accessible on the DHCS website when executing the subcontract.

4. If the Contractor or its subcontractor experiences system or service failure or other extraordinary circumstances that affect its ability to timely submit a monthly DATAR report, and/or to meet data compliance requirements, the Contractor shall report the problem in writing before the established data submission deadlines. The written notice shall include a corrective action plan that is subject to review and approval by the State. A grace period of up to sixty (60) days may be granted, at the State's sole discretion, for the Contractor to resolve the problem before non-DMC payments are withheld (See Exhibit B **A1**, Part II, Section 2).

5. If the State experiences system or service failure, no penalties will be assessed to Contractor for late data submission.

6. The Contractor shall be considered compliant if a minimum of 95% of required DATAR reports from the Contractor's treatment providers are received by the due date.

H. Charitable Choice

Contractor shall submit annually the total number of referrals necessitated by religious objection to other alternative substance abuse providers. This information must be submitted to DHCS in a format prescribed by DHCS and at time required by DHCS (reference ADP Bulletin 04-5).

I. Subcontractor Documentation

Contractor shall require its Subcontractors that are not licensed or certified by the State to submit organizational documents to the State within thirty (30) days of its execution of an initial subcontract, within ninety (90) days of the renewal or continuation of an existing subcontract or when there has been a change in Subcontractor name or ownership. Organizational documents shall include the Subcontractor's Articles of Incorporation or Partnership Agreements (as applicable), and business licenses, fictitious name permits, and such other information and documentation as may be requested by the State.

J. Failure to meet required reporting requirements shall result in:

1. The DHCS will issue a Notice of Deficiency (Deficiencies) to Contractor regarding specified providers with a deadline to submit the required data and a request for a Corrective Action Plan (CAP) to ensure timely reporting in the future. The State will approve or reject the CAP or request revisions to the CAP which shall be resubmitted to the State within thirty (30) days.

2. If the Contractor has not ensured compliance with the data submission or CAP request within the designated timeline, then the State may withhold funds until all data is submitted. The State shall inform the Contractor when funds will be withheld.

**Exhibit A, Attachment I A1**
**Program Specifications**

**PART IV – Non-Drug Medi-Cal Substance Use Disorder Prevention and Treatment Services**

**Section 1. General Provisions**

A. Restrictions on Salaries

Contractor agrees that no part of any federal funds provided under this Contract shall be used by the Contractor or its Subcontractors to pay the salary and wages of an individual at a rate in excess of Level I of the Executive Schedule. Salary and wages schedules may be found at http://www.opm.gov/oca. SAPT Block Grant funds used to pay a salary in excess of the rate of basic pay for Level I of the 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 SAPT Block Grant funds (Reference: Terms and Conditions of the SAPT Block Grant award.)

B. Primary Prevention

1. The SAPT Block Grant regulation defines "Primary Prevention Programs" as those programs directed at "individuals who have not been determined to require treatment for substance abuse" (45 CFR 96.121). Primary Prevention includes strategies, programs and initiatives which reduce both direct and indirect adverse personal, social, health, and economic consequences resulting from problematic AOD availability, manufacture, distribution, promotion, sales, and use. The desired result of primary prevention is to promote safe and healthy behaviors and environments for individuals, families and communities. The Contractor shall expend not less than its allocated amount of the ~~Substance Abuse Prevention and Treatment (~~SAPT~~)~~ Block Grant on primary prevention as described in the SAPT Block Grant requirements (45 CFR 96.125). Inappropriate use of these funds for non-primary prevention services will require repayment of SAPT Block Grant funds.

2. **Contractor is required to have a current and DHCS approved County Strategic Prevention Plan (SPP). The SPP must demonstrate that the County utilized the Substance Abuse and Mental Health Services Administration's Strategic Prevention Framework (SPF) in developing the plan as described at http://captus.samhsa.gov/access-resources/about-strategic-prevention-framework-spf. DHCS will only approve SPP's that demonstrate that the Contractor utilized the SPF. Contractor must:**

   a) **Follow the DHCS guidelines provided in the Strategic Prevention Framework Plan Resource Document located in the CalOMS Pv Library.**
   b) **Begin preparing a new SPP at least 9-months prior to the expiration date of the current SPP.**

c) **Submit a timeline to DHCS for completion of the SPP that includes proposed dates for submitting each section of the SPP. The sections are outlined in the Strategic Prevention Framework Plan Resource Document.**
d) **Submit a draft to DHCS, based on the timeline, for each section of the SPP for review and approval.**
e) **Submit to DHCS the final draft of the SPP no later than 30-days prior to the start date of the new SPP.**
f) **Upload an electronic copy of the approved SPP into CalOMS Pv within 10-days of approval.**
g) **Input the Problem Statements, Goals and Objectives from the SPP into CalOMS Pv no later than 10-days after the start date of the SPP.**

~~This contract and any subcontract shall meet data reporting requirements for capacity, process and outcome as required by federal grant requirements. In addition to the Center for Substance Abuse Prevention (CSAP's) six strategies of Information Dissemination, Education, Alternative, Problem Identification and Referral, Community-Based Process, and Environmental, the data for the Institute of Medicine prevention categories of Universal, Selective and Indicated must be reported.~~

3. **Contractor shall submit a Prevention Mid-Year Budget to DHCS by January 31 of each fiscal year. The budget shall indicate how the SAPT Block Grant Primary Prevention Set-Aside will be expended for the fiscal year.** ~~Use of the Strategic Prevention Framework (SPF) is mandatory for all counties and SPF-required data must be submitted via CalOMS Prevention as evidence of engagement and use of the practices. Adherence to the SPF by subcontractors is at the discretion of the subcontracting county.~~

4. **Friday Night Live**

**Contractors and Subcontractors receiving SAPT Friday Night Live (FNL) funding must:**

(a) **Engage in programming that meets the FNL Youth Development Standards of Practice, Operating Principles and Core Components outlined at http://fridaynightlive.org/about-us/cfnlp-overview/;**
(b) **Use CalOMS Pv for all FNL reporting including Chapter Profiles, FNL County Profiles and chapter activity;**
(c) **Follow the FNL Data Entry Instructions for CAlOMS Pv as provided by DHCS in the CalOMS Pv Library;**
(d) **Demonstrate an effort to be a Member in Good Standing (MIGS), as provided by DHCS in conjunction with the California Friday Night Live Partnership.**

~~No later than January 31 of each year, contractor shall submit a Prevention Mid-Year Budget to DHCS indicating how the SAPT Block Grant 20% Primary Prevention Set-Aside shall be spent. Examples of a Prevention Mid-Year Budget and supporting documentation can be viewed at https://caprev.kithost.net/caprevent2013/pLandKB.aspx (select Library, Fiscal - Prevention Mid-Year Budget Example for FY XX-XX).~~

C. Perinatal Services Network Guidelines 2014

Contractor shall comply with the requirements for perinatal programs funded under Exhibit A, Attachment I **A1**, contained in Document 1G, incorporated by this reference, "Perinatal Services Network Guidelines 2014" until such time new Perinatal Services Network Guidelines are established and adopted. No formal amendment of this contract is required for new guidelines to apply.

D. Funds identified in this contract shall be used exclusively for county alcohol and drug abuse services to the extent activities meet the requirements for receipt of federal block grant funds for prevention and treatment of substance abuse described I subchapter XVII of Chapter 6A of Title 42 of the United State Code. (Health and Safety Code section 18100 et. seq.)

**Section 2 – Formation and Purpose**

A. Authority

State and the Contractor enter into this Exhibit A, Attachment I **A1**, Part IV, by authority of Chapter 3 of Part 1, Division 10.5 of the Health and Safety Code (HSC) and with approval of Contractor's County Board of Supervisors (or designee) for the purpose of providing alcohol and drug services, which will be reimbursed pursuant to Exhibit A, Attachment I **A1**. State and the Contractor identified in the Standard Agreement are the only parties to this Contract. This Contract is not intended, nor shall it be construed, to confer rights on any third party.

B. Control Requirements

1. Performance under the terms of this Exhibit A, Attachment I **A1**, Part IV, is subject to all applicable federal and state laws, regulations, and standards. In accepting the State drug and alcohol combined program allocation pursuant to HSC Sections 11814(a) and (b), Contractor shall: (i) establish, and shall require its Subcontractors to establish, written **policies and** procedures consistent with the following requirements; (ii) monitor for compliance with the written procedures; and (iii) be held accountable for audit exceptions taken by the State against the Contractor and its Subcontractors for any failure to comply with these requirements:

   (a) HSC, Division 10.5, commencing with Section 11760;

   (b) Title 9, California Code of Regulations (CCR) (herein referred to as Title 9), Division 4, commencing with Section 9000;

   (c) Government Code Section 16367.8;

   (d) Government Code, Article 7, Federally Mandated Audits of Block Grant Funds Allocated to Local Agencies, Chapter 1, Part 1, Division 2, Title 5, commencing at Section 53130;

(e) Title 42 United State Code (USC), Sections 300x-21 through 300x-31, 300x-34, 300x-53, 300x-57, and 330x-65 and 66;

(f) The Single Audit Act Amendments of 1996 (Title 31, USC Sections 7501-7507) and the Office of Management and Budget (OMB) Circular A-133 revised June 27, 2003 **and June 26, 2007.**

(g) Title 45, Code of Federal Regulations (CFR), Sections 96.30 through 96.33 and Sections 96.120 through 96.137;

(h) Title 42, CFR, Sections 8.1 through 8.34;

(i) Title 21, CFR, Sections 1301.01 through 1301.93, Department of Justice, Controlled Substances; and,

(j) State Administrative Manual (SAM), Chapter 7200 (General Outline of Procedures).

Contractor shall be familiar with the above laws, regulations, and ~~guidance~~ **guidelines** and shall assure that its Subcontractors are also familiar with such requirements.

2. The provisions of this Exhibit A, Attachment I **A1**, Part IV, are not intended to abrogate any provisions of law or regulation, or any standards existing or enacted during the term of this Contract.

3. Contractor shall adhere to the applicable provisions of Title 45, CFR, Part 96, Subparts C and L, as applicable, in the expenditure of the SAPTBG funds. Document 1A, 45 CFR 96, Subparts C and L, is incorporated by reference.

4. Documents 1C and 1D(b), incorporated by this reference, contain additional requirements that shall be adhered to by those Contractors that receive the types of funds specified by each document. These exhibits and documents are:

   (a) Document 1C, Driving-Under-the-Influence Program Requirements;

   (b) Document 1D(b), SAPT Female Offender Treatment Project (FOTP).

