COORDINATION AND PROVISION OF BEHAVIORAL HEALTH CARE SERVICES CONTRACT

This Coordination and Provision of Behavioral Health Care Services Contract ("Contract") is entered into by and between Orange County Health Authority, a public agency, dba Orange Prevention and Treatment Integrated Medical Assistance, dba CalOptima ("CalOptima"), and the **County of Orange, through its division the Orange County Health Care Agency**, ("County"), a political subdivision of the State of California, with respect to the following:

RECITALS

A. CalOptima was formed pursuant to California Welfare and Institutions Code Section 14087.54 and Orange County Ordinance No. 3896, as amended by Ordinance Nos. 00-8 and 05-008, as a result of the efforts of the Orange County health care community.

B. CalOptima has entered into a contract with the Department of Health and Human Services ("DHHS"), Centers for Medicare and Medicaid Services ("CMS"), to operate a Medicare Advantage ("MA") plan pursuant to Title II of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Pub. L. 108-73) ("MMA"), and to offer Medicare covered items and services to eligible individuals (referred to herein as the "OneCare Program"). CalOptima, as a dual-eligible Special Needs Plan (dual SNP), may only enroll those dual eligible individuals who meet all applicable Medicare Advantage eligibility requirements, and who are eligible to be enrolled in CalOptima's Medi-Cal Managed Care plan, as described in the contract between CalOptima and the California Department of Health Care Services (DHCS).

C. County's behavioral health programs are provided to CalOptima Members, and County and CalOptima wish to coordinate the provision of such services, to ensure the maximum efficiency and effectiveness for Members, County and CalOptima.

D. County also provides certain behavioral health services to CalOptima Members that are Medicare covered items and services under CalOptima's CMS contract, and which may qualify for direct reimbursement by CalOptima.

E. County and CalOptima wish to set forth the manner in which their respective services shall be coordinated, and County shall be reimbursed by CalOptima, as required by CalOptima's contract with the CMS.

F. The State of California Department of Health Care Services ("DHCS") and the federal Centers for Medicare & Medicaid Services ("CMS") have partnered to launch a three-year Capitated Financial Alignment Demonstration Product (Demonstration Program) that will promote coordinated health care delivery to low-income seniors and people with disabilities who are dually eligible for California's Medi-Cal Program and the federal Medicare Program.

G. CalOptima is a participant in the Demonstration Program which will provide covered services and coordinate member-centered care to dually eligible Medi-Cal and Medicare Enrollees to receive full benefits under Medicare and Medi-Cal.

H. County shall provide behavioral health services to dually eligible Medi-Cal and Medicare Enrollees to receive full benefits under Medicare, and coordinate Medi-Cal behavioral health benefits with CalOptima.

I. NOW, THEREFORE, the parties agree as follows:

ARTICLE 1
DEFINITIONS

The following definitions, and any additional definitions set forth in Attachments and Schedules attached hereto, apply to the terms set forth in this Contract:

1.1. **"**Accreditation Organization**"** means any organization including without limitation, the National Committee for Quality Assurance (NCQA), Joint Commission and/or other entities engaged in accrediting, certifying and/or approving CalOptima, County and/or their respective programs, centers or services.

1.2. "Advance Directive" ~~means a written instruction (such as that required under the Federal Patient Self-Determination Act, 42 U.S.C. Sections 1395cc(f) and 1396a(w), and implementing regulations, the California Health Care Decisions Law, Probate Code Sections 4600 *et seq*., or durable power of attorney for health care), relating to the provision of medical care when an individual is incapacitated.~~ means an individual's written directive or instruction, such as a power of attorney for health care or a living will, recognized under state law (whether statutory or as recognized by the courts of the state) for the provision of that individual's health care if the individual is unable to make his or her health care wishes known.

1.3. "Approved Drug List" means CalOptima's continually updated list of medications and supplies that may be obtained without prior authorization.

1.4. "Behavioral Health Services" means those services within the County's programs that are Covered Services and are furnished by County to Members pursuant to this Contract, as identified in Attachment A.

1.5. "CalOptima Policies" means CalOptima policies and procedures relevant to this Contract, as amended from time to time at the sole discretion of CalOptima.

1.6. "CalOptima Program" means the Medi-Cal, Healthy Families, OneCare, and Demonstration Program Programs administered by CalOptima. Provider participates in the specific CalOptima Program(s) identified on Attachment A.

1.7. "Care Management Services" means (i) providing Behavioral Health Services including health assessments, identification of risks, initiation of intervention and health education

deemed Medically Necessary, consultation, referral for consultation and additional health care services; (ii) coordinating Medically Necessary Covered Services with other Medi-Cal benefits not covered under this Contract; (iii) maintaining a Medical Record with documentation of referral services, and follow-up as medically indicated; (iv) ordering of therapy, admission to hospitals and coordinated hospital discharge planning that includes necessary post-discharge care; (v) participating in disease management programs as applicable (vi) coordinating a Member's care with all outside agencies pertinent to their needs as addressed in the MOUs and CalOptima Policies (vii) coordinating care for Members transitioning from CalOptima Direct to a Health Network.

1.8. "Claim" means a request for payment submitted by County in accordance with this Contract and CalOptima Policies.

1.9. "Clean Claim" means a Claim that has no defects or improprieties, contains all required supporting documentation, passes all system edits, and does not require any additional reviews by medical staff to determine appropriateness of services provided as further defined in the applicable CalOptima Program(s).

1.10. "Compliance Program" means the program (including, without limitation, the compliance plan, code of conduct and CalOptima Policies) developed and adopted by CalOptima to promote, monitor and ensure that CalOptima's operations and practices and the practices of the members of its Board of Directors, employees, contractors and Physicians comply with applicable law and ethical standards.

1.11. "Concentration Languages" means those languages spoken by at least 1,000 Members whose primary language is other than English in a ZIP code, or by at least 1,500 such Members in two contiguous ZIP codes.

1.12. "Coordination of Benefits" or (COB) means the specific requirements (*e.g.,* Medicare Secondary Payer (MSP)) to coordinate other health care coverage (OHC) that is primary to the Member's CalOptima Program benefits.

1.13. "Covered Services" means those health care services which are benefits under CalOptima's MA Program and that are Medicare benefits, as described in the Evidence of Coverage, as are Medically Necessary, or are benefits under Cal MediConnect Program as described in Addendum 2 – Schedule 2, Demonstration Program.

1.14. "County Associates" means the County and its employees, Participating Providers and/or Subcontractors furnishing medical and/or administrative services under this Contract.

1.15. "Effective Date" means the effective date of commencement of the Contract as provided in Article 11.

1.16. "Government Agencies" means Federal and State agencies that are parties to the Government Contracts, including Department of Health and Human Services (HHS)/Centers for Medicare and Medicaid Services (CMS), DHCS, Department of Managed Health Care (DMHC) and the Managed Risk Medical Insurance Board

(MRMIB) and their respective agents and contractors, including quality improvement organizations (QIOs).

1.17. "Government Contract(s)" means the written contract(s) between CalOptima and the Federal and/or State government pursuant to which CalOptima administers and pays for covered items and services under a CalOptima Program.

1.18. "Government Guidance" means Federal and State operational and other instructions related to the coverage, payment and/or administration of CalOptima Programs.

1.19. "Health Network" means a physician group, physician-hospital consortium or health care service plan, such as an HMO, which is contracted with CalOptima to provide items and services to Members on a capitated basis.

1.20. "Licenses" means all licenses and permits that County is required to have in order to participate in the CalOptima Programs and/or furnish the items and/or services described under this Contract.

1.21. "Medical Necessity" or "Medically Necessary" means items and services that meet State and Federal medical necessity requirements for the CalOptima Programs, as applicable, and medical necessity criteria for the applicable services for CalOptima members.

1.22. "Medical Record" means any record kept or required to be kept by any Provider that documents all of the medical services received by the Member, including, without limitation, inpatient, outpatient, emergency care, and Referral requests and authorizations, as required to be kept pursuant to applicable State and Federal laws.

1.23. "Medicare" means the Federal health insurance program defined in Title XVIII of the Federal Social Security Act and regulations promulgated thereunder.

1.24. "Medicare Secondary Payer" or (MSP) means the Medicare COB requirements as incorporated in Medicare Advantage (MA) regulations.

1.25. "Member" means any person who has been determined to be eligible to receive benefits from, and is enrolled in, one or more CalOptima Program.

1.26. "Memorandum/Memoranda of Understanding" or (MOU) means an agreement(s) between CalOptima and an external agency(ies), which delineates responsibilities for coordinating care to CalOptima Members.

1.27. "Minimum Provider Standards" means the minimum participation criteria established by CalOptima for specified Providers that must be satisfied in order for a Provider to submit claims and/or receive reimbursement from the CalOptima program for items and/or services furnished to CalOptima members as identified in CalOptima Policies.

1.28. "Non-Covered Services" means those items and services that are not covered benefits under a particular CalOptima Program in accordance with the Evidence of Coverage or Member handbook and applicable State and Federal laws and regulations.

1.29. "Non-Participating Provider" means an institutional, professional or other Provider of health care services who has not entered into a written agreement with CalOptima, either directly or through another organization, to provide Covered Services to Members.

1.30. "Participating Provider" means an institutional, professional or other Provider of health care services who has entered into a written agreement with County to provide Covered Services to Members.

1.31. "Participation Status" ~~means whether or not a person or entity is or has been suspended or excluded from participation in Federal and/or State health care programs and/or has a felony conviction (if applicable).~~ means whether or not a person or entity is or has been suspended, precluded, or excluded from participation in a Federal and/or State health care program and/or has a felony conviction (if applicable) as specified in CalOptima's Compliance Program and CalOptima Policies.

1.32. "Physician" means a person with an unrestricted license to practice medicine or osteopathy in the state in which they practice, or a group practice, independent practice association or other formal business arrangement comprised of persons with such licensure.

1.33. "Practitioner" means a licensed independent practitioner, including but not limited to a Doctor of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed Clinical Social Worker (LCSW), Marriage and Family Therapist (MFT or MFCC), Nurse Practitioner (NP), Nurse Midwife, Physician Assistant (PA), Optometrist (OD), Registered Physical Therapist (RPT), Occupational Therapist (OT), Speech and Language Therapist furnishing Covered Services to Members.

1.34. "Prior Authorization" means the process by which CalOptima approves, usually in advance of the rendering, requested medical and other services pursuant to the utilization management program for the CalOptima Programs.

1.35. "Provider" means a Physician, Practitioner, , medical technician, hospital, laboratory, health maintenance organization or other person or institution that furnishes health care items or services.

1.36. "Provider Manual" means that document, as amended from time to time, that is prepared by CalOptima and describes CalOptima's Policies as they affect Providers.

1.37. "QMI Program" means CalOptima Quality Management and Improvement Program.

1.38. "Referral" means the process by which a County Associates directs a Member to seek and obtain Covered Services from a health professional or for care at a facility.

1.39. "Stabilize" or "Stabilized" means with respect to an Emergency Medical Condition, to provide such medical treatment of the condition, to assure, within reasonable medical

probability, that no material deterioration of the condition is likely to result from, or occur during, the transfer of the individual from a facility, or in the case of a pregnant woman, the woman has delivered the child and the placenta.

1.40. "Subcontract" means a contract entered into by County with a party that agrees to furnish items and/or services to CalOptima Members, or administrative functions or services related to County fulfilling its obligation to CalOptima under the terms of this Contract if, and to the extent, permitted under this Contract.

1.41. "Subcontractor" means a Provider or any organization or person who has entered into Subcontract with County for the purposes of providing or facilitating the provision of items and/or services under this Contract.

1.42. "Threshold Languages" means those languages as determined by CalOptima from time to time based upon State requirements per Medi-Cal Managed Care Division (MMCD) Policy Letter 99-03, or any update or revision thereof. As of the effective date of this Contract, the threshold languages are English, Spanish and Vietnamese.

1.43. "UM Program" means CalOptima's Utilization Management Program.

~~1.43.~~1.44. ~~-~~"Preclusion List" means the CMS-compiled list of providers and prescribers who are precluded from receiving payment for Medicare Advantage (MA) items and services or Part D drugs furnished or prescribed by Medicare beneficiaries."

ARTICLE 2
COORDINATION OF SERVICES

2.1. Coordination of Services. CalOptima and County shall coordinate, collaborate and communicate regarding the Behavioral Health Services identified in Attachment A, incorporated herein by this reference, in accordance with that Attachment A.

ARTICLE 3
FUNCTIONS AND DUTIES OF COUNTY

3.1. Provision of Behavioral Health Services.

3.1.1 County shall furnish Behavioral Health Services identified in Attachment A to eligible Members in accordance with the terms of this Contract and CalOptima Policies.

3.1.2 County agrees that, to the extent feasible, Behavioral Health Services provided by it will be made available and accessible to Members promptly and in a manner which ensures continuity of care.

3.1.3 Throughout the term of this Contract, and subject to the conditions of the Contract, County shall maintain the quantity and quality of its services and

employees in accordance with the requirements of this Contract, to meet County's obligation to provide Behavioral Health Services hereunder.

3.1.4 County shall furnish Behavioral Health Services to Members under this Contract in the same manner as those services are provided to other patients. County may not impose any limitations on the acceptance of Members for care or treatment that are not imposed on other patients.

3.1.5 The actual provision of any behavioral health service is subject to the professional judgment of the Practitioner as to the Medical Necessity of the service, except that County shall provide assessment and evaluation Services ordered by a court or legal mandate.

3.1.6 Decisions concerning whether to provide or authorize Behavioral Health Services shall be based solely on Medical Necessity. Disputes between the County and Members about Medical Necessity can be appealed pursuant to CalOptima Policies.

3.2. County Associates. Upon request, County shall provide CalOptima with a list of County Associates, together with any information requested by CalOptima for credentialing and/or the administration of its QMI Program. County shall, as warranted, immediately restrict or suspend County Associates from providing Behavioral Health Services to Members when: (i) the County Associates ceases to meet Minimum Provider Standards and/or other licensing/certification requirements or other professional standards described in this Contract; or (ii) CalOptima reasonably determines that there are serious deficiencies in the professional competence, conduct or quality of care of the applicable County Associates that does or could adversely affect the health or safety of Members. County shall immediately notify CalOptima of any of its County Associates(s) who cease to meet Minimum Provider Standards or licensing/certification requirements and County's action.

3.3. UM Program. County shall comply with CalOptima's UM Program including:

3.3.1 County acknowledges and agrees that CalOptima has implemented and maintains a UM Program that addresses evaluations of Medical Necessity and processes to review and approve the provision of items and services, including Behavioral Health Services, to Members. County shall comply with the requirements of the UM Program including, without limitation, those criteria applicable to the Behavioral Health Services as described in this Contract.

3.3.2 County shall comply with all Prior Authorization, concurrent and retrospective review and authorization requirements as set forth in CalOptima Policies.

3.3.3 County Associates may not admit a Member to a hospital on a non-emergency basis without first receiving prior authorization from CalOptima's UM Department.

3.3.4 County Associates shall permit CalOptima's UM Department staff and other qualified representatives of CalOptima to conduct on site reviews of the medical records of Members. CalOptima staff shall notify County prior to conducting such on site reviews and shall wear appropriate identification.

