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1. Service Overview

Contractor agrees to provide to the California Department of Health Care Services (DHCS) the services described herein.

The Contractor will provide or arrange for the provision of specialty mental health services to eligible Medi-Cal beneficiaries of Humboldt County within the scope of services defined in this contract.

2. Service Location

The services shall be performed at all contracting and participating facilities of the Contractor.

3. Service Hours

The services shall be provided on a 24-hour, seven (7) days a week basis.

4. Project Representatives

A. The project representatives during the term of this contract will be:

Department of Health Care Services	**Humboldt**
Erika Cristo Telephone: (916) 552-9055 Fax: (916) 440-7620 Email: Erika.Cristo@dhcs.ca.gov	Emi Botzler-Rodgers MFT, Mental Health Director Telephone: (707) 268-2990 Fax: (707) 476-4049 Email: ebotzler-rodgers@co.humboldt.ca.us

B. Direct all inquiries to:

Department of Health Care Services	**Humboldt County Health and Human Services**
Mental Health Services Division/Program Policy Unit Attention: Dee Taylor 1500 Capitol Avenue, MS 2702 P.O. Box Number 997413 Sacramento, CA, 95899-7413 Telephone: (916) 552-9536 Fax: (916) 440-7620 Email: Dee.Taylor@dhcs.ca.gov	Attention: Emi Botzler-Rodgers, MFT, Mental Health Director 720 Wood Street, Eureka, CA, 95501 Telephone: (707) 268-2990 Fax: (707) 476-4049 Email: ebotzler-rodgers@co.humboldt.ca.us

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C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this contract.

5. General Authority

This Contract is entered into in accordance with the Welfare and Institutions (Welf. & Inst.) Code § 14680 through §14726. Welf. & Inst. Code § 14712 directs the California Department of Health Care Services (Department) to implement and administer Managed Mental Health Care for Medi-Cal eligible residents of this state through contracts with mental health plans. The Department and Humboldt County Health and Human Services agrees to operate the Mental Health Plan (MHP) for Humboldt County. No provision of this contract is intended to obviate or waive any requirements of applicable law or regulation, in particular, the provisions noted above. In the event a provision of this contract is open to varying interpretations, the contract provision shall be interpreted in a manner that is consistent with applicable law and regulation.

6. Americans with Disabilities Act

Contractor agrees to ensure that deliverables developed and produced, pursuant to this Agreement shall comply with the accessibility requirements of Section 508 of the Rehabilitation Act and the Americans with Disabilities Act of 1973 as amended (29 U.S.C. § 794 (d)), and regulations implementing that Act as set forth in Part 1194 of Title 36 of the Code of Federal Regulations. In 1998, Congress amended the Rehabilitation Act of 1973 to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code section 11135 codifies section 508 of the Act requiring accessibility of electronic and information technology.

7. Services to be Performed

See Exhibit A, Attachments 1 through 14 for a detailed description of the services to be performed.

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ORGANIZATION AND ADMINISTRATION

1. Implementation Plan

The Contractor shall comply with the provisions of the Contractor's Implementation Plan as approved by the Department, including the administration of beneficiary problem resolution processes. (Cal. Code Regs., tit. 9, §§ 1810.310, 1850.205-1850.208.) The Contractor shall obtain written approval by the Department prior to making any changes to the Implementation Plan as approved by the Department. The Contractor may implement the changes if the Department does not respond in writing within thirty calendar (30) days. (Cal. Code Regs., tit. 9, § 1810.310(c)(5).)

2. Prohibited Affiliations

A. The Contractor shall not knowingly have any prohibited type of relationship with the following:

1) An individual or entity that is debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549. (42 C.F.R. § 438.610(a)(1).)

2) An individual or entity who is an affiliate, as defined in the Federal Acquisition Regulation at 48 CFR 2.101, of a person described in this section. (42 C.F.R. § 438.610(a)(2).)

B. The Contractor shall not have a prohibited type of relationship by employing or contracting with providers or other individuals and entities excluded from participation in federal health care programs (as defined in section 1128B(f) of the Social Security Act) under either Section 1128, 1128A, 1156, or 1842(j)(2) of the Social Security Act. (42 C.F.R. §§ 438.214(d)(1), 438.610(b); 42 U.S.C. § 1320c-5.)

C. The Contractor shall not have types of relationships prohibited by this section with an excluded, debarred, or suspended individual, provider, or entity as follows:

1) A director, officer, agent, managing employee, or partner of the Contractor. (42 U.S.C. § 1320a-7(b)(8)(A)(ii); 42 C.F.R. § 438.610(c)(1).)

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2) A subcontractor of the Contractor, as governed by 42 C.F.R. § 438.230. (42 C.F.R. § 438.610(c)(2).)

3) A person with beneficial ownership of 5 percent or more of the Contractor's equity. (42 C.F.R. § 438.610(c)(3).)

4) An individual convicted of crimes described in section 1128(b)(8)(B) of the Act. (42 C.F.R. § 438.808(b)(2).)

5) A network provider or person with an employment, consulting, or other arrangement with the Contractor for the provision of items and services that are significant and material to the Contractor's obligations under this Contract. (42 C.F.R. § 438.610(c)(4).)

6) The Contractor shall not employ or contract with, directly or indirectly, such individuals or entities for the furnishing of health care, utilization review, medical social work, administrative services, management, or provision of medical services (or the establishment of policies or provision of operational support for such services). (42 C.F.R. § 438.808(b)(3).)

D. The Contractor shall provide to the Department written disclosure of any prohibited affiliation identified by the Contractor or its subcontractors. (42 C.F.R. §438.608(c)(1).)

3. Delegation

Unless specifically prohibited by this contract or by federal or state law, Contractor may delegate duties and obligations of Contractor under this contract to subcontracting entities if Contractor determines that the subcontracting entities selected are able to perform the delegated duties in an adequate manner in compliance with the requirements of this contract. The Contractor shall maintain ultimate responsibility for adhering to and otherwise fully complying with all terms and conditions of its contract with the Department, notwithstanding any relationship(s) that the Mental Health Plan may have with any subcontractor. (42 C.F.R. § 483.230(b)(1).)

4. Subcontracts

A. This provision is a supplement to provision number five (Subcontract Requirements) in Exhibit D(F) which is attached hereto as part of this contract. As allowed by provision five in Exhibit D(F), the Department

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hereby, and until further notice, waives its right to prior approval of subcontracts and approval of existing subcontracts.

B. No subcontract terminates the legal responsibility of the Contractor to the Department to assure that all activities under this contract are carried out. (42 C.F.R. § 230(b).)

C. All subcontracts shall be in writing.

D. All subcontracts for inpatient and residential services shall require that subcontractors maintain necessary licensing and certification or mental health program approval.

E. Each subcontract shall contain:

1) The activities and obligations, including services provided, and related reporting responsibilities. (42 C.F.R. § 438.230(c)(1)(i).)

2) The delegated activities and reporting responsibilities in compliance with the Contractor's obligations in this Contract. (42 C.F.R. § 438.230(c)(1)(ii).)

3) Subcontractor's agreement to submit reports as required by the Contractor and/or the Department.

4) The method and amount of compensation or other consideration to be received by the subcontractor from the Contractor.

5) Requirement that the subcontract be governed by, and construed in accordance with, all laws and regulations, and all contractual obligations of the Contractor under this contract.

6) Requirement that the subcontractor comply with all applicable Medicaid laws, regulations, including applicable sub-regulatory guidance and contract provisions. (42 C.F.R. § 438.230(c)(2).)

7) Terms of the subcontract including the beginning and ending dates, as well as methods for amendment and, if applicable, extension of the subcontract.

8) Provisions for full and partial revocation of the subcontract, delegated activities or obligations, or application of other remedies

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permitted by state or federal law when the Department or the Contractor determine that the subcontractor has not performed satisfactorily. (42 C.F.R. § 438.230(c)(1)(iii).)

9) The nondiscrimination and compliance provisions of this contract as described in Exhibit E, Section 5, Paragraph C and Section 6, Paragraph C.

10) A requirement that the subcontractor make all of its premises, physical facilities, equipment, books, records, documents, contracts, computers, or other electronic systems pertaining to Medi-Cal enrollees, Medi-Cal-related activities, services and activities furnished under the terms of the subcontract, or determinations of amounts payable available at any time for inspection, examination or copying by the Department, CMS, HHS Inspector General, the United States Comptroller General, their designees, and other authorized federal and state agencies. (42 C.F.R. §438.3(h).) This audit right will exist for 10 years from the final date of the contract period or from the date of completion of any audit, whichever is later. (42 C.F.R. § 438.230(c)(3)(iii).) The Department, CMS, or the HHS Inspector General may inspect, evaluate, and audit the subcontractor at any time if there is a reasonable possibility of fraud or similar risk, then. (42 C.F.R. § 438.230(c)(3)(iv).)

11) The Department's inspection shall occur at the subcontractor's place of business, premises or physical facilities, in a form maintained in accordance with the general standards applicable to such book or record keeping, for a term of at least ten years from the close of the state fiscal year in which the subcontract was in effect. Subcontractor's agreement that assignment or delegation of the subcontract shall be void unless prior written approval is obtained from the Contractor.

12) A requirement that the Contractor monitor the subcontractor's compliance with the provisions of the subcontract and this contract and a requirement that the subcontractor provide a corrective action plan if deficiencies are identified.

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13) Subcontractor's agreement to hold harmless both the State and beneficiaries in the event the Contractor cannot or does not pay for services performed by the subcontractor pursuant to the subcontract.

14) Subcontractor's agreement to comply with the Contractor's policies and procedures on advance directives and the Contractor's obligations for Physician Incentive Plans, if applicable based on the services provided under the subcontract.

5. Accreditation Status

A. The Contractor shall inform the Department whether it has been accredited by a private independent accrediting entity. (42 C.F.R. 438.332(a).)

B. If the Contractor has received accreditation by a private independent accrediting entity, the Contractor shall authorize the private independent accrediting entity to provide the Department a copy of its most recent accreditation review, including:

1) Its accreditation status, survey type, and level (as applicable);

2) Accreditation results, including recommended actions or improvements, corrective action plans, and summaries of findings; and

3) The expiration date of the accreditation. (42 C.F.R. § 438.332(b).)

6. Conflict of Interest

A. The Contractor shall comply with the conflict of interest safeguards described in 42 Code of Federal Regulations part 438.58 and the prohibitions described in section 1902(a)(4)(C) of the Act. (42 C.F.R. § 438.3(f)(2).)

B. Contractor's officers and employees shall not have a financial interest in this Contract or a subcontract of this Contract made by them in their official capacity, or by any body or board of which they are members unless the interest is remote. (Gov. Code §§ 1090, 1091; 42 C.F.R. § 438.3(f)(2).)

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C. No public officials at any level of local government shall make, participate in making, or attempt to use their official positions to influence a decision made within the scope of this Contract in which they know or have reason to know that they have a financial interest. (Gov. Code §§ 87100, 87103; Cal. Code Regs., tit. 2, § 18704; 42 C.F.R. §§ 438.3(f)(2).)

1) If a public official determines not to act on a matter due to a conflict of interest within the scope of this Contract, the Contractor shall notify the Department by oral or written disclosure. (Cal. Code Regs, tit. 2, § 18707; 42 C.F.R. § 438.3(f)(2).)

2) Public officials, as defined in Government Code section 87200, shall follow the applicable requirements for disclosure of a conflict of interest or potential conflict of interest, once it is identified, and recuse themselves from discussing or otherwise acting upon the matter. (Gov. Code § 87105, Cal. Code Regs., tit. 2, § 18707(a); 42 C.F.R. § 438.3(f)(2).)

D. Contractor shall not utilize in the performance of this Contract any State officer or employee in the State civil service or other appointed State official unless the employment, activity, or enterprise is required as a condition of the officer's or employee's regular State employment. (Pub. Con. Code § 10410; 42 C.F.R. § 438.3(f)(2).)

1) Contractor shall submit documentation to the Department of employees (current and former State employees) who may present a conflict of interest.

Exhibit A – Attachment 2
SCOPE OF SERVICES

1. Provision of Services

A. The Contractor shall provide, or arrange and pay for, the following medically necessary covered Specialty Mental Health Services to beneficiaries, as defined for the purposes of this contract, of Humboldt County:

1) Mental health services;

2) Medication support services;

3) Day treatment intensive;

4) Day rehabilitation;

5) Crisis intervention;

6) Crisis stabilization;

7) Adult residential treatment services;

8) Crisis residential treatment services;

9) Psychiatric health facility services;

10) Intensive Care Coordination (for beneficiaries under the age of 21);

11) Intensive Home Based Services (for beneficiaries under the age of 21);

12) Therapeutic Behavioral Services (for beneficiaries under the age of 21);

13) Therapeutic Foster Care (for beneficiaries under the age of 21);

14) Psychiatric Inpatient Hospital Services; and,

15) Targeted Case Management.

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See Exhibit E, Attachment 2, Service Definitions for detailed descriptions of the SMHS listed above.

B. Services shall be provided, in accordance with the State Plan, to beneficiaries, who meet medical necessity criteria, based on the beneficiary's need for services established by an assessment and documented in the client plan. Services shall be provided in an amount, duration, and scope as specified in the individualized Client Plan for each beneficiary.

C. The Contractor shall ensure that all medically necessary covered Specialty Mental Health Services are sufficient in amount, duration, or scope to reasonably achieve the purpose for which the services are furnished. The Contractor shall not arbitrarily deny or reduce the amount, duration, or scope of a medically necessary covered Specialty Mental Health Service solely because of diagnosis, type of illness, or condition of the beneficiary except as specifically provided in the medical necessity criteria applicable to the situation as provided in the California Code of Regulations, title 9, sections 1820.205, 1830.205, and 1830.210. (42 C.F.R. § 438.210(a)(2) and (3).)

D. The Contractor shall make all medically necessary covered Specialty Mental Health Services available in accordance with California Code of Regulations, title 9, sections1810.345, 1810.350 and 1810.405, and 42 Code of Federal Regulations part 438.210.

E. The Contractor shall provide second opinions from a network provider, or arrange for the beneficiary to obtain a second opinion outside the network, at no cost to the beneficiary. (42 C.F.R § 438.206(b).) At the request of a beneficiary when the Contractor or its network provider has determined that the beneficiary is not entitled to specialty mental health services due to not meeting the medical necessity criteria, the contractor shall provide for a second opinion by a licensed mental health professional (other than a psychiatric technician or a licensed vocational nurse). (Cal. Code Regs., tit. 9, § 1810.405(e).)

F. The Contractor shall provide a beneficiary's choice of the person providing services to the extent feasible in accordance with California Code of Regulations., title. 9, section1830.225 and 42 Code of Federal Regulations part 438.3(l).

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G. In determining whether a service is covered under this contract based on the diagnosis of the beneficiary, the Contractor shall not exclude a beneficiary solely on the ground that the provider making the diagnosis has used the International Classification of Diseases (ICD) diagnosis system rather than the system contained in the Diagnostic and Statistical Manual (DSM) of the American Psychiatric Association.

2. Requirements for Day Treatment Intensive and Day Rehabilitation

A. The Contractor shall require providers to request payment authorization for day treatment intensive and day rehabilitation services:

1) In advance of service delivery when day treatment intensive or day rehabilitation will be provided for more than five days per week.

2) At least every three months for continuation of day treatment intensive.

