

### J. PROVIDER CONTRACTING

*Note: References to contracting do not apply to County-operated programs.*

All contracted providers, including subcontractors, shall adhere to the Mental Health Plan contract executed between San Diego County and the California State Department of Health Care Services (DHCS).

All non-County-operated organizational providers must contract with the County of San Diego in order to receive reimbursement for Specialty Mental Health 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 Medi-Cal managed mental health care programs as well as programs supported by other funds.

Selection and monitoring of organizational agencies are 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.

#### Disclosure Requirements

The Managed Care Plan (MCP) providers and contractors shall disclose to the state any persons or corporations with an ownership or control interest 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 MCP'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.

Any person with a 5% or more direct or indirect ownership of the Legal Entity's equity must submit to a criminal background check, including submitting fingerprints. See section 42 CFR 455.434(b)(1).

The contract requires the MCP to submit:

- The name and address of any person (individual or corporation) with an ownership or control interest in the managed care entity and its subcontractors.
- The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address.
- The date of birth and Social Security Number (SSN) of any individual with an ownership or control interest in the MCP and its subcontractors.
- Other tax identification number of any corporation with an ownership or control interest in the MCP and any subcontractor in which the MCP has a 5 percent or more interest.
- Information on whether an individual or corporation with an ownership or control interest in the MCP is related to another person with ownership or control interest in the MCP as a spouse, parent, child, or sibling.
- Information on whether a person or corporation with an ownership or control interest in any subcontractor in which the MCP has a 5 percent or more interest is related to another person with ownership or control interest in the MCP as a spouse, parent, child, or sibling.
- The name of any other disclosing entity in which an owner of the MCP has an ownership or control interest.
- The name, address, date of birth, and SSN of any managing employee of the MCP.

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 contractor 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 County renews or extends the Legal Entity contract.
- Within 35 days after any change in ownership of the Legal Entity or 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.

### Contractor Compliance Attestation:

Contractors shall complete the compliance attestation form attesting to compliance with all applicable Federal, State, County, and local laws, rules, and regulations and County contract requirements, including those from the County of San Diego Services Agreement and the Organizational Provider Operations Handbook, including but not limited to, the requirements below.

- Prohibition of Political Activities
- Byrd Anti-Lobbying Amendment
- Disclosure Requirements re: 5% or Greater Ownership and Controlling Interest (OPOH Section J)
- Conflict of Interest re: current or former State employees working under a program funded by County BHS (OPOH Section J)
- Comprehensive Continuous Integrated System of Care (OPOH section L)
- Cultural and Linguistically Appropriate Services Standards (OPOH Section H)
- Access to Services for Persons with Disabilities
- National Voter Registration Act (OPOH Section G)
- False Claims Act training and reporting (OPOH Section B)
- Privacy Breach and Suspected Security Incident
- Criminal Background Check & Subsequent Arrest Notification (Both Contractor & Subcontractor staff) (OPOH Section M).

### Program Monitoring

Each provider will have assigned to their program a Program Monitor (also known as Contracting Officer's Representative - COR), who will monitor compliance with outcome measures, productivity requirements and other performance indicators, analyze reports from providers, and provide programmatic review for budgets and budget variances in accordance with contract terms and conditions. Program monitors/CORs hold regular providers meeting to keep providers informed on the System of Care. All provider contract questions should be directed to the assigned Program Monitor/COR.

### Contractor Orientation

All new contracts require a contractor orientation meeting within 45 calendar days of contract execution. The COR, in conjunction with the BHS Contract Support Team and Agency Contract Support shall, be responsible for contractor orientation. Contractor will designate a contact person to coordinate attendance of necessary contractor staff at the orientation.

### Notification in Writing of Status Changes

Providers are required to notify BHS Contract Support, (BHSCS) COR and QA in writing if any of the following changes occurs:

- Change in office address, phone number or fax;
- Addition or deletion of a program site;
- Change of tax ID number or check payable name (only to BHSCS);
- Additions or deletions from your roster of Medi-Cal billing personnel (BHSCS& MIS); or
- Proposed change in Program Manager or Head of Service.