5. In accordance with the Fiscal Year 2011-12 State Budget Act and accompanying law (Chapter 40, Statues of 2011 and Chapter 13, Statues of 2011, First Extraordinary Session), contractors that provide Women and Children's Residential Treatment Services shall comply with the program requirements (Section 2.5, Required Supplemental/Recovery Support Services) of the Substance Abuse and Mental Health Services Administration's Grant Program for Residential Treatment for Pregnant and Postpartum Women, RFA found at ~~http://www.samhsa.gov/Grants/2008/ti_08_009.doc~~ **http://www.samhsa.gov/grants/grant-announcements/ti-14-005**

**Section 3 - Performance Provisions**

A. Monitoring

1. Contractor's performance under this Exhibit A, Attachment I **A2**, Part IV, shall be monitored by the State during the term of this Contract. Monitoring criteria shall include, but not be limited to:

   (a) Whether the quantity of work or services being performed conforms to Exhibit B **A2**;

   (b) Whether the Contractor has established and is monitoring appropriate quality standards;

   (c) Whether the Contractor is abiding by all the terms and requirements of this Contract;

   (d) Whether the Contractor is abiding by the terms of the Perinatal Services Network Guidelines (Document 1G); and

   (e) Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their monitoring and audit reports to DHCS within two weeks of issuance. **Reports should be sent by secure, encrypted e-mail to:**

   **SUDCountyReports@dhcs.ca.gov or**

   **Substance Use Disorder - Prevention, Treatment and Recovery Services Division, Performance Management Branch**
   **Department of Health Care Services**
   **PO Box 997413, MS-2627**
   **Sacramento, CA 95899-7413**;

2. Failure to comply with the above provisions shall constitute grounds for the State to suspend or recover payments, subject to the Contractor's right of appeal, or may result in termination of the Contract or both.

B. Performance Requirements

1. Contractor shall provide services based on funding set forth in Exhibit B, Attachment I **A2**, and under the terms of this Contract.

2. Contractor shall provide services to all eligible persons in accordance with federal and state statutes and regulations. Contractor shall assure that in planning for the provision of services, the following barriers to services are considered and addressed:

   (a) Lack of educational materials or other resources for the provision of

services;

(b) Geographic isolation and transportation needs of persons seeking services or remoteness of services;

(c) Institutional, cultural, and/or ethnicity barriers;

(d) Language differences;

(e) Lack of service advocates;

(f) Failure to survey or otherwise identify the barriers to service accessibility; and,

(g) Needs of persons with a disability.

3. Contractor shall comply with any additional requirements of the documents that have been incorporated herein by reference, including, but not limited to, those on the "List of Exhibit A, Attachment I **A1** Documents incorporate by Reference for Fiscal Year ~~2014-15~~**2015-16**" which is attached to Exhibit A, Attachment I **A1**.

4. Amounts awarded pursuant to Exhibit A, Attachment I **A1** shall be used exclusively for providing alcohol and/or drug program services consistent with the purpose of the funding.

5. DHCS shall issue a report to Contractor after conducting monitoring, utilization, or auditing reviews of county or county subcontracted providers. When the DHCS report identifies non-compliant services or processes, it shall require a CAP. The Contractor, or in coordination with its subcontracted provider, shall submit a CAP to DHCS within the designated timeframe specified by DHCS.

**Substance Use Disorder - Prevention, Treatment and Recovery Services Division, Performance Management Branch**
**Department of Health Care Services**
**PO Box 997413, MS-2621**
**Sacramento, CA 95899-7413;**

**Or by secure, encrypted email to: SUDCountyReports@dhcs.ca.gov**

6. The CAP shall include a statement of the problem and the goal of the actions the Contractor and/or ~~it's~~ **its** subcontracted provider will take to correct the deficiency or non-compliance. The CAP shall:

(a) Address the specific actions to correct deficiency or non-compliance

(b) Identify who/which unit(s) will act; who/which unit(s) are accountable for acting; and

(c) Provide a timeline to complete the actions.

**Exhibit A, Attachment I A1**
**Program Specifications**

**Part V: Drug Medi-Cal Treatment Program Substance Use Disorder Services**

**Section 1. Formation and Purpose**

A. This Exhibit A, Attachment I **A1**, Part V of the Contract is entered into by and between the State and the Contractor for the purpose of identifying and providing for covered DMC services for substance use disorder treatment in the Contractor's service area pursuant to Sections 11848.5(a) and (b) of the Health and Safety Code (hereinafter referred to as HSC), Sections 14124.20, 14021.51 – 14021.53, and 14124.20 – 14124.25 of the W&I , and Title 22 of the California Code of Regulations (hereinafter referred to as Title 22), Sections 51341.1, 51490.1, and 51516.1.

B. It is further agreed this Contract is controlled by applicable provisions of: (a) the W&I, Chapter 7, Sections 14000, et seq., in particular, but not limited to, Sections 14100.2, 14021, 14021.5, 14021.6, 14043, et seq., (b) Title 22, including but not limited to Sections 51490.1, 51341.1 and 51516.1; and (c) Division 4 of Title 9 of the California Code of Regulations (hereinafter referred to as Title 9).

C. It is understood and agreed that nothing contained in this contract shall be construed to impair the single state agency authority of DHCS.

D. The objective of this contract is to make substance use disorder treatment services available to Medi-Cal beneficiaries through utilization of federal and state funds available pursuant to Title XIX or Title XXI of the Social Security Act for reimbursable covered services rendered by certified DMC providers.

E. Awards under the Medical Assistance Program (CFDA 93.778) are no longer excluded from coverage under the HHS implementation of the A-102 Common Rule, 45 CFR part 92 (*Federal Register*, September 8, 2003, 68 FR 52843-52844). This change is effective for any grant award under this program made after issuance of the initial awards for the second quarter of Federal Fiscal Year 2004. This program also is subject to the requirements of 45 CFR part 95 and the cost principles under Office of Management and Budget Circular A-87 (as provided in *Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government*, HHS Publication ASMB C-10, available on the Internet at ~~http://rates.psc.gov/fms/dca/asmb%20c-10.pdf.~~ **http://www.dol.gov/oasam/boc/ASMB_C-10.pdf**

**Section 2: Covered Services**

A. Covered Services

1. Contractor shall establish assessment and referral procedures and shall arrange, provide, or subcontract for covered services in the Contractor's service area. Covered services include:

   (a) Outpatient drug-free treatment;

   (b) Narcotic replacement therapy;

   (c) Naltrexone treatment;

   (d) Intensive Outpatient Treatment and,

   (e) Perinatal Residential Substance Abuse Services (excluding room and board).

2. Narcotic treatment program services per W&IC 14124.22:

   In addition to narcotic treatment program services, a narcotic treatment program provider who is also enrolled as a Medi-Cal provider may provide medically necessary treatment of concurrent health conditions within the scope of the provider's practice, to Medi-Cal beneficiaries who are not enrolled in managed care plans. Medi-Cal beneficiaries enrolled in managed care plans shall be referred to those plans for receipt of medically necessary medical treatment of concurrent health conditions.

   Diagnosis and treatment of concurrent health conditions of Medi-Cal beneficiaries not enrolled in managed care plans by a narcotic treatment program provider may be provided within the Medi-Cal coverage limits. When the services are not part of the substance use disorder treatment reimbursed pursuant to Section 14021.51, services shall be reimbursed in accordance with the Medi-Cal program. Services reimbursable under this section shall include, but not limited to, all of the following:

   (a) Medical treatment visits

   (b) Diagnostic blood, urine, and X-rays

   (c) Psychological and psychiatric tests and services

   (d) Quantitative blood and urine toxicology assays

   (e) Medical supplies

A narcotic treatment provider, who is enrolled as a Medi-Cal fee-for-service provider, shall not seek reimbursement from a beneficiary for substance abuse treatment services, if services for treatment of concurrent health conditions are billed to the Medi-Cal fee-for-service program.

3. In the event of a conflict between the definition of services contained in this Section of the Contract, and the definition of services in Title 22, Sections 51341.1, 51490.1, and 51516.1, the provisions of Title 22 shall govern.

4. Contractor, to the extent applicable, shall comply with "Sobky v. Smoley" (Document 2A), 855 F. Supp. 1123 (E.D. Cal 1994), incorporated by this reference.

5. Contractor shall comply with federal and state mandates to provide alcohol and other drug treatment services deemed medically necessary for Medi-Cal eligible: (1) pregnant and postpartum women, and (2) youth under age 21 who are eligible under the EPSDT Program

   (a) If Drug Medi-Cal services are provided to Minor Consent beneficiaries, Contractor shall comply with California Family Code Section 6929, and California Code of Regulations, Title 22, Sections 50147.1, 50030, 50063.5, 50157(f)(3), 50167(a)(6)(D), and 50195(d).

B. Access to Services

1. Subject to DHCS provider enrollment certification requirements, Contractor shall maintain continuous availability and accessibility of covered services and facilities, service sites, and personnel to provide the covered services through use of DMC certified providers. Such services shall not be limited due to budgetary constraints.

   (a) When a request for covered services is made by a beneficiary, Contractor shall require services to be initiated with reasonable promptness. Contractor shall have a documented system for monitoring and evaluating accessibility of care, including a system for addressing problems that develop regarding waiting times and appointments.

   (b) The contractor shall authorize residential services in accordance with the medical necessity criteria specified in Title 22, Section 51303 and the coverage provisions of the approved state Medi-Cal Plan. Room and board are not reimbursable DMC service**s**. If services are denied, the provider shall inform the beneficiary in accordance with Title 22, Section 51341.1 (p).

   (c) Contractor shall require that treatment programs are accessible to people with disabilities in accordance with Title 45, Code of Federal Regulations (hereinafter referred to as CFR), Part 84 and the Americans with Disabilities Act.

2. Covered services, whether provided directly by the Contractor or through subcontractors with DMC certified and enrolled programs, shall be provided to beneficiaries without regard to the beneficiaries' county of residence.

3. The failure of the Contractor or its Subcontractors to comply with Section B of this Part will be deemed a breach of this Contract sufficient to terminate this Contract for cause. In the event the Contract is terminated, the provision of this Exhibit, Attachment I, Part I, Section B, shall apply.

C. Payment For Services

1. The Department shall make the appropriate payments set forth in Exhibit B **A1** and take all available steps to secure and pay FFP and State General Funds (SGF) to the Contractor, once the Department receives FFP and SGF, for claims submitted by the Contractor. The Department shall notify Contractor and allow Contractor an opportunity to comment to the Department when questions are posed by CMS, or when there is a federal deferral, withholding, or disallowance with respect to claims made by the Contractor.

2. Contractor shall amend its subcontracts for covered services in order to provide sufficient funds to match allowable federal Medicaid reimbursements for any increase in provider DMC services to beneficiaries.