3) At least every six months for continuation of day rehabilitation.

4) Contractor shall also require providers to request authorization for mental health services, as defined in California Code of Regulations, title 9, section 1810.227, provided concurrently with day treatment intensive or day rehabilitation, excluding services to treat emergency and urgent conditions as defined in California Code of Regulations, title 9, sections 1810.216 and 1810.253. These services shall be authorized with the same frequency as the concurrent day treatment intensive or day rehabilitation services.

B. The Contractor shall not delegate the payment authorization function to providers. When the Contractor is the day treatment intensive or day rehabilitation provider, the Contractor shall assure that the payment authorization function does not include staff involved in the provision of day treatment intensive, day rehabilitation services, or mental health services provided concurrent to day treatment intensive or day rehabilitation services.

C. The Contractor shall require that providers of day treatment intensive and day rehabilitation meet the requirements of California Code of

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Regulations, title 9, sections 1840.318, 1840.328, 1840.330, 1840.350 and 1840.352.

D. The Contractor shall require that providers include, at a minimum, the following day treatment intensive and day rehabilitation service components:

1) Community meetings. These meetings shall occur at least once a day to address issues pertaining to the continuity and effectiveness of the therapeutic milieu, and shall actively involve staff and beneficiaries. Relevant discussion items include, but are not limited to: the day's schedule, any current event, individual issues that beneficiaries or staff wish to discuss to elicit support of the group and conflict resolution. Community meetings shall:

   a) For day treatment intensive, include a staff person whose scope of practice includes psychotherapy.

   b) For day rehabilitation, include a staff person who is a physician, a licensed/waivered/registered psychologist, clinical social worker, or marriage and family therapist; and a registered nurse, psychiatric technician, licensed vocational nurse, or mental health rehabilitation specialist.

2) Therapeutic milieu. This component must include process groups and skill-building groups. Specific activities shall be performed by identified staff and take place during the scheduled hours of operation of the program. The goal of the therapeutic milieu is to teach, model, and reinforce constructive interactions by involving beneficiaries in the overall program. For example, beneficiaries are provided with opportunities to lead community meetings and to provide feedback to peers. The program includes behavior management interventions that focus on teaching self-management skills that children, youth, adults and older adults may use to control their own lives, to deal effectively with present and future problems, and to function well with minimal or no additional therapeutic intervention. Activities include, but are not limited to, staff feedback to beneficiaries on strategies for symptom reduction, increasing adaptive behaviors, and reducing subjective distress.

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3) Process groups. These groups, facilitated by staff, shall assist each beneficiary to develop necessary skills to deal with his/her problems and issues. The group process shall utilize peer interaction and feedback in developing problem-solving strategies to resolve behavioral and emotional problems. Day rehabilitation may include psychotherapy instead of process groups, or in addition to process groups.

4) Skill-building groups. In these groups, staff shall help beneficiaries identify barriers related to their psychiatric and psychological experiences. Through the course of group interaction, beneficiaries identify skills that address symptoms and increase adaptive behaviors.

5) Adjunctive therapies. These are therapies in which both staff and beneficiaries participate. These therapies may utilize self-expression, such as art, recreation, dance, or music as the therapeutic intervention. Participants do not need to have any level of skill in the area of self-expression, but rather be able utilize the modality to develop or enhance skills directed toward achieving beneficiary plan goals. Adjunctive therapies assist the beneficiary in attaining or restoring skills which enhance community functioning including problem solving, organization of thoughts and materials, and verbalization of ideas and feelings. Adjunctive therapies provided as a component of day rehabilitation or day treatment intensive are used in conjunction with other mental health services in order to improve the outcome of those services consistent with the beneficiary's needs identified in the client plan.

E. Day treatment intensive shall additionally include:

1) Psychotherapy. Psychotherapy means the use of psychological methods within a professional relationship to assist the beneficiary or beneficiaries to achieve a better psychosocial adaptation, to acquire a greater human realization of psychosocial potential and adaptation, to modify internal and external conditions that affect individual, groups, or communities in respect to behavior, emotions and thinking, in respect to their intrapersonal and interpersonal

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processes. Psychotherapy shall be provided by licensed, registered, or waivered staff practicing within their scope of practice. Psychotherapy does not include physiological interventions, including medication intervention.

2) Mental Health Crisis Protocol. The Contractor shall ensure that there is an established protocol for responding to beneficiaries experiencing a mental health crisis. The protocol shall assure the availability of appropriately trained and qualified staff and include agreed upon procedures for addressing crisis situations. The protocol may include referrals for crisis intervention, crisis stabilization, or other specialty mental health services necessary to address the beneficiary's urgent or emergency psychiatric condition (crisis services). If the protocol includes referrals, the day treatment intensive or day rehabilitation program staff shall have the capacity to handle the crisis until the beneficiary is linked to an outside crisis service.

3) Written Weekly Schedule. The Contractor shall ensure that a weekly detailed schedule is available to beneficiaries and as appropriate to their families, caregivers or significant support persons and identifies when and where the service components of the program will be provided and by whom. The written weekly schedule will specify the program staff, their qualifications, and the scope of their services.

F. Staffing Requirements. Staffing ratios shall be consistent with the requirements in California Code of Regulations, title 9, section 1840.350, for day treatment intensive, and California Code of Regulations section 1840.352 for day rehabilitation. For day treatment intensive, staff shall include at least one staff person whose scope of practice includes psychotherapy.

1) Program staff may be required to spend time on day treatment intensive and day rehabilitation activities outside the hours of operation and therapeutic program (e.g., time for travel, documentation, and caregiver contacts).

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2) The Contractor shall require that at least one staff person be present and available to the group in the therapeutic milieu for all scheduled hours of operation.

3) The Contractor shall require day treatment intensive and day rehabilitation programs to maintain documentation that enables Contractor and the Department to audit the program if it uses day treatment intensive or day rehabilitation staff who are also staff with other responsibilities (e.g., as staff of a group home, a school, or another mental health treatment program). The Contractor shall require that there is documentation of the scope of responsibilities for these staff and the specific times in which day treatment intensive or day rehabilitation activities are being performed exclusive of other activities.

G. If a beneficiary is unavoidably absent and does not attend all of the scheduled hours of the day rehabilitation or day treatment intensive program, the Contractor shall ensure that the provider receives Medi-Cal reimbursement only if the beneficiary is present for at least 50 percent of scheduled hours of operation for that day. The Contractor shall require that a separate entry be entered in the beneficiary record documenting the reason for the unavoidable absence and the total time (number of hours and minutes) the beneficiary actually attended the program that day. In cases where absences are frequent, it is the responsibility of the Contractor to ensure that the provider re-evaluates the beneficiary's need for the day rehabilitation or day treatment intensive program and takes appropriate action.

H. Documentation Standards. The Contractor shall ensure day treatment intensive and day rehabilitation documentation meets the documentation standards described in Attachment 9 of this exhibit. The documentation shall include the date(s) of service, signature of the person providing the service (or electronic equivalent), the person's type of professional degree, licensure or job title, date of signature and the total number of minutes/hours the beneficiary actually attended the program. For day treatment intensive these standards include daily progress notes on activities and a weekly clinical summary reviewed and signed by a physician, a licensed/waivered/registered psychologist, clinical social worker, or marriage and family therapist, or a registered nurse who is

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either staff to the day treatment intensive program or the person directing the services.

I. The Contractor shall ensure that day treatment intensive and day rehabilitation have at least one contact per month with a family member, caregiver or other significant support person identified by an adult beneficiary, or one contact per month with the legally responsible adult for a beneficiary who is a minor. This contact may be face-to-face, or by an alternative method (e.g., e-mail, telephone, etc.). Adult beneficiaries may decline this service component. The contacts should focus on the role of the support person in supporting the beneficiary's community reintegration. The Contractor shall ensure that this contact occurs outside hours of operation and outside the therapeutic program for day treatment intensive and day rehabilitation.

J. Written Program Description. The Contractor shall ensure there is a written program description for day treatment intensive and day rehabilitation. The written program description must describe the specific activities of each service and reflects each of the required components of the services as described in this section. The Contractor shall review the written program description for compliance with this section with prior to the date the provider begins delivering day treatment intensive or day rehabilitation.

K. Additional higher or more specific standards. The Contractor shall retain the authority to set additional higher or more specific standards than those set forth in this contract, provided the Contractor's standards are consistent with applicable state and federal laws and regulations and do not prevent the delivery of medically necessary day treatment intensive and day rehabilitation.

L. Continuous Hours of Operation. The Contractor shall ensure that the provider applies the following when claiming for day treatment intensive and day rehabilitation services:

1) A half day shall be billed for each day in which the beneficiary receives face-to-face services in a program with services available four hours or less per day. Services must be available a minimum of three hours each day the program is open.

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SCOPE OF SERVICES

2) A full-day shall be billed for each day in which the beneficiary receives face-to-face services in a program with services available more than four hours per day.

3) Although the beneficiary must receive face to face services on any full-day or half-day claimed, all service activities during that day are not required to be face-to-face with the beneficiary.

4) The requirement for continuous hours or operation does not preclude short breaks (for example, a school recess period) between activities. A lunch or dinner may also be appropriate depending on the program's schedule. The Contractor shall not conduct these breaks toward the total hours of operation of the day program for purposes of determining minimum hours of service.

3. Therapeutic Behavioral Services

Therapeutic Behavioral Services (TBS) are supplemental specialty mental health services covered under the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) benefit as defined in California Code of Regulations section 1810.215. TBS are intensive, one-to-one services designed to help beneficiaries and their parents/caregivers manage specific behaviors using short-term measurable goals based on the beneficiary's needs. TBS are available to beneficiaries in accordance with the Department of Mental Health Information Notice 08-38, the TBS Coordination of Care Best Practices Manual, version 2 (October 2010), and the TBS Documentation Manual, version 2 (October 2009).

Exhibit A – Attachment 3
FINANCIAL REQUIREMENTS

1. Provider Compensation

The Contractor shall ensure that no payment is made to a network provider other than payment the Contractor makes for services covered under this Contract, except when these payments are specifically required to be made by the state in Title XIX of the Act, in 42 Code of Federal Regulations in chapter IV, or when the state agency makes direct payments to network providers for graduate medical education costs approved under the State Plan. (42 C.F.R. § 438.60.)

2. Payments for Indian Health Care Providers

A. Contractor shall make payment to all Indian Health Care Providers (IHCPs) in its network in a timely manner as required for payments to practitioners in individual or group practices under 42 §§ C.F.R. 447.54 and 447.46 including paying 90% of all clean claims from practitioners within 30 days of the date of receipt and paying 99 percent of all clean claims from practitioners within 90 days of the date of receipt. (42 C.F.R. 438.14(b)(2).)

B. Contractor shall pay an IHCP that is not enrolled as a FQHC, regardless of whether it is a network provider of the Contractor, its applicable encounter rate published annually in the Federal Register by the Indian Health Service or in the absence of a published encounter rate, the amount the IHPC would receive if the services were provided under the State plan's fee-for-service methodology. (42 C.F.R. § 438.14 (c)(2).)

3. Prohibited Payments

A. Federal Financial Participation is not available for any amount furnished to an excluded individual or entity, or at the direction of a physician during the period of exclusion when the person providing the service knew or had reason to know of the exclusion, or to an individual or entity when the Department failed to suspend payments during an investigation of a credible allegation of fraud. (42 U.S.C. section 1396b(i)(2).)

B. In accordance with Section 1903(i) of the Social Security Act, the Contractor is prohibited from paying for an item or service:

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FINANCIAL REQUIREMENTS

1) Furnished under this Contract by any individual or entity during any period when the individual or entity is excluded from participation under title V, XVIII, or XX or under this title pursuant to sections 1128, 1128A, 1156, or 1842(j)(2) of the Social Security Act.

2) Furnished at the medical direction or on the prescription of a physician, during the period when such physician is excluded from participation under title V, XVIII, or XX or under this title pursuant to sections 1128, 1128A, 1156, or 1842(j)(2) of the Social Security Act and when the person furnishing such item or service knew, or had reason to know, of the exclusion (after a reasonable time period after reasonable notice has been furnished to the person).

3) Furnished by an individual or entity to whom the state has failed to suspend payments during any period when there is a pending investigation of a credible allegation of fraud against the individual or entity, unless the state determines there is good cause not to suspend such payments.

4) With respect to any amount expended for which funds may not be used under the Assisted Suicide Funding Restriction Act (ASFRA) of 1997.

4. Emergency Admission for Psychiatric Inpatient Hospital Services

The Contractor shall comply with Cal.Code Regs. Tit. 9 § 1820.225 regarding emergency admission for psychiatric inpatient hospital services regarding authorization and payment for both contract and non-contract hospitals.

5. Audit Requirements

The Contractor shall submit audited financial reports specific to this Contract on an annual basis. The audit shall be conducted in accordance with generally accepted accounting principles and generally accepted auditing standards. (42 C.F.R. § 438.3(m).)

6. Cost Reporting

A. The Contractor shall submit a fiscal year-end cost report no later than December 31 following the close of each fiscal year unless that date is

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FINANCIAL REQUIREMENTS

extended by the Department, in accordance with the Welf. & Inst. Code § 14705(c), and/or guidelines established by the Department. Data submitted shall be full and complete and the cost report shall be certified by the Contractor's Mental Health Director and one of the following: (1) the Contractor's chief financial officer (or equivalent), (2) an individual who has delegated authority to sign for, and reports directly to, the Contractor's chief financial officer, or (3) the Contractor's auditor-controller, or equivalent. The cost report shall include both Contractor's costs and the cost of its subcontractors, if any. The cost report shall be completed in accordance with instructions contained in the Department's Cost and Financial Reporting System Instruction Manual which can be accessed through the Department's Information Technology Web Services (ITWS) for the applicable year, as well as any instructions that are incorporated by reference thereto; however, to the extent that the Contractor disagrees with such instructions, it may raise that disagreement in writing with the Department at the time the cost report is filed, and shall have the right to appeal such disagreement pursuant to procedures developed under the Welf. & Inst. Code § 14171.

B. In accordance with Welf. & Inst. Code § 5655 , the Department shall provide technical assistance and consultation to the Contractor regarding the preparation and submission of timely cost reports. If the Contractor does not submit the cost report by the reporting deadline, including any extension period granted by the Department, the Department, in accordance with Welf.& Inst. Code § 14712(e), may withhold payments of additional funds until the cost report that is due has been submitted.

C. Upon receipt of an amended cost report, which includes reconciled units of service, and a certification statement that has been signed by the Contractor's Mental Health Director and one of the following: 1) the Contractor's Chief Financial Officer (or equivalent), (2) an individual who has delegated authority to sign for, and reports directly to the Contractor's Chief Financial Officer, or (3) the county's auditor controller, or equivalent, the Department shall preliminarily settle the cost report. After completing its preliminary settlement, the Department shall so notify the Contractor if additional FFP is due to the Contractor. The Department shall submit a claim to the federal government for the related FFP within 30 days contingent upon sufficient budget authority. If funds are due to the State, the Department shall invoice the Contractor and the Contractor shall return the overpayment to the Department.

Exhibit A – Attachment 3
FINANCIAL REQUIREMENTS

7. Recovery of Overpayments

A. The Contractor, and any subcontractor or any network provider of the Contractor, shall report to the Department within 60 calendar days when it has identified payments in excess of amounts specified for reimbursement of Medicaid services. (42 C.F.R. § 438.608(c)(3).)