3.4. Transition of Care. At such time that Member meets criteria for a lower level of care, or upon request by a CalOptima Member, County shall assist the CalOptima Member in the orderly transfer of such CalOptima Member's behavioral health care. In doing so, County shall make available to the new Provider of care for the Member, copies of the Medical Records, patient files, and other pertinent information, including information maintained by any County Associates, necessary for efficient case management of Member. In no circumstance shall a CalOptima Member be billed for this service.

3.5. Eligibility. County shall verify a Member's eligibility for the applicable CalOptima Program benefits upon receiving a request for Covered Services.

3.6. Licensure/Certification of County Associates. Each of County's Associates furnishing services under this Contract shall maintain in good standing at all times during this Contract, the necessary licenses or certifications required by State and Federal law or any Accreditation Organization to provide or arrange for the provision of Covered Services to Members.

3.7. Good Standing. County represents it is in good standing with State licensing boards (applicable to its business), DHCS, CMS and the DHHS Officer of Inspector General (OIG). County agrees to furnish CalOptima, notices from these agencies of the issuance of criminal, civil and/or administrative sanctions related to licensure, fraud and or abuse and/or participation status.

3.8. Notices and Citations. County shall notify CalOptima in writing of any report or other writing of any State or Federal agency and/or Accreditation Organization that regulates County that contains a citation, sanction and/or disapproval of County's failure to meet any material requirement of State or Federal law or any material standards of an Accreditation Organization.

3.9. Professional Standards. All Behavioral Health Services provided or arranged for under this Contract shall be provided or arranged by duly licensed, certified or otherwise authorized professional personnel in manner that (i) meets the cultural and linguistic requirements of this Contract; (ii) within professionally recognized standards of practice at the time of treatment; (iii) in accordance with the provisions of CalOptima's UM and QMI Programs; and (iv) in accordance with the requirements of State and Federal law and all requirements of this Contract.

3.10. Service Area. County shall serve Members in all areas of Orange County, California.

3.11. Marketing Requirements. County shall comply with CalOptima's marketing guidelines relevant to the pertinent CalOptima Program(s) and applicable laws and regulations.

3.12. Clinical Laboratory Improvement Amendments. County shall only use laboratories with a Clinical Laboratory Improvement Amendments (CLIA) certificate of waiver or a certificate of registration along with a CLIA identification number. Those laboratories with certificates of waiver shall provide only the types of tests permitted under the terms of their waiver. Laboratories with certificates of registration may perform a full range of laboratory tests.

3.13. CalOptima QMI Program. County acknowledges and agrees that CalOptima is accountable for the quality of care furnished to its Members in all settings including services furnished by County Associates. County agrees that it is subject to the requirements of CalOptima's QMI Program and that it shall participate in QMI Program activities as required by CalOptima. Such activities may include, but are not limited to, the provision of requested data and the participation in assessment and performance audits and projects (including those required by CalOptima's regulators) that support CalOptima's efforts to measure, continuously monitor, and evaluate the quality of items and services furnished to Members. County shall participate in CalOptima's QMI Program development and implementation for the purpose of collecting and studying data reflecting clinical status and quality of life outcomes for CalOptima Members. County shall cooperate with CalOptima and Government Agencies in any complaint, appeal or other review of Behavioral Health Services (*e.g.,* medical necessity) and shall accept as final all decisions regarding disputes over Behavioral Health Services by CalOptima or such Government Agencies, as applicable, and as required under the applicable CalOptima Program.

~~3.13.~~ "County shall allow CalOptima to use performance data for CalOptima's quality improvement program activities and mandatory performance data reporting to CalOptima's Regulators."

3.14. CalOptima Quality Improvement Program. For services provided under this Contract, County shall participate in CalOptima's Quality Improvement Program including, but not limited to, allowing CalOptima staff and/or representatives access to Medical Records and Member complaints and grievances. County further agrees to participate in all quality improvement studies including, but not limited to, Healthcare Effectiveness Data and Information Set (HEDIS) data collection.

3.15. CalOptima Oversight. County understands and agrees that CalOptima is responsible for the monitoring and oversight of all duties of County under this Contract, and that CalOptima has the authority and responsibility to: (i) implement, maintain and enforce CalOptima Policies governing County's duties under this Contract and/or governing CalOptima's oversight role; (ii) conduct audits, inspections and/or investigations in order to oversee County's performance of duties described in this Contract; (iii) require County to take corrective action if CalOptima or a Government Agency determines that corrective action is needed with regard to any duty under this Contract; and/or (iv) revoke the delegation of any duty, if County fails to meet CalOptima standards in the performance of that duty. County shall cooperate with CalOptima in its oversight efforts and shall take corrective action as CalOptima determines necessary to comply with the

laws, accreditation agency standards, and/or CalOptima Policies governing the duties of County or the oversight of those duties.

3.16. Cultural and Linguistic Services. County shall comply with all the following requirements related to the provision of linguistic and culturally sensitive services in accordance with this Contract and CalOptima Policies.

County shall have a Cultural and Linguistic Services Program that monitors, evaluates, and takes effective action to address any needed improvement in the delivery of culturally and linguistically appropriate services. County shall provide cultural competency, sensitivity, or diversity training for County Associates at key points of contact, including, but not limited to, reception, appointment setting, and other positions or locations having direct contact with Members that are essential for access to Covered Services under this Contract. County shall provide orientation and training on cultural competency to County Associates serving Members. The training objectives shall include teaching participants an enhanced awareness of cultural competency imperatives and issues related to improving access and quality of care for Members, as well as information on access to interpreters, and how to work with interpreters. County shall also, as appropriate, refer Members to culturally-appropriate community services programs.

Pursuant to CalOptima Policies, County shall provide translation of written materials in the Threshold Languages and Concentration Languages, as identified by CalOptima. Written materials to be translated include, but are not limited to, signage, the Member Services Guide, Member information, Explanation of Coverage, Member forms, notices and welcome packages, as well as form letters, including notice of action letters and grievance acknowledgement and resolution letters, as applicable to services provided under this Contract. County shall ensure that all written Member information is provided to Members at not greater than a sixth grade reading level or as determined appropriate through the CalOptima's group needs assessment, and communicated in writing to County. The written Member information shall ensure Members' understanding of the health plan Covered Services and processes, and ensure the Member's ability to make informed health decisions. If a Member requests materials in a language not meeting the numeric thresholds, County shall provide oral translation of the written materials utilizing bilingual staff or a telephonic interpreter service. County shall also make materials available to Members in alternate formats (e.g. Braille, audio, large print) upon request of the Member. County shall be responsible for ensuring the quality of translated materials.

3.17. Provision of Interpreters. County shall provide, at no cost to Members, linguistic interpreter services and interpreter services for the deaf or hard of hearing for all Members at all key points of contact, including, without limitation, telephone, advice and urgent care transactions, and outpatient encounters, and all sites utilized by County, Associates, as well as Member services, orientations, appointment setting and similar administrative functions, as necessary, to ensure the availability of effective communication regarding treatment, diagnosis, medical history or health education.

County shall have in place telephonic and face-to-face interpreter services and American Sign Language interpreter services personnel and/or contracts. County shall provide twenty-four (24) hour access to interpreter services for all Members, and shall implement policies and procedures to ensure compliance by subcontracted providers with these standards. Such access shall include access for users of Telecommunication Devices for the Deaf (TDD) or Telecommunications Relay Services (711 system). Upon a Member or Participating Provider request for interpreter services in a specific situation where care is needed, County shall make all reasonable efforts to provide a face-to-face interpreter in time to assist adequately with all necessary Covered Services, including Urgent Care Services and emergency services. If face-to-face interpretation is not feasible, County must ensure provision of telephonic interpreter services or interpretation through bilingual staff members. County shall routinely document the language needs of Members, and the request or refusal of interpreter services, in a Member's medical record. This documentation shall be available to CalOptima at CalOptima's request. County shall not require or suggest that a Member use friends or family as interpreters. However, a family member or friend may be used when the use of the family member or friend: (i) is requested by the Member; (ii) will not compromise the effectiveness of service; (iii) will not violate Member's confidentiality; and (iv) the Member is advised that an interpreter is available at no cost to the Member. When providing interpreter services, County shall ensure the linguistic capabilities and proficiency of individuals providing interpreter services.

3.18. County's Compliance Program. County shall maintain a compliance program and its board members and County Associates furnishing services, whether medical, administration, or both, under this contract shall comply with the requirements of the County code of conduct and the compliance program. As part of its compliance program, County shall undertake to proactively discover, prevent and remedy fraud, waste and abuse, as those terms are defined under applicable federal and state law, and ensure that persons making good-faith reports related to fraud, waste and abuse are protected from any manner of retaliatory conduct by County, its board members or County Associates.

3.19. Equal Opportunity. County Associates will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. County Associates will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. County Associates agree to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or DHCS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973, and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C.

4212). Such notices shall state County Associates' obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.

County Associates will, in all solicitations or advancements for employees placed by or on behalf of County Associates, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.

County Associates will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of County Associates' commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

County Associates will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, ‘Amending Executive Order 11246 Relating to Equal Employment Opportunity,‘ and as supplemented by regulation at 41 CFR part 60, “Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” and of the rules, regulations, and relevant orders of the Secretary of Labor.

County Associates will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, ‘Amending Executive Order 11246 Relating to Equal Employment Opportunity,‘ and as supplemented by regulation at 41 CFR part 60, “Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of County Associates' noncompliance with the requirements of the provisions herein or with any Federal rules, regulations, or orders which are referenced herein, this Contract may be cancelled, terminated, or suspended in whole or in part, and County Associates may be declared ineligible for further Federal and State contracts, in accordance with procedures authorized in Federal Executive Order No. 11246 as amended, and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, ‘Amending Executive Order 11246 Relating to Equal Employment Opportunity,‘ and as

supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

County and its Subcontractors will include the provisions of this section in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor, issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. County and its Subcontractors will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions, including sanctions for noncompliance, provided, however, that in the event County and its Subcontractors become involved in, or are threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS, County and its Subcontractors may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

3.20. Compliance with Applicable Laws. County shall observe and comply with all Federal and State laws and regulations, and requirements established in Federal and/or State programs in effect when the Contract is signed or which may come into effect during the term of the Contract, which in any manner affects the County's performance under this Contract. County understands and agrees that payments made by CalOptima are, in whole or in part, derived from Federal funds, and therefore County and any Subcontractor are subject to certain laws that are applicable to individuals and entities receiving Federal funds. County agrees to comply with all applicable Federal laws, regulations, reporting requirements and CMS instructions, including Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and the Americans with Disabilities Act, and to require any Subcontractor to comply accordingly. County agrees to include the requirements of this section in its Subcontracts. In making payments to Subcontractors and Non-Participating Providers, County shall comply with all applicable Federal and State laws and Government Guidance related to claims payment.

3.21. No Discrimination/Harassment (Employees). During the performance of this Contract, County Associates shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religion, creed, color, national origin, ancestry, physical disability HIV, and Acquired Immune Deficiency Syndrome (AIDS)), mental disability, medical condition, marital status, age (over 40), gender, sexual orientation, or the use of family and medical care leave and pregnancy disability leave. County Associates shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and

harassment. County Associates shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (Title 2, CCR, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the CCR are incorporated into this Contract by reference and made a part hereof as if set forth in full. County Associates shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

3.22. No Discrimination (Member). ~~County Associates shall not discriminate against Members because of race, color, creed, religion, ancestry, marital status, sexual orientation, national origin, age, sex, or physical or mental handicap in accordance with Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d (race, color, national origin); Section 504 of the Rehabilitation Act of 1973 (29 USC §794) (nondiscrimination under Federal grants and programs); Title 45 CFR Part 84 (nondiscrimination on the basis of handicap in programs or activities receiving Federal financial assistance); Title 28 CFR Part 36 (nondiscrimination on the basis of disability by public accommodations and in commercial facilities); Title IX of the Education Amendments of 1973 (regarding education programs and activities); Title 45 CFR Part 91 and the Age Discrimination Act of 1975 (nondiscrimination based on age); as well as Government Code Section 11135 (ethnic group identification, religion, age, sex, color, physical or mental handicap); Civil Code Section 51 (all types of arbitrary discrimination); and all rules and regulations promulgated pursuant thereto, and all other laws regarding privacy and confidentiality.~~ County Associates shall not discriminate against Members because of race, color, national origin, creed, ancestry, religion, language, age, marital status, sex, sexual orientation, gender identity, health status, physical or mental disability, or identification with any other persons or groups defined in Penal Code 422.56, in accordance with Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d (race, color, national origin); Section 504 of the Rehabilitation Act of 1973 (29 USC §794) (nondiscrimination under Federal grants and programs); Title 45 CFR Part 84 (nondiscrimination on the basis of handicap in programs or activities receiving Federal financial assistance); Title 28 CFR Part 36 (nondiscrimination on the basis of disability by public accommodations and in commercial facilities); Title IX of the Education Amendments of 1973 (regarding education programs and activities); Title 45 CFR Part 91 and the Age Discrimination Act of 1975 (nondiscrimination based on age); as well as Government Code Section 11135 (ethnic group identification, religion, age, sex, color, physical or mental handicap); Civil Code Section 51 (all types of arbitrary discrimination); Section 1557 of the Patient Protection and Affordable Care Act; and all rules and regulations promulgated pursuant thereto, and all other laws regarding privacy and confidentiality."

For the purpose of this Contract, if based on any of the foregoing criteria, the following constitute unlawful discriminations: (i) denying any Member any Covered Services or availability of a Provider, (ii) providing to a Member any Covered Service which is different or is provided in a different name or at a different time from that provided to other similarly situated Members under this Contract, except where medically indicated,

(iii) subjecting a Member to segregation or separate treatment in any manner related to the receipt of any Covered Service, (iv) restricting a Member in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any Covered Service, (v) treating a Member differently than others similarly situated in determining compliance with admission, enrollment, quota, eligibility, or other requirements or conditions that individuals must meet in order to be provided any Covered Service, or in assigning the times or places for the provision of such services.

County Associates agree to render Covered Services to Members in the same manner, in accordance with the same standards, and within the same time availability as offered to non-CalOptima patients. County Associates shall take affirmative action to ensure that all Members are provided Covered Services without discrimination, except where medically necessary. For the purposes of this section, physical handicap includes the carrying of a gene which may, under some circumstances, be associated with disability in that person's offspring, but which causes no adverse effects on the carrier. Such genetic handicap shall include, but not be limited to, Tay-Sachs trait, sickle cell trait, thalassemia trait, and X-linked hemophilia.

County shall act upon all complaints alleging discrimination against Members in accordance with CalOptima's Policies. County shall include the nondiscrimination and compliance provisions of this clause in all Subcontracts.

3.23. Reporting Obligations. County shall, upon reasonable request, submit such reports and data required by CalOptima for the CalOptima Programs.

3.24. Subcontract Requirements. If permitted by the terms of this Contract, County may subcontract for certain functions covered by this Contract, subject to the requirements of this Contract. Subcontracts shall not terminate the legal liability of County under this Contract. County must ensure that all Subcontracts are in writing and include any and all provisions required by this Contract or applicable Government Programs to be incorporated into Subcontracts. County shall make all Subcontracts available to CalOptima or its regulators upon request. County is required to inform CalOptima of the name and business addresses of all Subcontractors. Additionally, County shall require that all Subcontracts relating to the provision of Covered Services include, without limitation, the following provisions:

3.24.1 An agreement to make all books and records relative to the provision of and reimbursement for Covered Services furnished by Subcontractor to County available at all reasonable times for inspection, examination or copying by CalOptima or duly authorized representatives of the Government Agencies in accordance with Government Contract requirements.