### Site Visits

The County MHP will conduct, at a minimum, an annual site visit to all organizational providers. The County MHP includes BHS Program Monitor/COR/Designee, MHS Administrative Services Unit, BHS Quality Assurance (QA) Unit, and the Health and Human Services Agency (HHSA) Contract Support. The site visit may include, but is not limited to, a review of:

- Compliance with contractual statement of work;
- Client medical records (where applicable);
- Building and safety issues;
- Staffing changes;
- Insurance, licensure, NPI, and certification validation;
- Fiscal and accounting policies and procedures;
- Beneficiary informing materials requirement;
- Compliance with standard terms and conditions.

Information from the QA site visit will be included in the contract monitoring process. When a Medi-Cal certification or re-certification is due, an in-depth site review will be completed. Please see Section G of this handbook for a more detailed discussion of Medi-Cal provider site visits.

An additional note: Contractor's Program Manager 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.

### 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 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.

### Monthly and Quarterly Status Reports

Contracted providers are required to submit a completed Monthly Status Report (MSR) and/or Quarterly Status Report (QSR) within 20 calendar days after the end of the report month. The COR reviews the status report for needed information on compliance and contractual requirements. The Quality Assurance Unit (QA) tracks and trends data, provides analysis and issues reports as needed for the Department of Health Care Services (DHCS), BHS Administration, the Quality Review Council and other groups. The status reports include: 1) A narrative (including General Information, Program Description, Activities/Events, Community Outreach, Emerging Issues, Quality Improvement Activities), 2) Outcomes, 3) Data Summaries for Units/Subunits, 4) Staffing & Personnel, 5) Client Suggestions & Transfer Requests, 6) Notices of Action, and 7) Additional Information Requested by the COR. It is important to become familiar with the status reports to document pertinent information as required. The Status Report templates offers drop-down boxes including codes to make data entry collection easier. Please see Section C on Accessing Services on Clients who must transfer to a new provider for more detail on Provider Transfers.

### Contract Issue Resolution

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

### Local Emergency Response

In the event that a local health emergency or local emergency is declared, or when the State or federal government has declared an emergency that includes areas within the County of San Diego, the prompt and effective utilization of Contractor resources essential to the safety, care and welfare of the public shall occur at the direction of the County, to the extent possible. Contractors shall provide assistance in the prevention of, response to, and recovery from, any public health emergency, as applicable. Contractors' staff shall be available upon request of BHS to assist in any necessary tasks during a public health disaster or County emergency state of alert. Providers shall work with the County to initiate processes and develop and implement plans, guidelines and procedures as required. As relevant, Contractors shall also refer to disaster preparedness and disaster response language outlined in this section of the Handbook.

### Disaster Response

- In the event that a local, state, or federal emergency is proclaimed within San Diego County, contractors shall cooperate with the County in the implementation of a Behavioral Health Services response plan. Response may include staff being deployed to provide services in the community, out of county under mutual aid Contracts, in shelters, and/or other designated areas.
- Contractors' staff shall be available upon request of BHS to assist in any necessary tasks during a disaster or County emergency state of alert.
- Contractor shall provide BHS with a roster of key administrative personnel's after-hours

phone numbers, pagers, and/or cell phone numbers to be used in the event of a regional emergency or local disaster. These numbers will be held confidential and never given out to other than authorized personnel.

- Contractor shall identify 25% of direct service staff to prepare for and deploy (if needed and available) to a critical incident. These staff shall participate in County provided Disaster Training (or other approved training) and provide personal contact information to be included in the Disaster Personnel Roster maintained by the County. Contractor shall advise COR of subsequent year training needs to maintain 25% trained direct service staff in the event of staff turnover. Contractor shall maintain 25% staff deployment capability at all times.
- In the event that contractor's program site is closed due to disaster or emergency, contractor shall call the Access and Crisis Line and their COR to inform them of this.

### Transportation of Clients

Contractors shall not use taxi cabs to transport unescorted minors who receive services funded by the County of San Diego.