B. The Contractor, or subcontractor, to the extent that the subcontractor is delegated responsibility for coverage of services and payment of claims under this Contract, shall implement and maintain arrangements or procedures that include provision for the suspension of payments to a network provider for which the State, or Contractor, determines there is a credible allegation of fraud. (42 C.F.R. §§ 438.608(a)(8) and 455.23.)

C. The Contractor shall specify the retention policies for the treatment of recoveries of all overpayments from the Contractor to a provider, including specifically the retention policies for the treatment of recoveries of overpayments due to fraud, waste, or abuse. The policy shall specify the process, timeframes, and documentation required for reporting the recovery of all overpayments. The Contractor shall require its network providers to return any overpayment to the Contractor within 60 calendar days after the date on which the overpayment was identified. The Contractor shall also specify the process, timeframes, and documentation required for payment of recoveries of overpayments to the Department in situations where the Contractor is not permitted to retain some or all of the recoveries of overpayments. (42 C.F.R. § 438.608(d).)

8. Physician Incentive Plans

A. The Contractor shall obtain approval from the Department prior to implementing a Physician Incentive Plan (Cal. Code Regs. tit. 9, § 1810.438(h).).

1) Pursuant to 42 Code of Federal Regulations part 438.3(i), the Contractor shall comply with the requirements set forth in 42 CFR §§ 422.208 and 422.210.

2) The Contractor may operate a Physician Incentive Plan only if no specific payment can be made directly or indirectly under a Physician

Exhibit A – Attachment 3
FINANCIAL REQUIREMENTS

Incentive Plan to a physician or physician group as an inducement to reduce or limit medically necessary services furnished to a beneficiary. (42 C.F.R. § 422.(c)(1).)

3) If a physician or physician group is put at substantial financial risk for services not provided by the physician/group, the Contractor shall ensure adequate stop-loss protection to individual physicians and conduct annual beneficiary surveys. (42 C.F.R. 422.208(f).)

4) The Contractor shall provide information on its Physician Incentive Plan to any Medicaid beneficiary upon request (this includes the right to adequate and timely information on a Physician Incentive Plan). Such information shall include: whether the Contractor uses a physician incentive plan that affects the use of referral services, (2) the type of incentive arrangement, and (3) whether stop-loss protection is provided. (42 C.F.R. § 422.210(b).)

9. Beneficiary Liability for Payment

A. The Contractor or an affiliate, vendor, contractor, or subcontractor of the Contractor shall not submit a claim to, or demand or otherwise collect reimbursement from, the beneficiary or persons acting on behalf of the beneficiary for any specialty mental health or related administrative services provided under this contract, except to collect other health insurance coverage, share of cost, and co-payments. (Cal. Code Regs., tit. 9, § 1810.365 (a).)

B. The Contractor or an affiliate, vendor, contractor, or sub-subcontractor of the Contractor shall not hold beneficiaries liable for debts in the event that the Contractor becomes insolvent; for costs of covered services for which the State does not pay the Contractor; for costs of covered services for which the State or the Contractor does not pay the Contractor's network providers; for costs of covered services provided under a contract, referral or other arrangement rather than from the Contractor; or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary. 42 C.F.R. § 438.106 and Cal. Code Regs. tit 9, § 1810.365(c).)

Exhibit A – Attachment 3
FINANCIAL REQUIREMENTS

C. The Contractor shall ensure its subcontractors and providers do not bill beneficiaries, for covered services, any amount greater than would be owed if the Contractor provided the services directly (42 C.F.R. § 483.106(c).).

10. Cost Sharing

A. The Contractor shall ensure that any cost sharing imposed on beneficiaries is in accordance with 42 Code of Federal Regulations part 447.50 through 447.82. (42 C.F.R. § 438.108.)

B. The Contractor shall exempt from all cost sharing any Indian who is currently receiving or has ever received an item or service furnished by an IHCP or through referral. (42 C.F.R. § 447.56(a)(1)(x).)

11. ICD- 10

A. The Contractor shall use the criteria sets in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5) as the clinical tool to make diagnostic determinations.

B. Once a DSM-5 diagnosis is determined, the Contractor shall determine the corresponding mental health diagnosis, in the International Classification of Diseases and Related Health Problems, Tenth Revision (ICD-10).

C. The Contractor shall use the ICD-10 diagnosis code(s) to submit a claim for specialty mental health services to receive reimbursement of Federal Financial Participation (FFP) in accordance with the covered diagnoses for reimbursement of outpatient and inpatient Medi-Cal specialty mental health services listed in Mental Health and Substance Use Disorder Services (MHSUDS) Information Notice 17-004E.

D. The lists of covered ICD-10 diagnosis codes in MHSUDS Information Notice 17-004E are subject to change and the Department may update them during the term of this contract. Changes to the lists of covered ICD-10 covered diagnoses do not require an amendment to this contract and the Department may implement these changes via Mental Health and Substance Use Disorder Services Information Notices.

Exhibit A – Attachment 4
MANAGEMENT INFORMATION SYSTEMS

1. Health Information Systems

A. The Contractor shall maintain a health information system that collects, analyzes, integrates, and reports data. (42 C.F.R. § 438.242(a); Cal. Code Regs., tit. 9, § 1810.376.) The system shall provide information on areas including, but not limited to, utilization, claims, grievances, and appeals. (42 C.F.R. § 438.242(a).) The Contractor shall comply with Section 6504(a) of the Affordable Care Act which requires that State claims processing and retrieval systems are able to collect data elements necessary to enable the mechanized claims processing and information retrieval systems in operation by the State to meet the requirements of section 1903(r)(1)(F) of the Social Security Act. (42 C.F.R. § 438.242(b)(1).)

B. The Contractor's health information system shall, at a minimum:

1) Collect data on beneficiary and provider characteristics as specified by the Department, and on services furnished to beneficiaries as specified by the Department; (42 C.F.R. § 438.242(b)(2).)

2) Ensure that data received from providers is accurate and complete by:

a. Verifying the accuracy and timeliness of reported data, including data from network providers compensated on the basis of capitation payments; (42 C.F.R. § 438.242(b)(3)(i).)

b. Screening the data for completeness, logic, and consistency; and (42 C.F.R. § 438.242(b)(3)(ii).)

c. Collecting service information in standardized formats to the extent feasible and appropriate, including secure information exchanges and technologies utilized for quality improvement and care coordination efforts. (42 C.F.R. § 438.242(b)(3)(iii).)

3) Make all collected data available to the Department and, upon request, to CMS. (42 C.F.R. § 438.242(b)(4).)

Exhibit A – Attachment 4
MANAGEMENT INFORMATION SYSTEMS

C. The Contractor's health information system is not required to collect and analyze all elements in electronic formats. (Cal. Code Regs., tit. 9, § 1810.376(c).)

2. Encounter Data

The Contractor shall submit encounter data to the Department at a frequency and level specified by the Department and CMS. (42 C.F.R. § 438.242(c)(2).) The Contractor shall ensure collection and maintenance of sufficient beneficiary encounter data to identify the provider who delivers service(s) to the beneficiary. (42 C.F.R. § 438.242(c)(1).) The Contractor shall submit all beneficiary encounter data that the Department is required to report to CMS under § 438.818. (42 C.F.R. § 438.242(c)(3).) The Contractor shall submit encounter data to the state in standardized Accredited Standards Committee (ASC) X12N 837 and National Council for Prescription Drug Programs (NCPDP) formats, and the ASC X12N 835 format as appropriate. (42 C.F.R. § 438.242(c)(4).)

3. Medi-Cal Eligibility Data System (MEDS) and MEDS Monthly Extract File (MMEF)

The Contractor shall enter into a Medi-Cal Privacy and Security Agreement (PSA) with the Department prior to obtaining access to MEDS and the MEDS monthly extract file (MMEF). The Contractor agrees to comply with the provisions as specified in the PSA. The County Mental Health Director or his or her authorized designee shall certify annually that Contractor is in compliance with the PSA agreement. Failure to comply with the terms of the agreement will result in the termination of access to MEDS and MMEF. (42 U.S.C. § 1396a(a)(7); 42 CFR § 431.300(a); 42 C.F.R. § 431.306(b); Welf. & Inst. Code § 14100.2(a).).

Exhibit A – Attachment 5
QUALITY IMPROVEMENT SYSTEM

1. Quality Assessment and Performance Improvement

A. The Contractor shall implement an ongoing comprehensive Quality Assessment and Performance Improvement (QAPI) Program for the services it furnishes to beneficiaries. (42 C.F.R. § 438.330 (a).)

B. The Contractor's QAPI Program shall improve Contractor's established outcomes through structural and operational processes and activities that are consistent with current standards of practice.

C. The Contractor shall have a written description of the QAPI Program that clearly defines the QAPI Program's structure and elements, assigns responsibility to appropriate individuals, and adopts or establishes quantitative measures to assess performance and to identify and prioritize area(s) for improvement. Contractor shall evaluate the impact and effectiveness of its QAPI Program annually and update the Program as necessary per Cal. Code Regs., tit. 9, § 1810.440(a)(6). (42 C.F.R. § 438.330(e)(2).)

D. The QAPI Program shall include collection and submission of performance measurement data required by the Department, which may include performance measures specified by CMS. The Contractor shall measure and annually report to the Department its performance, using the standard measures identified by the Department. (42 C.F.R. § 438.330 (a)(2), (b)(2), (c)(2).)

E. The Contractor shall conduct performance monitoring activities throughout the Contractor's operations. These activities shall include, but not be limited to, beneficiary and system outcomes, utilization management, utilization review, provider appeals, credentialing and monitoring, and resolution of beneficiary grievances.

F. The Contractor shall have mechanisms to detect both underutilization of services and overutilization of services. (42 C.F.R. § 438.330(b)(3).)

G. The Contractor shall implement mechanisms to assess beneficiary/family satisfaction. The Contractor shall assess beneficiary/family satisfaction by:

Exhibit A – Attachment 5
QUALITY IMPROVEMENT SYSTEM

1) Surveying beneficiary/family satisfaction with the Contractor's services at least annually;

2) Evaluating beneficiary grievances, appeals and fair hearings at least annually; and

3) Evaluating requests to change persons providing services at least annually.

4) The Contractor shall inform providers of the results of beneficiary/family satisfaction activities.

H. The Contractor shall implement mechanisms to monitor the safety and effectiveness of medication practices. The monitoring mechanism shall be under the supervision of a person licensed to prescribe or dispense prescription drugs. Monitoring shall occur at least annually.

I. The Contractor shall implement mechanisms to address meaningful clinical issues affecting beneficiaries system-wide.

J. The Contractor shall implement mechanisms to monitor appropriate and timely intervention of occurrences that raise quality of care concerns. The Contractor shall take appropriate follow-up action when such an occurrence is identified. The results of the intervention shall be evaluated by the Contractor at least annually.

K. Contractor's QAPI Program shall include Performance Improvement Projects as specified in paragraph 5.

2. Quality Improvement (QI) Work Plan

1. The Contractor shall have a Quality Improvement (QI) Work Plan covering the current contract cycle with documented annual evaluations and documented revisions as needed. The QI Work Plan shall include:

1) Evidence of the monitoring activities including, but not limited to, review of beneficiary grievances, appeals, expedited appeals, fair hearings, expedited fair hearings, provider appeals, and clinical

Exhibit A – Attachment 5
QUALITY IMPROVEMENT SYSTEM

records review as required by Cal. Code Regs., tit. 9, § 1810.440(a)(5) and 42 C.F.R. § 438.416(a);

2) Evidence that QI activities, including performance improvement projects, have contributed to meaningful improvement in clinical care and beneficiary service;

3) A description of completed and in-process QI activities, including performance improvement projects. The description shall include:

   a. Monitoring efforts for previously identified issues, including tracking issues over time;

   b. Objectives, scope, and planned QI activities for each year; and,

   c. Targeted areas of improvement or change in service delivery or program design.

4) A description of mechanisms the Contractor has implemented to assess the accessibility of services within its service delivery area. This shall include goals for responsiveness for the Contractor's 24-hour toll-free telephone number, timeliness for scheduling of routine appointments, timeliness of services for urgent conditions, and access to after-hours care; and

5) Evidence of compliance with the requirements for cultural competence and linguistic competence specified in Attachments 7 and 11.

3. Quality Improvement (QI) Committee and Program

A. The Contractor's QI program shall monitor the Contractor's service delivery system with the aim of improving the processes of providing care and better meeting the needs of its beneficiaries.

B. The Contractor shall establish a QI Committee to review the quality of specialty mental health services provided to beneficiaries. The QI Committee shall recommend policy decisions; review and evaluate the

Exhibit A – Attachment 5
QUALITY IMPROVEMENT SYSTEM

results of QI activities, including performance improvement projects; institute needed QI actions; ensure follow-up of QI processes; and document QI Committee meeting minutes regarding decisions and actions taken.

C. The QI Program shall be accountable to the Contractor's Director as described in Cal. Code Regs., tit. 9, § 1810.440(a)(1).

D. Operation of the QI program shall include substantial involvement by a licensed mental health professional. (Cal. Code. Regs., tit. 9, § 1810.440(a)(4).)

E. The QI Program shall include active participation by the Contractor's practitioners and providers, as well as beneficiaries and family members, in the planning, design and execution of the QI Program, as described in Cal. Code. Regs., tit. 9, § 1810.440(a)(2)(A-C).

F. QI activities shall include:

1) Collecting and analyzing data to measure against the goals, or prioritized areas of improvement that have been identified;

2) Identifying opportunities for improvement and deciding which opportunities to pursue;

3) Identifying relevant committees internal or external to the Contractor to ensure appropriate exchange of information with the QI Committee;

4) Obtaining input from providers, beneficiaries and family members in identifying barriers to delivery of clinical care and administrative services;

5) Designing and implementing interventions for improving performance;

6) Measuring effectiveness of the interventions;

Exhibit A – Attachment 5
QUALITY IMPROVEMENT SYSTEM

7) Incorporating successful interventions into the Contractor's operations as appropriate; and

8) Reviewing beneficiary grievances, appeals, expedited appeals, fair hearings, expedited fair hearings, provider appeals, and clinical records review as required by Cal. Code Regs., tit. 9, § 1810.440(a)(5).

4. External Quality Review

The Contractor shall undergo annual, external independent reviews of the quality, timeliness, and access to the services covered under this Contract, which are conducted pursuant to Subpart E of Part 438 of the Code of Federal Regulations. (42 C.F.R. §§ 438.350(a) and 438.320)

5. Performance Improvement Projects

A. The Contractor shall conduct a minimum of two Performance Improvement Projects (PIPs) per year, including any PIPs required by DHCS or CMS. DHCS may require additional PIPs. One PIP shall focus on a clinical area and one on a non-clinical area. (42 C.F.R. § 438.330(b)(1) and (d)(1).) Each PIP shall:

1) Be designed to achieve significant improvement, sustained over time, in health outcomes and beneficiary satisfaction;

2) Include measurement of performance using objective quality indicators;

3) Include implementation of interventions to achieve improvement in the access to and quality of care;

4) Include an evaluation of the effectiveness of the interventions based on the performance measures collected as part of the PIP; and,

5) Include planning and initiation of activities for increasing or sustaining improvement. (42 C.F.R. § 438.330(d)(2).)