3.24.2 An agreement to maintain such books and records in accordance with the general standards applicable to such books and records and any record requirements in this Contract and CalOptima Policies.

3.24.3 An agreement for the establishment and maintenance of and access to records as set forth in this Contract.

3.24.4 An agreement requiring Subcontractors to provide Covered Services to CalOptima Members in the same manner as those services are provided to other patients.

3.24.5 An agreement to comply with all provisions of this Contract and applicable law with respect to providing and paying for emergency services.

3.24.6 An agreement that Subcontractors shall notify County of any investigations into Subcontractors' professional conduct, or any suspension of or comment on a Subcontractor's professional licensure, whether temporary or permanent.

3.24.7 An agreement to comply with County's Compliance Program.

3.24.8 An agreement to comply with Member financial and hold harmless protections as set forth in this Contract.

3.24.9 An agreement to assist County in the transfer of care in the event of Subcontractor termination for any reason.

3.25. Fraud and Abuse Reporting. To the extent required by and in compliance with CMS or other applicable federal and state laws, County shall report to CalOptima all cases of suspected fraud and/or abuse related to rendering services provided under this contract to CalOptima Members.

3.26. Participation Status. ~~County shall have policies and procedures to verify the Participation Status of County's Associates. In addition, County attests and agrees as follows:~~ County shall have Policies and Procedures to verify the Participation Status of County's Associates. In addition, County attests and agrees as follows:

~~3.26.1 County Associates shall meet CalOptima's Participation Status requirements during the term of this Contract.~~

~~3.26.2 County shall immediately disclose to CalOptima any pending investigation involving, or any determination of, suspension, exclusion or debarment by County or County's Associates occurring and/or discovered during the term of this Contract.~~

~~3.26.3 County shall take immediate action to remove any County Associates that does not meet Participation Status requirements from furnishing items or services related to this Contract (whether medical or administrative) to CalOptima Members.~~

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3.26.2 County shall immediately disclose to CalOptima any pending investigation involving, or any determination of, suspension, exclusion or debarment by County or County's Associates occurring and/or discovered during the term of this Contract.

3.26.3 County shall take immediate action to remove any County Associate that does not meet Participation Status requirements from furnishing items or services related to this Contract (whether medical or administrative) to CalOptima Members.

3.26.4 County shall include the obligations of this Section in its Subcontracts.

3.26.5 CalOptimashall not make payment for healthcare item or service furnished by an individual or entity who, at the time the healthcare item or service is furnished, is excluded by the Office of the Inspector General or is included in the Preclusion List. County shall provide written notice to Member who received the services and the excluded provider or provider listed on the Preclusion List that payment will not be made, in accordance with CMS requirements."

3.27. Credentialing Warranties and Requirements. County acknowledges that its participation in this Contract is expressly conditioned upon County's subcontracted Providers' compliance with CalOptima's credentialing requirements and standards, including but not limited to the following:

3.27.1 Submission of Credentialing Application. On or before the Effective Date, County's subcontracted Providers shall have submitted credentialing applications to CalOptima, in form and substance satisfactory to CalOptima.

3.27.2 Credentialing Warranties and Representations. County warrants and represents that, as of the Effective Date and continuing through the term of this Contract, County's subcontracted Providers shall meet the credentialing standards listed below:

(a) County's subcontracted Providers continue to meet all of CalOptima's Minimum Standards applicable to physicians, including CalOptima's Board Certification policy; and

(b) Except as otherwise waived by CalOptima for practices which do not have or do not need access to Hospitals, County's subcontracted Providers have clinical privileges in good standing and without restriction at a hospital designated by each of County's subcontracted Providers as the primary admitting facility.

(c) During the entire term of this Contract, County's subcontracted Providers shall maintain their professional competence and skills commensurate with the medical standards of the community, and as required by law and this Contract, shall attend and participate in approved continuing education courses.

3.27.3 Credentialing Process. County's subcontracted Providers shall be credentialed and recredentialed through CalOptima's credentialing process. Notwithstanding County's subcontracted Providers' representations in any pre-application questionnaire, in this Contract and/or in connection with any Health Network credentialing application, CalOptima reserves the right to verify any and all Minimum Standards and any other credentialing standards CalOptima, in its sole judgment, deems necessary and appropriate to County's subcontracted Providers' eligibility to participate in CalOptima's Programs. County's subcontracted Providers' participation in CalOptima's Programs is subject to CalOptima's approval of County's subcontracted Providers' credentialing application. The procedure and criteria for review of County's subcontracted Providers' credentials and initial and continued eligibility shall be established by CalOptima, and may be amended from time to time. This Contract may be terminated by CalOptima at any time a significant portion of County's subcontracted Providers fail to meet the standards for continued eligibility to participate in CalOptima's Programs.

3.28. Approved Drug List Compliance. County shall comply with the CalOptima Approved Drug List and its associated drug utilization or disease management guidelines and protocols. Medications not included on the Approved Drug List shall require prior authorization by CalOptima. The prescribing Physician must obtain authorization in accordance with CalOptima's Policies. The prescribing Physician shall provide CalOptima with all information necessary to process Prior Authorization requests.

3.28.1 County shall prescribe generically available drugs instead of the parent brand product whenever therapeutically equivalent generic drugs exist.

3.28.2 County shall participate in any CalOptima pharmacy cost containment programs as developed.

3.28.3 County shall provide all information requested by CalOptima, including but not limited to Medical Necessity documentation, which pertains to a Member's condition and drug therapy regimen, untoward effects or allergic reactions.

3.29. Physical Access for Members. County's Associates' facilities shall comply with the requirements of Title III of the Americans with Disabilities Act of 1990, and shall ensure access for the disabled, which includes, but is not limited to, ramps, elevators, restrooms, designated parking spaces, and drinking water provision.

3.30. Smoke Free Workplace. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), if the services are funded by Federal programs either directly or through state or local governments, by Federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds.

The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where Women, Infants and Children Program (WIC) coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to one thousand dollars ($1,000) for each violation and/or the imposition of an administrative compliance order on the responsible party. By signing this Contract, County certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994. County further agrees that it will insert this certification into any subcontracts entered into that provide for children's services as described in the Act.

3.31. Confidentiality of Members. County Associates shall protect from unauthorized disclosure the names and other identifying information concerning persons either receiving services pursuant to this Contract, or persons whose names or identifying information become available or are disclosed to County Associates as a result of services performed under this Contract, except for statistical information not identifying any such person. County Associates shall not use such identifying information for any purpose other than carrying out County's obligations under this Contract. County Associates shall promptly transmit to the CalOptima all requests for disclosure of such identifying information not emanating from the Member. County shall not disclose, except as otherwise specifically permitted by this Contract or authorized by the Member, any such identifying information to anyone other than CMS or CalOptima without prior written authorization from CalOptima. For purposes of this provision, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

Names of persons receiving public social services are confidential and are to be protected from unauthorized disclosure in accordance with Title 42 CFR Section 431.300 et seq., Section 14100.2, Welfare and Institutions Code, and regulations adopted thereunder. For the purpose of this Contract, all information, records, data, and data elements collected and maintained for the operation of the Contract and pertaining to Members shall be protected by County from unauthorized disclosure. County may release Medical Records in accordance with applicable law pertaining to the release of this type of information. County is not required to report requests for Medical Records made in accordance with applicable law. With respect to any identifiable information concerning a Member under this Contract that is obtained by County Associates, County:

3.32.1 will not use any such information for any purpose other than carrying out the express terms of this Contract,

3.32.2 will not disclose, except as otherwise specifically permitted by this Contract, any such information to any party other than CMS or CalOptima without CalOptima's prior written authorization specifying that the information is releasable under Title 42 CFR Section 431.300 et seq., Section 14100.2, Welfare and Institutions Code, and regulations adopted there under,

3.32.3 will, at the termination of this Contract, return all such information to CalOptima or maintain such information according to written procedures sent to the County by CalOptima for this purpose, and

3.32.4 may disclose such information as required by law.

3.33. Member Communications. County Associates shall not be prohibited from advising or advocating on behalf of a Member who is his or her patient. In addition, County Associates acting within the lawful scope of practice, is encouraged to freely communicate, and shall encourage its health care professionals to freely communicate the following to patients, regardless of benefit coverage:

3.33.1 The Member's health status, medical care, or treatment options, including any alternative treatment that may be self administered.
3.33.2 Any information the Member needs in order to decide among all relevant treatment options.
3.33.3 The risks, benefits, and consequences of treatment or non treatment.
3.33.4 The Member's right to participate in decisions regarding his or her health care, including the right to refuse treatment, and to express preferences about future treatment decisions.

3.34. Compliance with Medicare Advantage Requirements. All services under this Contract shall be carried out in accordance with the requirements set forth in this Contract, and in Addendum 1, Medicare Advantage Program (OneCare), incorporated herein by reference.

"3.35 Days to Appointment. County shall ensure that appointments for non-emergency or non-urgent care Covered Services are scheduled within fifteen (15) business days of the Member's request for physicians, and ten (10) business days of the Member's request for non- physicians."

"3.36. Government Claims Act. County shall ensure that County and County Associates comply with the applicable provisions of the Government Claims Act (California Government Code section 900 et seq.), including, but not limited to Government Code sections 910 and 915, for any disputes arising under this Contract, and in accordance with CalOptima Policy AA.1217."

"3.37. Certification of Document and Data Submissions. All data, information, and documentation provided by County to CalOptima pursuant to this Contract and/or CalOptima Policies, which are specified in 42 CFR 438.604 and/or as otherwise required under this Contract and/or by CalOptima's Regulators, shall be accompanied by a certification statement on the County's letterhead sign by the County's Chief Executive Officer or Chief Financial Officer (or an individual who reports directly to and has delegated authority to sign for such Officer) attesting that based on the best information, knowledge, and belief, the data, documentation, and information is accurate, complete, and truthful."

"3.38. Reports and Data. In addition to any other reporting obligations under this Contract, County shall, upon reasonable request, submit such reports and data relating to services covered under this Contract as are needed by CalOptima to meet any mandatory reporting requirements. CalOptima shall reimburse County for reasonable costs for producing and delivering such reports and data."

"3.39. Provider Terminations. In the event that a provider is terminated or leaves County, County shall ensure that there is no disruption in services provided to Members who are receiving treatment for a chronic or ongoing behavioral health condition. County shall ensure that there is no disruption in services provided to CalOptima Member."

ARTICLE 4
FUNCTIONS AND DUTIES OF CALOPTIMA

4.1. Payment. County shall provide Covered Services to CalOptima's Medicare Advantage Members, and shall submit claims to CalOptima. CalOptima shall pay County for Covered Services provided to CalOptima Members, in accordance with Attachment B. County agrees to accept the compensation set forth in Attachment B as payment in full for such Covered Services. Upon submission of a Clean Claim, CalOptima shall pay County pursuant to CalOptima Policies and Attachment B. Notwithstanding the foregoing, County may also collect other amounts (e.g., copayments, deductibles, OHC and/or third party liability payments) where expressly authorized to do so under the CalOptima Program(s) and applicable law. For Members eligible for both Medicare and Medi-Cal, no Medicare cost sharing amounts may be collected, and total cost-sharing is limited to the cost-sharing amounts payable under Medi-Cal.

4.2. Service Authorization. CalOptima shall provide a written authorization process for County Services pursuant to CalOptima Policies.

4.3. CalOptima Guidance. CalOptima shall make available to County, all applicable Provider Manuals, financial bulletins and CalOptima Policies applicable to Behavioral Health Services under this Contract.

4.4. Limitations of CalOptima's Payment Obligations. Notwithstanding anything to the contrary contained in this Contract, CalOptima's or a Health Network's obligation to pay County any amounts shall be subject to CalOptima's receipt of the funding from the Federal and/or State governments.

4.5. Identification Cards. CalOptima shall provide Members with identification cards identifying Members as being enrolled in a CalOptima program.

4.6. Care Management Services. CalOptima shall offer its assistance for Care Management Services for Members through its Care Management Department.

4.7. Approved Drug List. CalOptima shall publish and maintain an Approved Drug List pursuant to CalOptima Policies.

4.8. Review Of Prescriptions Not On Approved Drug List. CalOptima shall review prescriptions for medications not listed on the Approved Drug List in a timely manner.

4.9. Member Materials. CalOptima shall furnish County written materials to provide to Members, as appropriate.

4.10. Delegation. CalOptima may delegate its duties of providing services to Members and processing of payments under this Contract to another entity, and will provide County with appropriate notice of any such delegation or de-delegation, as appropriate.

ARTICLE 5
PAYMENT PROCEDURES

5.1. Billing and Claims Submission. County shall submit Claims for Covered Services to CalOptima, as indicated in Addendum 1, in accordance with CalOptima Policies applicable to the Claims submission process.

5.2. Prompt Payment. CalOptima shall make payments to County in the time and manner set forth in CalOptima Policies related to the CalOptima Programs. Additional procedures related to claims processing and payment are set forth in the attached CalOptima Addendum 1.

5.3. Claim Completion and Accuracy. County shall be responsible for the completion and accuracy of all Claims submitted whether on paper forms or electronically including claims submitted for the County by other parties. Use of a billing agent does not abrogate County's responsibility for the truth and accuracy of the submitted information. A Claim may not be submitted before the delivery of service. County acknowledges that County remains responsible for all Claims and that anyone who misrepresents, falsifies, or causes to be misrepresented or falsified, any records or other information relating to that Claim may be subject to legal action.

5.4. Claims Deficiencies. Any Claim that fails to meet CalOptima requirements for claims processing shall be denied and County notified of denial pursuant to CalOptima Policies and applicable Federal and/or State laws and regulations.

5.5. COB. County shall coordinate benefits with other programs or entitlements recognizing where other OHC is primary coverage in accordance with CalOptima Program requirements. County acknowledges that Medi-Cal is the payor of last resort.

5.6. Member Financial Protections. County shall comply with Member financial protections as follows:

5.6.1 County agrees to indemnify and hold Members harmless from all efforts to seek compensation and any claims for compensation from Members for Covered Services under this Contract. In no event shall a Member be liable to County for any amounts which are owed by, or are the obligation of, CalOptima.

5.6.2 In no event, including, but not limited to, non-payment by CalOptima, CalOptima's or County's insolvency, or breach of this contract by CalOptima, shall County, bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against the State of California or any Member or person acting on behalf of a Member for Covered Services pursuant to this Contract. Notwithstanding the foregoing, County may collect Share of Cost (SOC), co-payments, and deductibles if, and to the extent, required under a specific CalOptima Program and applicable law.

5.6.3 This provision does not prohibit County from billing and collecting payment for non-Covered Services if the CalOptima Member agrees to the payment in writing prior to the actual delivery of non-Covered Services and a copy of such agreement is given to the Member and placed in the Member's medical record prior to rendering such services.

5.6.4 Upon receiving notice of County invoicing or balance billing a Member for the difference between the County's billed charges and the reimbursement paid by CalOptima for any Covered Services, CalOptima may sanction the County or take other action as provided in this Contract.

5.6.5 This section shall survive the termination of this Contract for Covered Services furnished to CalOptima Members prior to the termination of this Contract, regardless of the cause giving rise to termination, and shall be construed to be for the benefit of Members. This section shall supersede any oral or written contrary agreement now existing or hereafter entered into between the County and its Subcontractors. Language to ensure the foregoing shall be included in all of County's Subcontracts related to provision of Covered Services to CalOptima Members.