3. In the event that the Contractor fails to provide covered services in accordance with the provisions of this Contract, at the discretion of the State, Contractor may be required to forfeit its county realignment funds pursuant to Government Code Section 30027.10 (a) through (d) from the Behavioral Health Subaccount that is set aside for Drug Medi-Cal services and surrender its authority to function as the administrator of covered services in its service area.

**Section 3: Drug Medi-Cal Certification and Continued Certification**

A. DMC Certification and Enrollment

1. The State will certify eligible providers to participate in the DMC program.

2. The Department shall certify any county operated or non-governmental providers. This certification shall be performed prior to the date on which the Contractor begins to deliver services under this contract at these sites.

3. Contractor shall require that providers of perinatal DMC services are properly certified to provide these services and comply with the requirements contained in Title 22, Section 51341.1, Services for Pregnant and Postpartum Women.

4. Contractor shall require all the subcontracted providers of services to be licensed, registered, DMC certified and/or approved in accordance with applicable laws and regulations. Contractor's subcontracts shall require that providers comply with the following regulations and guidelines:

   (a) Title 21, CFR Part 1300, et seq., Title 42, CFR, Part 8;

(b) Drug Medi-Cal Certification Standards for Substance Abuse Clinics (Document 2E);

(c) Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1, (Document 2C);

(d) Standards for Drug Treatment Programs (October 21, 1981) (Document 2F);

(e) Title 9, CCR, Division 4, Chapter 4, Subchapter 1, Sections 10000, et seq; and

(f) Title 22, CCR, sections 51000 et. seq.

In the event of conflicts, the provisions of Title 22 shall control if they are more stringent.

5. ~~The Contractor shall report to the state within 35 days of any addition or change in the information previously submitted in the application package for certification. The Contractor shall report the addition or change by submitting a complete application package for enrollment.~~ **The Contractor shall notify the State of an addition or change of information in a Providers pending DMC certification application within 35 days of receiving notification from the Provider. The Contractor must ensure that a new DMC certification application is submitted to the State reflecting the change.**

6. **The Contractor is responsible for ensuring that any reduction of covered services or relocations by providers are not implemented until approval is issued by the State. Within 35 days of receiving notification of a provider's intent to reduce covered services or relocate, the Contractor shall submit, or require the provider to submit, a DMC certification application to the State. The DMC certification application must be submitted to the State 60 days prior to the desired effective date of the reduction of covered services or relocation** ~~.Contractor shall notify the State in writing prior to reducing the provision of covered services. In addition, any proposal to change the location where covered services are provided, or to reduce their availability, shall be submitted in an application to the State sixty (60) days prior to the proposed effective date. Contractor shall not implement proposed changes prior to receiving written approval from the State. Contractor shall not implement the proposed changes if the State denies the Contractor's proposal.~~

7. If, at any time, a Subcontractor's license, registration, certification, or approval to operate a substance use treatment program or provide a covered service is revoked, suspended, modified, or not renewed **outside of DHCS**, the Contractor must notify DHCS within two business days **of knowledge of Section 3(A(7)) of Exhibit A, Attachment I A1**.

(a) A provider's certification to participate in the DMC program shall automatically terminate in the event that the provider or its owners, officers or directors are convicted of Medi-Cal fraud, abuse or malfeasance. For purposes of this section, a conviction shall include a plea of guilty or nolo contendere.

B. Continued Certification

1. All DMC certified providers shall be subject to continuing certification requirements at least once every five years.

2. The Department may allow the Contractor to continue delivering covered services to beneficiaries at a site subject to on-site review by the Department as part of the recertification process prior to the date of the on-site review, provided the site is operational, the certification remains valid, and has all required fire clearances.

3. State will conduct recertification on-site visits at clinics for circumstances identified in the "Drug Medi-Cal Certification Standards for Substance Abuse Clinics" (Document 2E). Document 2E contains the appeal process in the event the State disapproves a provider's request for certification or recertification and shall be included in the Contractor's subcontracts.

**Section 4: Monitoring**

A. State Monitoring

1. DHCS Monitoring Reviews and Financial Audits of Contractor

The Department shall monitor the Contractor's operations for compliance with the provisions of this contract, and applicable federal and state law and regulations. Such monitoring activities shall include, but not be limited to, inspection and auditing of Contractor services, management systems and procedures, and books and records, as the Department deems appropriate, at any time during the Contractor's or facility's normal business hours. When monitoring activities identify areas of non-compliance, the Department shall issue reports to the Contractor detailing findings, recommendations, and corrective action.

2. Post Service Post Payment Utilization Reviews

(a) **After the DMC services have been rendered and paid,** ~~T~~the Department shall conduct Post Service Post Payment Utilization Reviews of **the subcontracted DMC providers to determine whether the DMC services were provided** ~~claims for DMC services~~ **in accordance with Title 22, Section 51341.1**. The DHCS shall issue the PSPP report to the Contractor with a copy to subcontracted DMC provider. The Contractor shall be responsible **for their subcontracted providers and their county run programs** to ensure any deficiencies are remediated pursuant to Sections 1 and 2 herein. The Contractor shall **attest** ~~certify~~ the deficiencies have been remediated and are complete, pursuant to Section 4(A), Paragraph (~~C~~**c**),

herein.

~~(b)~~ ~~State shall conduct Post Service Post Payment (PSPP) utilization reviews in accordance with Title 22 Section 51341.1. Any claimed DMC service may be reviewed for compliance with all applicable standards, regulations and program coverage after services are rendered and the claim paid.~~

~~(c)~~**(b)** State shall take appropriate steps in accordance with Title 22, CCR, Section 51341.1 to recover payments made if subsequent investigation uncovers evidence that the claim(s) should not have been paid or that DMC services have been improperly utilized, and/or shall take the corrective action as appropriate. If programmatic or fiscal deficiencies are identified, the Provider shall be required to submit a Corrective Action Plan (CAP) to DHCS via the Contractor for approval.

i. Pursuant to CCR, Title 22, Section 51341.1(o), all deficiencies identified by the ~~Post Service Post Payment (~~PSPP~~)~~ review, whether or not a recovery of funds results, must be corrected and ~~a Corrective Action Plan~~ **the entity that provided the services must submit a** ~~(~~CAP~~) must be submitted~~ to the DMC PSPP Unit within 60 days of the date of the **PSPP** report.

(1) The plan shall:

a. Address each demand for recovery of payment and/or programmatic deficiency;

b. Provide a specific description of how the deficiency shall be corrected; and

c. Specify the date of implementation of the corrective action.

(2) DHCS will provide written approval of the CAP to the Contractor with a copy to the Provider. If DHCS does not approve the CAP, ~~submitted by the Provider via the Contractor,~~ DHCS will provide guidance on the deficient areas and request an updated CAP from the Contractor with a copy to the Provider**.** ~~with a new deadline for submission.~~ **The entity that provided the services must submit an updated CAP to the DMC PSPP Unit within 30 days of notification.**

(3) If the ~~Provider, via the Contractor~~ **entity that provided the services**, does not submit a CAP, or, does not implement the approved CAP provisions within the designated timeline, then DHCS may withhold funds **from the Contractor** until the ~~Contractor~~ **the entity that provided the services is in** ~~brings the Provider into~~ compliance **with Exhibit A, Attachment I A1, Part V, Section 4(A)(2)**. The State shall inform the

Contractor when funds will be withheld.

~~(d)~~**(c)** Contractor and/or Subcontractor may appeal DMC dispositions concerning demands for recovery of payment and/or programmatic deficiencies of specific claims. Such appeals shall be handled pursuant to Title 22, CCR, Section 51341.1(q). This section shall not apply to those grievances or complaints arising from the financial findings of an audit or examination made by or on behalf of the State pursuant to Exhibit B **A1**, Part II, Section 3, of this Contract.

~~(e)~~**(d)** State shall monitor the Subcontractor's compliance with PSPP utilization review requirements in accordance with Title 22. Counties are also required to monitor of the subcontractor's compliance pursuant to Section 4, Paragraph A.2, of this contract. The federal government may also review the existence and effectiveness of the State's utilization review system.

~~(f)~~**(e)** Contractor shall implement and maintain compliance with the system of review described in Title 22, Section 51341.1, for the purposes of reviewing the utilization, quality, and appropriateness of covered services and ensuring that all applicable Medi-Cal requirements are met.

~~(g)~~**(f)** Contractor shall assure that subcontractor sites must keep a record of the clients/patients being treated at that location. Contractor shall retain client records for a minimum of three (3) years from the date of the last face-to-face contact. When an audit by the Federal Government or the State has been started before the expiration of the three-year period, the client records shall be maintained until completion of the audit and the final resolution of all issues as a result of the audit.

3. Training

(a) DHCS**'s** Substance Use Disorder - Prevention, Treatment, and Recovery Services **Division** (SUD PTRS**D**) shall provide mandatory annual training to the Contractor on the requirements of Title 22 and the Drug Medi-Cal program requirements.

(b) Contractor may request additional Technical Assistance or training from SUD PTRS**D** on an ad hoc basis.

B. Contractor Monitoring

1. Program Integrity: Contractor is responsible for ensuring program integrity of its services and its subcontracted providers through a system of oversight, which shall include at least the following:

(a) Compliance with state and federal law and regulations, including, but not limited to, 42 CFR 433.32, 42 CFR 433.51, 42 CFR 431.800 et. seq., 42 CFR 440.230, 42 CFR 440.260, 42 CFR 455 et. seq., 42 CFR 456 et. seq., 42 CFR 456.23, 22 CCR 51490, 22 CCR 51490.1, 22 CCR 51341.1, 22

CCR 51159, WIC 14124.1, ~~and~~ WIC 14124.2~~;~~**, 42 CFR 438.240(e), 42 CFR 438.240(b)(3), 42 CFR 438.240, 42 CFR 438.416, 42 CFR 438-10, and 42 CFR 438.206.**

(b) Contractor shall conduct, at least annually, an ~~programmatic and fiscal~~ audit of DMC providers to assure covered services are being appropriately rendered. The annual audit must include an on-site visit of the service provider. Reports of the annual audit shall be provided to the Department's **Performance Management Branch** ~~DMC PSPP unit~~ at:

Substance Use Disorder - Prevention, Treatment and Recovery Services Division, **Performance Management Branch** ~~PSPP Unit~~
Department of Health Care Services
PO Box 997413, MS-2621
Sacramento, CA 95899-7413;

Or by secure, encrypted email to: SUDCountyReports@dhcs.ca.gov

Audit reports shall be provided **to the State** within 2 weeks of completion by the Contractor.

Technical assistance is available to counties from DHCS SUD PTRS**D**.