Exhibit A – Attachment 5
QUALITY IMPROVEMENT SYSTEM

B. The Contractor shall report the status and results of each performance improvement project to the Department as requested, but not less than once per year. (42 C.F.R. § 438.330(d)(3).)

6. Practice Guidelines

A. The Contractor shall adopt practice guidelines. (42 C.F.R. § 438.236(b) and Cal. Code Regs., tit. 9, § 1810.326)

B. Such guidelines shall meet the following requirements:

1) They are based on valid and reliable clinical evidence or a consensus of health care professionals in the applicable field;

2) They consider the needs of the beneficiaries;

3) They are adopted in consultation with contracting health care professionals; and

4) They are reviewed and updated periodically as appropriate. (42 C.F.R. § 438.236(b).)

C. Contractor shall disseminate the guidelines to all affected providers and, upon request, to beneficiaries and potential beneficiaries. (42 C.F.R. § 438.236(c).)

D. Contractor shall take steps to assure that decisions for utilization management, beneficiary education, coverage of services, and any other areas to which the guidelines apply shall be consistent with the guidelines. (42 C.F.R. § 438.236(d)

Exhibit A – Attachment 6
UTILIZATION MANAGEMENT PROGRAM

1. Utilization Management

A. The Contractor shall operate a Utilization Management Program that is responsible for assuring that beneficiaries have appropriate access to specialty mental health services as required in California Code of Regulations, title 9, section 1810.440(b)(1)-(3).

B. The Utilization Management Program shall evaluate medical necessity, appropriateness and efficiency of services provided to Medi-Cal beneficiaries prospectively or retrospectively.

C. Compensation to individuals or entities that conduct utilization management activities must not be structured so as to provide incentives for the individual or entity to deny, limit, or discontinue medically necessary services to any beneficiary. (42 C.F.R. § 438.210(e).)

D. The Contractor may place appropriate limits on a service based on criteria applied under the State Plan, such as medical necessity and for the purpose of utilization control, provided that the services furnished are sufficient in amount, duration or scope to reasonably achieve the purpose for which the services are furnished. (42 C.F.R. § 438.210(a)(4)(i), (ii)(A).)

2. Service Authorization

A. Contractor shall implement mechanisms to assure authorization decision standards are met. The Contractor shall:

1) Have in place, and follow, written policies and procedures for processing requests for initial and continuing authorizations of services. (42 C.F.R. § 438.210(b)(1).)

2) Have mechanisms in effect to ensure consistent application of review criteria for authorization decisions, and shall consult with the requesting provider when appropriate. (42 C.F.R. § 438.210(b)(2)(i-ii).)

3) Have any decision to deny a service authorization request or to authorize a service in an amount, duration, or scope that is less than requested be made by a health care professional who has

Exhibit A – Attachment 6
UTILIZATION MANAGEMENT PROGRAM

appropriate clinical expertise in addressing the beneficiary's behavioral health needs. (42 C.F.R. § 438.210(b)(3).)

4) Notify the requesting provider, and give the beneficiary written notice of any decision by the Contractor to deny a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested. (42 C.F.R. § 438.210(c)) The beneficiary's notice shall meet the requirements in Attachment 12, Section 10, paragraph A and Section 9, paragraph I and be provided within the timeframes set forth in Attachment 12, Section 10, paragraph B and Section 9, paragraph I.

B. For standard authorization decisions, the Contractor shall provide notice as expeditiously as the beneficiary's condition requires not to exceed 14 calendar days following receipt of the request for service, with a possible extension of up to 14 additional calendar days when:

1) The beneficiary, or the provider, requests extension; or

2) The Contractor justifies (to the Department upon request) a need for additional information and how the extension is in the beneficiary's interest. (42 C.F.R. § 438.210(d)(1))

C. For cases in which a provider indicates, or the Contractor determines, that following the standard timeframe could seriously jeopardize the beneficiary's life or health or ability to attain, maintain, or regain maximum function, the Contractor shall make an expedited authorization decision and provide notice as expeditiously as the beneficiary's health condition requires and no later than 72 hours after receipt of the request for service. The Contractor may extend the 72-hour time period by up to 14 calendar days if the beneficiary requests an extension, or if the Contractor justifies (to the Department upon request) a need for additional information and how the extension is in the beneficiary's interest. (42 C.F.R. § 438.210(d)(2))

D. The Contractor shall act on an authorization request for treatment for urgent conditions within one hour of the request. (Cal. Code Regs., tit. 9, §§ 1810.253 1810.405, subd. (c)).

Exhibit A – Attachment 6
UTILIZATION MANAGEMENT PROGRAM

E. The Contractor shall not require prior authorization for an emergency admission for psychiatric inpatient hospital services, whether the admission is voluntary or involuntary. (Cal. Code Regs., tit. 9, §§ 1820.200(d) and 1820.225). The Contractor that is the MHP of the beneficiary being admitted on an emergency basis shall approve a request for payment authorization if the beneficiary meets the criteria for medical necessity and the beneficiary, due to a mental disorder, is a current danger to self or others, or immediately unable to provide for, or utilize, food, shelter or clothing. (Cal Code Regs, tit. 9 §§ 1820.205 and 1820.225).

F. The Contractor may not require prior authorization for an emergency admission to a psychiatric health facility when the beneficiary has an emergency psychiatric condition. (Cal. Code Regs., tit. 9, §§ 1810.216 and1830.245).

G. A Contractor shall authorize out of network services when a beneficiary with an emergency psychiatric condition is admitted on an emergency basis for psychiatric inpatient hospital services or psychiatric health facility services (Cal. Code Regs., tit. 9 §§ 1830.220, 1810.216, 1820.225, and 1830.245).

H. The Contractor shall define service authorization request in a manner that at least includes a beneficiary's request for the provision of a service. (42 C.F.R. § 431.201)

Exhibit A – Attachment 7
ACCESS AND AVAILABILITY OF SERVICES

1. Beneficiary Enrollment

A. Medi-Cal eligible beneficiaries are automatically enrolled in the single MHP in their county. (1915(b) waiver, § A, part I, para. A, p. 31.)

B. The Contractor shall be responsible for providing or arranging and paying for specialty mental health services for Medi-Cal eligible individuals in its county who require an assessment or meet medical necessity criteria for specialty mental health services. (Cal. Code Regs. tit. 9, §1810.228.) The Contractor shall accept these individuals in the order in which they are referred (including self-referral) without restriction (unless authorized by CMS), up to the limits set under this Contract. (42 C.F.R. § 438.3(d)(1).)

C. The Contractor shall not, on the basis of health status or need for health care services, discriminate against Medi-Cal eligible individuals in its county who require an assessment or meet medical necessity criteria for specialty mental health services. (42 C.F.R. § 438.3(d)(3).)

D. The Contractor shall not discriminate against Medi-Cal eligible individuals in its county who require an assessment or meet medical necessity criteria for specialty mental health services on the basis of race, color, national origin, sex, sexual orientation, gender identity, or disability and will not use any policy or practice that has the effect of discriminating on the basis of race, color, or national origin, sex, sexual orientation gender identity, or disability. (42 C.F.R. § 438.3(d)(4).)

2. Cultural Competence

A. The Contractor shall participate in the State's efforts to promote the delivery of services in a culturally competent manner to all beneficiaries, including those with limited English proficiency and diverse cultural and ethnic backgrounds, disabilities, and regardless of gender, sexual orientation or gender identity. (42 C.F.R. § 438.206(c)(2).)

B. The Contractor shall comply with the provisions of the Contractor's Cultural Competence Plan submitted and approved by the Department. The Contractor shall update the Cultural Competence Plan and submit these updates to the Department for review and approval annually. (Cal. Code Regs., tit. 9, § 1810.410, subds. (c)-(d).)

Exhibit A – Attachment 7
ACCESS AND AVAILABILITY OF SERVICES

3. Out-of-Network Services

A. If the Contractor's provider network is unable to provide necessary services, covered under this Contract, to a particular beneficiary, the Contractor shall adequately and timely cover the services out of network, for as long as the Contractor's provider network is unable to provide them. (42 C.F.R. § 438.206(b)(4).)

B. The Contractor shall require that out-of-network providers coordinate authorization and payment with the Contractor. The Contractor must ensure that the cost to the beneficiary for services provided out of network pursuant to an authorization is no greater than it would be if the services were furnished within the Contractor's network, consistent with California Code of Regulations., title 9, section 1810.365. (42 C.F.R. § 438.206(b)(5).)

C. Contractor shall comply with the requirements of California. Code of Regulations, title 9, section 1830.220 regarding providing beneficiaries access to out-of-network providers when a provider is available in Contractor's network.

4. Procedures for Serving Child Beneficiaries Placed Out-of-County

A. In accordance with Cal. Code Regs., tit. 9, § 1830.220, the Contractor in the child's county of origin shall provide or arrange for medically necessary specialty mental health services for children in a foster care aid code residing outside their counties of origin.

B. The Contractor shall use the standard forms issued by the Department, or the electronic equivalent of those forms generated from the Contractor's Electronic Health Record System, when a child in a foster care aid code is placed outside of his/her county of origin. The standard forms are:

1) Client Assessment,
2) Client Plan,
3) Service Authorization Request,
4) Client Assessment Update,
5) Progress Notes – Day Treatment Intensive Services,

Exhibit A – Attachment 7
ACCESS AND AVAILABILITY OF SERVICES

6) Progress Notes – Day Rehabilitation Services,
7) Organizational Provider Agreement (Standard Contract).

C. The Contractor may request an exemption from using the standard documents if the Contractor is subject to an externally placed requirement, such as a federal integrity agreement, that prevents the use of the standardized forms. The Contractor shall request this exemption from the Department in writing.

D. The Contractor shall ensure that the MHP in the child's adoptive parents' county of residence provides medically necessary specialty mental health services to a child in an Adoption Assistance Program (AAP) aid code residing outside his or her county of origin in the same way as the MHP would provide services to an in-county child for whom the MHP is listed as the county of responsibility on the Medi-Cal Eligibility Data System (MEDS).

E. The MHP in the child's legal guardians' county of residence shall provide medically necessary specialty mental health services to a child in a Kin-GAP aid code residing outside his or her county of origin in the same way that it would provide services to any other child for whom the MHP is listed as the county of responsibility in MEDS.

F. The Contractor shall comply with timelines specified in Cal. Code Regs., tit. 9, § 1830.220(b)(4)(A)(1-3), when processing or submitting authorization requests for children in a foster care, AAP, or Kinship Guardian Assistance Payment (Kin-GAP) aid code living outside his or her county of origin.

G. The Contractor shall submit changes to its procedures for serving beneficiaries placed outside their counties of origin pursuant to Welf. & Inst. Code § 14716 when those changes affect 25 percent or more of the Contractor's beneficiaries placed out of county. The Contractor's submission shall also include significant changes in the description of the Contractor's procedures for providing out-of-plan services in accordance with Cal. Code Regs., tit. 9, § 1830.220, when a beneficiary requires services or is placed in a county not covered by the Contractor's normal procedures.

Exhibit A – Attachment 7
ACCESS AND AVAILABILITY OF SERVICES

5. Indian Beneficiaries

The Contractor shall permit Indian beneficiary who is eligible to receive services from an Indian health care provider (IHCP) participating as a network provider, to choose that IHCP as his or her provider, as long as that provider has capacity to provide the services. (42 C.F.R. § 438.14(b)(3).) The Contractor shall demonstrate it has sufficient IHCPs participating in its provider network to ensure timely access to services available under the contract from such providers for Indian beneficiaries who are eligible to receive services. (42 C.F.R. § 438.14(b)(1).) The Contractor shall permit Indian beneficiaries to obtain covered services from out- of-network IHCPs if the beneficiaries are otherwise eligible to receive such services. (42 C.F.R. § 438.14(b)(4).) The Contractor shall permit an out-of-network IHCP to refer an Indian beneficiary to a network provider. (42 C.F.R. § 438.14(b)(6).)

Exhibit A – Attachment 8
PROVIDER NETWORK

1. Enrollment and Screening

A. The Contractor shall ensure that all network providers are enrolled with the state as Medi-Cal providers consistent with the provider disclosure, screening, and enrollment requirements of 42 Code of Federal Regulations part 455, subparts B and E. (42 C.F.R. § 438.608(b).)

B. The Contractor may execute network provider agreements, pending the outcome of screening, enrollment, and revalidation, of up to 120 days but must terminate a network provider immediately upon determination that the network provider cannot be enrolled, or the expiration of one 120 day period without enrollment of the provider, and notify affected beneficiaries. (42 C.F.R. § 438.602(b)(2).)

2. Assessment of Capacity

A. The Contractor shall implement mechanisms to assess the capacity of service delivery for its beneficiaries. This includes monitoring the number, type, and geographic distribution of mental health services within the Contractor's delivery system.

B. The Contractor shall implement mechanisms to assess the accessibility of services within its service delivery area. This shall include the assessment of responsiveness of the Contractor's 24-hour toll-free telephone number, timeliness of scheduling routine appointments, timeliness of services for urgent conditions, and access to after-hours care.

3. Network Adequacy

A. The Contractor shall ensure that all services covered under this Contract are available and accessible to beneficiaries in a timely manner. 42 C.F.R. § 438.206(a)

B. Maintain and monitor a network of appropriate providers that is supported by written agreements for subcontractors and that is sufficient to provide adequate access to all services covered under this contract for all beneficiaries, including those with limited English proficiency or physical or mental disabilities. The Contractor shall ensure that network providers

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provide physical access, reasonable accommodations, and accessible equipment for Medi-Cal beneficiaries with physical or mental disabilities. (42 C.F.R. § 438.206(b)(1) and (c)(3).)

C. The Contractor shall adhere to, in all geographic areas within the county, the time and distance standards for adult and pediatric mental health providers developed by the Department. (42 C.F.R. § 438.68(a), (b)(1)(iii), (3), 438.206(a).)

D. The Contractor may submit to the Department a request for Alternate Access Standards. The Department will evaluate requests and grant appropriate exceptions to the state developed standards.

4. Timely Access

A. Timely Access. In accordance with 42 C.F.R. § 438.206(c)(1), the Contractor shall comply with the requirements set forth in Cal. Code Cal. Code Regs., tit. 9, §1810.405, including the following:

1) Meet and require its providers to meet Department standards for timely access to care and services, taking into account the urgency of need for services.

2) Require subcontracted providers to have hours of operation during which services are provided to Medi-Cal beneficiaries that are no less than the hours of operation during which the provider offers services to non-Medi-Cal beneficiaries. If the provider only serves Medi-Cal beneficiaries, the Contractor shall require that hours of operation are comparable to the hours the provider makes available for Medi-Cal services that are not covered by the Contractor, or another Mental Health Plan.

3) Make services available to beneficiaries 24 hours a day, 7 days a week, when medically necessary.

4) Establish mechanisms to ensure that network providers comply with the timely access requirements;

5) Monitor network providers regularly to determine compliance with timely access requirements;

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6) Take corrective action if there is a failure to comply with timely access requirements.

7) The timeliness standards specified in California Code of Regulations section 1810.405 and Welf. Inst. Code § 14717.1apply to out-of-plan services, as well as in-plan services.

5. Documentation of Network Adequacy

A. The Contractor shall give assurances to the Department and provide supporting documentation that demonstrates Contractor has the capacity to serve the expected enrollment in its service area in accordance with the network adequacy standards developed by the Department as required by departmental guidance and regulation. (42 C.F.R. § 438.207(a).)