### CLAIMS AND BILLING FOR CONTRACT PROVIDERS

#### Contractor Payments

Contractors will be paid in arrears. After the month for which service has been given, the BHS Strategy and Finance will process claims (invoice) in accordance with the contract terms.

#### Budgets, Claims (Invoices) and Supplemental Data Sheets

- Budgets, claims (invoices) and supplemental data sheets must comply with the established procedures and requirements
- Final claim is due by August 31 or as specified on year-end information notice.
- Quarterly claims for MAA, QA and Admin – 60 .calendar days after end of each service quarter and actual final actual cost in December which is six months after the end of the fiscal year . for QA and Admin. MAA claim is due December 31 of each fiscal year for all quarterly claims.
- Final reconciliation for CalAIM Fee-For-Service contracts shall occur 13-months after the end of each contract term.

#### Gift Card Usage

Gift cards may be used to directly benefit clients 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 with cost reimbursement contracts or with gift cards being reimbursed at cost 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 are 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.
- Bus passes that are purchased in advance will follow the gift card policy requirements.

### Medi-Cal Billing to the State

- Direct service claims can be submitted to the State up to a year from the date of service. Replacement of a denied service can be submitted up to 15 months.
- If the service was denied and the error is with the State's system, services can be replaced up to 36 months with a DRC 9. Voids can be process at any time and no limitation.

### Submitting Claims (Invoice) for Services

Please submit all claims (invoice) for payment to:

Email: [BHSClaims.HHSA@sdcounty.ca.gov](mailto:BHSClaims.HHSA@sdcounty.ca.gov)

Fax: (858) 999-8929

### 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. In order to be in compliance with these federal regulations, all organizational providers must verify monthly the status of employees with the Government Services Agency (GSA) Federal System for Award Management (SAM) list, the Office of the Inspector General (OIG) List of Excluded Individuals/Entities (LEIE), and the State of California Medi-Cal Suspended and Ineligible (S&I) list. Providers will report immediately to their COR any individual or entity that appears on any government excluded list and take the appropriate corrective action. Providers shall maintain documentation that evidences the required monthly verification.

To verify online if someone is on the Federal System for Award Management (SAM) list go to [.http://SAM.gov](http://SAM.gov) the OIG Exclusion list and the GSA debarment list go to: <https://exclusions.oig.hhs.gov>. To view the list of what will get someone placed on the OIG list, go to: <https://oig.hhs.gov/exclusions/authorities.asp>.

To verify if a provider of health care services is subject to suspension from participation in the Medi-Cal program, go to: <https://files.medi-cal.ca.gov/pubsdoco/SandILanding.asp>. This would be due to:

- Been convicted of a felony;
- Been convicted of a misdemeanor involving fraud, abuse of the Medi-Cal program or any patient, or otherwise substantially related to the qualifications, functions, or duties of a provider of service;
- Been suspended from the federal Medicare or Medicaid programs for any reasons;
- Lost or surrendered a license, certificate, or approval to provide health care; or
- Breached a contractual agreement with the Department that explicitly specifies inclusion on this list as a consequence of the breach, verification can be access by clicking on the link.

### Federal and State Database Checks

During the provider enrollment/reenrollment process, it is required that the MHP checks the following databases to verify the identity and determine the exclusion status of all providers:

- Social Security Administration's Death Master File.
- National Plan and Provider Enumeration System (NPPES).
- List of Excluded Individuals/Entities (LEIE).
- System for Award Management (SAM).
- CMS' Medicare Exclusion Database (MED).
- DHCS' Suspended and Ineligible Provider List.
- Restricted Provider Database (RPD).



In addition to checking all the databases upon a provider's enrollment/reenrollment, the MHP will review the SAM, LEIE, and RPD databases on a monthly basis. All databases will be reviewed upon a provider's enrollment/reenrollment to ensure that the provider continues to meet enrollment criteria. An MHP network provider must maintain good standing in the Medicare and Medicaid/Medi-Cal programs. Any provider terminated from the Medicare or Medicaid/Medi-Cal program may not participate as a provider within the MHP's network.