(c) Contractor shall ensure that DATAR submissions, detailed in Part III, Paragraph G of this contract are complied with by all treatment providers and subcontracted treatment providers. Contractor shall **attest** ~~certify~~ that each subcontracted provider is enrolled in DATAR at the time of execution of the subcontract.

(d) Contractor must monitor and **attest** ~~certify~~ compliance and/or completion by Providers with CAP requirements (detailed in Section 4, Paragraph (A)(2)(c)) as required by any PSPP review. Contractor shall **attest** ~~certify~~ to DHCS, using the form developed by DHCS that the requirements in the CAP have been completed by the Contractor and/or the Provider. Submission of **DHCS Form 8049** ~~form~~ by Contractor must be accomplished within the timeline specified in the approved CAP, as noticed by DHCS.

(e) Contractor shall **attest** ~~certify~~ that DMC claims submitted to the state have been subject to review and verification process for accuracy and legitimacy. (45 CFR 430.30, 433.32, 433.51). Contractor shall not **knowingly** submit claims for services rendered to any beneficiary after the beneficiary's date of death, or from uncertified or decertified providers.

2. Training to DMC Subcontractors

(a) Contractor shall provide training on the requirements of Title 22 regulations and DMC requirements at least annually to all subcontracted providers. Attendance of any subcontracted provider at the annual trainings offered by DHCS (specified in Section 4, paragraph (A)(3) of this contract) shall suffice

to meet the requirements of this provision. Contractor shall report compliance with this section to DHCS annually as part of the DHCS County monitoring process.

3. Monthly Monitoring

(a) Contractor shall check the status of all providers monthly to ensure that they are continuing active participation in the DMC program. Any subcontracted provider who surrenders their certification or closes their facility must be reported by the Contractor to the Department within two (2) business days of notification or discovery.

(b) During the monthly status check, the Contractor shall monitor for a triggering recertification event (change in ownership, change in scope of services, remodeling of facility, or change in location) and report any triggering events to the ~~s~~**S**tate within two (2) business days of notification or discovery.

4. Program Complaints

(a) All complaints received by Contractor regarding a DMC certified facility shall be forwarded to**:** ~~the SUD Compliance Division, Complaints Unit within two (2) business days of receipt as follows.~~

**Drug Medi-Cal** Complaints are to be submitted to:
**Division Chief**
**Substance Use Disorders Prevention, Treatment and Recovery Services Division**
Department of Health Care Services
~~Substance Use Disorder Services – Compliance Division~~
P.O. Box 997413, MS# ~~2601~~**2621**
Sacramento, CA 95899-7413

~~The Complaint Form is available and can also be submitted online at http://www.dhcs.ca.gov/individuals/Pages/Sud-Complaints.aspx~~

~~Complaints can also be sent by FAX to:~~

~~Fax form to: (916) 445-5084~~

Complaints for Residential Adult Alcoholism or Drug Abuse Recovery or Treatment Facilities may also be made by telephoning the appropriate licensing branch listed below:

SUD Compliance Division:

Public Number: (916) 322-2911
Toll Free Number: (877) 685-8333

**The Complaint Form is available and can also be submitted online at: http://www.dhcs.ca.gov/individuals/Pages/Sud-Complaints.aspx**

**(b)** Counties shall be responsible for investigating complaints and providing the results of all investigations to the Department~~'s SUD Complaint Compliance Division~~ **e-mail address by secure, encrypted e-mail to: SUDCountyReports@dhcs.ca.gov** within two (2) business days of completion.

5. Record Retention

(a) Contractor shall include instructions on record retention and include in any subcontract with providers the mandate to keep and maintain records for each service rendered, to whom it was rendered, and the date of service, pursuant to W&I Section 14214.1 and 42 CFR 433.32; and 22 CCR section 51341.1.

6. Subcontract Termination

(a) The Contractor must notify DHCS of the termination of any contract with a certified subcontracted provider, and the basis for termination of the contract, within two (2) business days.

7. Corrective Action Plan

(a) If the Contractor fails to ensure any of the foregoing oversight through an adequate system of monitoring, utilization review, and fiscal and programmatic controls, the Department may request a CAP from the Contractor to address these deficiencies and a timeline for implementation. Failure to submit a CAP or adhere to the provisions in the CAP can result in a withhold of SAPT funds allocated to Contractor for the provision of services, and/or termination of this contract for cause

(b) Failure to comply with Monitoring requirements shall result in:

i. DHCS shall issue a report to Contractor after conducting monitoring, utilization, or fiscal auditing reviews of a county. When the DHCS report identifies non-compliant services or processes, it shall require a CAP. The Contractor shall submit a CAP to DHCS within the following timeframes of receipt of the DHCS report.

a. The CAP shall include a statement of the problem and the goal of the actions the Contractor or its subcontracted provider will take to correct the deficiency or non-compliance. The CAP shall:

(1) Address the specific actions to correct deficiency or non-compliance;

Identify who/which unit(s) will act; who/which unit(s) are accountable for acting; and

(2) Provide a timeline to complete the actions.

ii. DHCS will provide written approval of the CAP to the Contractor and the subcontracted provider. If DHCS does not approve the CAP submitted by the Contractor, DHCS will provide guidance on the deficient areas and request an updated CAP from the Contractor with a new deadline for submission.

iii. If the Contractor does not submit a CAP, or, does not implement the approved CAP provisions within the designated timeline, then the State may withhold funds until the Contractor is in compliance. The State shall inform the Contractor when funds will be withheld.

**Section 5: Investigations and Confidentiality of Administrative Actions**

A. Contractor acknowledges that if a DMC provider is under investigation by the State or any other state, local or federal law enforcement agency for fraud or abuse, the State may temporarily suspend the provider from the DMC program, pursuant to W&I Section 14043.36(a). Information about a provider's administrative sanction status is confidential until such time as the action is either completed or resolved. The DHCS may also issue a Payment Suspension to a provider pursuant to W&I Section 14107.11 and Code of Federal Regulations, Title 42, section 455.23. The Contractor is to withhold payments from a DMC provider during the time a Payment Suspension is in effect.

B. Contractor shall execute the Confidentiality Agreement, attached as Document 5A. The Confidentiality Agreement permits DHCS to communicate with Contractor concerning subcontracted providers that are subject to administrative sanctions.

## EXHIBIT A, ATTACHMENT I A1

## DOCUMENTS INCORPORATED BY REFERENCE
~~FOR FISCAL YEAR 2014-2015~~

The following documents are hereby incorporated by reference into the County contract though they may not be physically attached to the contract but will be issued in a CD under separate cover:

| | |
|---|---|
| Document 1A: | Title 45, Code of Federal Regulations 96, Subparts C and L, Substance Abuse Prevention and Treatment Block Grant Requirements<br><br>http://www.access.gpo.gov//nara/cfr/waisidx_04/45cfr96_04.html |
| Document 1B: | Title 42, Code of Federal Regulations, Charitable Choice Regulations<br><br>http://www.access.gpo.gov//nara/cfr/waisidx_04/42cfr54_04.html |
| Document 1C: | Driving-Under-the-Influence Program Requirements |
| Document 1D(b): | SAPT Female Offender Treatment Project (FOTP) |
| Document 1F(a): | Reporting Requirement Matrix – County Submission Requirements for the Department of Health Care Services |
| Document 1G: | Perinatal Services Network Guidelines 2014 (for Non-DMC Perinatal Programs) |
| Document 1H(a): | Service Code Descriptions |
| Document 1H(b): | Program Code Listing |
| Document 1H(c) : | Funding Line Descriptions |
| Document 1J(a): | Non-Drug Medi-Cal Audit Appeals Process |
| Document 1J(b): | DMC Audit Appeals Process |
| Document 1K: | Drug and Alcohol Treatment Access Report (DATAR)<br><br>http://www.dhcs.ca.gov/provgovpart/Pages/DATAR.aspx |
| Document 1P: | Alcohol and/or Other Drug Program Certification Standards (March 15, 2004)<br><br>http://www.dhcs.ca.gov/provgovpart/Pages/Facility_Certification.aspx |
| Document 1T: | CalOMS Prevention ~~User Manual~~ **Data Quality Standards** |

| | |
|---|---|
| Document 1V: | Youth Treatment Guidelines<br><br>http://www.dhcs.ca.gov/individuals/Documents/Youth_Treatment_Guidelines.pdf |
| Document 2A: | Sobky v. Smoley, Judgment, Signed February 1, 1995 |
| Document 2C: | Title 22, California Code of Regulations<br><br>http://ccr.oal.ca.gov |
| Document 2E: | Drug Medi-Cal Certification Standards for Substance Abuse Clinics (Updated July 1, 2004)<br><br>~~http://www.dhcs.ca.gov/provgovpart/Documents/DMC%20Documents%20for%20PED%20webpage/Drug%20Medi-Cal%20Certification%20Standards.pdf~~<br>**http://www.dhcs.ca.gov/services/adp/Documents/DMCA_Drug_Medi-Cal_Certification_Standards.pdf** |
| Document 2F: | Standards for Drug Treatment Programs (October 21, 1981)<br><br>~~http://www.dhcs.ca.gov/provgovpart/Documents/DMC%20Documents%20for%20PED%20webpage/DMC%20Standards%20for%20Drug%20Treatment%20Programs.pdf~~<br>**http://www.dhcs.ca.gov/services/adp/Documents/DMCA_Standards_for_Drug_Treatment_Programs.pdf** |
| Document 2K: | Multiple Billing Override Certification (MC 6700) |
| Document 2L(a): | Good Cause Certification (~~MC~~ 6065A) |
| Document 2L(b): | Good Cause Certification (~~MC~~ 6065B) |
| Document 2P: | County Certification - Cost Report Year-End Claim For Reimbursement |
| Document 2P(a): | Drug Medi-Cal Cost Report Forms – Intensive Outpatient Treatment – Non-Perinatal (form and instructions) |
| Document 2P(b): | Drug Medi-Cal Cost Report Forms – Intensive Outpatient Treatment – Perinatal (form and instructions) |
| Document 2P(c): | Drug Medi-Cal Cost Report Forms – Outpatient Drug Free Individual Counseling – Non-Perinatal (form and instructions) |
| Document 2P(d): | Drug Medi-Cal Cost Report Forms – Outpatient Drug Free Individual Counseling – Perinatal (form and instructions) |