B. The Contractor shall submit documentation to the Department, in a format specified by the Department, to demonstrate that it complies with the following requirements:

1) Offers an appropriate range of specialty services that are adequate for the anticipated number of beneficiaries for the service area.

2) Maintains a network of providers that is sufficient in number, mix, and geographic distribution to meet the needs of the anticipated number of beneficiaries in the service area. (42 C.F.R. § 438.207(b).)

C. The Contractor shall submit the documentation as specified by the Department, but no less frequently than the following:

1) At the time it enters into this Contract with the Department;

2) On an annual basis; and

3) At any time there has been a significant change, as defined by the Department, in Contractor's operations that would affect the adequacy and capacity of services, including the following:
   a) A decrease of 25 percent or more in services or providers available to beneficiaries;

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b) Changes in benefits;

c) Changes in geographic service area;

d) Composition of or payments to Contractor's provider network; or

e) Enrollment of a new population in Contractor's county. (42 C.F.R. § 438.207(c).)

D. The Contractor shall include details regarding the change and Contractor's plans to ensure beneficiaries continue to have access to adequate services and providers.

6. Choice of Provider

The Contractor shall provide a beneficiary's choice of the person providing services to the extent possible and appropriate consistent with Cal. Code Regs., tit. 9, §1830.225 and 42 Code of Federal Regulations part 438.3(l).

7. Provider Selection

A. The Contractor shall have written policies and procedures for selection and retention of providers. (42 C.F.R. § 438.214(a).)

B. Contractor's policies and procedures for selection and retention of providers must not discriminate against particular providers that serve high-risk populations or specialize in conditions that require costly treatment. (42 C.F.R. §§ 438.12(a)(2), 438.214(c).)

C. In all subcontracts with network providers, the Contractor must follow the Department's uniform credentialing and re-credentialing policy. The Contractor must follow a documented process for credentialing and re-credentialing of network providers. (42 C.F.R. §§ 438.12(a)(2), , 438.214(b).)

D. The Contractor shall not employ or subcontract with providers excluded from participation in Federal health care programs under either section 1128 or section 1128A of the Act. (42 C.F.R. § 438.214(d).)

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E. The Contractor may not discriminate in the selection, reimbursement, or indemnification of any provider who is acting within the scope of his or her license or certification under applicable state law, solely on the basis of that license or certification. (42 C.F.R. § 438.12(a)(1).)

F. The Contractor shall give practitioners or groups of practitioners who apply to be MHP contract providers and with whom the MHP decides not to contract written notice of the reason for a decision not to contract. (42 C.F.R. § 438.12(a)(1).)

G. Paragraphs A-F, above, may not be construed to:

1) Require the Contractor to subcontract with providers beyond the number necessary to meet the needs of its beneficiaries;

2) Preclude the Contractor from using different reimbursement amounts for different specialties or for different practitioners in the same specialty; or

3) Preclude the Contractor from establishing measures that are designed to maintain quality of services and control costs and are consistent with its responsibilities to beneficiaries. (42 C.F.R. § 438.12(b).)

H. Upon request, Contractor shall demonstrate to the Department that its providers are credentialed as required by paragraph C. (42 C.F.R. § 438.206(b)(6)

I. The Contractor shall establish individual, group and organizational provider selection criteria as provided for in Cal. Code Regs., tit. 9, § 1810.435.

J. Contractor shall only use licensed, registered, or waivered providers acting within their scope of practice for services that require a license, waiver, or registration. (Cal. Code Regs., tit. 9, § 1840.314(d).)

K. The Contractor is not located outside of the United States. (42 C.F.R. § 602(i).)

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8. Provider Certification

A. The Contractor shall comply with California Code of Regulations, title 9, section 1810.435, in the selection of providers and shall review its providers for continued compliance with standards at least once every three years.

B. The Contractor shall comply with the provisions of 42 Code of Federal Regulations, sections parts 455.104, 455.105, 1002.203 and 1002.3, which relate to the provision of information about provider business transactions and provider ownership and control, prior to entering into a contract and during certification or re-certification of the provider.

C. "Satellite site" means a site owned, leased or operated by an organizational provider at which specialty mental health services are delivered to beneficiaries fewer than 20 hours per week, or, if located at a multiagency site at which specialty mental health services are delivered by no more than two employees or contractors of the provider.

D. The Contractor shall certify, or use another mental health plan's certification documents to certify, the organizational providers that subcontract with the Contractor to provide covered services in accordance with California Code of Regulations, title 9, section1810.435, and the requirements specified prior to the date on which the provider begins to deliver services under the contract, and once every three years after that date. The on-site review required by California Code of Regulations, title 9, section 1810.435(d), as a part of the certification process, shall be made of any site owned, leased, or operated by the provider and used to deliver covered services to beneficiaries, except that on-site review is not required for public school or satellite sites.

E. The Contractor may allow an organizational provider to begin delivering covered services to beneficiaries at a site subject to on-site review prior to the date of the on-site review, provided the site is operational and has any required fire clearances. The earliest date the provider may begin delivering covered services at a site subject to on-site review is the latest of these three (3) dates: 1) the date the provider's request for certification is received by the Department in accordance with the Contractor's certification procedures; 2) the date the site was operational; or 3) the date a required fire clearance was obtained. The Contractor shall complete any required on-site review of a provider's sites within six months of the

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date the provider begins delivering covered services to beneficiaries at the site.

F. The Contractor may allow an organizational provider to continue delivering covered services to beneficiaries at a site subject to on-site review as part of the recertification process prior to the date of the on-site review, provided the site is operational and has any required fire clearances. The Contractor shall complete any required on-site review of a provider's sites within six months of the date the recertification of the provider is due.

G. The Contractor and/or the Department shall each verify through an on-site review that:

1) The organizational provider possesses the necessary license to operate, if applicable, and any required certification.

2) The space owned, leased or operated by the provider and used for services or staff meets local fire codes.

3) The physical plant of any site owned, leased, or operated by the provider and used for services or staff is clean, sanitary, and in good repair.

4) The organizational provider establishes and implements maintenance policies for any site owned, leased, or operated by the provider and used for services or staff to ensure the safety and well-being of beneficiaries and staff.

5) The organizational provider has a current administrative manual which includes: personnel policies and procedures, general operating procedures, service delivery policies, any required state or federal notices (DRA), and procedures for reporting unusual occurrences relating to health and safety issues.

6) The organizational provider maintains client records in a manner that meets the requirements of the Contractor, the requirements of Attachment 10; Exhibit 2, Attachment 2, Section 11 and Section 13 Paragraph B; and applicable state and federal standards.

7) The organizational provider has sufficient staff to allow the Contractor to claim federal financial participation (FFP) for the services that the organizational provider delivers to beneficiaries,

Exhibit A – Attachment 8
PROVIDER NETWORK

as described in California Code of Regulations, title 9, sections 1840.344 through 1840.358, as appropriate and applicable.

8) The organizational provider has written procedures for referring individuals to a psychiatrist when necessary, or to a physician, if a psychiatrist is not available.

9) The organizational provider's head of service, as defined California Code of Regulations, title 9, sections 622 through 630, is a licensed mental health professional or other appropriate individual as described in these sections.

10) For organizational providers that provide or store medications, the provider stores and dispenses medications in compliance with all pertinent state and federal standards. In particular:

    a) All drugs obtained by prescription are labeled in compliance with federal and state laws. Prescription labels are altered only by persons legally authorized to do so.

    b) Drugs intended for external use only and food stuffs are stored separately from drugs intended for internal use.

    c) All drugs are stored at proper temperatures: room temperature drugs at 59-86 degrees Fahrenheit and refrigerated drugs at 36-46 degrees Fahrenheit.

    d) Drugs are stored in a locked area with access limited to those medical personnel authorized to prescribe, dispense or administer medication.

    e) Drugs are not retained after the expiration date. Intramuscular multi-dose vials are dated and initialed when opened.

    f) A drug log is maintained to ensure the provider disposes of expired, contaminated, deteriorated and abandoned drugs in a manner consistent with state and federal laws.

    g) Policies and procedures are in place for dispensing, administering and storing medications.

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H. For organizational providers that provide day treatment intensive or day rehabilitation, the provider has a written description of the day treatment intensive and/or day rehabilitation program that complies with Attachment 2, Section 2 of this exhibit.

I. When an on-site review of an organizational provider would not otherwise be required and the provider offers day treatment intensive and/or day rehabilitation, the Contractor or the Department, as applicable, shall, at a minimum, review the provider's written program description for compliance with the requirements of Attachment 2, Section 2 of this exhibit.

J. On-site review is not required for hospital outpatient departments which are operating under the license of the hospital. Services provided by hospital outpatient departments may be provided either on the premises or off-site.

K. On-site review is not required for primary care and psychological clinics, as defined in Health and Safety Code section 1204.1 and licensed under the Health and Safety Code. Services provided by the clinics may be provided on the premises in accordance with the conditions of the clinic's license.

L. When on-site review of an organizational provider is required, the Contractor or the Department, as applicable, shall conduct an on-site review at least once every three years. Additional certification reviews of organizational providers may be conducted by the Contractor or Department, as applicable, at its discretion, if:

1) The provider makes major staffing changes.

2) The provider makes organizational and/or corporate structure changes (example: conversion to non-profit status).

3) The provider adds day treatment or medication support services when medications are administered or dispensed from the provider site.

4) There are significant changes in the physical plant of the provider site (some physical plant changes could require a new fire clearance).

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PROVIDER NETWORK

5) There is a change of ownership or location.

6) There are complaints regarding the provider.

7) There are unusual events, accidents, or injuries requiring medical treatment for clients, staff or members of the community.

M. The Contractor shall monitor the performance of its subcontractors on an ongoing basis for compliance with the terms of this contract and shall subject the subcontractors' performance to periodic formal review, at a minimum in accordance with the recertification requirements. If the Contractor identifies deficiencies or areas for improvement, the Contractor and the subcontractor shall take corrective action.

N. In addition, Contractor may accept the certification of a provider by another Mental Health Plan, or by the Department, in order to meet the Contractor's obligations under Attachment 8, Sections 7 and 8. However, regardless of any such delegation to a subcontracting entity or acceptance of a certification by another MHP.

9. Provider Beneficiary Communications

A. The Contractor shall not prohibit nor otherwise restrict, a licensed, waivered, or registered professional, as defined in California Code of Regulations, title 9, sections 1810.223 and 1810.254, who is acting within the lawful scope of practice , from advising or advocating on behalf of a beneficiary for whom the provider is providing mental health services for any of the following:

1) The beneficiary's health status, medical care, or treatment options, including any alternative treatment that may be self-administered;

2) Information the beneficiary needs in order to decide among all relevant treatment options;

3) The risks, benefits, and consequences of receiving treatment or not receiving treatment; and

Exhibit A – Attachment 8
PROVIDER NETWORK

4) The beneficiary'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. (42 C.F.R. § 438.102(a)(1).)

10. Provider Notifications

A. The Contractor shall inform providers and subcontractors, at the time they enter into a contract, about:

1) Beneficiary grievance, appeal, and fair hearing procedures and timeframes as specified in 42 CFR 438.400 through 42 CFR 438.424.

2) The beneficiary's right to file grievances and appeals and the requirements and timeframes for filing.

3) The availability of assistance to the beneficiary with filing grievances and appeals.

4) The beneficiary's right to request a State fair hearing after the Contractor has made a determination on an beneficiary's appeal, which is adverse to the beneficiary.

5) The beneficiary's right to request continuation of benefits that the Contractor seeks to reduce or terminate during an appeal or state fair hearing filing, if filed within the allowable timeframes, although the beneficiary may be liable for the cost of any continued benefits while the appeal or state fair hearing is pending if the final decision is adverse to the beneficiary.

Exhibit A – Attachment 9
DOCUMENTATION REQUIRMENTS

1. Documentation Standards

The Contractor shall set standards and implement processes that will support understanding of, and compliance with, documentation standards set forth in this section and any standards set by the Contractor. The Contractor may monitor performance so that the documentation of care provided will satisfy the requirements set forth below. The documentation standards for beneficiary care are minimum standards to support claims for the delivery of specialty mental health services. All standards shall be addressed in the beneficiary record; however, there is no requirement that the records have a specific document or section addressing these topics.

A. Assessment

1) The Contractor shall ensure that the following areas are included, as appropriate, as part of a comprehensive beneficiary record when an assessment has been performed. For children or certain other beneficiaries unable to provide a history, this information may be obtained from the parents/care-givers, etc.

a) Presenting Problem. The beneficiary's chief complaint, history of the presenting problem(s), including current level of functioning, relevant family history and current family information;

b) Relevant conditions and psychosocial factors affecting the beneficiary's physical health and mental health; including, as applicable, living situation, daily activities, social support, cultural and linguistic factors and history of trauma or exposure to trauma;

c) Mental Health History. Previous treatment, including providers, therapeutic modality (e.g., medications, psychosocial treatments) and response, and inpatient admissions. If possible, include information from other sources of clinical data, such as previous mental health records, and relevant psychological testing or consultation reports;

Exhibit A – Attachment 9
DOCUMENTATION REQUIRMENTS

d) Medical History. Relevant physical health conditions reported by the beneficiary or a significant support person. Include name and address of current source of medical treatment. For children and adolescents, the history must include prenatal and perinatal events and relevant/significant developmental history. If possible, include other medical information from medical records or relevant consultation reports;

e) Medications. Information about medications the beneficiary has received, or is receiving, to treat mental health and medical conditions, including duration of medical treatment. The assessment shall include documentation of the absence or presence of allergies or adverse reactions to medications, and documentation of an informed consent for medications;

f) Substance Exposure/Substance Use. Past and present use of tobacco, alcohol, caffeine, CAM (complementary and alternative medications) and over-the-counter, and illicit drugs;

g) Client Strengths. Documentation of the beneficiary's strengths in achieving client plan goals related to the beneficiary's mental health needs and functional impairments as a result of the mental health diagnosis;

h) Risks. Situations that present a risk to the beneficiary and/or others, including past or current trauma;

i) A mental status examination;

j) A complete diagnosis from the most current DSM, or a diagnosis from the most current ICD-code shall be documented, consistent with the presenting problems, history, mental status examination and/or other clinical data; and,

k) Additional clarifying formulation information, as needed.

Exhibit A – Attachment 9
DOCUMENTATION REQUIRMENTS

2) Timeliness/Frequency Standard for Assessment. The Contractor shall establish written standards for timeliness and frequency for the elements identified in item A of this section.

