O. PROVIDER CONTRACTING

All contracted providers, including subcontractors, shall adhere to and support the Substance Use Disorder (SUD) Intergovernmental Agreement executed between San Diego County and the California State Department of Health Care Services (DHCS).

All SUD providers must contract with the County of San Diego in order to receive reimbursement for Substance Use Disorder Services. Please read your contract carefully. It contains:

- General terms applicable to all contracts;
- Special terms specific to a particular contract;
- A description of work or services to be performed;
- Payment Schedule and/or budget; and
- Statutes and/or regulations particular to the DMC-ODS SUD programs as well as programs supported by other funds.

Contracted providers shall have the policies and procedures in place for monitoring subcontractors/consultants with the following required elements:

- Frequency of monitoring
- Depth and quality of monitoring (invoice reviews, program reviews, fiscal solvency, etc.)
- Documentation of the monitoring activities
- Follow-up process for resolution of non-compliance
- Exclusion debarment Medi-Cal screening process in place
- Criminal background checks process in place

Selection and monitoring of organizational agencies is governed by contracting procedures, which require a review of the organization's fiscal soundness, resumes of principal administrators and supervisors, the agency's experience with similar services, and a proposed staffing plan. All contracted providers will be expected to adhere to these requirements. Please contact your Behavioral Health Services Contracting Officer's Representative (COR) if you have any questions regarding your contract.

Responsibilities of DMC-ODS Counties for DMC-ODS Benefits

Per BHIN 23-001 or subsequent revisions, DMC-certified providers that do not receive a DMC-ODS County contract cannot receive a direct contract with the State to provide services to residents of DMC-ODS Counties.

Counties shall serve providers that apply to be a contract provider but are not selected a written decision including the basis for the denial.

- Any solicitation document utilized by counties for the selection of DMC providers must include a protest provision.
- Counties shall have a protest procedure for providers that are not awarded a contract. The protest procedure shall include requirements outlined in the State/County contract.
- Providers that submit a bid to be a contract provider, but are not selected, must exhaust the county's protest procedure if a provider wishes to challenge the denial to DHCS.
- If the county does not render a decision within 30 calendar days after the protest was filed with the county, the protest shall be deemed denied and the provider may appeal the failure to DHCS.

- A provider may appeal to DHCS as outlined in Enclosure 4 of BHIN 23-001 or subsequent revisions.

DMC-ODS Counties select the DMC-certified providers with whom they contract to establish their DMC-ODS provider networks, with the exception of IHCPs. DMC-certified providers that do not receive a DMC-ODS County contract cannot receive a direct contract with the State to provide services to residents of DMC-ODS Counties.

Counties shall serve providers that apply to be a contract provider but are not selected a written decision including the basis for the denial. Any solicitation document utilized by counties for the selection of DMC providers must include a protest provision. Counties shall have a protest procedure for providers that are not awarded a contract. The protest procedure shall include requirements outlined in the State/County contract. Providers that submit a bid to be a contract provider, but are not selected, must exhaust the county's protest procedure if a provider wishes to challenge the denial to DHCS. If the county does not render a decision within 30 calendar days after the protest was filed with the county, the protest shall be deemed denied and the provider may appeal the failure to DHCS. A provider may appeal to DHCS as outlined in Enclosure 4 of BHIN 23-001 or subsequent revisions.

Disclosure Requirements
The SUD Intergovernmental Agreement (IA) providers and contractors shall disclose to the state any persons or corporations with an ownership or control interest in an organization that:

- Has direct, indirect, or combined direct/indirect ownership interest of 5% or more of the Legal Entity's equity;
- Owns 5% or more of any mortgage, deed of trust, note, or other obligation secured by the Legal Entity if that interest equals at least 5% of the value of the Legal Entity's assets;
- Is an officer or director of a Legal Entity organized as a corporation; or
- Is a partner in a Legal Entity organized as a partnership.

Disclosure to the State shall be done during the following:

- When the Legal Entity submits a proposal in accordance with the County's procurement process or when the Legal Entity submits a provider application.
- When the Legal Entity executes a contract with the County or when the provider executes a provider agreement with the state.
- When the state renews or extends the County contract.
- Within 35 days after any change in ownership of the contractor/disclosing entity.
- Upon request of the state during the revalidation of the provider enrollment.
- Within 35 days after any change in ownership of the disclosing entity.
- See Section 1124(a)(2)(A) of the Act; section 1903(m)(2)(A)(viii) of the Act; 42 CFR 438.608(c)(2); 42 CFR 455.100 - 104]

Conflict of Interest
Contractor shall not utilize any State officer or employee in the State civil service or other appointed State official for performance of the contract unless specific criteria is met, as per Pub. Con. Code § 10410; 42

C.F.R. § 438.3(f)(2). Contractor shall inform their COR of current and former State employees who are working under a program that is funded by County BHS.

Social Security Death Master File Verification
Prior to executing a contract with a provider, the SUD Plan is required to verify that the provider (individual) is not listed within the Social Security Death Master File (DMF) upon enrollment. Should a contract provider appear on the list, the SUD Plan will notify the County to take the appropriate action regarding enrollment or disenrollment from the SUD Plan and notify the appropriate regulatory authority.