| | |
|---|---|
| Document 2P(e): | Drug Medi-Cal Cost Report Forms – Outpatient Drug Free Group Counseling – Non-Perinatal (form and instructions) |
| Document 2P(f): | Drug Medi-Cal Cost Report Forms – Outpatient Drug Free Group Counseling – Perinatal (form and instructions) |
| Document 2P(g): | Drug Medi-Cal Cost Report Forms – Residential – Perinatal (form and instructions) |
| Document 2P(h): | Drug Medi-Cal Cost Report Forms – Narcotic Treatment Program – County – Non-Perinatal (form and instructions) |
| Document 2P(i): | Drug Medi-Cal Cost Report Forms – Narcotic Treatment Program – County – Perinatal (form and instructions) |
| Document 3G: | California Code of Regulations, Title 9 – Rehabilitation and Developmental Services, Division 4 – Department of Alcohol and Drug Programs, Chapter 4 – Narcotic Treatment Programs<br><br>http://www.calregs.com |
| Document 3H: | California Code of Regulations, Title 9 – Rehabilitation and Developmental Services, Division 4 – Department of Alcohol and Drug Programs, Chapter 8 – Certification of Alcohol and Other Drug Counselors<br><br>http://www.calregs.com |
| Document 3J: | CalOMS Treatment Data Collection Guide<br><br>http://www.dhcs.ca.gov/provgovpart/Documents/CalOMS_Tx_Data_Collection_Guide_JAN%202014.pdf |
| Document 3O: | Quarterly Federal Financial Management Report (QFFMR) 2014-15<br><br>http://www.dhcs.ca.gov/provgovpart/Pages/SUD_Forms.aspx |
| Document 3S | CalOMS Treatment Data Compliance Standards |
| Document 3T | Non-Drug Medi-Cal and Drug Medi-Cal Local Assistance Funding Matrix |
| Document 3T(a) | SAPT Authorized and Restricted Expenditures Information (Nov 2012) |
| Document 3V | Culturally and Linguistically Appropriate Services (CLAS) National Standards<br><br>http://minorityhealth.hhs.gov/templates/browse.aspx?lvl=2&lvlID=15 |
| Document 4A : | Drug Medi-Cal Claim Submission Certification – County Contracted Provider – DHCS Form MC 8186 with Instructions |

| | |
|---|---|
| Document 4B : | Drug Medi-Cal Claim Submission Certification – County Operated Provider – DHCS Form MC 8187 with Instructions |
| Document 4D : | Drug Medi-Cal Certification for Federal Reimbursement (DHCS 100224A) |
| Document 4E : | Treatment Standards for Substance Use Diagnosis: A Guide for Services (Spring 2010) |
| Document 4F : | Drug Medi-Cal (DMC) Services Quarterly Claim for Reimbursement of County Administrative Expenses (Form #MC 5312) |
| Document 5A : | Confidentiality Agreement |

**Exhibit B A1**
Budget Detail and Payment Provisions
~~Fiscal Year 2014-15~~

## Part I – General Fiscal Provisions

### Section 1 – General Fiscal Provisions

A. Fiscal Provisions

For services satisfactorily rendered, and upon receipt and approval of documentation as identified in Exhibit A, Attachment I **A1**, Part III, DHCS agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates and/or allowable costs specified herein.

B. Use of State Funds

Contractor may not use allocated Drug Medi-Cal State General Funds to pay for any non-Drug Medi-Cal services.

C. Funding Authorization

Contractor shall bear the financial risk in providing any substance use disorder services covered by this Contract.

D. Availability of Funds

It is understood that, for the mutual benefit of both parties, this Contract may have been written before ascertaining the availability of congressional appropriation of funds in order to avoid program and fiscal delays that would occur if this Contract were not executed until after that determination. If so, State may amend the amount of funding provided for in this Contract based on the actual congressional appropriation.

E. Subcontractor Funding Limitations

Pursuant to HSC Section 11818(2)(A), Contractor shall reimburse its Subcontractors that receive a combination of Medi-Cal funding and other federal or county realignment funding for the same service element and location based on the Subcontractor's actual costs in accordance with Medicaid reimbursement requirements as specified in Title XIX or Title XXI of the Social Security Act; Title 22, and the State's Medicaid Plan. Payments at negotiated rates shall be settled to actual cost at year-end.

F. Budget Contingency Clause

It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, DHCS shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, DHCS shall have the option to either cancel this Agreement with no liability occurring to DHCS, or offer an agreement amendment to Contractor to reflect the reduced amount.

G. Expense Allowability / Fiscal Documentation

1. Invoices, received from a Contractor and accepted and/or submitted for payment by DHCS, shall not be deemed evidence of allowable agreement costs.

2. Contractor shall maintain for review and audit and supply to DHCS upon request, adequate documentation of all expenses claimed pursuant to this Agreement to permit a determination of expense allowability.

3. If the allowability or appropriateness of an expense cannot be determined by DHCS because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles, and generally accepted governmental audit standards, all questionable costs may be disallowed and payment may be withheld by DHCS. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

4. Costs and/or expenses deemed unallowable are subject to recovery by DHCS.

H. Maintenance of Effort for SAPT Block Grant

1. Notwithstanding any other provision in this contract, the Director may reduce federal funding allocations, on a dollar-for-dollar basis, to a county that has a reduced or anticipates reduced expenditures in a way that would result in a decrease in the federal Substance Abuse Prevention and Treatment Block Grant funds (42 U.S.C. Sect 300x-30).

2. Prior to making any reductions pursuant to this subdivision, the Director shall notify all counties that county underspending will reduce the federal Substance Abuse Prevention and Treatment Block Grant maintenance of effort (MOE). Upon receipt of notification, a county may submit a revision to the county budget initially submitted pursuant to subdivision (a) of Section 11978 in an effort to maintain the statewide SAPT Block Grant MOE.

3. Pursuant to subdivision (b) of Section 11978.1, a county shall notify the Department in writing of proposed local changes to the county's expenditure of funds. The Department shall review and may approve the proposed local changes depending on the level of expenditures needed to maintain the statewide SAPT Block Grant MOE.

I. Effective the date of execution of this Contract, nothing in this Contract waives the protections provided to Contractor under Section 36 of article XIII of the California Constitution ("Proposition 30"). Except where specifically stated in the terms of this contract, Contractor's performance of any additional legal requirements, including, but not limited to court-ordered requirements and statutory or regulatory amendments, is subject to Proposition 30's funding requirements.

**Section 2 – General Fiscal Provisions – Non-Drug Medi-Cal**

A. Revenue Collection

Contractor shall conform to revenue collection requirements in Division 10.5 of the HSC, Sections 11841, by raising revenues in addition to the funds allocated by the State. These revenues include, but are not limited to, fees for services, private contributions, grants, or other governmental funds. These revenues shall be used in support of additional alcohol and other drug services or facilities. Each alcohol and drug program shall set and collect client fees based on the client's ability to pay. The fee requirement shall not apply to prevention and early intervention services. Contractor shall identify in its annual cost report the types and amounts of revenues collected.

B. Cost Efficiencies

It is intended that the cost to the Contractor in maintaining the dedicated capacity and units of service shall be met by the non-DMC funds allocated to the Contractor and other Contractor or Subcontractor revenues. Amounts awarded pursuant to Exhibit A, Attachment I **A1**, Part IV, shall not be used for services where payment has been made, or can reasonably be expected to be made under any other state or federal compensation or benefits program, or where services can be paid for from revenues.

**Section 3 – General Fiscal Provisions – Drug Medi-Cal**

A. Return of Unexpended Funds

Contractor assumes the total cost of providing covered services on the basis of the payments delineated in this Exhibit B **A1**, Part II. Any State General Funds or federal Medicaid funds paid to the Contractor, but not expended for DMC services shall be returned to the State.

B. Amendment or Cancellation Due to Insufficient Appropriation

This Contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purpose of the DMC program. It is mutually

agreed that if the Congress does not appropriate sufficient funds for this program, State has the option to void this contract or to amend the Contract to reflect any reduction of funds.

C. Exemptions

Exemptions to the provisions of Item B above, of this Exhibit, may be granted by the California Department of Finance provided that the Director of DHCS certifies in writing that federal funds are available for the term of the contract.

D. Allowable costs

Allowable costs, as used in Section 51516.1 of Title 22 shall be determined in accordance with Title 42, CFR Parts 405 and 413, and Centers for Medicare and Medicaid Services (CMS), "Medicare Provider Reimbursement Manual (Publication Number 15)," which can be obtained from the Centers for Medicare & Medicaid Services, or www.cms.hhs.gov." In accordance with W&IC Sections 14132.44 and 14132.47, funds allocated to the Contractor for DMC services, including funding for alcohol and other drug services for pregnant and postpartum women pursuant to Title 22, Section 51341.1(c), may not be used as match for targeted case management services or for Medi-Cal administrative activities.

**Exhibit B A1**
Budget Detail and Payment Provisions
~~Fiscal Year 2014-15~~

**Part II – Reimbursements**

**Section 1. General Reimbursement**

A. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

B. Amounts Payable

1. The amount payable under this Agreement shall not exceed the amount identified on the Standard Agreement.

2. Reimbursement shall be made for allowable expenses up to the amount annually encumbered commensurate with the state fiscal year in which services are performed and/or goods are received.

3. The funds identified for the fiscal years covered by under this Section, within this Exhibit, are subject to change depending on the availability and amount of funds appropriated by the Legislature and the Federal Government. The amount of funds available for expenditure by the Contractor shall be limited to the amount identified in the final allocations issued by the State for that fiscal year or the non-DMC amount, whichever is less. Changes to allocated funds will require written amendment to the Contract.

4. For each fiscal year, the State may settle costs for services based on each fiscal year year-end cost settlement report as the final amendment for the specific fiscal year cost settlement report to the approved single state/county contract.

**Section 2. Non-Drug Medi-Cal**

A. Amounts Payable for Non-Drug Medi-Cal

1. State shall reimburse the Contractor monthly in arrears an amount equal to one-twelfth of the maximum amount allowed pursuant to Exhibit B **A1** of the contract or the most recent allocation based on the Budget Act Allocation, whichever is less. Final allocations will reflect any increases or reductions in the appropriations as reflected in the State Budget Act allocation and any subsequent allocation revisions.

2. Monthly disbursement to the Contract at the beginning of each fiscal year of the Contract shall be based on the preliminary allocation of funds, as detailed in this Exhibit.

3. However, based on the expenditure information submitted by the counties in the Quarterly Federal Financial Management Report (QFFMR) (Document 3O), State may adjust monthly payments of encumbered block grant federal funds to extend the length of time (not to exceed 21 months) over which payments of federal funds will be made.

4. Monthly disbursements to the Contractor at the beginning of each fiscal year of the Contract shall be based on the preliminary allocation of funds, as detailed in Exhibit B **A1**.

5. State may withhold monthly non-DMC payments if the Contractor fails to:

   (a) timely submit reports and data required by the State, including but not limited to, reports required pursuant to Exhibit A, Attachment I **A1**, Part III.