B. Client Plans

1) The Contractor shall ensure that Client Plans:

a) Have specific observable and/or specific quantifiable goals/treatment objectives related to the beneficiary's mental health needs and functional impairments as a result of the mental health diagnosis;

b) Identify the proposed type(s) of intervention/modality including a detailed description of the intervention to be provided;

c) Have a proposed frequency and duration of intervention(s);

d) Have interventions that focus and address the identified functional impairments as a result of the mental disorder (from Cal. Code Regs., tit. 9, § 1830.205(b)); have interventions that are consistent with the client plan goal;

e) Be consistent with the qualifying diagnoses;

f) Be signed (or electronic equivalent) by:

i. The person providing the service(s), or,

ii. A person representing a team or program providing services, or

iii. A person representing the Contractor providing services; or

iv. By one of the following as a co-signer, if the client plan is used to establish that services are provided under the

Exhibit A – Attachment 9
DOCUMENTATION REQUIRMENTS

direction of an approved category of staff, and if the signing staff is not of the approved category:

a) A physician,

b) A licensed/waivered psychologist,

c) A licensed/registered/waivered social worker,

d) A licensed/registered/waivered marriage and family therapist, or

e) A registered nurse, including but not limited to nurse practitioners, and clinical nurse specialists.

g) Include documentation of the beneficiary's participation in and agreement with the client plan, as described in Cal. Code Regs., tit. 9, § 1810.440(c)(2)(A)(B).

i. Examples of acceptable documentation include, but are not limited to, reference to the beneficiary's participation and agreement in the body of the plan, beneficiary signature on the plan, or a description of the beneficiary's participation and agreement in the client record;

ii. The beneficiary's signature or the signature of the beneficiary's legal representative is required on the client plan when:

a) The beneficiary is expected to be in long term treatment as determined by the MHP and,

b) The client plan provides that the beneficiary will be receiving more than one type of specialty mental health service;

Exhibit A – Attachment 9
DOCUMENTATION REQUIRMENTS

iii. When the beneficiary's signature or the signature of the beneficiary's legal representative is required on the client plan and the beneficiary refuses or is unavailable for signature, the client plan shall include a written explanation of the refusal or unavailability.

2) There shall be documentation in the client plan that a copy of the client plan was offered to the beneficiary.

3) The client plan shall be updated at least annually, or when there are significant changes in the beneficiary's condition.

C. Progress Notes

1) The Contractor shall ensure that progress notes describe how services provided reduced impairment, restored functioning, or prevented significant deterioration in an important area of life functioning outlined in the client plan. Items that shall be contained in the client record related to the beneficiary's progress in treatment include:

a) Timely documentation of relevant aspects of beneficiary care, including documentation of medical necessity;

b) Documentation of beneficiary encounters, including relevant clinical decisions, when decisions are made, alternative approaches for future interventions;

c) Interventions applied, beneficiary's response to the interventions and the location of the interventions;

d) The date the services were provided;

e) Documentation of referrals to community resources and other agencies, when appropriate;

f) Documentation of follow-up care, or as appropriate, a discharge summary; and

Exhibit A – Attachment 9
DOCUMENTATION REQUIRMENTS

g) The amount of time taken to provide services; and

h) The signature of the person providing the service (or electronic equivalent); the person's type of professional degree, licensure, or job title.

2) Timeliness/Frequency of Progress Notes. Progress notes shall be documented at the frequency by type of service indicated below:

a) Every Service Contact:

i. Mental Health Services;

ii. Medication Support Services;

iii. Crisis Intervention;

iv. Targeted Case Management;

b) Daily:

i. Crisis Residential;

ii. Crisis Stabilization (1x/23hr);

iii. Day Treatment Intensive; and

c) Weekly:

i. Day Treatment Intensive: a clinical summary reviewed and signed by a physician, a licensed/waivered psychologist, clinical social worker, or marriage and family therapist; or a registered nurse who is either staff to the day treatment intensive program or the person directing the service;

ii. Day Rehabilitation;

iii. Adult Residential.

Exhibit A – Attachment 9
DOCUMENTATION REQUIRMENTS

D. Other

1) All entries to the beneficiary record shall be legible.

2) All entries in the beneficiary record shall include:

   a) The date of service;

   b) The signature of the person providing the service (or electronic equivalent); the person's type of professional degree, licensure or job title; and the relevant identification number, if applicable.

   c) The date the documentation was entered in the beneficiary record.

3) The Contractor shall have a written definition of what constitutes a long term care beneficiary.

4) Contractor shall require providers to obtain and retain a written medication consent form signed by the beneficiary agreeing to the administration of psychiatric medication. This documentation shall include, but not be limited to, the reasons for taking such medications; reasonable alternative treatments available, if any; the type, range of frequency and amount, method (oral or injection), and duration of taking the medication; probable side effects; possible additional side effects which may occur to beneficiaries taking such medication beyond three (3) months; and that the consent, once given, may be withdrawn at any time by the beneficiary.

Exhibit A – Attachment 10
COORDINATION AND CONTINUITY OF CARE

A. Coordination of Care

A. The Contractor shall implement procedures to deliver care to and coordinate services for all of its beneficiaries. (42 C.F.R. § 438.208(b).) These procedures shall meet Department requirements and shall do the following:

1) Ensure that each beneficiary has an ongoing source of care appropriate to his or her needs and a person or entity formally designated as primarily responsible for coordinating the services accessed by the beneficiary. The beneficiary shall be provided information on how to contact their designated person or entity. (42 C.F.R. § 438.208(b)(1).)

2) Coordinate the services the Contractor furnishes to the beneficiary between settings of care, including appropriate discharge planning for short term and long-term hospital and institutional stays. Coordinate the services the Contractor furnishes to the beneficiary with the services the beneficiary receives from any other managed care organization, in FFS Medicaid, from community and social support providers, and other human services agencies used by its beneficiaries. (42 C.F.R. § 438.208(b)(2)(i)-(iv), Cal. Code Regs., tit. 9 § 1810.415.)

3) The Contractor shall share with the Department or other managed care entities serving the beneficiary the results of any identification and assessment of that beneficiary's needs to prevent duplication of those activities. (42 C.F.R. § 438.208(b)(4).)

4) Ensure that each provider furnishing services to beneficiaries maintains and shares, as appropriate, a beneficiary health record in accordance with professional standards. (42 C.F.R. § 438.208(b)(5).)

5) Ensure that, in the course of coordinating care, each beneficiary's privacy is protected in accordance with all federal and state privacy laws, including but not limited to 45 C.F.R. § 160 and § 164, subparts A and E, to the extent that such provisions are applicable. (42 C.F.R. § 438.208(b)(6).)

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COORDINATION AND CONTINUITY OF CARE

B. The Contractor shall enter into a Memorandum of Understanding (MOU) with any Medi-Cal managed care plan serving the Contractor's beneficiaries. The Contractor shall notify the Department in writing if the Contractor is unable to enter into an MOU or if an MOU is terminated, providing a description of the Contractor's good faith efforts to enter into or maintain the MOU. The MHP shall monitor the effectiveness of its MOU with Medi-Cal managed care plans. (Cal. Code Regs., tit. 9, § 1810.370.)

C. The Contractor shall implement a transition of care policy that is consistent with federal requirements and complies with the Department's transition of care policy. (42 C.F.R. § 438.62(b)(1)-(2).)

Exhibit A – Attachment 11
INFORMATION REQUIREMENTS

1. Basic Requirements

A. The Contractor shall provide information in a manner and format that is easily understood and readily accessible to beneficiaries. (42 C.F.R. § 438.10(c)(1).) The Contractor shall provide all written materials for beneficiaries in easily understood language, format, and alternative formats that take into consideration the special needs of beneficiaries. (42 C.F.R. § 438.10(d)(6).) The Contractor shall inform beneficiaries that information is available in alternate formats and how to access those formats. (42 C.F.R. § 438.10.)

B. The Contractor shall provide the required information in this section to each beneficiary when first receiving Specialty Mental Health Services and upon request. (1915(b) Medi-Cal Specialty Mental Health Services Waiver, § (2), subd. (d), at p. 26., attachments 3, 4; Cal. Code Regs., tit. 9, § 1810.360(e).)

C. The Contractor shall operate a website that provides the content required in this section. (42 C.F.R. § 438.10.)

D. For consistency in the information provided to beneficiaries, the Contractor shall use the Department developed definitions for managed care terminology, including: appeal, excluded services, grievance~~,~~ hospitalization, hospital outpatient care, medically necessary, network, non-participating provider, physician services, plan, preauthorization, participating provider, provider~~,~~ skilled nursing care, and urgent care. (42 C.F.R. 438.10(c)(4)(i).)

E. The Contractor shall use Department developed model beneficiary handbooks and beneficiary notices that describe the transition of care policies for beneficiaries. (42 C.F.R. 438.62(b)(3).)

F. Beneficiary information required in this section may only be provided electronically by the Contractor if all of the following conditions are met:

1) The format is readily accessible;

2) The information is placed in a location on the Contractor's website that is prominent and readily accessible;

3) The information is provided in an electronic form which can be electronically retained and printed;

Exhibit A – Attachment 11
INFORMATION REQUIREMENTS

4) The information is consistent with the content and language requirements of this Attachment; and

5) The beneficiary is informed that the information is available in paper form without charge upon request and provides it upon request within 5 business days. (42 C.F.R. 438.10(c)(6).)

G. The Contractor shall have in place mechanisms to help beneficiaries and potential beneficiaries understand the requirements and benefits of the plan. (42 C.F.R. 438.10(c)(7).)

2. Information Provided to Beneficiaries

A. The Contractor shall provide information to beneficiaries and potential beneficiaries including, at a minimum, all of the following:

1) The basic features of managed care. (42 C.F.R. § 438.10(e)(2)(ii).)

2) The mandatory enrollment process. (42 C.F.R. § 438.10(e)(2)(iii).)

3) The service area covered by the Contractor. (42 C.F.R. § 438.10(e)(2)(iv).)

4) Covered benefits, including:

a. Which benefits are provided by the Contractor; and,

b. Which, if any, benefits are provided directly by the State.

5) The provider directory. (42 C.F.R. § 438.10(e)(2)(vi).)

6) Any cost-sharing that will be imposed by the Contractor consistent with the State Plan. (42 C.F.R. §§ 438.10(e)(2)(vii); State Plan § 4.18.)

7) The requirements for the Contractor to provide adequate access to covered services, including the network adequacy standards established in 42 Code of Federal Regulations part 438.68. (42 C.F.R. § 438.10(e)(2)(viii).)

Exhibit A – Attachment 11
INFORMATION REQUIREMENTS

8) The Contractor's responsibilities for coordination of care. (42 C.F.R. § 438.10(e)(2)(ix).)

9) To the extent available, quality and performance indicators for the Mental Health Plan, including beneficiary satisfaction. (42 C.F.R. § 438.10(e)(2)(x).)

B. The Contractor shall make a good faith effort to give written notice of termination of a contracted provider, within 15 calendar days after receipt or issuance of the termination notice, to each beneficiary who was seen on a regular basis by the terminated provider. (42 C.F.R. § 438.10(f)(1).)

3. Language and Format

A. The Contractor shall provide all written materials for potential beneficiaries and beneficiaries in a font size no smaller than 12 point. (42 C.F.R. 438.10(d)(6)(ii).)

B. The Contractor shall ensure its written materials are available in alternative formats, including large print, upon request of the potential beneficiary or beneficiary at no cost. Large print means printed in a font size no smaller than 18 point. (42 C.F.R. § 438.10(d)(3).)

C. The Contractor shall make its written materials that are critical to obtaining services, including, at a minimum, provider directories, beneficiary handbooks, appeal and grievance notices, denial and termination notices, and Contractor's mental health education materials, available in the prevalent non-English languages in the county. (42 C.F.R. § 438.10(d)(3).)

1) The Contractor shall include taglines in the prevalent non-English languages in the state, as well as large print, explaining the availability of written translation or oral interpretation to understand the information provided. (42 C.F.R. § 438.10(d)(2).)

2) The Contractor shall include taglines in the prevalent non-English languages in the state, as well as large print, explaining the availability of the toll-free and Teletypewriter Telephone/Text Telephone (TTY/TDY) telephone number of the Contractor's member/customer service unit. (42 C.F.R. § 438.10(d)(3).)

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3) The Contractor shall notify beneficiaries that written translation is available in prevalent languages free of cost and shall notify beneficiaries how to access those materials. (42 C.F.R. § 438.10(d)(5)(i), (iii); Cal. Code Regs., tit. 9, § 1810.410, subd. (e), para. (4).)

4) Prevalent non-English language means a language identified as the primary language of 3,000 beneficiaries or five percent of the beneficiary population (whichever is lower) in the Contractor's service area as indicated on MEDs. (42 C.F.R. § 438.10(a), Cal. Code Regs., tit. 9, § 1810.410, subd. (a), para. (3).)

D. The Contractor shall make auxiliary aids and services available upon request and free of charge to each beneficiary. (42 C.F.R. § 438.10(d)(3)-(4).) Contractor shall also notify beneficiaries how to access these services. (42 C.F.R. § 438.10(d) (5)(ii)-(iii).)

E. The Contractor shall make oral interpretation and auxiliary aids, such as TTY/TDY and American Sign Language (ASL), available and free of charge for any language. (42 C.F.R. § 438.10(d)(2), (4)-(5).) Contractor shall notify beneficiaries that the service is available and how to access those services. (42 C.F.R. § 438.10(d)(5)(i), (iii).)

4. Handbook

A. The Contractor shall provide beneficiaries with a copy of the handbook and provider directory when the beneficiary first accesses services and thereafter upon request. (Cal. Code Regs., tit. 9, § 1810.360.)

B. The Contractor shall ensure that the handbook includes the current toll-free telephone number(s) that provides information in threshold languages and is available twenty-four hours a day, seven days a week. (Cal. Code Regs., tit. 9, § 1810.405, subd. (d).)

C. The beneficiary handbook shall include information that enables the beneficiary to understand how to effectively use the managed care program. This information shall include, at a minimum:

1) Benefits provided by the Contractor. (42 C.F.R. § 438.10(g)(2)(i).)

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2) How and where to access any benefits provided by the Contractor, including any cost sharing, and how transportation is provided. (42 C.F.R. § 438.10(g)(2)(ii).)

   a) The amount, duration, and scope of benefits available under the Contract in sufficient detail to ensure that beneficiaries understand the benefits to which they are entitled. (42 C.F.R. § 438.10(g)(2)(iii).)

   b) Procedures for obtaining benefits, including any requirements for service authorizations and/or referrals for specialty care and for other benefits not furnished by the beneficiary's provider. (42 C.F.R. § 438.10(g)(2)(iv).)

   c) Any restrictions on the beneficiary's freedom of choice among network providers. (42 C.F.R. § 438.10(g)(2)(vi).)

   d) The extent to which, and how, beneficiaries may obtain benefits from out-of-network providers. (42 C.F.R. § 438.10(g)(2)(vii).)

   e) Cost sharing, if any, consistent with the State Plan. (42 C.F.R. § 438.10(g)(2)(viii); State Plan § 4.18.)

   f) Beneficiary rights and responsibilities, including the elements specified in § 438.100 as specified in Section 7 of this Attachment. (42 C.F.R. § 438.10(g)(2)(ix).)

   g) The process of selecting and changing the beneficiary's provider. (42 C.F.R. § 438.10(g)(2)(x).)

   h) Grievance, appeal, and fair hearing procedures and timeframes, consistent with 42 C.F.R. §§ 438.400 through 438.424, in a state-developed or state-approved description. Such information shall include:

      1) The right to file grievances and appeals;

      2) The requirements and timeframes for filing a grievance or appeal;

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3) The availability of assistance in the filing process;

4) The right to request a state fair hearing after the Contractor has made a determination on a beneficiary's appeal which is adverse to the beneficiary;

5) The fact that, when requested by the beneficiary, benefits that the Contractor seeks to reduce or terminate will continue if the beneficiary files an appeal or a request for state fair hearing within the timeframes specified for filing, and that the beneficiary may, consistent with state policy, be required to pay the cost of services furnished while the appeal or state fair hearing is pending if the final decision is adverse to the beneficiary. (42 C.F.R. § 438.10(g)(2)(xi).)

i) How to exercise an advance directive, as set forth in 42 C.F.R. 438.3(j). (42 C.F.R. § 438.10(g)(2)(xii).)

j) How to access auxiliary aids and services, including additional information in in alternative formats or languages. (42 C.F.R. § 438.10(g)(2)(xiii).)

k) The Contractor's toll-free telephone number for member services, medical management, and any other unit providing services directly to beneficiaries. (42 C.F.R. § 438.10(g)(2)(xiv).)

l) Information on how to report suspected fraud or abuse. (42 C.F.R. § 438.10(g)(2)(xv).)

m) Additional information that is available upon request, includes the following:

1) Information on the structure and operation of the Contractor.