National Provider Identification Verification
All HHSA contractors are required to have an active National Provider Identification (NPI) number for the facility and verify that all clinical staff, licensed or not, have an active NPI number. For new employees, contracted programs are to provide employee with necessary paperwork needed to apply for an NPI number, should they not already have one. If the new employee has an NPI number, the contractor shall verify in the National Plan and Provider Enumeration System (NPPES) for accuracy. Contractors must update the NPPES system as needed when the employee's information changes. The SUD Plan is required to complete the same verification process for the contracted providers. When contractor submits their Access Request Form (ARF) for staff account set up in the electronic health record, the MIS unit performs validation through the NPPES database. Staff shall not have access to the electronic health record without a valid NPI number.

Provider Orientation
All new agreements require a provider orientation meeting within thirty (30) business days of the agreement's execution or start date, whichever occurs later, and as needed throughout the agreement term. Additional orientations may be required when there are changes to key provider or County staff, operational or fiscal processes, laws or regulations, funding requirements, agreement templates, or unique agreement elements. The CORs and Administrative Representatives, in conjunction with the BHS Contract Support Team, are responsible for leading the provider orientation.

The orientation ensures providers understand their contractual obligations and the County's monitoring activities, and may be conducted in person, virtually, by email, telephone, or any combination, as deemed appropriate by the COR or Administrative Representative.

The provider will designate a contact person to coordinate attendance of necessary provider staff at the orientation. For experienced providers, orientation may be limited to updates on unique agreement requirements or changes to County/BHS processes.

As a contractor in the SUD Plan, it's important for providers to be aware of the objectives of the DMC-ODS, which are:

- To increase the County SUD provider network capacity and offer new services to an expanded number of Medi-Cal members.
- To increase local oversight of the SUD provider network with the goals of improved service quality and cost efficiencies.
- To ensure efficient care coordination and linkages among physical health, mental health and SUD services.
- To increase public safety through the implementation of evidence-based treatment services.

Goals

Programs shall provide members with comprehensive, preventive, rehabilitative, and therapeutic behavioral health care delivered in the least restrictive environment and in the most effective mode based on ASAM criteria. The goal of programming should include, incorporating Harm Reduction strategies that are not limited to abstinence, but include safer use, managed use, meeting those who use drugs "where they are" and addressing conditions of substance use. Overall goals of this program include member access to timely care, retention in treatment, reduction of substance use relapse, reduction in justice involvement, and improvement in quality of life.

Measures

Providers shall refer to their contract Statement of Work for quality-of-care measures, outcome measures, and process objectives specific to their program. Measures may be adjusted during the contract term to meet changes in Federal, State, and County requirements.

Quality of Care Measures include areas such as the following:

- Assessment
- Care Coordination
- Member Satisfaction – Submission

Outcome Measures include areas such as the following:

- Reduction in Justice Involvement
- Housing Support Services
- Self-Sufficiency
- Newborn Health
- Continuum of Care
- Member Satisfaction

Process Objectives include areas such as the following:

- Minimum number of member admissions
- Minimum number of bed days

Service Eligibility

Services shall not be refused to members based on sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, gender, gender identity, or sexual orientation, or the inability to pay, if the member meets the County's eligibility population requirements. Members who are CalWORKs eligible shall not be charged fees. Members who are DMC eligible shall not be charged fees unless there is Share of Cost (SOC).

County of Responsibility and Residency

All members receiving services through a County BHS contract shall have San Diego County residency. Regarding residency, for non Medi-Cal members, a specific period of residence in the county or state is not required to qualify for services. Intent to reside in San Diego County is a necessary condition and is established by the member's verbal declaration. This applies to foreign nationals, including individuals with immigrant or nonimmigrant status. Without intent to reside in San Diego County, any member must be

billed at full cost. County of Responsibility claims adjudication information is provided in the County of San Diego Behavioral Health Services Drug Medi-Cal Organizational Providers Billing Manual.

Financial Status Evaluation
During the treatment intake process, programs shall conduct a financial assessment of all members and collect information about participants' personal health insurance coverage, if any. If potential third-party payers are identified, programs shall develop procedures to bill the third-party payer. Programs that provide Drug Medi-Cal (DMC) services shall be responsible for verifying the Medi-Cal eligibility of each member for each month of services prior to billing for DMC services for that member. Medi-Cal eligibility verification should be performed prior to rendering service.

Monitoring Activities
The County performs various monitoring activities including desk reviews, member record reviews, and site visits conducted by the Program Monitor/COR as well as the Quality Assurance Unit. Contractor's Program Managers shall be available during regular business hours and respond to the Program Monitor/COR or designee within 2 business days. Contractor shall have the technological capability to communicate, interface and comply with all County requirements electronically using compatible systems, hardware and software. Providers are required to submit status reports for review, and it is important to become familiar with the status reports to document pertinent information as required. The Status Report templates offer drop-down boxes including codes to make data entry collection easier.

Corrective Action Notice
Corrective Action Notice (CAN) is a tool identifying deficiencies in compliance with contractual obligations and requires corrective actions within a specified time frame. A CAN may result from findings during site visits or information derived from reports. Contractors are required to respond to the CAN specifying course of actions initiated/implemented to comply within the specified time frame.

Contract Issue Resolution
Issues, problems or questions about your contract shall be addressed to your COR.