   (b) submit the contract amendment within 90 days from issuance from the State to the Contractor.

   (c) submit and **attest** ~~certify~~ the completion of Corrective Action Plans for services provided pursuant to this contract.

6. Upon the State's receipt of the complete and accurate reports, data, or signed contract, the Contractor's monthly payment shall commence with the next scheduled monthly payment, and shall include any funds withheld due to late submission of reports, data and/or signed contract.

7. Adjustments may be made to the total of the Contract and amounts may be withheld from payments otherwise due to the Contractor hereunder, for nonperformance to the extent that nonperformance involves fraud, abuse, or failure to achieve the objectives of the provisions of Exhibit A, Attachment I **A1**, Part IV.

B. Payment Provisions

For each fiscal year, the total amount payable by the State to the Contractor for services provided under Exhibit A, Attachment I **A1**, Part IV, shall not exceed the encumbered amount. The funds identified for the fiscal years covered by Exhibit A, Attachment I **A1**, Part IV, are subject to change depending on the availability and amount of funds appropriated by the Legislature and the Federal Government. Changes to encumbered funds will require written amendment to the Contract. State may settle costs for non-DMC services based on the year-end cost settlement report as the final amendment to the approved single state/county contract.

C. In the even a contract amendment is required pursuant to the preceding paragraph, Contactor shall submit to the State information as identified in Exhibit E, Section 1.D. To the extent the Contractor is notified of the State Budget Act allocation prior to the execution of the Contract, the State and the Contractor may agree to amend the contract after the issuance of the first revised allocation.

D. Accrual of Interest

Any interest accrued from State-allocated funds and retained by the Contractor must be used for the same purpose as the State allocated funds from which the interest was accrued.

E. Expenditure Period

Substance Abuse Prevention and Treatment (SAPT) Block Grant funds are allocated based upon the Federal Grant award period. These funds must be expended for activities authorized pursuant to 42 USC Sections 300x-21(b) through 300x-66; and Title 45, CFR, Subpart L, within the availability period of the grant award. Any SAPT Block Grant funds that have not been expended by a Contractor at the end of the expenditure period identified below shall be returned to the State for subsequent return to the Federal government.

1. The expenditure period of the FFY 2014 award is October 1, 2013 through June 30, 2015.

2. The expenditure period of the FFY 2015 award is October 1, 2014 through June 30, 2016.

3. The expenditure period of the FFY 2016 award is October 1, 2015 through June 30, 2017.

4. The expenditure period of the FFY 2017 award is October 1, 2016 through June 30, 2018.

5. The expenditure period of the FFY 2018 award is October 1, 2017 through June 30, 2019.

F. Contractors receiving SAPT Block Grant funds shall comply with the financial management standards contained in Title 45, CFR, Part 92, Sections 92.20(b)(1) through (6), and Title 45, CFR, Part 96, Section 96.30.

G. Non-profit Subcontractors receiving SAPT Block Grant funds shall comply with the financial management standards contained in Title 45, CFR, Part 74, Sections 74.21(b)(1) through (4) and (b)(7), and Part 96, Section 96.30.

H. Contractors receiving SAPT Block Grant funds shall track obligations and expenditures by individual SAPT Block Grant award, including, but not limited to, obligations and expenditures for primary prevention, services to pregnant women and women with dependent children. "Obligation" shall have the same meaning as used in Title 45, CFR, Part 92, Section 92.3."

Additionally, Contractors expending SAPT Block Grant HIV Set Aside funds for HIV Early Intervention Services are required to collect data regarding their use of HIV Set-Aside funds and to report this data to the State.

I. Restrictions on the Use of Federal Block Grant Funds

Pursuant to 42 U.S.C. 300x-31, Contractor shall not use SAPT Block Grant funds provided by the Agreement ~~to~~ on the following activities:

1. Provide inpatient services;

2. Make cash payment to intended recipients of health services;

3. Purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or other facility or purchase major medical equipment;

4. Satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds;

5. Provide financial assistance to any entity other than a public or nonprofit private entity;

6. Pay the salary of an individual through a grant or other extramural mechanism at a rate in excess of level I of the Executive Salary Schedule for the award year: see http://grants.nih.gov/grants/policy/salcap_summary.htm;

7. Purchase treatment services and penal or correctional institutions of this State of California; and

8. Supplant state funding of programs to prevent and treat substance abuse and related activities.

**Section 3. Drug Medi-Cal**

A. To the extent that the Contractor provides the covered services in a satisfactory manner and in accordance with the terms and conditions of this Contract, the State agrees to pay the Contractor federal Medicaid funds according to Exhibit A, Attachment I **A1**, Part III. Subject to the availability of such funds, Contractor shall receive federal Medicaid funds and/or State General Funds for allowable expenditures as established by the federal government and approved by the State, for the cost of services rendered to beneficiaries.

B. Any payment for covered services rendered pursuant to Exhibit A, Attachment I **A1**, Part V, shall only be made pursuant to applicable provisions of Title XIX or Title XXI of the Social Security Act; the W&IC; the HSC; California's Medicaid State Plan; and Sections 51341.1, 51490.1, 51516.1, and 51532 of Title 22.

C. It is understood and agreed that failure by the Contractor or its Subcontractors to comply with applicable federal and state requirements in rendering covered services shall be sufficient cause for the State to deny payments to and/or recover payments from the Contractor and/or terminate the Contractor or its Subcontractor from DMC program participation. If the State or the Department of Health and Human Services (DHHS) disallows or denies payments for any claim, Contractor shall repay to the State the federal

Medicaid funds and/or State General Funds it received for all claims so disallowed or denied. The overpayment shall be recovered by any of the methods allowed in Title 22, CCR, Sections 51047(a) and (b).

D. Before such denial, recoupment, or disallowances are made, State shall provide the Contractor with written notice of its proposed action. Such notice shall include the reason for the proposed action and shall allow the Contractor sixty (60) days to submit additional information before the proposed action is taken, as required in Title 22, CCR, Section 51047(a). This requirement does not apply to the DMC Post Service Post Payment Utilization Reviews.

E. The State shall refund to the Contractor any recovered Federal Drug Medi-Cal overpayment that is subsequently determined to have been erroneously collected, together with interest, in accordance with Title 22, CCR, Section 51047(e).

F. Contractor shall be reimbursed by the State on the basis of its actual net reimbursable cost, not to exceed the unit of service maximum rate.

G. Claims submitted to the contractor by a sub-contracted provider that is not certified or whose certification has been suspended pursuant to the Welfare and Institutions Code section 14107.11, and Code of Federal Regulations, Title 42, section 455.23 shall not be certified or processed for federal or state reimbursement by the contractor. Payments for any DMC services shall be held by the Contractor until the payment suspension is resolved.

H. In the event a contract amendment is required pursuant to the preceding paragraph, Contractor shall submit to the State information as identified in Exhibit E, Section 1.D. To the extent the Contractor is notified of the State Budget Act allocation prior to the execution of the Contract, the State and the Contractor may agree to amend the contract after the issuance of the first revised allocation.

I. Reimbursement for covered services, other than NTP services, shall be limited to the lower of:

1. the provider's usual and customary charges to the general public for the same or similar services;

2. the provider's actual allowable costs; or

3. the DMC SMA for the modality.

J. Reimbursement to NTP's shall be limited to the lower of either the USDR rate, pursuant to W&IC Section 14021.51(h), or the provider's usual and customary charge to the general public for the same or similar service. However, reimbursement paid by a county to an NTP provider for services provided to any person subject to Penal Code Sections 1210.1 or 3063.1 and for which the individual client is not liable to pay, does not constitute a usual or customary charge to the general public. (W&IC Section 14021.51(h)(2)(A)).

K. State shall reimburse the Contractor the State General Funds and/or federal Medicaid amount of the approved DMC claims and documents submitted in accordance with Exhibit A, Attachment I **A1**, Part III.

L. State will adjust subsequent reimbursements to the Contractor to actual allowable costs. Actual allowable costs are defined in the Medicare Provider Reimbursement Manual (CMS-Pub.15), which can be obtained from the Centers for Medicare & Medicaid Services, Baltimore, Maryland, or www.cms.hhs.gov.

M. Contractors and Subcontractors must accept, as payment in full, the amounts paid by the State in accordance with Title 22, CCR, Section 51516.1, plus any cost sharing charges (deductible, coinsurance, or copayment) required to be paid by the client. However, Contractors and Subcontractors may not deny services to any client eligible for DMC services on account of the client's inability to pay or location of eligibility. Contractors and Subcontractors may not demand any additional payment from the State, client, or other third party payers.

**Section 4. Drug Medi-Cal Direct Provider Contracts**

A. Pursuant to W&IC 14124.21, DHCS shall contract with qualified DMC providers within the county when a county does not contract to operate DMC services, in whole or in part.

B. The State will invoice the Contractor for the county realignment share of approved DMC claims received by the State from the State's subcontractor. Contractor shall reimburse the State for the county realignment share of the approved DMC claims within 30 days of receipt of the invoice. If Contractor does not reimburse the State within 30 days of receipt of the invoice, the State may offset the amount owed from any other funding owed to Contractor by the State or any other State agency. The parties acknowledge that the State's subcontractor shall be responsible for repayment of any disallowed claims. However, in no event shall the State be liable for Medicaid reimbursement for any disallowed claims.

1. Any Contractor contracting with the State for the provision of services through NTP providers may receive reimbursement of the NTP administrative rate.

2. As a result of the direct contract provider's settled cost report, any County Realignment funds owed to the direct contract provider will be handled through an invoice process to the Contractor. Additionally, as a result of the direct contract provider's settled cost report, any County Realignment funds owed to the State will be returned to the Contractor.

**Exhibit B A1**
Budget Detail and Payment Provisions
~~Fiscal Year 2014-15~~

**Part III - Financial Audit Requirements**

**Section 1. General Fiscal Audit Requirements**

A. In addition to the requirements identified below, the Contractor and its Subcontracts are required to meet the audit requirements as delineated in Exhibit C, General Terms and Conditions, and Exhibit D(F), Special Terms and Conditions, of this Contract.