### **National Provider Identification Verification**

All HHSA contractors are required to verify that all clinical staff, licensed or not, have an active National Provider Identification (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 MHP 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 MHP MHMIS unit preforms validation through the NPPES database. Staff shall not have access to the electronic health record without a valid NPI number.

### **License Verifications**

All HHSA contractors are required to verify the license status of all employees who are required by the contract Statement of Work to have and maintain professional licenses. The verification must be submitted at the time of contract execution, renewal or extension. In order to ensure the license is valid and current, the appropriate website(s) shall be checked. For county operated programs, license verification is completed by the Human Resource department. All providers are responsible for ensuring that all staff licenses are active and valid. Providers shall keep documentation that evidences active licensure for staff.

## **SHORT-DOYLE MEDI-CAL**

### **I. Definitions**

***Provider*** means the program providing the mental health services. It is part of a legal entity on file with the State Department of Mental Health.

***Federal Financial Participation*** per Title 9 CCR Chapter 11 means the federal matching funds available for services provided to Medi-Cal beneficiaries under the Medi-Cal program.

### II. Medi-Cal Revenue

The Fiscal Services Unit will bill Medi-Cal for covered services provided to Medi-Cal beneficiaries by Short-Doyle Medi-Cal certified programs. The State will deny services that do not clear the billing edits, programs have 15 months from the date of service to fix denied services. Once the program has fixed the error, in order to rebill for the service, the program must complete the current Replace Service Request form located on the Optum Website at <https://www.optumsandiego.com/> and email the form to the email addresses stated on the form. After the form has been received and the replace processed, the program will be faxed back the form, this serves as notification that the replace was processed. If the reason for the denial is for Other Health Coverage or Medicare, the explanation of benefits (EOB) must be faxed to the billing unit with a copy of the denial report – fax to BHSBU/F (858) 467-9682.

County of San Diego HHSA – Mills Bldg. Behavioral Health Services Billing Unit Fiscal Services (BHSBU/F)

1255 Imperial Ave.  
San Diego, CA 92101  
Attn: Fiscal Services 6<sup>th</sup> Floor Rm. 633

### III. Medi-Cal Disallowance/Recoupment of Federal Financial Participation (FFP) Dollars

BHS is obligated to disallow Specialty Mental Health Services (SMHS) for Medi-Cal reimbursement per the current California State DHCS Reasons for Recoupment of FFP dollars categories:

- Criteria for access to Specialty Mental Health Services
- Claim submitted for service during a lock-out
- Missing documentation of allowable service
- Service not billable under Title 9
- Evidence of fraud, waste, abuse

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 claims for the above circumstances will be deducted from your contract payment.

Contractor shall reimburse BHS for any disallowance of Short-Doyle/Medi-Cal payments, and reimbursement shall be based on the disallowed units of service at the Contractor's contracted fee-for-service rates.

### IV. Billing Disallowances – Provider Self Report

The policy of San Diego County Behavioral Health Services Administration (SDCBHS) is to

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recoup payments for disallowed units identified and reported to the SDCBHS by the Contracted Organizational Providers in accordance with documentation standards as set forth in the current California State Department of Mental Health “Reasons for Recoupment of Federal Financial Participation Dollars.”

### **Procedures**

The following are the procedures to be followed for Self-Reporting of Billing Disallowances to ensure consistent procedures are used when the information is reported to Behavioral Health Services Administration by providers.