5.6.6 Recoupment. CalOptima shall recoup payments made to County when CMS has determined that an individual was not eligible for services and retroactively terminates the individual, including, without limitation, recouping any payments made for a deceased Member.

ARTICLE 6
INSURANCE AND INDEMNIFICATION

6.1. Indemnification. Each party to this Contract agrees to defend, indemnify and hold each other and the State harmless, with respect to any and all Claims, costs, damages and expenses, including reasonable attorney's fees, which are related to or arise out of the negligent or willful performance or non-performance by the indemnifying party, of any functions, duties or obligations of such party under this Contract. Neither termination of this Contract nor completion of the acts to be performed under this Contract shall release any party from its obligation to indemnify as to any claims or cause of action asserted so long as the event(s) upon which such claims or cause of action is predicated shall have occurred prior to the effective date of termination or completion.

6.2. <u>County Professional Liability</u>. County, at its sole cost and expense, shall ensure that County Associates providing professional services under this Contract shall maintain professional liability insurance coverage with minimum per incident and annual aggregate amounts which are at least equal to the community minimum amounts in Orange County, California, for the specialty or type of service which County provides. For Physician insurance, minimums shall be no less than $1,000,000 per incident/$3,000,000 aggregate per year.

6.3. <u>County Comprehensive General Liability ("CGL")/Automobile Liability</u>. County at its sole cost and expense shall maintain such policies of comprehensive general liability and other insurance as shall be necessary to insure it and its business addresses, employees, Associates, and representatives, including automobile liability insurance if motor vehicles are owned, leased or operated in furtherance of providing services under this Contract, against any claim or claims for damages arising by reason of a) personal injuries or death occasioned in connection with the furnishing of any Covered Services hereunder, b) the use of any property of the County, and c) activities performed in connection with the Contract, with minimum coverage of $1,000,000 per incident/$3,000,000 aggregate per year.

6.4. <u>Workers Compensation Insurance</u>. County at its sole cost and expense shall maintain workers compensation insurance within the limits established and required by the State of California and employers liability insurance with minimum limits of liability of $1,000,000 per occurrence/$1,000,000 aggregate per year.

6.5. <u>Insurer Ratings</u>. All above insurance shall be provided by an insurer:

(a) rated by Best's with a rating of B or better; and

(b) "admitted" to do business in California or an insurer approved to do business in California by the California Department of Insurance and listed on the Surplus Lines Association of California List of Eligible Surplus Lines Insurers (LESLI) <u>or</u> licensed by the California Department of Corporations as an Unincorporated Interindemnity Trust Arrangement as authorized by the California Insurance Code 12180.7.

6.6. <u>Captive Risk Retention Group/Self Insured</u>. Where any of the insurances mentioned above are provided by a Captive Risk Retention Group or are self insured, such above provisions may be waived at the sole discretion of CalOptima.

6.7. <u>Cancellation or Material Change</u>. The County shall not of its own initiative cause such insurances as addressed in this Article to be canceled or materially changed during the term of this Contract.

6.8. <u>Certificates of Insurance</u>. Prior to execution of this Contract, County shall provide Certificates of Insurance to CalOptima showing the required insurance coverage and further providing that CalOptima is named as an additional insured on the

Comprehensive General Liability Insurance and Automobile Liability Insurance with respect to the performance hereunder

ARTICLE 7
RECORDS, AUDITS AND REPORTS

7.1 Access to and Audit of Contract Records. For the purpose of review of items and services furnished under the terms of this Contract and duplication of any books and records, County Associates shall allow CalOptima, its regulators and/or their duly authorized agents and representatives access to said books and records, including medical records, for the purpose of direct physical examination of the records by CalOptima or its regulators and/or their duly authorized agents and representatives at the County's premises. County Associates shall be given advance notice of such visit in accordance with CalOptima Policies. Such access shall include the right to directly observe all aspects of County Associates' operations and to inspect, audit and reproduce all records and materials and to verify Claims and reports required according to the provisions of this Contract. County Associates shall maintain records in chronological sequence and in an immediately retrievable form in accordance with the laws and regulations applicable to such record keeping. County Associates shall also comply with any other audit and access requirements set forth in this Contract, as applicable.

7.2. Access to Books and Records. County Associates agree to make all of its books and records pertaining to the goods and services furnished under the terms of Contract, available for inspection, examination and copying by the Government Agencies, Department of Justice (DOJ), Bureau of Medi-Cal Fraud, Comptroller General and any other entity statutorily entitled to have oversight responsibilities of the COHS program at all reasonable times at the County Associates' place of business or such other mutually agreeable location in California, in a form maintained in accordance with general standards applicable to such book or record keeping, for a term of at least five (5) years from the close of the latest DHCS fiscal year in which the date of service occurred, in which the records or data were created or applied, and for which the financial record was completed, and including, if applicable, all Medi-Cal 35 file paid claims data for a period of at least five (5) years from the date of expiration or termination of Subcontracts. County shall provide access to all security areas and shall provide and require Subcontractors to provide reasonable facilities, cooperation and assistance to State representatives in the performance of their duties.

County Associates shall cooperate in the audit process by signing any consent forms or documents required by but not limited to; DHCS, DMHC, DOJ, Attorney General, Federal Bureau of Investigation and Bureau of Medi-Cal Fraud and/or CalOptima to release any records or documentation Providers may process in order to verify County's' records.

This provision shall survive the expiration or termination of this Contract, whether with or without cause, by rescission or otherwise.

7.3. Medical Records. All Medical Records shall meet the requirements of Section 1300.80(b)(4) of Title 28 of the California Code of Regulations, and Section 1396a(w) of Title 42 of the United States Code. Such records shall be available to health care providers at each encounter, in accordance with Section 1300.67.1(c) of Title 28 of the California Code of Regulations. County shall ensure that an individual is delegated the responsibility of securing and maintaining Medical Records at each County Associates' site.

7.4. Form of Records. County Associates' books and Records shall be maintained in accordance with the general standards applicable to such book or record-keeping.

7.5. Records Retention. County Associates shall maintain and retain all Records of all items and services provided Members for at least ten (10) years from the final date of the Contract, or from the completion of any audit, whichever is later unless a longer time is required under Medicare Advantage regulations. Records involving matters which are the subject of litigation shall be retained for a period of not less than five (5) years following the termination of litigation. County Associates' books and Records shall be maintained within, or be otherwise accessible within the State of California and pursuant to Section 1381(b) of the Health and Safety Code. Such Records shall be maintained and retained on County's State licensed premises for such period as may be required by applicable laws and regulations related to the particular Records. Such Records shall be maintained in chronological sequence and in an immediately retrievable form that allows CalOptima, and/or representatives of any regulatory or law enforcement agencies, immediate and direct access and inspection of all such Records at the time of any onsite audit or review.

Microfilm copies of the documents contemplated herein may be substituted for the originals with the prior written consent of CalOptima, provided that the microfilming procedures are approved by CalOptima as reliable and are supported by an effective retrieval system. If CalOptima is concerned about the availability of such Records in connection with the continuity of care to a Member, County shall, upon request, transfer copies of such records to CalOptima's possession.

This provision shall survive the expiration or termination of this Contract, whether with or without cause, by rescission or otherwise.

7.6. Audit, Review and/or Duplication. Audit, review and/or duplication of data or Records shall occur within regular business hours, and shall be subject to Federal and State laws concerning confidentially and ownership of records. County shall pay all duplication and mailing costs associated with such audits.

7.7. Confidentiality of Member Information. County agrees to comply with applicable Federal and State laws and regulations governing the confidentiality of Member medical and other information. County further agrees:

7.7.1 Health Insurance Portability and Accountability Act (HIPAA). County shall comply with HIPAA statutory and regulatory requirements ("HIPAA

requirements"), whether existing now or in the future within a reasonable time prior to the effective date of such requirements. County shall comply with HIPAA requirements as currently established in CalOptima Policies. County shall also take actions and develop capabilities as required to support CalOptima compliance with HIPAA requirements, including acceptance and generation of applicable electronic files in HIPAA compliant standards formats.

7.7.2 Members Receiving State Assistance. Notwithstanding any other provision of this Contract, names and identification numbers of Members receiving public assistance are confidential and are to be protected from unauthorized disclosure in accordance with applicable State and Federal laws and regulations. For the purpose of this Contract, County shall protect from unauthorized disclosure all information, records, data and data elements collected and maintained for the operation of the Contract and pertaining to Members.

7.7.3 Declaration of Confidentiality. ~~If County has access to computer files or any data confidential by statute, including identification of eligible Members, County agrees to sign a declaration of confidentiality in accordance with the applicable Government Contract and in a form acceptable to CalOptima and DHCS, DMHC MRMIB and/or CMS, as applicable.~~ If County and County Associates have access to computer files or any data confidential by statute, including identification of eligible Members, County agrees to sign a declaration of confidentiality in accordance with the applicable Government Contract and in a form acceptable to CalOptima, DHCS and/or CMS, as applicable.

7.8. Member Request For Medical Records. County shall furnish a copy of a Member's Medical Records to another treating or consulting Provider at no cost to the Member when such a transfer of Records;

7.8.1 Facilitates the continuity of that Member's care or;

7.8.2 A Member is transferring from one Provider to another for treatment; or

7.8.3 A Member seeks to obtain a second opinion on the diagnosis or treatment of a medical condition; or

7.8.4 A Member's Records are needed to access Medicare covered services not included in this Contract, including but not limited to mental health programs such as those provided by the Department of Developmental Services (DDS), CCS, and the Local Education Agency (LEA).

ARTICLE 8
TERM AND TERMINATION

8.1. Term. The term of this Contract shall become effective on the Effective Date, and shall remain in effect through December 31, 2020 ("Initial Term"), and may thereafter be renewed for two (2) additional one-year terms ("Renewal Term") upon approval by the

CalOptima Board of Directors and the County of Orange Health Care Agency, or their designees, unless earlier terminated by either party as provided in this Contract.

8.2. Termination for Default. CalOptima may, in its sole discretion, terminate this Contract whenever CalOptima determines that a County Associate (i) has repeatedly and inappropriately withheld Covered Services to a CalOptima Member(s), (ii) has failed to perform its contracted duties and responsibilities in a timely and proper manner including, without limitation, service procedures and standards identified in this Contract, (iii) has committed acts that discriminate against CalOptima Members on the basis of their health status or requirements for health care services; (iv) has not provided Covered Services in the scope or manner required under the provisions of this Contract; (v) has engaged in prohibited marketing activities; (vi) has failed to comply with CalOptima's Compliance Program, including Participation Status requirements; (vii) has committed fraud or abuse relating to Covered Services or any and all obligations, duties and responsibilities under this Contract; or (viii) has materially breached any covenant, condition, or term of this Contract. A termination as described above shall be referred to herein as "Termination for Default." In the event of a Termination for Default, CalOptima shall give County prior written notice of its intent to terminate with a thirty (30)-day cure period if the Termination for Default is curable, in the sole discretion of CalOptima. In the event the default is not cured within the thirty (30)-day period, CalOptima may terminate the Contract immediately following such thirty (30)-day period. The rights and remedies of CalOptima provided in this Article are not exclusive and are in addition to any other rights and remedies provided by law or under the Contract. The County shall not be relieved of its liability to CalOptima for damages sustained by virtue of breach of the Contract by the County or any Subcontractor.

8.3. County's Appeal Rights. County may appeal CalOptima's decision to terminate the Contract for default as provided in Section 8.2 above by filing a complaint pursuant to CalOptima Policies. County shall exhaust this administrative remedy, including requesting a hearing according to CalOptima Policy, and shall comply with applicable CalOptima Policies governing judicial claims, before commencing a civil action. County's rights and remedies provided in this Article shall not be exclusive and are in addition to any other rights and remedies provided by law or this Contract.

8.4. Immediate Termination. CalOptima may terminate this Contract immediately upon the occurrence of any of the following events and delivery of written notice: (i) the suspension or revocation of any license, certification or accreditation required by County Associates; (ii) the determination by CalOptima that the health, safety, or welfare of Members is jeopardized by continuation of this Contract; (iii) the imposition of sanctions or disciplinary action against County Associates in their capacities with the County by any Federal or State licensing agency; (iv) termination or non-renewal of any Government Contract; (v) the withdrawal of DHHS' approval of the waiver granted to the CalOptima under Section 1915(b) of the Social Security Act. If CalOptima receives notice of termination from any of the Government Agencies or termination of the Section 1915(b) waiver, CalOptima shall immediately transmit such notice to County.

8.5. Termination for County Insolvency. If the County becomes insolvent, the County shall immediately so advise CalOptima, and CalOptima shall have, at its sole option, the right to terminate the Contract immediately. In the event of the filing of a petition for bankruptcy by or against the County, the County shall assure that all tasks related to the Contract or the Subcontract are performed in accordance with the terms of the Contract.

8.6. Modifications or Termination to Comply with Law. ~~CalOptima and County mutually reserve the right to modify or terminate the Contract at any time when modifications or terminations are (i) mandated by changes in Federal or State laws, (ii) required by Government Contracts, or (iii) required by changes in any requirements and conditions with which CalOptima must comply pursuant to its Federally-approved Section 1915(b) waiver. CalOptima and County may also modify the Contract at any time if such a change would be in the best interest of Members. CalOptima and County shall notify the other Party in writing of such modification or termination immediately and in accordance with applicable Federal and/or State requirements.~~ "CalOptima reserves the right to modify or terminate the Contract at any time when modifications or terminations are (a) mandated by changes in Federal or State laws, (b) required by Government Contracts, or (c) required by changes in any requirements and conditions with which CalOptima must comply pursuant to its Federally-approved Section 1915(b) waiver. CalOptima shall notify County in writing of such modification or termination immediately and in accordance with applicable Federal and/or State requirements. County shall, in its sole discretion, either comply with the new requirements within 30 days of the later of receipt of written notification or the effective date, unless otherwise instructed by DHCS and to the extent possible, or terminate this Contract without cause pursuant to Section 8.7, herein. All other changes to this Contract may only be made through a written amendment signed by the parties."

8.7. Termination Without Cause. Either party may terminate this Contract, without cause, upon ninety (90) days prior written notice to the other party.

8.8. Rate Adjustments. The payment rates as stipulated in Attachment B of this Contract may be adjusted by CalOptima during the Contract period to reflect implementation of Federal or State laws or regulations, changes in the State budget, the Government Contract(s) or the Government Agencies' policies, changes in Covered Services and/or by CalOptima Board actions. If the Government Agency(ies) has provided CalOptima with advance notice of adjustment, CalOptima shall provide notice thereof to County as soon as practicable.

8.9. Obligations Upon Termination. Upon termination of this Contract, it is understood and agreed that County shall continue to provide authorized Behavioral Health Services to Members who retain eligibility and who are under the care of County at the time of such termination, until the services being rendered to Members are completed, unless CalOptima, in its sole discretion, makes reasonable and medically appropriate provisions for the assumption of such services. Payment for any continued Behavioral Health Services as described in this Section shall be at the contracted rates set forth in Attachment B. Prior to the termination or expiration of this Contract and upon request by CalOptima or one of its Government Agencies to assist in the orderly transfer of

Members' medical care, County shall make available to CalOptima and/or such Government Agency, copies of any pertinent information, including information maintained by County and any Subcontractor necessary for efficient case management of Members. Costs of reproduction shall be borne by CalOptima or the Government Agency, as applicable.