B. All expenditures of county realignment funds, state and federal funds furnished to the Contractor and its Subcontractors pursuant to this Contract are subject to audit by the State. Such audits shall consider and build upon external independent audits performed pursuant to audit requirements of the Office of Management and Budget (OMB) Circular A-133 (Revised December 2013) **and/or any independent Contractor audits or reviews**. Objectives of such audits may include, but not limited to, the following:

1. To determine whether units of service claimed/reported are properly documented by service records and accurately accumulated for claiming/reporting;

2. To validate data reported by the Contractor for prospective contract negotiations;

3. To provide technical assistance in addressing current year activities and providing recommendation on internal controls, accounting procedures, financial records, and compliance with laws and regulations;

4. To determine the cost of services, net of related patient and participant fees, third-party payments, and other related revenues and funds;

5. To determine that expenditures are made in accordance with applicable state and federal laws and regulations and contract requirements, and/or;

6. To determine the facts in relation to analysis of data, complaints, or allegations, which may be indicative of fraud, abuse, willful misrepresentation, or failure to achieve the Contract objectives of Exhibit C and D(F).

C. Unannounced visits may be made at the discretion of the State.

D. The refusal of the Contractor or its Subcontractors to permit access to and inspection of electronic or print books and records, physical facilities, and/or refusal to permit interviews with employees, as described in this part constitutes an express and immediate material breach of this Contract and will be sufficient basis to terminate the Contract for cause or default.

E. Reports of audits conducted by the State shall reflect all findings, recommendations, adjustments and corrective action as a result of it's finding in any areas.

**Section 2. Non-Drug Medi-Cal Financial Audits**

A. Pursuant to OMB Circular A-133 §__.400(d)(3), Contractor shall monitor the activities of all of its Subcontractors to ensure that:

1. Subcontractors are complying with program requirements and achieving performance goals

2. Subcontractors are complying with fiscal requirements, such as having appropriate fiscal controls in place, and are using awards for authorized purposes.

B. Contractor can use a variety of monitoring mechanism, including limited scope audits, on-site visits, progress reports, financial reports, and review of documentation support requests for reimbursement, to meet the Contractor's monitoring objectives. The Contractor may charge federal awards for the cost of these monitoring procedures as outlined in OMB Circular A-133.

C. The Contractor shall submit to the State a copy of the procedures and any other monitoring mechanism used to monitor non-profit Subcontracts at the time of the County's annual site visit or within 60 days thereafter. Contractor shall state the frequency that non-profit Subcontracts are monitored.

D. Limited scope audits, as defined in the OMB Circular A-133, only include agreed-upon engagements that are (1) conducted in accordance with either the American Institute of Certified Public Accountants generally accepted auditing standards or attestation standards; (2) paid for and arranged by pass-through entities (counties); and (3) address one or more of the following types of compliance requirements: (i) activities allowed or unallowed; (ii) allowable costs/cost principals; (iii) eligibility; (9v) matching, level of effort and earmarking; and (v) reporting.

E. On-site visits focus on compliance and controls over compliance areas. The reviewer must make site visits to the subcontractor locations(s), and can use a variety of monitoring mechanism to document compliance requirements. The finding and the corrective action will require follow-up by the Contractor.

F. Contractor shall be responsible for any disallowance taken by the Federal Government, the State, or the California State Audit, as a result of any audit exception that is related to the Contractor's responsibilities herein. Contractor shall not use funds administered by the State to repay one federal funding source with funds provided by another federal funding source, to repay federal funds with state funds, or to repay state funds with federal funds. State shall invoice Contractor 60 days after issuing the final audit report or upon resolution of an audit appeal. Contractor agrees to develop and implement any corrective action plans in a manner acceptable to the State in order to comply with recommendations contained in any audit report. Such corrective action plans shall include time-specific objectives to allow for measurement of progress and are subject to verification by the state within one year from the date of the plan.

If differences cannot be resolved between the State and Contractor regarding the terms of the financial audit settlements for funds expended under Exhibit A, Attachment I **A1**, Part IV, Contractor may request an appeal in accordance with the appeal process described in Document 1J(a), "Non-DMC Audit Appeal Process," incorporated by this reference. When a financial audit is conducted by the Federal Government, the State, or the California State Auditor directly with a Subcontractor of the Contractor, and if the Subcontractor disagrees with audit disallowances related to its programs, claims or services, Contractor shall, at the Subcontractor's request, request an appeal to the State in accordance with Document 1J(a). Contractor shall include a provision in its subcontracts regarding the process by which its Subcontractors may file an appeal via the Contractors.

G. Contractors that conduct financial audits of Subcontractors, other than a Subcontractor whose funding consists entirely of non-Department funds, shall develop a process to resolve disputed financial findings and notify Subcontractors of their appeal rights pursuant to that process. This section shall not apply to those grievances or compliances arising from the financial findings of an audit or examination made by or on behalf of the State pursuant to Article IV of this Contract.

H. Pursuant to OMB Circular A-133, State may impose sanctions against the Contractor for not submitting single or program-specific audit reports, or failure to comply with all other audit requirements. The sanctions shall include:

1. Withholding a percentage of federal awards until the audit is completed satisfactorily

2. Withhold or disallowing overhead costs

3. Suspending federal awards until the audit is conducted; or

4. Terminating the federal award

**Section 3. Drug Medi-Cal Financial Audits**

A. In addition to the audit requirements set forth in Exhibit D(F), State may also conduct financial audits of DMC programs, exclusive of NTP services, to accomplish any of, but not limited to, the following audit objectives:

1. To review reported costs for validity, appropriate allocation methodology, and compliance with Medicaid laws and regulations;

2. To ensure that only the cost of allowable DMC activities are included in reported costs;

3. To determine the provider's usual and customary charge to the general public in accordance with CMS (The Medicare Provider Reimbursement Manual) (CMS-Pub.15), which can be obtained from the Centers for Medicare & Medicaid Services, Baltimore, Maryland, or www.cms.hhs.gov, for comparison to the DMC cost per unit;

4. To review documentation of units of service and determine the final number of approved units of service;

5. To determine the amount of clients' third-party revenue and Medi-Cal share of cost to offset allowable DMC reimbursement; and,

6. To compute final settlement based on the lower of actual allowable cost, the usual and customary charge, or the maximum allowance, in accordance with Title 22, Section 51516.1.

B. In addition to the audit requirements set forth in Exhibit D(F), State may conduct financial audits of NTP programs. For NTP services, the audits will address items A(3) through A(5) above, except that the comparison of the provider's usual and customary charge in A(3) will be to the DMC USDR rate in lieu of DMC cost per unit. In addition, these audits will include, but not be limited to:

1. For those NTP providers required to submit a cost report pursuant to W&IC Section 14124.24, a review of cost allocation methodology between NTP and other service modalities, and between DMC and other funding sources;

2. A review of actual costs incurred for comparison to services claimed;

3. A review of counseling claims to ensure that the appropriate group or individual counseling rate has been used and that counseling sessions have been billed appropriately;

4. A review of the number of clients in group sessions to ensure that sessions include no less than four and no more than ten clients at the same time, with at least one Medi-Cal client in attendance;

5. Computation of final settlement based on the lower of USDR rate or the provider's usual and customary charge to the general public; and,

6. A review of supporting service, time, financial, and patient records to verify the validity of counseling claims.

C. Contractor shall be responsible for any disallowances taken by the Federal Government, the State, or the Bureau of State Audits as a result of any audit exception that is related to its responsibilities. Contractor shall not use funds administered by the State to repay one federal funding source with funds provided by another federal funding source, or to repay federal funds with state funds, or to repay state funds with federal funds

D. Contractor agrees to promptly develop and implement any corrective action plans in a manner acceptable to the State in order to comply with recommendations contained in any audit report. Such corrective action plans shall include time-specific objectives to allow for measurement of progress and are subject to verification by the State within six months from the date of the plan.

E. Contractor, in coordination with the State, must provide follow-up on all significant findings in the audit report, including findings relating to a Subcontractor, and submit the results to the State.

If differences cannot be resolved between the State and the Contractor regarding the terms of the final financial audit settlements for funds expended under Exhibit B **A1**, Contractor may request an appeal in accordance with the appeal process described in the "DMC Audit Appeal Process," Document 1J(b), incorporated by this reference. When a financial audit is conducted by the Federal Government, the State, or the Bureau of State Audits directly with a Subcontractor of the Contractor, and if the Subcontractor disagrees with audit disallowances related to its programs, claims or services, Contractor shall, at the Subcontractor's request, request an appeal to the State in accordance with Document 1J(b). Contractor shall include a provision in its subcontracts regarding the process by which a Subcontractor may file an audit appeal via the Contractor.

F. Providers of DMC services shall, upon request, make available to the State their fiscal and other records to assure that such provider have adequate recordkeeping capability and to assure that reimbursement for covered DMC services are made in accordance with Title 22, CCR, Section 51516.1. These records include, but are not limited to, matters pertaining to:

1. Provider ownership, organization, and operation;
2. Fiscal, medical, and other recordkeeping systems;
3. Federal income tax status;
4. Asset acquisition, lease, sale, or other action;
5. Franchise or management arrangements;
6. Patient service charge schedules;
7. Costs of operation;
8. Cost allocation methodology;
9. Amounts of income received by source and purpose; and,
10. Flow of funds and working capital.

G. Contractor shall retain records of utilization review activities required in Article VI herein for a minimum of three (3) years.

**Exhibit B A1**
Budget Detail and Payment Provisions
~~Fiscal Year 2014-15~~

## Part IV – Records

### Section 1. General Provisions

A. Maintenance of Records

Contractor shall maintain sufficient books, records, documents, and other evidence necessary for the State to audit contract performance and contract compliance. Contractor shall make these records available to the State, upon request, to evaluate the quality and quantity of services, accessibility and appropriateness of services, and to ensure fiscal accountability. Regardless of the location or ownership of such records, they shall be sufficient to determine if costs incurred by contractor are reasonable, allowable and allocated appropriately. All records must be capable of verification by qualified auditors.

1. Contractor shall include in any contract with an audit firm a clause to permit access by the State to the working papers of the external independent auditor, and require that copies of the working papers shall be made for the State at its request.

2. Contractor shall keep adequate and sufficient financial records and statistical data to support the year-end documents filed with the State. All records must be capable of verification by qualified auditors.

3. Accounting records and supporting documents shall be retained for a three-year period from the date the year-end cost settlement report was approved by the State for interim settlement. When an audit by the Federal Government, the State, or the California State Auditor has been started before the expiration of the three-year period, the records shall be retained until completion of the audit and final resolution of all issues that arise in the audit. Final settlement shall be made at the end of the audit and appeal process. If an audit has not been completed within three years, the interim settlement shall be considered as the final settlement.

4. Financial records shall be kept so that they clearly reflect the source of funding for each type of service for which reimbursement is claimed. These documents include, but are not limited to, all ledgers, books, vouchers, time sheets, payrolls, appointment schedules, client data cards, and schedules for allocating costs. All records must be capable of verification by qualified auditors.

5. Contractor's subcontracts shall require that all Subcontractors comply with the requirements of Exhibit A, Attachment I **A1**, Part V, Section 2.