Claims and Billing for Contract Providers

Contractor Payments
Contractors will be paid in arrears after the month for which a service has been provided. BHS Administrative Services Unit (ASU) will process claims (invoice) in accordance with the contract terms.

Budgets, Cost Reports and Supplemental Data Sheets and Claims (Invoices)

- Budgets, cost reports, supplemental data sheets, and claims (invoices) must comply with the established procedures.
- Year-end Cost report is due by August 31.
- Drug Medi-Cal (DMC) annual cost report is generally due November 1 following the end of the previous fiscal year.
- The State reconciles after receiving the year end cost report. This is an on-going process.

Submitting Claims (Invoice) for Services
Please submit all claims (invoice) for payment to:
Behavioral Health Services Contract Support, (BHSCS) (P531K)

P O Box 85524
San Diego, CA 92186-5524
Fax to: (619) 563-2730, Attn: Lead Fiscal Analyst
Email scanned copy to: ADS_Claims.HHSA@sdcounty.ca.gov

Overpayment
In the event of overpayments, excess funds must be returned or offset against future claim payments.

Certification on Disbarment or Exclusion
All claims for reimbursement submitted must contain a certification about staff freedom from federal debarment, exclusion, suspension or ineligibility from services. For additional information on these requirements, refer to Section E: SUD Program Requirements.

Publicity, Announcements, and Materials
All public announcements and materials distributed to the community shall identify the County of San Diego as the funding source for contracted programs. Copies of publicity materials related to contracted programs shall be filed with the HHSA BHS SUD (Substance Use Disorder) unit.

Funding Restrictions
Programs shall not solicit or accept payments, contributions or donations from any business or organization primarily engaged in the manufacture, distribution or wholesale or retail sale of alcoholic beverages.

Hatch Act
Provider 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.

No Unlawful Use or Unlawful Use Messages Regarding Drugs
Provider 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). Provider agrees to enforce these requirements.

Limitation on Use of Funds for Promotion of Legalization of Controlled Substances
None of the funds made available through a County may be used by 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).

Restriction on Distribution of Sterile Needles
No Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUBG) funds made available through a contract with the County shall be used to carry out any program that includes the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug unless the State choose to implement a demonstration syringe services program for injecting drug users.

Byrd Anti-Lobbying Amendment

No Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUBG) funds made available through a contract with the County shall be used to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, member of Congress, office or employee of Congress, or any employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352.

Restrictions on Salaries
No part of any federal funds provided under San Diego County contracts shall be used by providers or their subcontractors to pay the salary of an individual at a rate in excess of Level II of the Executive Schedule. Salary schedules may be found at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/.

Restrictions on the Use of Federal Block Grant Funds
Pursuant to 42 U.S.C. 300x-31, Programs shall not use SUBG Block Grant funds on the following activities:

- Provide inpatient services;
- Make cash payment to intended recipients of health services;
- Purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or other facility or purchase major medical equipment;
- Satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds;
- Provide financial assistance to any entity other than a public or nonprofit private entity;
- 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
- Purchase treatment services and penal or correctional institutions in the State of California; and
- Supplant state funding of programs to prevent and treat substance abuse and related activities.

Payment of Last Resort
Contracted programs shall use SUBG Block Grant funds as the "payment of last resort" and shall make every reasonable effort, including the establishment of systems for eligibility determination, billing, and collection, to:

- Collect reimbursement for the costs of providing such services to persons who are entitled to insurance benefits under the Social Security Act, including programs under title XVIII and title XIX, any State compensation program, any other public assistance program for medical expenses, any grant program, any private health insurance, or any other benefit program
- Secure from patients or members payments for services in accordance with their ability to pay. [Note: Members who are DMC eligible shall not be charged fees unless there is Share of Cost (SOC)]

Gift Card Usage
Gift cards may be used to directly benefit members and program objectives (i.e., grocery store vouchers). Gift cards may not be used as an incentive for Drug Medi-Cal billed services (i.e., as prizes for opportunity drawings for group attendance).

Programs must comply with the following:

- Have adequate internal controls and procedures in place to mitigate misappropriation of Gift Cards
- Gift Cards maintained in a secured and locked environment accessible only to the designated Contractor employees
- Gift Cards are accounted for by receipts, tracking system, and follow the Contractor's internal purchase policies
- Disbursement of Gift Cards is accounted for by a tracking system that indicates at a minimum:
    - Full name of the recipient
    - Amount of the Gift Card
    - Date disbursed
    - Two full signatures (one of which must be a Contractor employee). If both signatures are those of contract employees, one must be a supervisor.
- In the event Contractor discovers misappropriation of Gift Cards, Contractor must contact assigned BHS COR within one workday of the occurrence.
- Gift card purchase receipts, tracking log and internal polices shall be available to COR or Designee for review and inspection at any time
- Records to support the use of gift cards shall be available for in-depth review visits. Gift Cards that are not used or disbursed at the end of their original approved contract year must be justified and pre-approved (again) prior to being used in the next or any future contract years.

See OPTUM website "Forms" tab for the Health and Human Services Agency – Behavioral Health Services Gift Cards Approval Form.