8.10. Approval By and Notice to Government Agencies. County acknowledges that this Contract and any modifications and/or amendments thereto are subject to the approval of applicable Federal and/or State agencies. CalOptima and County shall notify the Federal and/or State agencies of amendments to, or termination of, this Contract. Notice shall be given by first-class mail, postage prepaid to the attention of the State or Federal contracting officer for the pertinent CalOptima Program. County acknowledges and agrees that any amendments or modifications shall be consistent with requirements relating to submission to such Federal and/or State agency for approval.

ARTICLE 9
GRIEVANCES AND APPEALS

9.1. County Grievances. ~~County Associates' complaints, concerns or differences shall be resolved through the mechanisms set forth in CalOptima Policies related to the applicable CalOptima Program(s).~~ "CalOptima has established a fast and cost-effective complaint system for provider complaints, grievances and appeals. County shall have access to this system for any issues arising under this Contract, as provided in CalOptima Policies related to the applicable CalOptima Program(s). County complaints, grievances, appeals, or other disputes regarding any issues arising under this Contract may be resolved through such system."

9.2. Member Grievances and Appeals. Member grievances, complaints, and/or appeals shall be resolved in accordance with Federal and/or State laws, regulations and Government Guidance and as set forth in CalOptima Policies relating to the applicable CalOptima Program. County agrees to cooperate in the investigation of the issues and be bound by CalOptima's grievance decisions and, if applicable, State and/or Federal hearing decisions or any subsequent appeals.

ARTICLE 10
GENERAL PROVISIONS

10.1. Assignment and Assumption. This Contract may not be assigned by either party.

10.2. Documents Constituting Contract. This Contract and its attachments, schedules, addenda and exhibits and all CalOptima Policies applicable to Covered Services and CalOptima Members (and any amendments thereto) shall constitute the entire agreement between the parties. It is the express intention of County and CalOptima that any and all prior or contemporaneous agreements, promises, negotiations or representations, either oral or written, relating to the subject matter and period governed by this Contract which are not expressly set forth herein shall be of no further force, effect or legal consequence after the Effective Date hereunder.

10.3. Force Majeure. Both parties shall be excused from performance hereunder for any period that they are prevented from meeting the terms of this Contract as a result of a catastrophic occurrence or natural disaster including but not limited to an act of war, and excluding labor disputes.

10.4. Governing Law and Venue. ~~This Contract shall be governed by and construed in accordance with all laws of the State of California and Federal laws and regulations applicable to the CalOptima Programs and all contractual obligations of CalOptima. County shall bring any and all legal proceedings against CalOptima under this Contract in California State courts located in Orange County, California.~~ "This Contract shall be governed by and construed in accordance with all laws of the State of California and Federal laws and regulations applicable to the CalOptima Programs and all contractual obligations of CalOptima. Any and all legal proceedings under or related to this Contract shall be brought in California State courts located in Orange County, California."

10.5. Headings. The article and section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

10.6. Independent Contractor Relationship. CalOptima and County agree that the County Associates of the County in performance of this Contract shall act in an independent capacity and not as officers or employees of CalOptima. County's relationship with CalOptima in the performance of this Contract is that of an independent contractor. County's personnel performing services under this Contract shall be at all times under County's exclusive direction and control and shall be employees of County and not employees of CalOptima. County shall pay all wages, salaries and other amounts due its employees in connection with this Contract and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters.

10.7. No Waiver. No delay or failure by either party hereto to exercise any right or power accruing upon noncompliance or default by the other party with respect to any of the terms of this Contract shall impair such right or power or be construed to be a waiver thereof. A waiver by either of the parties hereto of a breach of any of the covenants, conditions, or agreements to be performed by the other shall not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition, or agreement herein contained. Any information delivered, exchanged or otherwise provided hereunder shall be delivered, exchanged or otherwise provided in a manner which does not constitute a waiver of immunity or privilege under applicable law.

10.8. Notices. Any Notice required to be given pursuant to the terms and provisions of this Contract, unless otherwise indicated herein, shall be in writing and shall be sent by Certified or Registered mail, return receipt requested, postage prepaid, addressed to the party to whom Notice is to be given, at such party' address set forth below or such other address provided by Notice. Notice shall be deemed given seventy-two (72) hours after mailing.

If to CalOptima:

CalOptima
Chief Operating Officer
505 City Parkway West
Orange, CA 92868

If to County:

County of Orange
Health Care Agency
Behavioral Health Programs Support
405 West 5th Street, Suite 756
Santa Ana, CA 92701-4637

10.9. Omissions. In the event that either party hereto discovers any material omission in the provisions of this Contract which such party believes is essential to the successful performance of this Contract, said party may so inform the other party in writing, and the parties hereto shall thereafter promptly negotiate in good faith with respect to such matters for the purpose of making such reasonable adjustments as may be necessary to perform the objectives of this Contract.

10.10. Prohibited Interests. County covenants that, for the term of this Contract, no director, member, officer, or employee of CalOptima during his/her tenure has any interest, direct or indirect, in this Contract or the proceeds thereof that would violate applicable law.

10.11. Regulatory Approval. Notwithstanding any other provision of this Contract, the effectiveness of this Contract, amendments thereto, and assignments thereof, is subject to the approval of applicable Governmental Agencies and the conditions imposed by such agencies.

10.12. Debarment Certification. By signing this Contract, the County agrees to comply with applicable Federal suspension and debarment regulations including, but not limited to 7 CFR 3017, 45 CFR 76, 40 CFR 32, or 34 CFR 85.

10.12.1 By signing this Contract, the County certifies to the best of its knowledge and belief, that the Orange County Health Care Agency, its officers and employees:

10.12.1.1 Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

10.12.1.2 Have not within a three-year period preceding this Contract have been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal,

State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

10.12.1.3 Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Subprovision 10.12.1.2 herein; and

10.12.1.4 Have not within a three-year period preceding this Contract had one or more public transactions (Federal, State or local) terminated for cause or default.

10.12.1.5 Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under Federal regulations (i.e., 48 CFR 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.

10.12.1.6 Will include a clause entitled, "Debarment and Suspension Certification'' that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

10.12.2 If the County is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to CalOptima.

10.12.3 The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.

10.12.4 If the County knowingly violates this certification, in addition to other remedies available to the Federal Government, CalOptima may terminate this Contract for cause or default.

10.13. CMS Directions. If required by CMS, County Associates shall cease specified activities, which may include, but are not limited to, referrals, assignment of beneficiaries, and reporting, until further notice from CMS.

10.14. Air or Water Pollution Requirements. Any federally funded agreement and/or subcontract in excess of $100,000 must comply with the following provisions unless said agreement is exempt under 40 CFR 15.5. County agrees to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 USC 7401 et seq.), as amended, and the Federal Water Pollution Control Act (33 USC 1251 et seq.), as amended.

10.15. Lobbying Restrictions and Disclosure Certification.

10.15.1 (Applicable to federally funded contracts in excess of $100,000 per Section 1352 of the 31, U.S.C.)

10.15.2 Certification and Disclosure Requirements

10.15.2.1 Each person (or recipient) who requests or receives a contract, subcontract, grant, or subgrant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds $100,000 at any tier, shall file a certification (in the form set forth in Attachment C, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Subsection 10.15.3. of this provision.

10.15.2.2 Each recipient shall file a disclosure (in the form set forth in Attachment C, entitled "Standard Form-LLL 'disclosure of Lobbying Activities'") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with a contract or grant or any extension or amendment of that contract or grant, which would be prohibited under Paragraph b of this provision if paid for with appropriated funds.

10.15.2.3 Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by such person under Paragraph a(2) herein. An event that materially affects the accuracy of the information reported includes:

10.15.2.3.1 A cumulative increase of $25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;

10.15.2.3.2 A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or

10.15.2.3.3 A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.

10.15.2.4 Each person (or recipient) who requests or receives from a person referred to in Paragraph 10.15.1 of this provision a contract, subcontract, grant or subgrant exceeding $100,000 at any tier under a contract or grant shall file a

certification, and a disclosure form, if required, to the next tier above.

10.15.2.5 All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph 10.15.1 of this provision. That person shall forward all disclosure forms to DHCS program contract manager.

10.15.3 Prohibition—Section 1352 of Title 31, U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

10.16. Authority to Execute. The persons executing this Contract on behalf of the parties warrant that they are duly authorized to execute this Contract, and that by executing this Contract, the parties are formally bound.

10.17. Severability. In the event any provision of this Contract is rendered invalid or unenforceable by Act of Congress, by statute of the State of California, by any regulation duly promulgated by the United States or the State of California in accordance with law or is declared null and void by any court of competent jurisdiction, the remainder of the provisions hereof shall remain in full force and effect.

ARTICLE 11
EXECUTION

11.1. Subject to the State of California and United States providing funding for the term of this Contract and for the purposes with respect to which it is entered into, and the approval of the Contract by the Government Agencies, this Contract shall become effective on September 1, 2013 (the "Effective Date").

IN WITNESS WHEREOF, the parties have executed this Contract as follows:

County	CalOptima
______________________	______________________
Signature	Signature
Jeffrey A. Nagel______________	Michael Schrader______________
Print Name	Print Name

Deputy Agency Director	Chief Executive Officer
Title	Title
______________________________	______________________________
Date	Date

ATTACHMENT A

COVERED SERVICES

ARTICLE 1
CALOPTIMA PROGRAMS

1.1. CalOptima Programs. ~~Provider~~ County shall furnish Covered Services to eligible Members in the following CalOptima Programs:

~~________ Medi-Cal Program~~
~~________ Healthy Families Program~~
~~___X__ Medicare Advantage Program (OneCare)~~
~~___X__ Demonstration Program (Dual Demonstration~~
X OneCare (Medicare Advantage Program)

X OneCare Connect (Cal MediConnect Program)"

ARTICLE 2
SERVICES

2.1. Services include those outpatient behavioral health Covered Services set forth in the relevant CalOptima Program that are: (a) included as covered services under the applicable Government Contract, (b) within the practitioner's normal scope of practice, and (c) Medically Necessary.

2.2. Services under the Cal MediConnect Program means all Medicare and Medi-Cal benefits and services, including medical care, hospital care, long-term care, behavioral health care, social services, and other services, which are covered benefits under the Cal MediConnect Program.

2.3. County will provide behavioral health services (mental health and substance use disorder treatment) covered under the Medicare benefit, which may qualify for direct reimbursement by CalOptima.

~~2.1.~~2.4. County and CalOptima shall coordinate their respective services as described in Schedule 1 to Addendum 2

ARTICLE 3
SCOPE OF WORK

3.1 Provision of Covered Services. Provider will provide Medicare-Covered Services to those Members with a serious and persistent mental illness (SPMI) who meet Title 9 Medical Necessity Criteria and require the specialty mental health services level of care

that has not been historically provided by community-based behavioral health providers. Specialty mental health services level of care is defined as an intensive outpatient multidisciplinary treatment program providing services to individuals with SPMI to achieve the individual's wellness and recovery goals.

3.2 Coordination of Services. Provider will coordinate mental health and physical health care services with the Member's primary care physician (PCP) in order to assure:

a. Provider will proactively identify members requiring physical health care services and coordinate mental health and physical health care services with the Member's primary physician(s).

b. Provider will use evidence-based guidelines for optimal outcome.

c. Provider will facilitate timely exchange of information critical to the successful management of members through established reporting and data exchange mechanisms.

d. Provider will participate as active member on the Interdisciplinary Care Team (ICT). The ICT is responsible for the assessment, development, implementation, and evaluation of the Individual Plan of Care (ICP) of each Member pursuant to CalOptima policies. When appropriate, provider will lead the ICT for Members with SPMI.

e. Provider will proactively identify Members needing care transition and participate in the transition planning and coordination in accordance with CalOptima's Transitions policy.

f. When authorized by CalOptima, Provider will provide Recovery level of care that are covered by Medicare for a limited duration in order to facilitate successful transition of care to the appropriate CalOptima contracted provider for appropriate level of care services. Recovery level of care is defined as an outpatient program providing mainly psychiatric medication management, office based counseling/therapy, and minimal case management for individuals with SPMI who are at a higher level of achieving wellness and recovery goals.

~~ATTACHMENT B~~

~~COMPENSATION~~

~~CalOptima shall reimburse County, and County shall accept as payment in full from CalOptima, the lesser of billed charges, or:~~

~~I. Medi-Cal and Healthy Families Programs Reimbursement~~
~~For Medi-Cal and Healthy Families Members CalOptima shall reimburse for Covered Services as follows:~~

~~Not Applicable~~

~~II. Medicare Advantage Program Reimbursement~~
~~For Medicare Advantage Members CalOptima shall reimburse for Covered Services as follows:~~

~~A. 80% of the Current Medicare Allowable Participating Provider Fee Schedule for outpatient professional behavioral health services.~~

~~B. Billing Guidelines~~
- ~~County shall utilize current payment codes and modifiers for Medicare.~~
- ~~Unless specified otherwise in this contract, Medicare billing rules and payment policies and guidelines for billing and payment will apply.~~
- ~~Services not contained in the Medicare fee schedule at the time of service are not reimbursable.~~

ATTACHMENT B – AMENDMENT IV

COMPENSATION

CalOptima shall reimburse County, and County shall accept as payment in full from CalOptima, the lesser of billed charges, or:

I. OneCare (Medicare Advantage) and OneCare Connect (Cal MediConnect) Programs Reimbursement
For OneCare and OneCare Connect Members, CalOptima shall reimburse for Covered Services as follows:

A. 80% of the current year Medicare Allowable Participating Fee Schedule for locality 26 outpatient professional behavioral health services.

B. Billing Guidelines-

- County shall utilize current payment codes and modifiers for Medicare.
- Unless specified otherwise in this Contract, Medicare billing rules and payment policies and guidelines for billing and payment will apply.
- Services not contained in the Medicare fee schedule at the time of service are not reimbursable.

ATTACHMENT C

STATE OF CALIFORNIA
DEPARTMENT OF HEALTH CARE SERVICES

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, “Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of $100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Name of Contractor	Printed Name of Person Signing for Contractor
Contract / Grant Number	Signature of Person Signing for Contractor
Date	Title

After execution by or on behalf of Contractor, please return to:

Department of Health Care Services
Medi-Cal Managed Care Division
MS 4415, 1501 Capitol Avenue, Suite 71.4001 P.O.
Box 997413
Sacramento, CA 95899-7413

ATTACHMENT D

CERTIFICATION REGARDING LOBBYING

Approved by OMB 0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

1. Type of Federal Action: contract grant cooperative agreement loan loan guarantee loan insurance	2. Status of Federal Action: bid/offer/application initial award post-award	3. Report Type: initial filing material change For Material Change Only: Year _____ quarter_______ date of last report
4. Name and Address of Reporting Entity: Prime Subawardee Tier , if known: Congressional District, If known:	5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, If known:	
6. Federal Department/Agency:	Federal Program Name/Description: CDFA Number, if applicable:	
8. Federal Action Number, if known:	9. Award Amount, if known:	
10. a. Name and Address of Lobbying Entity (If individual, last name, first name, MI): (attach Continuation Sheets(s)	b. Name and Address of Lobbying Entity (If individual, last name, first name, MI):	
Amount of Payment (check all that apply): $ actual planned Form of Payment (check all that apply): a. cash b. in-kind, specify: Nature Value	13. Type of Payment (check all that apply): a. retainer b. one-time fee c. commission d. contingent fee e. deferred f. other, specify:	
14. Brief Description of Services Performed or to be Performed and Dates(s) of Service, including Officer(s), Employee(s), or Member(s) Contracted for Payment indicated in item 11:		
15. Continuation Sheet(s) SF-LLL-A Attached: Yes No		
16. Information requested through this form is authorized by Title 31, U.S.C., Section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to Title 31, U.S.C., Section 1352. This information will be reported to the Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $19,000 and not more than $100,000 for each such failure.	Signature: Print Name: Title: Telephone No.: Date:	
Federal Use Only	Authorized for Local Reproduction Standard Form-	

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime federal recipients at the initiation or receipt of a covered federal action, or a material change to a previous filing, pursuant to Title 31, U.S.C., Section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered federal action. Use the SF - LLL- A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

Identify the type of covered federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered federal action.