### **Provider Requirements**

1. Providers are required to conduct internal review of medical records on a regular basis (i.e., monthly) in order to ensure that the documentation meets all County, State and Federal standards and that billing is substantiated.
2. If the review of a Medi-Cal client’s chart results in a finding that the clinical documentation does not meet the documentation standards as set forth in the current California State Department of Health “Reasons for Recoupment of Federal Financial Participation Dollars” the provider shall be responsible for addressing the issue by filing a self-report of billing disallowances with SDCBHS.
3. To file a self-report of billing disallowances request with SDCMH, providers shall fill out the Provider Self-Report Billing Disallowance and a Void Service Request form if the service was billed and paid. E-mail the applicable form to MH Admin email addresses as directed on the form, who will forward the form to BHSBU. Providers shall ensure that the services 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.
4. All services that are disallowed will also be voided from EHR. Providers are responsible for re-entering corrected service information; services can be re-entered as non-billable or no re-entry as applicable based on the void/replace reasons (found on the EHR Void - Replace Service Forms document located on the Optum San Diego Website at <https://www.optumsandiego.com/>). Services that are submitted for corrections because of clerical errors may be replaced and programs will need to complete the replacement service request form and submit to MH Admin who forwards to the BHSBU.
5. Providers shall check if applicable, see disallowance instructions and re-enter the services.

### **BHS Strategy & Finance (S&F) Procedures**

1. On a monthly basis, BHS S&F staff process invoices based on Year-To-Date units. Any disallowances adjusted out from the Electronic Health Records will automatically reduce the payment to the providers. In any circumstances that disallowance can’t be adjusted out

from the Electronic Health Record, a manual disallowance calculations will be prepared and will prepare a letter pertaining to disallowances that will be sent to Contractors indicating that the County shall be entitled to recoup the disallowances.

2. Within 13-month after end of the fiscal year, S&F staff will reconcile units to ensure that all disallowances are included in the calculation of the year-end provider payment settlement. Notices will be sent to all Contractors that are entitled to additional payment or are subject to recoupment because of overpayment to the Contractor.
3. 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 S&F Fiscal Team staff and will forwarded to S&F Budget Team staff for deposit. The payment is logged in the contract file along with a copy of the payment.
  - If no check is received by S&F 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:

Email: [BHS-Claims.HHSA@sdcounty.ca.gov](mailto:BHS-Claims.HHSA@sdcounty.ca.gov)

Questions can also be addressed by calling the S&F Fiscal Team 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 clients 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.

#### **1. Definitions**

- a) **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.

- b) **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.
- c) **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.

## 2. 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:

- a) Prior written approval from the COR is required for the acquisition of Capital Assets/Equipment through budget development requests or Administrative Adjustment Requests.
- b) 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.
- c) Contractors shall include the expenditure of Capital Assets/Equipment and Minor Equipment on the monthly invoice/cost report that immediately follows the acquisition.
- d) 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.
- e) Contractors shall submit an Inventory Report of Capital Assets/Equipment and Minor Equipment purchased using County funds annually to the 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.
- f) The Inventory Report is to include all Capital Assets/Equipment and Minor Equipment items purchased since inception of the cost reimbursement contract, including all vehicles purchased and/or leased.
- g) Inventory records on non-expendable equipment shall be retained and shall be made available to the County upon request, for at least 10 years following date of disposition.
- h) 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.

- i) 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.
- j) Contractors shall make all purchased items available to the COR (or their designee) for inspection at any time.
- k) Contractors shall be responsible for accounting of all county-funded items, whether acquired in whole or in part with County funds.

Contractors that are required to work with computers, laptops, portable devices or media that contain personal information relating to clients, 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.

- l) 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 #k above such as cell phones, laptops, anything that hold PII, and items subject to misuse or theft.

### **3. Disposition**

- a) Contractors should not remove or dispose 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.
- b) Minor Equipment not meeting the requirement to be listed on the Inventory Report and Consumable Supplies do not need to be disposed through the County process.
- c) 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:

- i) Have Contractor deliver to another County contractor or have another County contractor pick up the non-expendable property;
- ii) 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
- iii) Direct the Contractor to return to the County the non-expendable property.

### **4. Stolen, Damaged or Missing Equipment**

- a) 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.

- b) Contractor may be responsible for reimbursing the County for any stolen, damaged or missing equipment at the current book value of the asset.

### 5. **Vehicles**

- a) 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.
  - i) If vehicle will be purchased, COR must obtain written pre-approval from:
    - ACS Director, and
    - DPC Director

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).