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2) Physician incentive plans as set forth in 42 C.F.R. § 438.3(i). (42 C.F.R. § 438.10(f)(3).)

D. The Contractor shall give each beneficiary notice of any significant change (as defined by the Department) to information in the handbook at least 30 days before the intended effective date of the change. (42 C.F.R. § 438.10(g)(4).)

E. Consistent with 42 Code of Federal Regulations part 438.10(g)(3) and California Code of Regulations, title 9, section 1810.360, subdivision (e), the handbook will be considered provided if the Contractor:

1) Mails a printed copy of the information to the beneficiary's mailing address before the beneficiary first receives a specialty mental health service;

2) Mails a printed copy of the information upon the beneficiary's request to the beneficiary's mailing address;

3) Provides the information by email after obtaining the beneficiary's agreement to receive the information by email;

4) Posts the information on the Contractor's website and advises the beneficiary in paper or electronic form that the information is available on the internet and includes the applicable internet addresses, provided that beneficiaries with disabilities who cannot access this information online are provided auxiliary aids and services upon request at no cost; or,

5) Provides the information by any other method that can reasonably be expected to result in the beneficiary receiving that information. If the Contractor provides the handbook in-person when the beneficiary first receives specialty mental health services, the date and method of delivery shall be documented in the beneficiary's file.

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5. Provider Directory

A. The Contractor shall make provider directories available in electronic and paper form, and ensure that the provider directories include:

1) Information on the category or categories of services available from each provider. (42 C.F.R. § 438.10(h)(1)(v).)

2) The names, any group affiliations, street addresses, telephone numbers, specialty, and website URLs of current contracted providers by category. (42 C.F.R. § 438.10(h)(1)(i)-(v).)

3) The cultural and linguistic capabilities of network providers, including languages (including ASL) offered by the provider or a skilled medical interpreter at the provider's office, and whether the provider has completed cultural competence training. (42 C.F.R. § 438.10(h)(1)(vii).)

4) Whether network providers' offices/facilities have accommodations for people with physical disabilities, including offices, exam room(s) and equipment. (42 C.F.R. § 438.10(h)(1)(viii).)

5) A means to identify which providers are accepting new beneficiaries. (42 C.F.R. § 438.10(h)(1)(vi).)

B. Information included in a paper provider directory shall be updated at least monthly and electronic provider directories shall be updated no later than 30 calendar days after the Contractor receives updated provider information. (42 C.F.R. § 438.10(h)(3).)

C. Provider directories shall be made available on the Contractor's website in a machine readable file and format as specified by the Secretary. (42 C.F.R. § 438.10(h)(4).)

6. Advance Directives

A. For purposes of this contract, advance directives means a written instruction, such as a living will or durable power of attorney for health care, recognized under California law, relating to the provision of health care when the individual is incapacitated. (42 C.F.R. § 489.100.)

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B. The Contractor shall maintain written policies and procedures on advance directives, which include a description of applicable California law. (42 C.F.R. §§ and 438.3(j)(1)-(3), 422.128). Any written materials prepared by the Contractor for beneficiaries shall be updated to reflect changes in state laws governing advance directives as soon as possible, but no later than 90 days after the effective date of the change. (42 C.F.R. § 438.3(j)(4).)

C. The Contractor shall provide adult beneficiaries with the written information on advance directives. (42 C.F.R. § 438.3(j)(3).)

D. The Contractor shall not condition the provision of care or otherwise discriminate against an individual based on whether or not the individual has executed an advance directive. (42 C.F.R. §§ 422.128(b)(1)(ii)(F), 438.3(j).)

E. The Contractor shall educate staff concerning its policies and procedures on advance directives. (42 C.F.R. §§ 422.128(b)(1)(ii)(H), 438.3(j).)

7. Beneficiary Rights

A. The parties to this contract shall comply with applicable laws and regulations relating to patients' rights, including but not limited to Welfare and Institutions Code 5325, California Code of Regulations, title 9, sections 862 through 868, and 42 Code of Federal Regulations section 438.100. The Contractor shall ensure that its subcontractors comply with all applicable patients' rights laws and regulations.

B. The Contractor shall have written policies regarding the beneficiary rights specified in this section and ensure that its staff, subcontractors, and providers take those rights into account when providing services, including the right to:

1) Receive information in accordance with 42 C.F.R. § 438.10. (42 C.F.R. § 438.100(b)(2)(i).)

2) Be treated with respect and with due consideration for his or her dignity and privacy. (42 C.F.R. § 438.100(b)(2)(ii).)

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3) Receive information on available treatment options and alternatives, presented in a manner appropriate to the beneficiary's condition and ability to understand. (42 C.F.R. § 438.100(b)(2)(iii).)

4) Participate in decisions regarding his or her health care, including the right to refuse treatment. (42 C.F.R. § 438.100(b)(2)(iv).)

5) Be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation. (42 C.F.R. § 438.100(b)(2)(v).)

6) Request and receive a copy of his or her medical records, and to request that they be amended or corrected. (42 C.F.R. § 438.100(b)(2)(vi); 45 C.F.R. §§ 164.524,164.526.)

7) Be furnished services in accordance with 42 C.F.R. §§ 438.206 through 438.210. (42 C.F.R. § 438.100(b)(3).)

8) Freely exercise his or her rights without adversely affecting the way the, Contractor, subcontractor, or provider treats the beneficiary. (42 C.F.R. § 438.100(c).)

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1. General Provisions

A. The Contractor shall have a grievance and appeal system in place for beneficiaries. (42 C.F.R. §§ 438.228(a), 438.402(a); Cal. Code Regs., tit. 9, § 1850.205.) The grievance and appeal system shall be implemented to handle appeals of adverse benefit determinations and grievances, and shall include processes to collect and track information about them. The Contractor's beneficiary problem resolution processes shall include:

1) A grievance process;

2) An appeal process; and,

3) An expedited appeal process. (Cal. Code Regs., tit. 9, § 1850.205(b)(1)-(b)(3).)

B. For the grievance, appeal, and expedited appeal processes, the Contractor shall comply with the following requirements:

1) The Contractor shall ensure that each beneficiary has adequate information about the Contractor's problem resolution processes by taking at least the following actions:

a) Including information describing the grievance, appeal, and expedited appeal processes in the Contractor's beneficiary booklet and providing the beneficiary handbook to beneficiaries as described in Attachment 11 of this contract. (Cal. Code Regs., tit. 9, § 1850.205(c)(1)(A).)

b) Posting notices explaining grievance, appeal, and expedited appeal process procedures in locations at all Contractor provider sites. Notices shall be sufficient to ensure that the information is readily available to both beneficiaries and provider staff. The posted notice shall also explain the availability of fair hearings after the exhaustion of an appeal or expedited appeal process, including information that a fair hearing may be requested whether or not the beneficiary has received a notice of adverse benefit determination. For the purposes of this Section, a Contractor provider site means

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any office or facility owned or operated by the Contractor or a provider contracting with the Contractor at which beneficiaries may obtain specialty mental health services. (Cal. Code Regs., tit. 9, §§ 1850.205(c)(1)(B) and 1850.210.)

c) Make available forms that may be used to file grievances, appeals, and expedited appeals and self-addressed envelopes that beneficiaries can access at all Contractor provider sites without having to make a verbal or written request to anyone. (Cal. Code Regs., tit. 9, § 1850.205(c)(1)(C).)

d) Give beneficiaries any reasonable assistance in completing the forms and other procedural steps related to a grievance or appeal. This includes, but is not limited to, providing interpreter services and toll-free numbers with TTY/TDD and interpreter capability. (42 C.F.R. § 438.406(a); 42 C.F.R. § 438.228(a).)

2) The Contractor shall allow beneficiaries to file grievances and request appeals. (42 C.F.R. § 438.402(c)(1).) The Contractor shall have only one level of appeal for beneficiaries. (42 C.F.R. § 438.402(b); 42 C.F.R. § 438.228(a).)

3) A beneficiary may request a State fair hearing after receiving notice under 438.408 that the adverse benefit determination is upheld. (42 C.F.R. § 438.402(c)(1); 42 C.F.R. § 438.408(f).)

4) The Contractor shall adhere to the notice and timing requirements in §438.408. If the Contractor fails to adhere to these notice and timing requirements, the beneficiary is deemed to have exhausted the Contractor's appeals process and may initiate a State fair hearing. (42 C.F.R. §§ 438.402(c)(1)(i)(A), 438.408(c)(3).)

5) The Contractor shall acknowledge receipt of each grievance, appeal, and request for expedited appeal of adverse benefit determinations to the beneficiary in writing. (42 C.F.R. § 438.406(b)(1); 42 C.F.R. § 438.228(a); Cal. Code Regs., tit. 9, § 1850.205(d)(4).)

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6) The Contractor shall allow a provider, or authorized representative, acting on behalf of the beneficiary and with the beneficiary's written consent to request an appeal, file a grievance, or request a state fair hearing. (42 C.F.R. § 438.402(c)(1)(i)-(ii); Cal. Code Regs., tit. 9, § 1850.205(c)(2).)

7) The Contractor shall allow a beneficiary's authorized representative to use the grievance, appeal, or expedited appeal processes on the beneficiary's behalf. (Cal. Code Regs., tit. 9, § 1850.205(c)(2).)

8) At the beneficiary's request, the Contractor shall identify staff or another individual, such as a legal guardian, to be responsible for assisting a beneficiary with these processes, including providing assistance in writing the grievance, appeal, or expedited appeal. If the individual identified by the Contractor is the person providing specialty mental health services to the beneficiary requesting assistance, the Contractor shall identify another individual to assist that beneficiary. (Cal. Code Regs., tit. 9, § 1850.205(c)(4).) Assistance includes, but is not limited to, auxiliary aids and services upon request, such as providing interpreter services and toll-free numbers with TTY/TDD and interpreter capability. (42 C.F.R. § 438.406(a).)

9) The Contractor shall not subject a beneficiary to discrimination or any other penalty for filing a grievance, appeal, or expedited appeal. (Cal. Code Regs., tit. 9, § 1850.205(c)(5).)

10) The Contractor's procedures for the beneficiary problem resolution processes shall maintain the confidentiality of each beneficiary's information. (Cal. Code Regs., tit. 9, § 1850.205(c)(6).)

11) The Contractor shall include a procedure to transmit issues identified as a result of the grievance, appeal or expedited appeal processes to the Contractor's Quality Improvement Committee, the Contractor's administration or another appropriate body within the Contractor's operations. The Contractor shall consider these issues in the Contractor's Quality Improvement Program, as required by

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Cal. Code Regs., tit. 9, §1810.440(a)(5). (Cal. Code Regs., tit. 9, § 1850.205(c)(7).)

12) The Contractor shall ensure that decision makers on grievances and appeals of adverse benefit determinations were not involved in any previous level of review or decision-making, and were not subordinates of any individual who was involved in a previous level of review or decision-making. (42 C.F.R. § 438.406(b)(2)(i); 42 C.F.R. § 438.228(a).)

13) The Contractor shall ensure that individuals making decisions on the grievances and appeals of adverse benefit determinations, have the appropriate clinical expertise, as determined by the Department , in treating the beneficiary's condition or disease, if the decision involves an appeal based on a denial of medical necessity, a grievance regarding denial of a request for an expedited appeal, or if the grievance or appeal involves clinical issues.(42 C.F.R. § 438.406(b)(2)(ii)(A)-(C); 42 C.F.R. § 438.228(a).)

14) The Contractor shall provide the beneficiary a reasonable opportunity, in person and in writing, to present evidence and testimony and make legal and factual arguments. The Contractor must inform the beneficiary of the limited time available for this sufficiently in advance of the resolution timeframe for appeals specified in §438.408(b) and (c) in the case of expedited resolution. (42 C.F.R. § 438.406(b)(4).)

15) The Contractor shall ensure that decision makers on grievances and appeals of adverse benefit determinations take into account all comments, documents, records, and other information submitted by the beneficiary or beneficiary's representative, without regard to whether such information was submitted or considered in the initial adverse benefit determination. (42 C.F.R. § 438.406(b)(2)(iii); 42 C.F.R. § 438.228(a).)

16) The Contractor shall provide the beneficiary and his or her representative the beneficiary's case file, including medical records, other documents and records, and any new or additional evidence considered, relied upon, or generated by the Contractor in

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connection with the appeal of the adverse benefit determination. (42 C.F.R. § 438.406(b)(5).)

17) The Contractor shall provide the beneficiary and his or her representative the beneficiary's case file free of charge and sufficiently in advance of the resolution timeframe for standard and expedited appeal resolutions, (42 C.F.R. § 438.408(b)-(c).) For standard resolution of an appeal and notice to the affected parties, the Contractor must comply with the Department established timeframe of 30 calendar days from the day the Contractor receives the appeal. For expedited resolution of an appeal and notice to affected parties, the Contractor must comply with the Department established timeframe of 72 hours after the Contractor receives the appeal. (42 C.F.R. § 438.406(b)(5).)

18) The Contractor shall treat oral inquiries seeking to appeal an adverse benefit determination as appeals (to establish the earliest possible filing date for the appeal) and must confirm these oral inquiries in writing, unless the beneficiary or the provider requests expedited resolution. (42 C.F.R. § 438.406(b)(3).)

19) The Contractor's beneficiary problem resolution process shall not replace or conflict with the duties of county patient's rights advocates. (Welf. & Inst. Code § 5520.)

2. Handling of Grievances and Appeals

The Contractor shall adhere to the following record keeping, monitoring, and review requirements:

A. Maintain a grievance and appeal log and record grievances, appeals, and expedited appeals in the log within one working day of the date of receipt of the grievance, appeal, or expedited appeal. (42 C.F.R. § 438.416(a); Cal. Code Regs., tit. 9, § 1850.205(d)(1).) Each record shall include, but not be limited to: a general description of the reason for the appeal or grievance the date received, the date of each review or review meeting, resolution information for each level of the appeal or grievance, if applicable, and the date of resolution at each level, if applicable, and the

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name of the covered person whom the appeal or grievance was filed. (42 C.F.R. § 438.416(b)(1)-(6).)

B. Record in the grievance and appeal log or another central location determined by the Contractor, the final dispositions of grievances, appeals, and expedited appeals, including the date the decision is sent to the beneficiary. If there has not been final disposition of the grievance, appeal, or expedited appeal, the reason(s) shall be included in the log. (Cal. Code Regs., tit. 9, § 1850.205(d)(2).)