Identify the status of the covered federal action.

Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered federal action.

Enter the full name, address, city, state, and ZIP code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants, and contract awards under grants.

If the organization filing the report in Item 4 checks “Subawardee,” then enter the full name, address, city, state, and ZIP code of the prime federal recipient. Include Congressional District, if known.

Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation United States Coast Guard.

Enter the federal program name or description for the covered federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CDFA) number for grants, cooperative agreements, loans, and loan commitments.

Enter the most appropriate federal identifying number available for the federal action identified in Item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract grant, or loan award number; the application/proposal control number assigned by the federal agency). Include prefixes, e.g., “RFP-DE-90401.”

For a covered federal action where there has been an award or loan commitment by the federal agency, enter the federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.

10. (a) Enter the full name, address, city, state, and ZIP code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered federal action.

10. (b) Enter the full names of the Individual(s) performing services and include full address if different from 10.(a). Enter last name, first name, and middle initial (MI).

Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.

Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.

Check the appropriate box(es). Check all boxes that apply. If other, specify nature.

Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with federal officials, identify the federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.

Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.

The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and renewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Office of Management and Budget, Paperwork Reduction Project, (0348-0046), Washington, DC 20503.

~~ADDENDUM 1~~
~~MEDICARE ADVANTAGE PROGRAM~~
~~(ONECARE)~~

~~The following additional terms and conditions apply to items and services furnished to Members under the CalOptima Medicare Advantage Program (OneCare):~~

~~1. Record Retention. Provider agrees to retain books, records, Member medical, Subcontractor and other records for at least ten (10) years from the final date of the Contract, or from the completion of any audit, whichever is later unless a longer time is required under MA regulations.~~

~~2. Right of Inspection, Evaluation, Audit of Records. Provider and its Subcontractors agree to maintain and make available contracts, books, documents, and records involving transactions related to the Contract to CalOptima, DMHC, DHHS, the Comptroller General, the U.S. General Accounting Office ("GAO"), any Quality Improvement Organization ("QIO") or accrediting organizations, including NCQA, and other representatives of regulatory or accrediting organizations or their designees to inspect, evaluate, and audit for ten (10) years from the final date of the Contract period or from the date of completion of any audit, whichever is later. For purposes of utilization management, quality improvement and other CalOptima administrative purposes, CalOptima and officials referred to above, shall have access to, and copies of, at reasonable time upon request, the medical records, books, charts, and papers relating to the Provider's provision of health care services to Members, the cost of such services, and payments received by Provider from Members (or from others on their behalf). Medical records shall be provided at no charge to Members or CalOptima.~~

~~3. Accountability Acknowledgement. Provider further agrees and acknowledges that CalOptima oversees and is accountable to CMS for functions or responsibilities described in MA regulations; that CalOptima may only delegate activities or functions in a manner consistent with the MA program delegation requirements; and that any services or other activities performed by Provider pursuant to the Contract are consistent and comply with CalOptima's contractual obligations with CMS and adhere to delegation requirements set forth by MA statutes, regulations and/or other guidance. Where delegated responsibilities are identified in this Contract, the following shall apply:~~

~~(a) Delegation by CalOptima. To the extent that responsibilities are delegated to Provider under this Contract, Provider warrants that it meets CalOptima delegation criteria set forth in the Attachment to this Contract and agrees to accept delegated responsibility for those listed activities. Provider agrees to perform the delegated activities in a manner consistent with the delegation criteria. Provider agrees to notify CalOptima of any change in its eligibility under the delegation criteria within twenty-four (24) hours from the date it fails to meet such delegation criteria. Provider acknowledges that delegation to another entity does not alter Provider's ultimate obligations and responsibilities set forth in this Contract. Provider acknowledges and agrees that CalOptima retains final authority and responsibility for activities delegated under this Contract. Activities~~

not expressly delegated herein by CalOptima or for which delegation is terminated are the responsibility of CalOptima.

(b) Reports on Delegated Activities. Provider agrees to provide CalOptima with periodic reports on delegated activities performed by Provider as provided in the delegation criteria. The report shall be in a form and contain such information as shall be agreed upon between the parties. Provider agrees to take those corrective actions identified by CalOptima through the audit review process.

(c) CalOptima Oversight of Delegation. The delegation of the functions and responsibilities stated herein does not relieve CalOptima of any of its accountability to CMS and obligations to its Members under applicable law. CalOptima is authorized to perform and remains liable for the performance of such obligations, notwithstanding any delegation of some or all of those obligations by Provider, which will be monitored by CalOptima on an ongoing basis. In the event Provider breaches its obligation to perform any delegated duties, CalOptima shall have all remedies set forth in this Contract, including, but not limited to, penalties or termination of the delegation of such functions to Provider as set forth in this Contract. Moreover, CalOptima shall have the right to require Provider to terminate any Subcontracting provider for good cause, including but not limited to breach of its obligations to perform any delegated duties.

(d) Review of Credentials. Provider shall ensure that the credentials of medical professionals affiliated with the Provider are reviewed by it. Provider agrees that CalOptima will review and approve Provider's credentialing process on ongoing basis.

4. COB Requirements.

(a) MSP Obligations. Provider agrees to comply with MSP requirements. Provider shall coordinate with CalOptima for proper determination of COB and to bill and collect from other payers and third party liens such charges for which the other payer is responsible. Provider agrees to establish procedures to effectively identify, at the time of service and as part of their claims payment procedures, individuals and services for which there may be a financially responsible party other than MA Program. Provider will bill and collect from other payers such amounts for Covered Services for which the other payer is responsible.

(b) Provider Authority to Bill Third Party Payers. Provider may bill other individuals or entities for Covered Services for which Medicare is not the primary payer, as specified herein. If a Medicare Member receives from Provider Covered Services that are also covered under State or Federal workers' compensation, any no-fault insurance, or any liability insurance policy or plan, including a self-insured plan, Provider may bill any of the following — (1) the insurance carrier, the employer, or any other entity that is liable for payment for the services under section 1862(b) of the Act and 42 C.F.R. part 411 or (2) the Medicare enrollee, to the extent that

~~he or she has been paid by the carrier, employer, or entity for covered medical expenses.~~

~~5. Reporting Requirements. Provider shall comply with CalOptima's reporting requirements in order that it may meet the requirements set forth in MA laws and regulations for submitting encounter and other data including, without limitation, 42 CFR § 422.516. Provider also agrees to furnish medical records that may be required to obtain any additional information or corroborate the encounter data.~~

~~6.~~1. ~~Submission and Prompt Payment of Claims. Provider agrees to submit claims to CalOptima in such format as CalOptima may require (but at minimum the CMS forms 1500, UB 04 or other form as appropriate) within ninety (90) days after the services are rendered. CalOptima reserves the right to deny claims that are not submitted within ninety (90) days of the date of service, except where Provider bills a third party payor as primary. Provider agrees to refrain from duplicate billing any claims submitted to CalOptima, unless expressly approved by CalOptima in order to process coordination of benefit claims. CalOptima shall provide payment to Provider within forty-five (45) business days of CalOptima's receipt of a clean and uncontested claim from Provider, or, CalOptima will contest or deny Provider's claim within forty-five (45) business days following CalOptima's receipt thereof.~~

ARTICLE 1ADDENDUM 1 –
AMENDMENT IV ONECARE

(MEDICARE ADVANTAGE PROGRAM)

The following additional terms and conditions apply to items and services furnished to Members under the CalOptima OneCare Program (Medicare Advantage Program):

1. Record Retention. County agrees to retain books, records, Member medical, Subcontractor and other records for at least ten (10) years from the final date of the Contract, or the date of completion of any audit, which ever is later, unless a longer period is required by law.

2. Right of Inspection, Evaluation, Audit of Records. County and its Subcontractors agree to maintain and make available contracts, books, documents, and records involving transactions related to the Contract to CalOptima, DMHC, DHHS, the Comptroller General, the U.S. General Accounting Office ("GAO"), any Quality Improvement Organization ("QIO") or accrediting organizations, including NCQA, and other representatives of regulatory or accrediting organizations or their designees to inspect, evaluate, and audit for ten (10) years from the final date of the Contract

period or from the date of completion of any audit, whichever is later. For purposes of utilization management, quality improvement and other CalOptima administrative purposes, CalOptima and officials referred to above, shall have access to, and copies of, at reasonable time upon request, the medical records, books, charts, and papers relating to the County's provision of health care services to Members, the cost of such services, and payments received by County from Members (or from others on their behalf). Medical records shall be provided at no charge to Members or CalOptima.

3. Accountability Acknowledgement. County further agrees and acknowledges that CalOptima oversees and is accountable to CMS for functions or responsibilities described in MA regulations; that CalOptima may only delegate activities or functions in a manner consistent with the MA program delegation requirements; and that any services or other activities performed by County pursuant to the Contract are consistent and comply with CalOptima's contractual obligations with CMS and adhere to delegation requirements set forth by MA statutes, regulations and/or other guidance. Where delegated responsibilities are identified in this Contract, the following shall apply:

(a) Delegation by CalOptima. To the extent that responsibilities are delegated to County under this Contract, County warrants that it meets CalOptima delegation criteria set forth in the Attachment to this Contract and agrees to accept delegated responsibility for those listed activities. County agrees to perform the delegated activities in a manner consistent with the delegation criteria. County agrees to notify CalOptima of any change in its eligibility under the delegation criteria within twenty-four (24) hours from the date it fails to meet such delegation criteria. County acknowledges that delegation to another entity does not alter County's ultimate obligations and responsibilities set forth in this Contract. County acknowledges and agrees that CalOptima retains final authority and responsibility for activities delegated under this Contract. Activities not expressly delegated herein by CalOptima or for which delegation is terminated are the responsibility of CalOptima.

(b) Reports on Delegated Activities. County agrees to provide CalOptima with periodic reports on delegated activities performed by County as provided in the delegation criteria. The report shall be in a form and contain such information as shall be agreed upon between the parties. County agrees to take those corrective actions identified by CalOptima through the audit review process.

(c) CalOptima Oversight of Delegation. The delegation of the functions and responsibilities stated herein does not relieve CalOptima of any of its accountability to CMS and obligations to its Members under applicable law. CalOptima is authorized to perform and remains liable for the performance of such obligations, notwithstanding any delegation of some or all of those

obligations by County, which will be monitored by CalOptima on an ongoing basis. In the event County breaches its obligation to perform any delegated duties, CalOptima shall have all remedies set forth in this Contract, including, but not limited to, penalties or termination of the delegation of such functions to County as set forth in this Contract. Moreover, CalOptima shall have the right to require County to terminate any Subcontracting provider for good cause, including but not limited to breach of its obligations to perform any delegated duties.

(d) Review of Credentials. County shall ensure that the credentials of medical professionals affiliated with the County are reviewed by it. County agrees that CalOptima will review and approve County's credentialing process on ongoing basis.

4. COB Requirements.

(a) MSP Obligations. County agrees to comply with MSP requirements. County shall coordinate with CalOptima for proper determination of COB and to bill and collect from other payers and third party liens such charges for which the other payer is responsible. County agrees to establish procedures to effectively identify, at the time of service and as part of their claims payment procedures, individuals and services for which there may be a financially responsible party other than MA Program. County will bill and collect from other payers such amounts for Covered Services for which the other payer is responsible.

(b) County Authority to Bill Third Party Payers. County may bill other individuals or entities for Covered Services for which Medicare is not the primary payer, as specified herein. If a Medicare Member receives from County Covered Services, that are also covered under State or Federal workers' compensation, any no-fault insurance, or any liability insurance policy or plan, including a self-insured plan, County may bill any of the following— (1) the insurance carrier, the employer, or any other entity that is liable for payment for the services under section 1862(b) of the Act and 42 C.F.R. part 411 or (2) the Medicare enrollee, to the extent that he or she has been paid by the carrier, employer, or entity for covered medical expenses.

5. Reporting Requirements. County shall comply with CalOptima's reporting requirements in order that it may meet the requirements set forth in MA laws and regulations for submitting encounter and other data including, without limitation, 42 CFR § 422.516. County also agrees to furnish medical records that may be required to obtain any additional information or corroborate the encounter data.

6. Submission and Prompt Payment of Claims. County agrees to submit claims to CalOptima in such format as CalOptima may require (but at minimum the CMS forms 1500, UB 04 or other form as appropriate) within ninety (90) days after the services are rendered. CalOptima reserves the right to deny claims that are not submitted within ninety (90) days of the date of service, except where County bills a third party payor as primary. County agrees to refrain from duplicate billing any claims submitted to CalOptima, unless expressly approved by CalOptima in order to process coordination of benefit claims. CalOptima shall provide payment to County within forty-five (45) business days of CalOptima's receipt of a clean and uncontested claim from County, or, CalOptima will contest or deny County's claim within forty-five (45) business days following CalOptima's receipt thereof.

ADDENDUM 2
DEMONSTRATION PROGRAM

1. Services under the Demonstration Program means all Medicare and Medi-Cal benefits and services, including medical care, hospital care, long-term care, behavioral health care, social services, and other services, which are covered benefits under the Demonstration Program.

2. County will provide behavioral health services (mental health and substance use disorder treatment) covered under the Medicare benefit, which may qualify for direct reimbursement by CalOptima.

3. County and CalOptima shall coordinate their respective services as described in Schedule 1 to this Addendum 2.

4. Guidelines for Compensation. Any and all compensation set for Medicare-covered mental health services shall be agreed upon by the parties in a manner which is reasonably equitable, taking into consideration the compensation set forth in CalOptima's agreement with DHCS and CMS for these services.

5. Either party may terminate the Contract for the Demonstration Program at any time for convenience up to the fifteenth (15th) calendar day following the County's receipt of the subsequent amendment to include the compensation and Shared Accountability Performance Metrics of the Demonstration Program.

6. CalOptima may immediately terminate the Contract for the Demonstration Program if CalOptima elects not to participate in the demonstration project authorized under WIC 14132.275. Furthermore, this Contract will be immediately terminated if the contract between DHCS, CMS and CalOptima is terminated. In either such case, CalOptima shall provide written notice upon such determination

ARTICLE 2ADDENDUM 2 – AMENDMENT IV ONECARE CONNECT

(CAL MEDICONNECT PROGRAM)

The following additional terms and conditions apply to items and services furnished to Members under the CalOptima Cal MediConnect Program. These terms and conditions are additive to those contained in the main Contract. In the event that these terms and conditions conflict with those in the main Contract, these terms and conditions shall prevail.