Cost Limitations

For each term period stated on the Signature page of the Contract:

- The parties estimate that performance of the Agreement will not cost the County more than the maximum Agreement amount specified in the Compensation clause of the Agreement Signature page.
- The Provider agrees to use their best efforts to perform the work specified and all obligations under the agreement within the maximum Agreement amount.

The Provider shall adhere to the requirements in their contract's Exhibit C, C1 and C2. Provider shall notify the Contracting Officer Representative (COR) in writing whenever there is reason to believe:

- The costs the Providers expects to incur under the agreement in the next 60 days, when added to all costs previously incurred, will exceed 75 % of the maximum Agreement term amount as specified in the Compensation clause of the Agreement Signature page, or
- The total cost for the performance of the Agreement will be either greater or substantially less than had been previously agreed to for that term.

As part of the notification, the Contractor shall provide the COR a revised estimate of the total cost of performing the Agreement for that term.

Unless otherwise stated in the agreement, the County is not obligated to reimburse the Provider for costs incurred in excess of the maximum Agreement amount specified in the Compensation clause of the Agreement Signature page.

The Provider is not obligated to continue performance under the Agreement (including actions under the Termination clause of the Agreement) or otherwise incur costs in excess of the maximum Agreement amount specified in the Compensation clause of the Agreement Signature page, until the COR notifies the Providers in writing that the maximum Agreement amount has been increased and provides a revised maximum Agreement amount of performing this Agreement.

No notice, communication, or representation in any form other than that specified in the contract, or from any person other than the COR, shall affect the contract's maximum Agreement amount to the County. In the absence of the specified notice, the County is not obligated to reimburse the Providers for any costs in excess of the maximum Agreement amount.

If the maximum Agreement amount is increased, any costs the Contractor incurs before the increase that are in excess of the previously maximum Agreement amount shall be allowable to the same extent as if they incurred afterward, unless the COR issues a termination or other notice directing that the increase is solely to cover termination or other specified expenses.

False Claims Act

All HHSA employees, contractors, and subcontractors, are required to report any suspected inappropriate activity. Suspected inappropriate activities include but are not limited to, acts, omissions or procedures that may be in violation of health care laws, regulations, or HHSA procedures. The following are examples of health care fraud:

- Billing for services not rendered or goods not provided
    - Falsifying certificates of medical necessity and billing for services not medically necessary
    - Billing separately for services that should be a single service
    - Falsifying treatment plans or medical records to maximize payment
    - Failing to report overpayments or credit balances
    - Duplicate billing
    - Unlawfully giving health care providers such as physicians' inducements in exchange for referral services.

Any indication that any one of these activities is occurring should be reported immediately to your program COR immediately, as well as the SUD QA team at QIMatters.BHS@sdcounty.ca.gov. If there are related complaints that wish to remain anonymous, providers may contact the BAC Hotline at 866-549-0004.

Drug Medi-Cal

Per Cost Reporting/Data Collection Manual the "policy of the State Agency is that reimbursement for Drug Medi-Cal services shall be limited to the lowest of published charges and actual costs".

Definitions

- ***Provider*** means the program providing the SUD services. It is part of a legal entity on file with the State's Department Health Care Services (DHCS).

- ***Published Charge or Published Rate*** is a "term used in CFR Title 42 to define provider cost reimbursement mechanisms from third party sources. This generally means that customary charges throughout the year should be as close to actual (cost) as possible to avoid a lesser of costs or charges audit exception circumstance." Published rates for services provided by organizational providers must be updated at the beginning of each fiscal year to ensure the County's MIS has the accurate information as well as ensuring no potential loss of Medi-Cal revenue. The published rate for a specific service should, at a minimum, reflect the total cost for providing that service to ensure no loss of Medi-Cal revenue. Published rates are to be submitted to BHS Contract Support Unit (CSU) NLT by August 1 of each year.
- ***Actual Cost*** is reasonable and allowable cost based on year-end cost reports and Medicare principles of reimbursement per 42 CFR Part 413 and HCFA Publication 15-1.
- ***Federal Financial Participation*** per Title 9 CCR Chapter 11 means the federal matching funds available for services provided to Medi-Cal members under the Medi-Cal program.

Medi-Cal Billing to the State

For the most current information on Medi-Cal billing, refer to the County of San Diego Behavioral Health Services Drug Medi-Cal Organizational Providers Billing Manual. For Same Day Billing information, see Appendix F.1 – DMC ODS Same Day Billing Matrix.

Medi-Cal Revenue

For the most current information on Medi-Cal billing, refer to the County of San Diego Behavioral Health Services Drug Medi-Cal Organizational Providers Billing Manual.

Medi-Cal Disallowance/Recoupment

BHS is obligated to disallow SUD services for Medi-Cal reimbursement per the terms of the Intergovernmental Agreement between DHCS and the County. When standards are not met in documentation of Medical Necessity, Treatment Plans, Problem Lists, Progress Notes, Group Participant Lists, and other standards as described in the current version of the SUDURM and as outlined in any reasons for recoupment established by the Department of Health Care Services (DHCS), disallowance/recoupment occurs.

Organizational providers shall be responsible for ensuring that all medical records comply with federal, state and county documentation standards when billing for reimbursement of services. The Medi-Cal claims for the above circumstances will be deducted from contractors' invoice and contract payment. In accordance with State guidelines, these disallowances may be subject to future change. Contractor shall reimburse BHS for any disallowance of DMC payments, and reimbursement shall be based on the disallowed units of service at the Contractor's actual unit rate.