### 6. **Inventory Disposition:**

- a) 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:
  - i. 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:
  - ii. At County's option, it may:
    1. Have contractor deliver to another County contractor or have another County contractor pick up the non-expendable property;
    2. 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;
    3. Direct the Contractor to return to the County the non-expendable property.
- b) BHS Property Inventory Form: Available for download from the Optum website <https://www.optumsandiego.com> > BHS Provider Resources > MHP Provider Documents > OPOH tab.
  - i. As the contractor disposes of equipment the following column on the BHS Inventory form must be completed and a copy provided to the COR.

- ii. ."Approved Date of Item Transfer or Disposition." This is the date of the COR approval.
- c) **DPC 203 Disposition of Minor Equipment and DPC 204 Transfer of Minor Equipment, Forms and Procedures:**

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.*

Versions of the forms, DPC 203, IT Supplemental and DPC 204 can be:

- Provided to the contractor by BHS staff;
- Downloaded from the link in the Technical Resource Library (TRL);
- Downloaded from the Department of Purchasing & Contracting public facing page [https://www.sandiegocounty.gov/content/sdc/purchasing/property\\_disposal.html](https://www.sandiegocounty.gov/content/sdc/purchasing/property_disposal.html); or
- Downloaded from the Forms tab on the BHS Provider Resources > MHP Provider Documents on the Optum Website: (<https://www.optumsandiego.com>).

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 IT Mobile Devices. All minor equipment salvage requests are to be completed by the contractor on the appropriate version of the DPC form and forwarded to their Contracting Officer's Representative (COR) who will review, approve, sign and forward the DPC form to the appropriate County staff. Once processed and approved by BHS and/or the Department of Purchasing and Contracting (DPC), the COR will notify the contractor of further steps. All DPC 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 fillable version of the DPC form is now available for use for Non-IT, IT and Mobile Device disposal. Contractors are not to make changes to the DPC 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 DPC 203 form.*



DPC 203 forms used for minor equipment disposal are located on the Optum Website (<https://www.optumsandiego.com>) under **BHS Provider Resources > MHP Provider Documents > Forms**.

- i. **Non-IT Disposal Requests** (furniture, office equipment without memory, printers, most copiers, non-memory-containing computer accessories [computer monitors, keyboards, mice], routers, docking stations, wireless access points, DVD players, etc.):
  - **Requests** are to be completed on the DPC 203 Fillable 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, (file size must be smaller than 5 MB for posting purposes) preferably with like items grouped but individually identifiable in the photos. The purpose of the condition statement and photos is to give other County departments information useful in deciding if they want to acquire items - photos should provide a clear image of the item(s) and condition should be appropriate for the kind of item – any damage and age issues for furniture, working and functionality issues for equipment, and any contamination issues for all items.
  - Once DPC’s approval is final, the COR will provide the program with the approved DPC 203 form (with a Control No.) and directions for delivery by the program, per pre-scheduled appointment, accompanied by the approved DPC 203 form, to the County’s disposal contractor.
  - **Contractors are to retain the disposal contractor’s signed proof of delivery and then forward that documentation to the COR team.**
  - *[Transfers of Non-IT items between contracts/programs require the sending program/COR team to complete the DPC 204 Fillable form, 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.]*
- ii. **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 CoSD 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 numbers 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 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 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, signs the form and secures the receiving COR’s approval and signature (if different), and forwards the DPC 204 form to BHS staff. 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 DPC 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 204 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 client base and providing identical services. In these situations, a wipe waiver from the HHS Compliance Office is required.

- iii. **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 IT 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.
    - 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 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 client population. For Mobile Device transfers where a provider has changed, a wipe waiver must be secured by the COR from the HHS Compliance*

*Office before the devices can be made available to the new provider.]*

### 7. 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 client 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**

**Client 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.

1. All Contractors' electronic devices shall be password protected.
2. All client data transported on any portable device or media shall be encrypted and/or password protected.
3. Portable devices or portable media shall not be used for routine storage of client data.
4. For any privacy incident (e.g., lost or stolen laptop, client files/records accessed, etc.) refer to *Serious Incident Reporting to Quality Assurance Unit* procedures.