1. County shall provide services or perform other activity pursuant to this Contract in accordance with (i) applicable DHCS and CMS laws, regulations, instructions, including, but not limited to 42 CFR Sections 422.504, 423.505, 438.3(k), and 438.414, (ii)

contractual obligations with CalOptima, and (iii) CalOptima's contractual obligations to CMS and DHCS.

2. County shall (i) safeguard Member privacy and confidentiality of Member health records (ii) comply with all Federal and State laws and regulations regarding confidentiality and disclosure of medical records, or other health and enrollment information, (iii) ensure that medical information is released only in accordance with applicable Federal or State law, or pursuant to court orders or subpoenas, (iv) maintain the records and information in an accurate and timely manner, (v) ensure timely access by Members to the records and information that pertain to them, and (vi) comply with all DHCS and CMS confidentiality requirements.

3. The performance of the County and its Downstream Entities is monitored by CalOptima on an ongoing basis and CalOptima may impose corrective action as necessary. County shall comply with all CalOptima and DHCS monitoring of performance and any monitoring requests by CalOptima and DHCS.

4. County shall allow CalOptima to use performance data for CalOptima's quality improvement program activities.

5. County shall submit timely and accurate encounter data and other data and reports required by CalOptima and CalOptima's Regulators as provided in this Contract and in CalOptima's Policies.

6. County shall comply with CalOptima Policies including, without limitation, the requirements set forth herein related to linguistic and cultural sensitivity. County shall address the special health needs of Members who are members of specific ethnic and cultural populations, such as, but not limited to, Vietnamese and Hispanic persons. County shall, in its policies, administration, and services, practice the values of (i) honoring the Members' beliefs, traditions and customs; (ii) recognizing individual differences within a culture; (iii) creating an open, supportive and responsive organization in which differences are valued, respected and managed; and (iv) through cultural diversity training, fostering in staff and Subcontractors attitudes and interpersonal communication styles that respect Members' cultural backgrounds. County shall provide translation of written materials in the Threshold Languages and Concentration Languages identified by CalOptima at no higher than the sixth (6th) grade reading level.

7. County shall not close or limit their practice or acceptance of CalOptima Members as patients unless the same limitations apply to all commercially insured Members as well.

8. County shall not be prohibited from communicating or advocating on behalf of a Member who is a prospective, current, or former patient of County. County may freely communicate the provisions, terms or requirements of CalOptima's health benefit plans as they relate to the needs of such Member; or communicate with respect to the method by which such County is compensated by the Contractor for services provided to the Member. CalOptima will not refuse to contract or pay County for the provision of covered services under the CalOptima Cal MediConnect Program solely because County has in good faith communicated or advocated on behalf of a Member as set forth above.

9. CMS Participation Requirements. County represents and warrants that: (i) neither County nor any of its employees or agents furnishing services under this Contract are excluded from participating in any federal or state healthcare program as defined in 42 U.S.C. Section 1320a- 7b(f) ("Federal Health Care Program(s)"); (ii) County has not arranged or contracted with (by employment or otherwise) any employee, contractor or agent that County knows or should know are excluded from participation in Federal Health Care Programs; (iii) no action is pending against County or any of its employees or agents performing services under this Contract to suspend or exclude such persons or entities from participation in any Federal Health Care Program; and (iv) County agrees to immediately notify CalOptima in the event that it learns that it is or has employed or contacted with a person or entity that is excluded from participation in any Federal Health Care Program. In the event County fails to comply with the above, CalOptima reserves the right to require County to pay immediately to CalOptima, the amount of any sanctions or other penalties that may be imposed on CalOptima by DHCS and/or CMS for violation of this prohibition, and County shall be responsible for any resulting overpayments.

10. Downstream Entity Contracts.

10.1 If any services under this Contract are to be provided by a Downstream Entity on behalf of County, County shall ensure that such subcontracts are in compliance with 42 CFR Sections 422.504, 423.505, 438.3(k), and 438.414. Such subcontracts shall include all language required by DHCS and CMS as provided in this Contract, including but not limited to, the following:

10.1.1 An agreement that any services or other activity performed under the subcontract shall comply with Section 1 of this Addendum 2 and Section
3.20 of the Contract.

10.1.2 An agreement to (i) Member financial protections in accordance with Section 5.6 of the Contract, including prohibiting Downstream Entities from holding a Member liable for payment of any fees that are the obligation of the County, and (ii) safeguard Member privacy and confidentiality of Member health records.

10.1.3 An agreement to comply with the inspection, evaluation, and/or auditing requirements of Section 11 of this Addendum 2 and the reporting requirements of Section 5 of this Addendum 2.

10.1.4 An agreement to (i) the revocation of the delegation activities and related reporting requirements or other specified remedies in accordance with Section 12 of this Addendum 2 and 3.15 of the Contract, and (ii) monitoring and corrective action in accordance with Section 3 of this Addendum 2.

10.1.5 If the subcontract is for credentialing of medical providers, an agreement to the requirements of Section 13 of this Addendum 2.

10.1.6 An agreement to provide a written statement to provider of the reason(s) for termination for cause as set forth in Section 14 of this Addendum 2.

10.1.7 Language that specifies the First Tier, Downstream and Related Entities must comply with the federal and state laws, regulations and CMS instructions.

10.1.8 Notify DHCS in the event the agreement with the subcontract is amended or terminated. Notice is considered given when properly addressed and deposited in the United States Postal Service as first-class registered mail, postage attached.

10.2 In addition to Section 10.1 of this Addendum 2, County shall further ensure any subcontracts with its Downstream Entities for medical providers include the following:

10.2.1 Term of the subcontract (beginning and ending dates), methods of extension, renegotiation, termination, and full disclosure of the method and amount of compensation or other consideration to be received from the County.

10.2.2 An agreement that the contracted medical providers are paid under the terms of the Subcontract, including but not limited to, a mutually agreeable prompt payment provision.

10.2.3 An agreement that services are provided in a culturally competent manner to all Members, including those with limited English proficiency or reading skills, and diverse cultural and ethnic backgrounds, in accordance with Section 6 of this Addendum 2.

10.2.4 An agreement to comply with (i) the confidentiality requirements of Member records and information in accordance with Section 2 of this Addendum 2.

10.2.5 An agreement that (i) providers shall not close or otherwise limit their acceptance of Members as patients unless the same limitations apply to all commercially insured Members, and (ii) Members shall not be held liable for Medicare Part A and B cost sharing in accordance with Section 5.6 of the Contract and Section 19 of this Addendum 2.

10.2.6 An agreement regarding (i) provider communication or advocacy on behalf of Members as set forth in Section 8 of this Addendum 2, and

(ii) specified circumstances where indemnification is not required by provider as set forth in Section 16 of this Addendum 2.

10.2.7 An agreement that the medical provider assist the County and/or CalOptima in the transfer of care of a Member in accordance with Section 15 of this Addendum 2.

10.2.8 An agreement (i) that the assignment or delegation of the subcontract will be void unless prior written approval is obtained pursuant to Section 17 of this Addendum 2, and (ii) to notify DHCS in the manner set forth in Section 8.10 of the Contract in the event the subcontract is amended or terminated.

10.2.9 An agreement to (i) gather, preserve, and provide records as set forth in Section 18 of Addendum 2, and (ii) provider's right to submit a grievance in accordance with Section 9.1 of the Contract for issues arising under the subcontract related to the provision of services to CalOptima Members under the Cal MediConnect Program, as provided in CalOptima Policies relative to the Cal MediConnect Program, and excluding any contract disputes between County and medical provider, particularly regarding, but not limited to, payment for services under the subcontract.

10.2.10 An agreement to (i) participate and cooperate in quality improvement system as set forth in Section 3.14 of the Contract, and (ii) the provision of interpreter services for Members at all provider sites in accordance with Section 3.17 of the Contract.

11. Right of Inspection, Evaluation, and Audit of Records. County and its Downstream Entities agree to maintain and make available contracts, books, documents, records, computer, other electronic systems, medical records, and any pertinent information related to the Contract to CalOptima, DMHC, HHS, the Comptroller General, the U.S. General Accounting Office ("GAO"), any Quality Improvement Organization ("QIO") or accrediting organizations, including NCQA, and other representatives of regulatory or accrediting organizations or their designees to inspect, evaluate, and audit for ten (10) years from the final date of the Contract period or from the date of completion of any audit, whichever is later. For purposes of utilization management, quality improvement and other CalOptima administrative purposes, CalOptima and officials referred to above, shall have access to, and copies of, at reasonable time upon request, the medical records, books, charts, and papers relating to the County's provision of health care services to Members, the cost of such services, and payments received by County from Members (or from others on their behalf). Medical records shall be provided at no charge to Members or CalOptima.

12. County and its Downstream Entities agree to the revocation of the delegation of activities or obligations and related reporting requirements or other remedies set forth in Section 3.15 of the Contract in instances where CMS, DHCS, and/or CalOptima determines that the County and/or its Downstream Entities have not performed

satisfactorily.

13. Review of Credentials. County shall ensure that the credentials of medical professionals affiliated with the County are reviewed by it. County agrees that CalOptima will review, approve, and audit County's credentialing process on ongoing basis.

14. Provider Terminations. In the event a provider is terminated for cause by County, County shall provide the provider with written notice of the reason or reasons for the action and as required by applicable Federal and State laws. In the event County terminates a provider for deficiencies in the quality of care provided, County shall give notice of the action to the appropriate licensing and disciplinary agencies.

15. In addition to Section 3.4 of the Contract, County agrees to assist CalOptima in the transfer of care of a Member. County shall further assist CalOptima in the transfer of care of a Member in the event of Subcontract termination for any reason.

16. County is not required to indemnify CalOptima for any expenses and liabilities, including, without limitation, judgments, settlements, attorneys' fees, court costs and any associated charges, incurred in connection with any claim or action brought against CalOptima based on CalOptima's management decisions, utilization review provisions, or other policies, guidelines, or actions relative to CalOptima Cal MediConnect Program.

17. Assignment or Delegation. County agrees that the assignment or delegation of this Contract or subcontract, either in whole or in part, will be void unless prior written approval is obtained from DHCS and CalOptima, as applicable, provided that approval may be withheld in their sole and absolute discretion. For purposes of this Section, and with respect to this Contract and any subcontracts, as applicable, an assignment constitutes any of the following: (i) the change of more than twenty-five percent (25%) of the ownership or equity interest in County or Downstream Entity (whether in a single transaction or in a series of transactions); (ii) the change of more than twenty-five percent (25%) of the directors of trustees of County or Downstream Entity; (iii) the merger, reorganization, or consolidation of County or Downstream Entity, with another entity with respect to which County or Downstream Entity is not the surviving entity; and/or (iv) a change in the management of County or Downstream Entity from management by persons appointed, elected or otherwise selected by the governing body of County or Downstream Entity (e.g., the Board of Directors) to a third-party management person, company, group, team or other entity.

18. County agrees to timely gather, preserve, and provide to DHCS or CalOptima, as applicable, any records in the County's or its Subcontractor's possession.

19. In addition to Section 5.6.1 of the Contract, County acknowledges and agrees that Medicare Parts A and B services shall be provided at zero-cost sharing to Members.

ADDENDUM 2 – SCHEDULE 1
DUAL DEMONSTRATION
DELINEATION OF RESPONSIBILITIES

This Schedule 1 to Addendum 2 delineates the responsibilities of the County and CalOptima as they pertain to beneficiaries participating in the Duals Demonstration who may be eligible for or who are receiving county-administered specialty mental health and/or substance use disorder (SUD) services. CalOptima and County may mutually agree, in writing, to modify Addendum 2 - Schedule 1 of this Contract.

Category	County	CalOptima
Financial Responsibility	County is responsible for the covered services and financial responsibility as listed in the "Behavioral Health Benefits in the Duals Demonstration – Coverage Responsibility Matrix" developed by DHCS and attached to this Amendment as Addendum 2 – Schedule 2.	CalOptima is responsible for the covered services and financial responsibility as listed in the "Behavioral Health Benefits in the Duals Demonstration - Coverage Responsibility Matrix" developed by DHCS and attached to this Amendment as Addendum 2 – Schedule 2.
Determination of Medical Necessity	County will follow the medical necessity criteria for specialty mental health 1915(b) waiver services described in Title 9, California Code of Regulations (CCR), Sections 1820.205, 1830.205, and 1830.210. To determine medical necessity for	CalOptima will follow the medical necessity criteria for specialty mental health 1915(b) waiver services described in Title 9, California Code of Regulations (CCR), Sections 1820.205, 1830.205, and 1830.210. To determine medical necessity for

Category	County	CalOptima
	Drug Medi-Cal Substance Abuse Services, County will follow Title 22, California Code of Regulations Section 51303 and 54301. Services shall be prescribed by a physician, and are subject to utilization controls, as set forth in Title 22 Section 51159.	Drug Medi-Cal Substance Abuse Services, CalOptima will follow Title 22, California Code of Regulations Section 51303 and 54301. Services shall be prescribed by a physician, and are subject to utilization controls, as set forth in Title 22 Section 51159.
Screening and assessment process	County will follow written policies and procedures regarding agreed-upon screening and assessment processes that comply with all federal and state requirements including the Care Coordination Standards and the Behavioral Health Coordination Standards.	CalOptima will follow written policies and procedures regarding agreed-upon screening and assessment processes that comply with all federal and state requirements including the Care Coordination Standards and the Behavioral Health Coordination Standards.
Referral Process	County will follow written policies and procedures regarding agreed-upon referral processes.	CalOptima will follow written policies and procedures regarding agreed-upon referral processes.
Care Coordination	County will follow agreed-upon policies and procedures for coordinating medical and behavioral health care for beneficiaries enrolled in CalOptima and receiving Medi-Cal specialty mental health or Drug Medi-Cal services through the County.	CalOptima will follow agreed-upon policies and procedures for coordinating medical and behavioral health care for beneficiaries enrolled in the CalOptima and receiving Medi-Cal specialty mental health or Drug Medi-Cal services through the County.
Telephone Access	County will maintain 24-7 crisis line with a live person available to assess the need or urgent or emergent services.	CalOptima will maintain a telephone line to answer Member inquiries about services, and provide warm transfer to the 24-7 crisis line when needed.
Monitoring and Quality Improvement	County will report agreed-upon performance measures to CalOptima on a quarterly basis for review and quality improvement activities, County and CalOptima will meet regularly (at least quarterly) to review the care coordination process, such as the effectiveness of exchange of patient health information.	CalOptima will review agreed upon performance measures from County on a quarterly basis for monitoring and quality improvement activities County and CalOptima will meet regularly (at least quarterly) to review the care coordination process, such as the effectiveness of exchange of patient health information.
Authorization of Services	County will submit Authorization Request Form (ARF) for treatment authorization according to CalOptima	CalOptima will notify County of behavioral health treatment authorization decisions