Billing Disallowances

The policy of San Diego County Behavioral Health Services Administration (SDCBHS) is to recoup costs by disallowing billing which has been identified and reported to the SDCBHS by the Contracted Organizational Providers in accordance with documentation standards as set forth in the current Substance Use Disorder Uniform Record Manual (SUDURM) and as outlined in any reasons for recoupment established by the Department of Health Care Services (DHCS).

Procedures

The following are the procedures to be followed for QA-identified and Provider-Identified billing disallowances to ensure consistent procedures are used when the information is reported to Behavioral Health Services Administration by providers.

1. All programs shall conduct internal review of medical records on a regular basis (i.e., monthly) to ensure that the documentation meets all County, State and Federal standards and that billing is substantiated. Additionally, providers shall participate in additional compliance reviews by SUD QA staff as described in Section I: Quality Assurance – Monitoring.

2. If the review of a member's chart results in a finding that the clinical documentation does not meet the documentation standards as set forth in the current SUDURM, the provider shall be responsible for corrective action which may include recovery of payment.
    a. If billing errors are identified, such as wrong time or procedure code, contact BHS Billing Unit via email or phone call 619-338-2385 for further instructions.

3. To void a claim identified as disallowed, providers shall complete and submit the Provider Drug Medi-Cal Payment Recovery Form, located on the Optum site under the Billing tab, and submit to the BHS Billing Unit. Refer to the County of San Diego Behavioral Health Services Drug Medi-Cal Organizational Providers Billing Manual for form instructions. Providers shall ensure that the claim item listed on the form as disallowances are noted correctly and do not contain errors. Items that are listed on the form incorrectly are the responsibility of the provider to correct. All disallowed services must be listed on the form exactly as they were billed.
    a. Submit the encrypted recovery form to both BHS QA staff and the BHS Billing Unit
    b. SUD QA: send report via secure email to QIMatters.BHS@sdcounty.ca.gov or fax to 619-236-1953
    c. BHS Billing Unit: send report via secure email to SUDBillingUnit.BHS@sdcounty.ca.govmailto:ADSBillingUnit.HHSA@sdcounty.ca.gov
    d. or fax to 619-236-1418

4. For details on how to process disallowed services, please refer to the County of San Diego Behavioral Health Services Drug Medi-Cal Organizational Providers Billing Manual.

5. All providers are required to review the DHCS Remittance Advice (RA) list of denied claims (Excel Claim Denial Report), sent by the BHS Billing Unit, to determine if the claims or the denial reasons are valid and track internally for cost reporting or claims reconciliation purposes.

BHS Contract Support Procedures

1. At a minimum annually, SUD QA conducts a Quality Assurance Program Review. This review includes a report of findings regarding disallowances/recoupments for not meeting standards as described above. Programs are required to follow the process for disallowance/recoupment as described in the QAPR report.
2. Contractors are expected to reflect the disallowed units (including self-report) in the next invoice if findings are made within the same fiscal year.
3. If findings are made after the fiscal year ends, Contractors that have been overpaid may elect to repay the recoupment via check or an offset from future payments.

- If the contractor pays by check, the check is received by ASU staff and forwarded to Financial Management staff for deposit. The payment is logged in the contract file along with a copy of the payment.
- If no check is received by ASU within 15 business days from the date of the letter to the Contractor; the recoupment amount is deducted from the next scheduled provider payment.

Billing Inquiries
Questions regarding claims (invoice) for payment should be directed in writing to:

BHS Contract Support (P531K)
PO Box 85524
San Diego, CA 92186-5524
Attn: Lead Fiscal Analyst

Note: Questions can also be addressed by calling the Contract Support Unit Fiscal Analyst

Inventory Guidelines for County Contracts
All Capital Assets/Equipment, Minor Equipment, and Consumable Supplies purchases shall be included in Cost Reimbursement contract budgets and shall be approved by the Contracting Officer's Representative (COR) upon budget submission. The equipment and supplies shall directly benefit members and program's objectives.

County retains title to all non-expendable property provided to Contractor by County, or which Contractor may acquire with contract Agreement funds if payment is on a cost reimbursement basis, including property acquired by lease purchase Agreement. Internal Controls and Procedures below provide guidelines on handling Capital Assets and Minor Equipment.

Definitions

1. **Capital Assets/Equipment**: Tangible non-expendable property that has been purchased with County funds and has a normal life expectancy of more than one year **and** a unit cost of $5,000 or more. Prior written approval from the COR is required for the acquisition of Capital Assets/Equipment. Examples of Capital Assets/Equipment include, but are not limited to building improvements, vehicles, machinery, furnaces, air conditioners, multifunction copy machines, furnishings, etc.
2. **Minor Equipment**: Any non-consumable implement, tool, or device that has a useful life of more than one year and an acquisition amount of $500 to $4,999. Examples of Minor Equipment include, but are not limited to televisions, video recorders and players, computer monitors, therapy equipment, refrigerators, hand-held electronic devices, electronic games, modular furniture, desks, chairs, conference tables, etc.
3. **Consumable Supplies**: Goods that have a useful life of one year or less **and** an acquisition value under $500. Examples of consumable supplies include, but are not limited to pens, pencils, paper, notepads, file folders, post-it notes, toner or ink cartridges, waiting room supplies, etc.