6. Should a Subcontractor discontinue its contractual agreement with the Contractor, or cease to conduct business in its entirety, Contractor shall be responsible for retaining the Subcontractor's fiscal and program records for the required retention period. The State Administrative Manual (SAM) contains statutory requirements governing the retention, storage, and disposal of records pertaining to state funds. Contractor shall follow SAM requirements located at http://sam.dgs.ca.gov/TOC/1600.aspx.

   The Contractor shall retain all records required by Welfare and Institutions Code section 14124.1, 42 CFR 433.32, and California Code of Regulations, Title 22, Section 51341.1 et seq. for reimbursement of services and financial audit purposes.

7. In the expenditure of funds hereunder, and as required by 45 CFR Part 96, Contractor shall comply with the requirements of SAM and the laws and procedures applicable to the obligation and expenditure of federal and state funds.

B. Dispute Resolution Process

1. In the event of a dispute under this Exhibit A, Attachment I **A1**, Part IV, other than an audit dispute, Contractor shall provide written notice of the particulars of the dispute to the State before exercising any other available remedy. Written notice shall include the contract number. The Director (or designee) of the State and the County Drug or Alcohol Program Administrator (or designee) shall meet to discuss the means by which they can effect an equitable resolution to the dispute. Contractor shall receive a written response from the State within sixty (60) days of the notice of dispute. The written response shall reflect the issues discussed at the meeting and state how the dispute will be resolved.

2. In the event of a dispute over financial audit findings between the State and the Contractor, Contractor may appeal the audit in accordance with the "non- DMC Audit Appeal Process" (Document 1J(a)). When a financial audit by the Federal Government, the State, or the California State Auditor is conducted directly with a Subcontractor of the Contractor, and if the Subcontractor disagrees with audit disallowances related to its programs, claims or services, Contractor shall, at the Subcontractor's request, request an appeal to the State in accordance with Document 1J(a). Contractor shall include a provision in its subcontracts regarding the process by which a Subcontractor may file an audit appeal via the Contractor.

3. As stated in Part III, Section 3, of this Exhibit, in the event of a dispute over financial audit findings between the State and the Contractor, Contractor may appeal the audit in accordance with DMC Audit Appeal Process" (Document 1J(b)). When a financial audit by the Federal Government, the State, or the California State Auditor is conducted directly with a Subcontractor of the Contractor, and if the Subcontractor disagrees with audit disallowances related to its programs, claims or services, Contractor shall, at the Subcontractor's request, request an appeal to the State in accordance with DMC Audit Appeal Process" (Document 1J(b)). Contractor shall include a provision in its subcontracts regarding the process by which a Subcontractor may file an audit appeal via the Contractor.

4. Contractors that conduct financial audits of Subcontractors, other than a Subcontractor whose funding consists entirely of non-Department funds, shall develop a process to resolve disputed financial findings and notify Subcontractors of their appeal rights pursuant to that process. This section shall not apply to those grievances or complaints arising from the financial findings of an audit or examination made by or on behalf of the State pursuant to Part II of this Exhibit.

5. To ensure that necessary corrective actions are taken, financial audit findings are either uncontested or upheld after appeal may be used by the State during prospective contract negotiations.

**Exhibit B A1**
Budget Detail and Payment Provisions
~~Fiscal Year 2014-15~~

**Part V. Drug Medi-Cal Reimbursement Rates**

A. **"Uniform Statewide Daily Reimbursement (USDR) Rate"** means the rate for NTP services based on a unit of service that is a daily treatment service provided pursuant to Title 22, Sections 51341.1 and 51516.1 and Title 9, commencing with Section 10000 (Document 3G), or the rate for individual or group counseling. The following table shows the ~~proposed Fiscal Year (FY) 2014-15~~ USDR rates.

| Service | Type of Unit of Service (UOS) | Non-Perinatal (Regular) Rate Per UOS | | Perinatal Rate Per UOS | |
|---|---|---|---|---|---|
| | | FY 14/15 | FY15/16 | FY 14/15 | FY15/16 |
| NTP-Methadone Dosing | Daily | $10.80 | **$11.44** | $11.79 | **$13.58** |
| NTP-Individual Counseling (*) | One 10-minute increment | $13.48 | **$13.39** | $21.06 | **$21.17** |
| NTP Group Counseling (*) | One 10-minute increment | $2.91 | **$3.02** | $7.03 | **$5.79** |

(*) The NTP contractors may be reimbursed for up to 200 minutes (20-10 minute increments) of individual and/or group counseling per calendar month ~~per beneficiary~~. If medical necessity is met that requires additional NTP counseling beyond 200 minutes per calendar month, NTP contractors may bill and be reimbursed for additional counseling (in 10 minute increments). Medical justification for the additional counseling must be clearly documented in the patient record.

Reimbursement for covered NTP services shall be limited to the lower of the NTP's usual and customary charge to the general public for the same or similar services or the USDR rate.

B. **"Unit of Service"** means a face-to-face contact on a calendar day for outpatient drug free, intensive outpatient treatment, perinatal residential, and Naltrexone treatment services. Only one face-to-face service contact per day is covered by DMC except in the case of emergencies when an additional face-to-face contact may be covered for intake crisis intervention or collateral service. To count as a unit of service, the second contact shall not duplicate the services provided on the first contact, and each contact shall be clearly documented in the beneficiary's record. While the rates are approved by the State, they are subject to change through the regulation process. Units of service ~~and proposed SMA for FY 2014-15~~ are identified in the following table.

| Service | Type of Unit of Service (UOS) | Non-Perinatal (Regular) Rate Per UOS | | Perinatal Rate Per UOS | |
|---|---|---|---|---|---|
| | | FY 14/15 | FY15/16 | FY 14/15 | FY15/16 |
| Intensive Outpatient Treatment | Face-to-Face Visit | $56.44 | **$58.30** | $80.78 | **$81.22** |
| Naltrexone Treatment | Face-to-Face Visit | $19.06 | **$19.06** | NA | **NA** |
| Outpatient Drug Free | Face-to Face Visit – Individual (per person) | $67.38 | **$66.93** | $105.32 | **$105.90** |
| | Face-to-Face Visit – Group (per person) | $26.23 | **$27.14** | $63.33 | **$52.11** |
| Perinatal Residential | Daily – Residential Day | NA | **NA** | $99.43 | **$99.97** |

# Exhibit B, Attachment I A2- Funding for Fiscal Year 2014-15 through FY 2016-17

| | |
|---|---|
| Version: | A02 |
| Date: | 7/1/2014 |

County: Napa

Contract #: 14-90075

| Fiscal Year 2014-15 | 2014-15 Funding Amount |
|---|---|
| | A01 |
| State General Funds (7/1/14 to 6/30/15) | |
| Drug Medi-Cal SGF | 44,040 |
| TOTAL | 44,040 |
| | |
| SAPT Block Grant - FFY 2015 Award (10/1/14 to 6/30/16) | |
| - Discretionary | 676,847 |
| - Adolescent/Youth | 15,447 |
| - Prevention Set-Aside | 189,000 |
| - Friday Night Live/Club Live | 6,000 |
| - HIV Set Aside | 22,661 |
| - Perintal | 40,657 |
| TOTAL | 950,612 |
| | |
| Drug Medi-Cal Federal Share (7/1/14 to 6/30/15) | |
| - Non Perinatal Federal Share | 114,615 |
| - Perinatal Federal Share | 0 |
| TOTAL | 114,615 |
| | |
| GRAND TOTAL | 1,109,267 |

| Fiscal Year 2015-16 | 2015-16 Funding Amount | |
|---|---|---|
| | Original | A02 |
| State General Funds (7/1/15 to 6/30/16) | | |
| Drug Medi-Cal SGF | ~~44,040~~ | 75,361 |
| TOTAL | ~~44,040~~ | 75,361 |
| | | |
| SAPT Block Grant - FFY 2016 Award (10/1/15 to 6/30/17) | | |
| - Discretionary | ~~676,847~~ | 676,877 |
| - Adolescent/Youth | ~~15,447~~ | 15,432 |
| - Prevention Set-Aside | 189,000 | 189,000 |
| - Friday Night Live/Club Live | 6,000 | 6,000 |
| - HIV Set Aside | ~~22,661~~ | 25,101 |
| - Perintal | ~~40,657~~ | 40,642 |
| TOTAL | ~~950,612~~ | 953,052 |
| | | |
| Drug Medi-Cal Federal Share (7/1/15 to 6/30/16) | | |
| - Non Perinatal Federal Share | ~~33,284~~ | 114,615 |
| - Perinatal Federal Share | 0 | 0 |
| TOTAL | ~~33,284~~ | 114,615 |
| | | |
| GRAND TOTAL | ~~1,027,936~~ | 1,143,028 |

| Fiscal Year 2016-17 | 2016-17 Funding Amount |
|---|---|
| | Original |
| State General Funds (7/1/16 to 6/30/17) | |
| Drug Medi-Cal SGF | 44,040 |
| TOTAL | 44,040 |
| | |
| SAPT Block Grant - FFY 2017 Award (10/1/16 to 6/30/18) | |
| - Discretionary | 676,847 |
| - Adolescent/Youth | 15,447 |
| - Prevention Set-Aside | 189,000 |
| - Friday Night Live/Club Live | 6,000 |
| - HIV Set Aside | 22,661 |
| - Perintal | 40,657 |
| TOTAL | 950,612 |
| | |
| Drug Medi-Cal Federal Share (7/1/16 to 6/30/17) | |
| - Non Perinatal Federal Share | 33,284 |
| - Perinatal Federal Share | 0 |
| TOTAL | 33,28~~4~~ |
| | |
| GRAND TOTAL | 1,027,936 |

| | |
|---|---|
| ORIGINAL THREE-YEAR TOTAL | ~~3,083,808~~ |
| A01 THREE-YEAR TOTAL | ~~3,165,139~~ |
| A02 THREE-YEAR TOTAL | 3,280,231 |

CCC-307

## CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

| *Contractor/Bidder Firm Name (Printed)* County of Napa | *Federal ID Number* 52-1577685 |
|---|---|
| *By (Authorized Signature)* Diane Dillon | |
| *Printed Name and Title of Person Signing* Diane Dillon, Chair of the Board of Supervisors | |
| *Date Executed* 10/20/15 | *Executed in the County of* Napa |

## CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

1) the dangers of drug abuse in the workplace;
2) the person's or organization's policy of maintaining a drug-free workplace;
3) any available counseling, rehabilitation and employee assistance programs; and,
4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

1) receive a copy of the company's drug-free workplace policy statement; and,
2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the

certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES $50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations,

or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts over $100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

## DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.