Category	County	CalOptima
	policy.	according to CalOptima policy.
Provider Credentialing	County will provide verification of professional licensure, the National Provider Identifier (NPI), and other information as needed to confirm County and its contractors are Medicare eligible and certified providers and to meet CalOptima credentialing requirements.	CalOptima will follow written policies and procedures regarding provider credentialing.
Payment Mechanism	County and CalOptima have entered into this contract for provision and payment of Medicare-reimbursable behavioral health services. County will recover the federal Medi-Cal reimbursement for Medi-Cal covered specialty mental health services after receiving CalOptima's payment consistent with the provisions of the demonstration and the current Medi-Cal specialty mental health 1915(b) waiver and California' Medicaid State Plan.	County and CalOptima have entered into this contract for provision and payment of Medicare-reimbursable behavioral health services. CalOptima shall provide information necessary for coordination of benefits in order for County to obtain appropriate reimbursement under the Medi-Cal program.
Dispute Resolution	County agrees to follow the resolution of dispute process in accordance to Title 9, Section 1850.505, and the contract between the CalOptima and the State Department of Health Care Services (DHCS) and Centers for Medicare & Medicaid Services (CMS).	CalOptima agrees to follow the resolution of dispute process in accordance to Title 9, Section 1850.505, and the contract between the CalOptima and the State Department of Health Care Services (DHCS) and Centers for Medicare & Medicaid Services (CMS).
Training and Education	County will develop, in coordination with CalOptima, education materials and programs for their staff, CalOptima staff, members and providers about the availability of CalOptima services, roles and responsibilities in the demonstration, how to exchange information, and coordination procedures when a Member is receiving Specialty	CalOptima will develop, in coordination with County, education materials and programs for their staff, County staff, members and providers about the availability of behavioral health services, roles and responsibilities in the demonstration, eligibility and assessment criteria, how to exchange information, and coordination procedures when

Category	County	CalOptima
	Mental Health and SUD services. At a minimum, education will include initial and regularly scheduled staff and provider trainings (at least annually), and a provider manual that includes available programs, assessment criteria, information exchange, information regarding access to services, the beneficiary problem resolution processes, authorization process (except for crisis stabilization and urgent services), provider cultural and linguistic requirements and regulatory and contractual requirements, and other activities and services needed to assist beneficiaries in optimizing their health status, including assistance with self-management skills or techniques, health education and other modalities to improve health status.	a Member is receiving Specialty Mental Health and SUD services. At a minimum, education will include initial and regularly scheduled staff and provider trainings (at least annually), and a provider manual that includes available programs, assessment criteria, information exchange, information regarding access to services, the beneficiary problem resolution processes, authorization process (except for crisis stabilization and urgent services), provider cultural and linguistic requirements and regulatory and contractual requirements, and other activities and services needed to assist beneficiaries in optimizing their health status, including assistance with self-management skills or techniques, health education and other modalities to improve health status .
Shared Accountability	County agrees to the Shared Accountability Performance Metrics as specified in the three-way contract between CMS, DHCS and CalOptima. If the specified shared accountability measure is met each year, County will receive an incentive agreement from CalOptima under mutually agreeable terms. The payment will be structured in a way so it does not offset the county's Certified Public Expenditure (CPE).	CalOptima will provide the specified Shared Accountability Performance Metrics to County upon execution of the three-way contract between CMS, DHCS and CalOptima. If the specified shared accountability measure is met each year, CalOptima will provide an incentive agreement to the County under mutually agreeable terms. The payment will be structured in a way so it does not offset the county's Certified Public Expenditure (CPE).
Information Exchange	County and CalOptima will develop and agree to information sharing policies	County and CalOptima will develop and agree to information sharing policies

Category	County	CalOptima
	and procedures that include the information flow between County and Plan, a process for medical record exchange in compliance with HIPAA and other state and federal privacy laws and regulations, and the process for conducting an annual review of the information management system.	and procedures that include the information flow between County and CalOptima and a process for medical record exchange in compliance with HIPAA and other state and federal privacy laws and regulations, and the process for conducting an annual review of the information management system.

ADDENDUM 2 – SCHEDULE 2
BEHAVIORAL HEALTH BENEFITS IN CAL MEDICONNECT
COVERAGE RESPONSIBILITY MATRIX

CalOptima will be responsible for providing Members access to all medically necessary behavioral health (mental health and substance abuse treatment) services currently covered by Medicare and Medicaid.

While all Medicare-covered behavioral health services will be the responsibility of the CalOptima under the demonstration, Medi-Cal specialty mental health services that are not covered by Medicare and Drug Medi-Cal benefits will not be included in the capitated payment made to CalOptima (i.e. they will be "carved out"). CalOptima will coordinate with County to ensure enrollees have seamless access to these services.

Below are two tables (Coverage Matrix 1 and 2) that list the potentially available mental health and substance use benefits and describe whether Medicare or Medi-Cal is the primary payer, and therefore whether CalOptima or County will be primarily financially responsible for the services.

For Medi-Cal specialty mental health services, County maintains the authority to determine which services within that array shall be available and adequate to meet the needs of the community. This authority is specified in regulation (CCR Title 9, Section 1810.345) and within the federally approved State Medi-Cal 1915(b) waiver.

To determine responsibility for covering Medi-Cal specialty mental health services, CalOptima

and County will follow the medical necessity criteria for specialty mental health services available per California's 1915(b) waiver and State Plan Amendments for targeted case management and expanded services under the Rehabilitation Option, described in Title 9, California Code of Regulations (CCR), Sections 1820.205, 1830.205, and 1830.210.

To determine medical necessity for Drug Medi-Cal Substance Abuse Services, CalOptima and County will follow Title 22, California Code of Regulations Section 51303. Services shall be prescribed by a physician, and are subject to utilization controls, as set forth in Title 22 Section 51159.

Determination of secondary benefit coverage and secondary financial responsibility for the Medi-Cal portion of mental health services that are covered by both Medicare and Medi-Cal, shall follow the crossover guidelines set forth in the Department of Health Care Services Dual Plan Letter DPL-15-006

Coverage Matrix 1: Mental Health Benefits

Inpatient Services			
	Type of Service	**Benefit Coverage**	**Primary financial responsibility under the Demonstration**
Psychiatric inpatient care in a general acute hospital	Facility Charge	**Medicare** *Subject to coverage limitations **	CalOptima
	Psychiatric professional services		
	Medical, pharmacy, ancillary services		
Inpatient care in free-standing psychiatric hospitals *(16 beds or fewer)*	Facility Charge	**Medicare** *Subject to coverage limitations and depends on facility and license type **	CalOptima
	Psychiatric professional services		
	Medical, pharmacy, ancillary services		
Psychiatric health facilities (PHFs) *(16 beds or fewer)*	Facility Charge *(Most are not Medicare certified)*	**Medi-Cal**	County
	Psychiatric professional services	**Medicare**	CalOptima
	Medical, pharmacy, ancillary services	**Medicare**	CalOptima
Emergency Department	Facility Charges	**Medicare**	CalOptima
	Psychiatric professional services		
	Medical, pharmacy, ancillary services		
Long-Term Care			
Skilled Nursing Facility	Facility Charges	**Medicare/Medi-Cal+**	CalOptima

	Psychiatric professional services	**Medicare**	CalOptima
	Medical, pharmacy, ancillary services	**Medicare**	CalOptima
SNF-STP (fewer than 50% beds)	Facility Charges	**Medicare/Medi-Cal+**	CalOptima
	Psychiatric professional services	**Medicare**	CalOptima
	Medical, pharmacy, ancillary services	**Medicare**	CalOptima

* County Mental Health Plans (MHPs) are responsible for the balance of inpatient psychiatric care that is not covered by Medicare for those beneficiaries who meet the medical necessity criteria for specialty mental health services. This includes any deductibles and copayments, and any services beyond the 190-day lifetime limit in a freestanding psychiatric hospital. Additionally, the County MHP is responsible for local hospital administrative days. These are days, as determined by the county, that a patient's stay in the hospital is beyond the need for acute care and there is a lack of beds available at an appropriate lower level of care.

+ A facility must be Medicare certified and the beneficiary must meet medical necessity criteria for Medicare coverage. Medicare pays up to 100 days after placement following acute hospital stay. For long-term care placement, Medi-Cal fee-for-service pays for these costs today.

Institutes for Mental Disease			
Long-term care		**Benefit Coverage**	**Primary financial responsibility under the Demonstration**
SNF-IMD, locked community-based facility for long-term care (more than 50% of beds are for psychiatric care)§	Facility Charges ages 22-64 *Subject to IMD Exclusion**	**Not covered by Medicare or Medi-Cal+**	County
	Facility Charge ages 65 and older	**Medi-Cal**	CalOptima
	Psychiatric professional services	**Medicare**	CalOptima
	Medical, pharmacy, ancillary services (some of these services may be included in the per diem reimbursements)	**Medicare**	CalOptima
Mental health rehabilitation centers (MHRCs) (IMD)	Facility Charges	**Not covered by Medicare or Medi-Cal**	County
	Psychiatric professional services	**Medicare**	CalOptima
	Medical, pharmacy, ancillary services (some of these services may be included in the per diem reimbursements)	**Medicare**	CalOptima
Psychiatric health facilities (PHFs) with more than 16 beds	Facility Charges ages 22-64 *Subject to IMD Exclusion**	**County**	County
	Facility Charge ages 65 and older *(most are not Medicare certified)*	**Medi-Cal***	County
	Psychiatric professional services	**Medicare**	CalOptima

	Medical, pharmacy, ancillary services (some of these services may be included in the per diem reimbursements)	**Medicare**	CalOptima
Free-standing psychiatric hospital with 16 or more beds	Facility Charges ages 22-64 *Subject to IMD Exclusion **	**Medicare***	CalOptima
	Facility Charge ages 65 and older	**Medicare**	CalOptima
	Psychiatric professional services	**Medicare**	CalOptima
	Medical, pharmacy, ancillary services (some of these services may be included in the per diem reimbursements)	**Medicare**	CalOptima

* Medicare coverage for Institutions for Mental Diseases (IMDs) depends on the facility type, licensure and number of beds. IMDs include skilled nursing facilities (SNFs) with special treatment programs (STPs) with more than 50% of beds designated for primary psychiatric diagnosis, free standing acute psychiatric hospitals with more than 16 beds, psychiatric health facilities (PHFs) with more than 16 beds, mental health rehabilitation centers (MHRCs), and State hospitals. For those facilities that are Medicare reimbursable, once a beneficiary has exhausted his Medicare psychiatric hospital coverage then Medi-Cal is the secondary payer. The Medi-Cal coverage would be subject to the IMD exclusion. Federal law prohibits Medicaid Federal Financial Participation (FFP) payment for beneficiaries age 22 to 64 placed in IMDs. This is known as the "IMD exclusion" and is described in DMH Letters 02-06 and 10-02.

+ A facility must be Medicare certified and the beneficiary must meet medical necessity criteria for Medicare coverage. Medicare pays up to 100 days after placement following acute hospital stay. For long-term care placement, Medi-Cal fee-for-service pays for these costs today.

§ Patients placed in locked mental health treatment facilities must be conserved by the court under the grave disability provisions of the LPS Act

Outpatient Mental Health Services			
		Primary Financial Responsibility	
Type of Service	**Benefit Coverage**	**Patient meets criteria for MHP specialty mental health services^**	**Patient does NOT meet criteria for MHP specialty mental health services**
Pharmacy	**Medicare**	CalOptima	CalOptima
Partial hospitalization / Intensive Outpatient Programs	**Medicare**	CalOptima	CalOptima
Outpatient services within the scope of primary care	**Medicare**	CalOptima	CalOptima
Psychiatric testing/ assessment	**Medicare**	CalOptima	CalOptima
Mental health services§ *(Individual and group therapy, assessment, collateral)*	**Medicare**	CalOptima	CalOptima
Mental health services§ *(Rehabilitation and care plan development)*	**Medi-Cal**	County	Not a covered benefit for beneficiaries not meeting medical necessity criteria
Medication management/Medication support services§ (*Prescribing, administering, and dispensing; evaluation of the need for medication; and evaluation of clinical effectiveness of side effects)*	**Medicare**	CalOptima	CalOptima
Medication support services§ *(instruction in the use, risks and benefits of and alternatives for*	**Medi-Cal**	County	Not a covered benefit for beneficiaries not meeting medical necessity criteria

medication; and plan development)			
Day treatment intensive	**Medi-Cal**	County	Not a covered benefit for beneficiaries not meeting medical necessity criteria
Day rehabilitation	**Medi-Cal**	County	Not a covered benefit for beneficiaries not meeting medical necessity criteria
Crisis intervention	**Medi-Cal**	County	Not a covered benefit for beneficiaries not meeting medical necessity criteria
Crisis stabilization	**Medi-Cal**	County	Not a covered benefit for beneficiaries not meeting medical necessity criteria
Adult Residential treatment services	**Medi-Cal**	County	Not a covered benefit for beneficiaries not meeting medical necessity criteria
Crisis residential treatment services	**Medi-Cal**	County	Not a covered benefit for beneficiaries not meeting medical necessity criteria
Targeted Case Management	**Medi-Cal**	County	Not a covered benefit for beneficiaries not meeting medical necessity criteria

^1915b waiver and State Plan Amendments for targeted case management and expanded services under the rehabilitation option

§ Medicare and Medi-Cal coverage must be coordinated subject to federal and state reimbursement requirements. For further details on the services within these categories that are claimable to Medicare and Medi-Cal please see the following:

- DMH INFORMATION NOTICE NO: 10-11 May 6, 2010;
- DMH INFORMATION NOTICE NO: 10-23 Nov. 18, 2010;
- DMH INFORMATION NOTICE NO: 11-06 April 29, 2011

Coverage Matrix 2: Substance Use Disorder Benefit

	Type of Service	Benefit Coverage	Demonstration Responsibility
Inpatient Acute and Acute Psychiatric Hospitals	Detoxification	Medicare	CalOptima
Inpatient/ Outpatient	Treatment of Drug Abuse[1] (Medicare Benefit Policy Manual, Chapter 6 §20, and Chapter 16 §90)	Medicare	CalOptima
Outpatient	Alcohol Misuse Counseling: one alcohol misuse screening (SBIRT) per year. Up to four counseling sessions may be covered if positive screening results. *Must be delivered in a primary care setting.*[2]	Medicare	CalOptima
	Group or individual counseling by a qualified clinician	Medicare	CalOptima
	Subacute detoxification in residential addiction program outpatient	Medicare	CalOptima
	Alcohol and/or drug services in intensive outpatient treatment center	Medicare	CalOptima
	Extended Release Naltrexone (vivitrol) treatment	Medicare	CalOptima
	Intensive Outpatient Treatment Services	Drug Medi-Cal	County Alcohol & Drug
	Perinatal Residential Treatment Services	Drug Medi-Cal	County Alcohol & Drug

	Outpatient Drug Free Services/Counseling (*coverage limitations*)[4]	Drug Medi-Cal	County Alcohol & Drug
	Narcotic Treatment Services	Drug Medi-Cal	County Alcohol & Drug
	Naltrexone	Drug Medi-Cal	County Alcohol & Drug

[1] Medicare inpatient detoxification and/or rehabilitation for drug substance abuse when it is medically necessary. Coverage is also available for treatment services provided in the hospital outpatient department to patients who, for example, have been discharged for the treatment of drug substance abuse or who require treatment but do not require the availability and intensity of services found only in the inpatient hospital setting. The coverage available for these services is subject to the same rules generally applicable to the coverage of outpatient hospital services.

[2] Medicare coverage explanation: refer the National Coverage Determination (NCD) for Screening and Behavioral Counseling Interventions in Primary Care to Reduce Alcohol Misuse (210.8) available on the Medicare website.

[3] On January 29, 2010, the Department of Alcohol and Drug Programs issued a letter to county ADP administrators and Drug Medi-Cal direct contract providers, stating that Drug Medi-Cal services are not services provided by Medicare.

[4] Title 22, Section 51341.1 limits DMC individual counseling to the intake, crisis intervention, collateral services and treatment and discharge.