Internal Controls and Procedures
Contractors shall have the following internal controls and procedures in place for managing contract-funded Capital Assets/Equipment and Minor Equipment, whether acquired in whole or in part with County funds, until disposition takes place:

1. Prior written approval from the COR is required for the acquisition of Capital Assets/Equipment through budget development requests or Administrative Adjustment Requests.
2. Contractors shall place County of San Diego Property tags on Capital Assets/Equipment and Minor Equipment to identify items purchased with County funds. These tags can be requested through the COR.
3. Contractors shall include the expenditure of Capital Assets/Equipment and Minor Equipment on the monthly invoice/cost report that immediately follows the acquisition.
4. Contractors shall maintain inventory records that include a description of the item, a serial number or other identification number (if applicable), the acquisition date, the acquisition cost, location of the item, condition of the item, program funding for the item, and any ultimate disposition data including the date of disposal.
5. Contractors shall submit an Inventory Report of Capital Assets/Equipment and Minor Equipment purchased using County funds annually to COR no later than thirty (30) calendar days into each new contract year, and when any updates occur throughout the year (e.g., new items charged to the contract or when items are stolen, lost, damaged, missing, and upon disposal completion). The COR will review the Inventory Report to determine if the information is reasonable and complete based on their knowledge of the contract and approval of invoices containing charges for equipment.
6. The Inventory Report is to include all Capital Assets/Equipment and Minor Equipment items purchased since inception of the cost reimbursement contract.
7. Inventory records on non-expendable equipment shall be retained and shall be made available to the County upon request, for at least ten years following date of disposition.
8. Contractors may choose to utilize their own Inventory Report as long as the required information above is included. Otherwise, contractors can utilize the BHS Inventory Form.
9. Contractors shall include in the Inventory Report any items that were transferred from one County program to another and note the transfer date and program. A DPC 204 form shall be completed.
10. Contractors shall make all purchased items available to the COR (or their designee) for inspection at any time.
11. Contractors shall be responsible for accounting of all contract-funded items, whether acquired in whole or in part with County funds.
12. Contractors that are required to work with computers, laptops, portable devices or media that contain personal information relating to members, patients and residents shall have a duty to protect this data from loss, theft or misuse (refer to Article 14 Information Privacy and Security Provisions in the contract). All electronic property and information technology (IT) related items capable of storing information, regardless of acquisition price and useful life, must be included in the Inventory Report. Examples of electronic property and IT related items capable of storing information include, but are not limited to cellphones, laptops, tablets, USB memory devices, cameras, etc.
13. Contractors do not need to include in the Inventory Report consumable supplies valued under $500 except for electronic property and IT related items specified in item #1 above such as cell phones, laptops, anything that holds PII, and items subject to misuse or theft.

<u>Disposition</u>

1. Contractors should not remove the items previously listed on their Inventory Report submitted to the County, unless the COR approved the salvage or transfer of those items, or a County Behavioral Health Services policy provided such instructions.

2. Minor Equipment not meeting the requirement to be listed on the Inventory Report and Consumable Supplies does not need to be disposed of through the County process.
3. Non-expendable property that has value at the end of a contract (e.g. has not been depreciated so that its value is zero), and which the County may retain title, shall be disposed of at the end of the contract Agreement as follows:

At County's option, it may:

- Have Contractor deliver to another County contractor or have another County contractor pick up the non-expendable property;
- Allow the Contractor to retain the non-expendable property provided that the Contractor submits to the County a written statement in the format directed by the County of how the non-expendable property will be used for the public good; or
- Direct the Contractor to return to the County the non-expendable property.

Stolen, Damaged or Missing Equipment

1. Contractor shall inform the COR in writing within 48 hours of any stolen, damaged or missing equipment purchased with County funds. Exception: Any lost or missing item that contains personal information shall be reported in writing to the COR within 24 hours. Article 14 Information Privacy and Security Provisions requirements shall be followed when appropriate.
2. Contractor may be responsible for reimbursing the County for any stolen, damaged or missing equipment at the current book value of the asset.

Vehicles

1. The preferred method for Contractor(s) to acquire vehicles is through a lease arrangement. COR and County Management preapproval must be obtained for Contractor to acquire a vehicle. Vehicles shall be registered with the Contractor as the lien holder and registered owner. Whether vehicles are leased or purchased, Contractor shall maintain appropriate insurance on vehicles, follow maintenance schedule, as required by the automobile manufacturer. Vehicle(s) usage and insurance requirement language will be included/amended in the contract.
2. If vehicle will be purchased, COR must obtain written pre-approval from:
    - ACS Director, and
    - DPC Director
3. At contract termination, or when the original or replacement equipment/vehicle is no longer needed, or has become obsolete, or is inoperable and impractical to repair, a formal disposition process will be required (refer to BHS Property Transfer/Disposal Process). Contractors shall work with the COR, who will determine the final disposition of the item(s).

Inventory Disposition

1. Contact the COR before disposing of property purchased with County funds, and which the County may retain title under this paragraph, shall be disposed of at the end of the Contract Agreement as follows:

    At County's option, it may:

    - Have Contractor deliver to another County contractor or have another County contractor pick up the non-expendable property;

- Allow the contractor to retain the non-expendable property provided that the contractor submits to the County a written statement in the format directed by the County of how the non-expendable property will be used for the public good;
- Direct the Contractor to return to the County the non-expendable property.

2. BHS Property Inventory Form, (located on Optum site – Forms tab)

   - As the contractor disposes of equipment the following columns on the BHS Inventory form must be completed and a copy provided to the COR.
   - "Date of Disposition of Capital/Fixed Assets or Minor Equipment": This is the actual date the item was delivered and accepted by County Salvage.
   - "Date form AUD253 completed": This is the date the COR signs and returns AUD253 form to the contractor.

3. <u>Transfer or Disposition of Minor Equipment Form(s) and Procedures</u>

NOTE: Procedure for Property Transfer to the County of San Diego – Property Disposal or Transfer to another contractor. For purposes of this section on disposal of minor equipment, "contractor" refers to the specific numbered County contract, and that contract's County-owned property, not to the combined County-owned assets of multiple County contracts held by a parent organization/organizational provider. Both versions of form DPC 203 and the Mobile Devices SUPPLEMENTAL form can be:

- Downloaded from links in the Technical Resource Library (TRL).
- Provided to the contractor by BHS staff

BHS Contract Support administrators will keep an internal record of any County-owned property and conduct an inventory of all County-owned property during selected site visits.

There are three distinct transfer/disposition procedures in place for minor equipment. These are for disposal of Non-IT items that do not have memory, IT items containing memory, and Mobile Devices. All minor equipment salvage requests are to be completed by the contractor on the appropriate version of the BHS 203 form and forwarded to their Contracting Officer's Representative (COR) who will review, approve, sign and forward the BHS 203 form to the appropriate County staff. Once processed and approved by BHS, the COR will notify the contractor of further steps. All BHS 203 forms must include the program name, contract number, COR name, address (with Zip Code) identifying the physical location of the items, and full site contact information including name, phone number and email. Directions for transfers between contracts are included below for each procedure. A new fillable .pdf version of the basic BHS 203 (BHS 203 Fillable) is now available for use for Non-IT and IT disposal. There is also a fillable .pdf version of the IT SUPPLEMENTAL. Contractors are not to make changes to the BHS 203 forms, including changing pre-filled wording or making any entries in the forms' boxes #7 through #16. Non-IT equipment, IT equipment and Mobile Devices cannot be listed on the same 203 form. Flowcharts for the three procedures are also located in the TRL.

a. **<u>Non-IT Disposal Requests</u>** (furniture, office equipment without memory: printers, most copiers, non-memory-containing computer accessories [computer monitors, keyboards, and mice], routers, docking stations, wireless access points, DVD players, etc.)

- Requests are to be completed on the BHS 203 Fillable .pdf form, checking the Non-IT box, and sent to the COR for review, approval, electronic signature and forwarding.
- Non-IT requests require the condition of the items to be noted and must be accompanied by photos in .jpg format, preferably with like items grouped but individually identifiable in the photos.
- Once BHS approval is final, the COR will provide the program with the approved BHS 203 form and directions for delivery by the program, per pre-scheduled appointment, accompanied by the approved BHS 203 form, to the County's disposal contractor. Contractors are to retain the disposal contractor's proof of delivery and forward the documentation to the COR.
- Contractors are to retain the disposal contractor's signed proof of delivery and forward the documentation to the COR team as soon as possible.
- *[Transfers of Non-IT items between contracts/programs require the sending program to complete the BHS 204 Fillable, entering both the sending and receiving programs' names, contract numbers, COR names, current and future addresses of property, the site contact names, phone numbers and email addresses, and forward to the sending COR. The sending COR reviews, approves, electronically signs the form, and secures the receiving COR's approval and electronic signature (if different). The COR then forwards the approved form to BHS staff for further processing.* Transfers of Non-IT items do not require photos or condition.*]*

b. **IT Disposal Requests** (those items with memory: computers, laptops, notebooks, servers, zip drives, higher-end copiers with memory, etc.)

- Requests are to be completed on the DPC 203 Fillable form, checking the IT box, and then sent to the COR for review, approval, electronic signature and forwarding. The DPC 203 Fillable form includes a section for Wipe Certification for use with IT disposals. (HHSA only recognizes Department of Defense (DOD) level wiping done by its approved IT Wipe Vendor). IT items must be physically located at the address provided on the DPC 203 and retained at that site for pick up.
- Use DPC 203 form as a cover sheet: no itemizing on the form.
- On the DPC 203, the "Sender Information, Equipment Location and Contract Information" section is to be completed with full contract and contact information.
- The DPC IT SUPPLEMENTAL form is to be completed, listing individual items by Description (brand and model), Serial Numbers (NOT model numbers), "N/A" under Password to Unlock (passwords must be removed on all IT devices), and indicating "N" (for No) in the "Grant Funded" column.
- Group pictures are required for IT items; they do not to be individual.
- Following receipt of the disposal form with COR approval, the contractor will be contacted by HHSA IT's Wipe Vendor to arrange for pick up for disposal. *(Include the power cords for all types of computers at point of pick-up. Note the physical location of the serial number on each unit, as the Wipe Vendor must verify serial numbers as a condition for pick up).*
- The contractor must ensure that the IT Wipe Vendor completes the first box of the Wipe Certification of the DPC 203 form at point of pick-up.

- Once the equipment is picked up, the contractor will send a copy of the DPC 203 form with the completed wipe pick-up confirmation to the COR.
- *[Transfers of IT items between contracts/programs following DOD wiping, require the sending program to complete the DPC 203 Fillable, entering both the sending and receiving programs' names, contract numbers, COR names, current and future addresses of property, the site contact names, phone numbers and email addresses, and forward to the sending COR. The sending COR reviews, approves, electronically signs the form and secures the receiving COR's approval and electronic signature (if different), and forwards the BHS 204 form to BHS staff. Transfers of IT items do not require photos or condition. BHS staff then arrange for HHSA IT's Wipe Vendor to pick up the items, do the DOD wipe, and return the wiped items to the contractor at the pick-up location. The contractor secures the DOD Wipe Vendor's signature on the BHS 204 at point of pick up (first box of Wipe Certification) and again when wiped items are returned (second box of Wipe Certification). Following DOD wiping, the sending program sends the COR the DPC 203 with both sections of the Wipe Certification completed. The sending and receiving programs then coordinate transfer of wiped equipment. Contractors should discuss situations with their CORs when the wiping requirement may potentially be waived, for example certain same provider re-procured (rollover) contracts, or when a new provider will be serving the identical member base and providing identical services. In these situations, a wipe waiver, obtained by the COR from HHSA Compliance Office, is required.]*

c. **Mobile Devices Disposal Requests** (cell phones, flip phones, smart phones, hotspots, Wi-Fi cards, tablets, etc.)

- Requests are to be completed using the DPC 203 form and the DPC IT SUPPLEMENTAL, and sent to the COR team for review, approval and forwarding.
- Use DPC 203 form as a cover sheet: no itemizing on the form.
- The DPC IT SUPPLEMENTAL form is to be completed, listing individual items by brand, model and type, providing serial numbers (NOT model numbers) and "N/A" under passwords (passwords must be removed on IT devices), and indicating "N" (for No) in the "GRANT FUNDED" column. This salvage process requires a group photo, in .jpg format, of the listed Mobile Devices.
- This results in a disposal approval email which must be forwarded by the COR to the contractor along with the approved DPC 203 and IT Supplemental forms. The email includes a FedEx prepaid shipping label that must be printed only by the contractor, attaches it to the package of devices, encloses a copy of the approved Mobile Devices DPC 203 and IT Supplemental (approval with the Control No.) in the package, writes the Control No. on the outside of the package, and takes the package to the FedEx outlet for shipping to the County's Mobile Devices Salvaging Vendor.
- *[The contractor packages the devices for secure, cushioned shipping, encloses a copy of the approved Mobile Devices DPC 203 and IT Supplemental form with the Control No. in the package(s) and writes the Control No. on the outside of the package(s).]*
- **NOTE:** DPC requires that all Mobile Devices be reset to their factory default setting prior to shipping.

- *[Transfers of Mobile Devices are limited to situations where: either the provider, program and services remain the same and only the contract number changes; or where a new provider will be assuming identical services for an identical member population. For Mobile Device transfers where a provider has changed, a wipe waiver must be secured by the COR from the HHSA Compliance Office before the devices can be made available to the new provider. Transfers of Mobile Devices items do not require photos or condition.]*

Electronic Property/IT

- Contractors Inventory Minimum Guidelines on A Cost Reimbursement and Fixed PRICE Contract
- Inventory responsibility includes these minimum guidelines for the security of member information and portable electronic and data storage devices. This responsibility exists whether the information is in paper or electronic form. Additionally, all Contractor employees have the duty to protect any County assets assigned to them or in their possession, including desktop computers, portable devices and portable media.

Definitions

- Member Data: Any identifying information relating to any individual receiving services from any program.
- Portable Devices: Tools such as laptops, external hard drive, PDAs, cell phones, Tablet PCs, other USB memory devices and cameras (digital, non-digital, and video).
- Portable Media: Any tool used to transport information any distance such as CDs, DVDs, USB memory sticks, flash drives or smart cards.

Minimum Guidelines

All Contractors' executives shall be responsible for maintaining a current inventory of all portable devices and portable media in their program.

- All Contractors' electronic devices shall be password protected.
- All electronic provider files containing DHCS PHI or PI and stored on removable media or portable devices shall be encrypted with a FIPS 140-2 certified algorithm.
- Portable devices or portable media shall not be used for routine storage of member data.
- For any privacy incident (e.g., lost or stolen laptop, member files/records accessed, etc.) refer to Serious Incident Reporting procedures in Section G of this manual.

Sliding Scale Fee

The County shall conform to revenue collection requirements in HSC Sections 11841, by raising revenues in addition to the funds allocated by DHCS. 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 member fees based on the member's ability to pay. Sliding scale applies to low income, including those within 138% to 200% FPL without insurance (and not Medi-Cal eligible). See Appendix O.1 for the current fee schedule confirming to this requirement and will apply to future years subject to change from DHCS.