C. Provide a staff person or other individual with responsibility to provide information requested by the beneficiary or the beneficiary's representative regarding the status of the beneficiary's grievance, appeal, or expedited appeal. (Cal. Code Regs., tit. 9, § 1850.205(d)(3).)

D. Identify in its grievance, appeal, and expedited appeal documentation, the roles and responsibilities of the Contractor, the provider, and the beneficiary. (Cal. Code Regs., tit. 9, § 1850.205(d)(5).)

E. Provide notice, in writing, to any provider identified by the beneficiary or involved in the grievance, appeal, or expedited appeal of the final disposition of the beneficiary's grievance, appeal, or expedited appeal. (Cal. Code Regs., tit. 9, § 1850.205(d)(6).)

F. Maintain records in the grievance and appeal log accurately and in a manner accessible to the Department and available upon request to CMS. (42 C.F.R. § 438.416(c).)

3. Grievance Process

The Contractor's grievance process shall, at a minimum:

A. Allow beneficiaries to file a grievance either orally, or in writing at any time with the Contractor; (42 C.F.R. § 438.402(c)(2)(i) and (c)(3)(i).)

B. Resolve each grievance as expeditiously as the beneficiary's health condition requires not to exceed 90 calendar days from the day the Contractor receives the grievance. (42 C.F.R. § 438.408(a)-(b)(1).) The Contractor may extend the timeframe for processing a grievance by up to

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14 calendar days if the beneficiary requests an extension, or if the Contractor determines that there is a need for additional information and that the delay is in the beneficiary's interest. (42 C.F.R. § 438.408(c)(1)(i)-(ii).) If the Contractor extends the timeframe, the Contractor shall, for any extension not requested by the beneficiary, make reasonable efforts to give the beneficiary prompt oral notice of the delay and give the beneficiary written notice of the extension and the reasons for the extension within 2 calendar days of the decision to extend the timeframe. Contractor's written notice of extension shall inform the beneficiary of the right to file a grievance if he or she disagrees with the Contractor's decision (42 C.F.R. § 438.408(c)(2)(i)-(ii).) The written notice of the extension is not a Notice of Adverse Benefit Determination. (Cal. Code Regs., tit. 9, § 1810.230.5.)

C. Provide written notification to the beneficiary or the appropriate representative of the resolution of a grievance and documentation of the notification or efforts to notify the beneficiary, if he or she could not be contacted. (Cal. Code Regs.,tit. 9, § 1850.206(c).)

D. Notify the beneficiary of the resolution of a grievance in a format and language that meets applicable notification standards. (42 C.F.R. § 438.408(d)(1); 42 C.F.R. § 438.10.)

4. Appeals Process

A. The Contractor's appeal process shall, at a minimum:

1) Allow a beneficiary, or a provider or authorized representative acting on the beneficiary's behalf, to file an appeal orally or in writing. (42 C.F.R. § 438.402(c)(3)(ii).) The beneficiary may file an appeal within 60 calendar days from the date on the adverse benefit determination notice (42 C.F.R. § 438.402(c)(2)(ii).);

2) Require a beneficiary who makes an oral appeal that is not an expedited appeal, to subsequently submit a written, signed appeal. (42 C.F.R. § 438.402(c)(3)(ii).) The Contractor shall ensure that oral inquiries seeking to appeal an adverse benefit determination are treated as appeals, and confirmed in writing unless the beneficiary or the provider requests expedited resolution. The date

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the Contractor receives the oral appeal shall be considered the filing date for the purpose of applying the appeal timeframes (42 C.F.R. § 438.406(b)(3).);

3) Resolve each appeal and provide notice, as expeditiously as the beneficiary's health condition requires, within 30 calendar days from the day the Contractor receives the appeal. (42 C.F.R. § 438.408(a); 42 C.F.R. § 438.408(b)(2).) The Contractor may extend the timeframe for processing an appeal by up to 14 calendar days, if the beneficiary requests an extension or the Contractor determines that there is a need for additional information and that the delay is in the beneficiary's interest. (42 CFR 438.408(c)(1); 42 CFR 438.408(b)(2).) If the Contractor extends the timeframes, the Contractor shall, for any extension not requested by the beneficiary, make reasonable efforts to give the beneficiary prompt oral notice of the delay and notify the beneficiary of the extension and the reasons for the extension in writing within 2 calendar days of the decision to extend the timeframe. Contractor's written notice of extension shall inform the beneficiary of the right to file a grievance if he or she disagrees with the Contractor's decision. Contractor shall resolve the appeal as expeditiously as the beneficiary's health condition requires and no later than the date the extension expires (42 C.F.R. § 438.408(c)(2)(i)-(iii).) The written notice of the extension is not a Notice of Adverse Benefit Determination. (Cal. Code Regs., tit. 9, §1810.230.5.);

4) Allow the beneficiary to have a reasonable opportunity to present evidence and testimony and make arguments of fact or law, in person and in writing (42 C.F.R. § 438.406(b)(4).);

5) Provide the beneficiary and his or her representative the beneficiary's case file, including medical records, and any other documents and records, and any new or additional evidence considered, relied upon, or generated by the Contractor in connection with the appeal of the adverse benefit determination , provided that there is no disclosure of the protected health information of any individual other than the beneficiary (42 C.F.R. § 438.406(b)(5).); and

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6) Provide the beneficiary and his or her representative the beneficiary's case file free of charge and sufficiently in advance of the resolution timeframe for standard appeal resolutions. For standard resolution of an appeal and notice to the affected parties, the Contractor must comply with the Department established timeframe of 30 calendar days from the day the Contractor receives the appeal. For expedited resolution of an appeal and notice to affected parties, the Contractor must comply with the Department established timeframe of 72 hours after the Contractor receives the appeal. (42 C.F.R. § 438.406(b)(5).)

7) Allow the beneficiary, his or her representative, or the legal representative of a deceased beneficiary's estate, to be included as parties to the appeal. (42 CFR 438.406(b)(6).)

B. The Contractor shall notify the beneficiary, and/or his or her representative, of the resolution of the appeal in writing in a format and language that, at a minimum, meets applicable notification standards. (42 CFR 438.408(d)(2)(i); 42 C.F.R. § 438.408(e); 42 C.F.R. 438.10.) The notice shall contain the following:

1) The results of the appeal resolution process (42 C.F.R. § 438.408(e)(1).);

2) The date that the appeal decision was made (42 C.F.R. § 438.408(e)(1).);

3) If the appeal is not resolved wholly in favor of the beneficiary, the notice shall also contain:

a) Information regarding the beneficiary's right to a fair hearing and the procedure for requesting a fair hearing, if the beneficiary has not already requested a fair hearing on the issue involved in the appeal; (42 C.F.R. § 438.408(e)(2)(i).) and

b) Information on the beneficiary's right to continue to receive benefits while the fair hearing is pending and how to request the continuation of benefits; (42 C.F.R. § 438.408(e)(2)(ii).)

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c) Inform the beneficiary that he or she may be liable for the cost of any continued benefits if the Contractor's adverse benefit determination is upheld in the hearing. (42 C.F.R. § 438.408(e)(2)(iii).)

5. Expedited Appeal Process

A. "Expedited Appeal" is an appeal used when the mental health plan determines (for a request from the beneficiary) or the provider indicates (in making the request on the beneficiary's behalf or supporting the beneficiary's request) that taking the time for a standard resolution could seriously jeopardize the beneficiary's life, physical or mental health, or ability to attain, maintain, or regain maximum function. (42 C.F.R. 438.410.)

B. The Contractor's expedited appeal process shall, at a minimum:

1) Be used when the Contractor determines or the beneficiary and/or the beneficiary's provider certifies that taking the time for a standard appeal resolution could seriously jeopardize the beneficiary's life, physical or mental health or ability to attain, maintain, or regain maximum function. (42 C.F.R. 438.410(a).)

2) Allow the beneficiary to file the request for an expedited appeal orally without requiring the beneficiary to submit a subsequent written, signed appeal. (42 C.F.R. § 438.402(c)(3)(ii).)

3) Ensure that punitive action is not taken against a provider who requests an expedited resolution or supports a beneficiary's expedited appeal. (42 C.F.R. § 438.410(b).)

4) Inform beneficiaries of the limited time available to present evidence and testimony, in person and in writing, and make legal and factual arguments for an expedited appeal. The Contractor must inform beneficiaries of this sufficiently in advance of the resolution timeframe for the expedited appeal. (42 CFR 438.406(b)(4); 42 CFR 438.408(b)-(c).)

5) Resolve an expedited appeal and notify the affected parties in writing, as expeditiously as the beneficiary's health condition

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requires and no later than 72 hours after the Contractor receives the appeal. (42 C.F.R. § 438.408(b)(3).) The Contractor may extend this timeframe by up to 14 calendar days if the beneficiary requests an extension, or the Contractor determines that there is need for additional information and that the delay is in the beneficiary's interest. (42 C.F.R. § 438.408(c)(1)(i)-(ii).) If the Contractor extends the timeline for processing an expedited appeal not at the request of the beneficiary, the Contractor shall make reasonable efforts to give the beneficiary prompt oral notice of the delay, and notify the beneficiary of the extension and the reasons for the extension, in writing, within 2 calendar days of the determination to extend the timeline. The Contractor shall resolve the appeal as expeditiously as the beneficiary's health condition requires and no later than the date the extension expires. (42 C.F.R. § 438.408(c)(2)(i) - (iii); 42 C.F.R. §438.408(b)(3).) The written notice of the extension is not a Notice of Adverse Benefit Determination. (Cal. Code Regs., tit. 9, § 1810.230.5.)

6) Provide a beneficiary with a written notice of the expedited appeal disposition and make reasonable efforts to provide oral notice to the beneficiary and/or his or her representative. The written notice shall meet the requirements of Section 1850.207(h) of Title 9 of the California Code of Regulations. (42 C.F.R. § 438.408(d)(2); Cal. Code Regs., tit. 9, § 1850.207(h).)

7) If the Contractor denies a request for an expedited appeal resolution, the Contractor shall:

   a) Transfer the expedited appeal request to the timeframe for standard resolution of no longer than 30 calendar days from the day the Contractor receives the appeal. (42 C.F.R. § 438.410(c)(1).)

   b) Make reasonable efforts to give the beneficiary and his or her representative prompt oral notice of the denial of the request for an expedited appeal. Provide written notice of the decision and reason for the decision within two calendar days of the date of the denial, and inform the beneficiary of the right to file a grievance if he or she disagrees with the

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decision. (42 C.F.R. § 438.410(c)(2); 42 C.F.R. § 438.408(c)(2).) The written notice of the denial of the request for an expedited appeal is not a Notice of Adverse Benefit Determination. (Cal. Code Regs., tit. 9, § 1810.230.5.)

6. Contractor obligations related to State Fair Hearing

State "Fair Hearing" means the State hearing provided to beneficiaries pursuant to sections 50951 and 50953 of Title 22 of the California Code of Regulations section and section 1810.216.6 of Title 9 of the California Code of Regulations 1810.216.6.:

A. If a beneficiary requests a State Fair Hearing, the Department shall grant the request. (42 C.F.R. § 431.220(a)(5).) The right to a State Fair Hearing, how to obtain a hearing, and representation rules at a hearing must be explained to the beneficiary and provider by Contractor in its notice of decision or Notice of Adverse Benefit Determination. (42 C.F.R. § 431.206(b); 42 C.F.R. § 431.228(b).) Beneficiaries and providers shall also be informed of the following:

1) A beneficiary may request a State Fair Hearing only after receiving notice that the Contractor is upholding the adverse benefit determination. (42 C.F.R. § 438.408(f)(1).)

2) If the Contractor fails to adhere to notice and timing requirements under § 438.408, the beneficiary is deemed to have exhausted the Contractor's appeals process, and the beneficiary may initiate a state fair hearing. (42 CFR 438.408(f)(1)(i); 42 CFR 438.402(c)(1)(i)(A).)

3) The provider may request a State Fair Hearing only if the Department permits the provider to act as the beneficiary's authorized representative. (42 C.F.R. § 438.402(c)(1)(ii).)

7. Expedited Fair Hearing

"Expedited Fair Hearing" means a fair hearing, used when the Contractor determines, or the beneficiary or the beneficiary's provider certifies that following the 90 day timeframe for a fair hearing as established in 42 C.F.R. §

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431.244(f)(1) would seriously jeopardize the beneficiary's life, health, or ability to attain, maintain, or regain maximum function. (42 C.F.R. § 431.244(f)(1); 42 C.F.R. § 438.410(a); Cal. Code Regs., tit. 9, § 1810.216.4.)

8. Continuation of Services

A. A beneficiary receiving specialty mental health services shall have a right to file for continuation of specialty mental health services pending the outcome of a fair hearing. (Cal. Code Regs., tit. 22., § 51014.2; Cal. Code Regs., tit. 9, § 1850.215.)

B. The Contractor shall continue the beneficiary's benefits while an appeal is in process if all of the following occur:

1) The beneficiary files the request for an appeal within 60 calendar days following the date on the adverse benefit determination notice; (42 C.F.R. § 438.420(b)(1).)

2) The appeal involves the termination, suspension, or reduction of a previously authorized service; (42 C.F.R. § 438.420(b)(2).)

3) The beneficiary's services were ordered by an authorized provider; (42 C.F.R. § 438.420(b)(3).)

4) The period covered by the original authorization has not expired; and, (42 C.F.R. § 438.420(b)(4).)

5) The request for continuation of benefits is filed on or before the later of the following: (42 C.F.R. § 438.420 (b)(5).)

a. Within 10 calendar days of the Contractor sending the notice of adverse benefit determination; (42 C.F.R. § 438.420(a).) or

b. The intended effective date of the adverse benefit determination. (42 C.F.R. § 438.420(a).)

C. If, at the beneficiary's request, the Contractor continues the beneficiary's benefits while the appeal or state fair hearing is pending, the benefits must

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be continued until the beneficiary withdraws the appeal or request for state fair hearing, the beneficiary does not request a state fair hearing and continuation of benefits within 10 calendar days from the date the Contractor sends the notice of an adverse appeal resolution, or a state fair hearing decision adverse to the beneficiary is issued. (42 C.F.R. § 438.420(c)(1)-(3); 42 C.F.R. § 438.408(d)(2).)

D. The Contractor may recover the cost of continued services furnished to the beneficiary while the appeal or state fair hearing was pending if the final resolution of the appeal or state fair hearing upholds the Contractor's adverse benefit determination. (42 C.F.R. § 438.420(d); 42 C.F.R. § 431.230(b).)

E. The Contractor shall authorize or provide the disputed services promptly, and as expeditiously as the beneficiary's health condition requires, but no later than 72 hours from the date the Contractor receives notice reversing the determination if the services were not furnished while the appeal was pending and if the Contractor or state fair hearing officer reverses a decision to deny, limit, or delay services. (42 C.F.R. § 438.424(a).)

F. If the decision of an appeal reverses a decision to deny the authorization of services, and the beneficiary received the disputed services while the appeal was pending, the Contractor shall cover the cost of such services. (42 C.F.R. § 438.424(b).)

G. The Contractor shall notify the requesting provider and give the beneficiary written notice of any decision to deny a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested. (42 C.F.R. § 438.210(c); 42 C.F.R. § 438.404.)

9. Provision of Notice of Adverse Benefit Determination

A. The Contractor shall provide a beneficiary with a Notice of Adverse Benefit Determination (NOABD) under the following circumstances:

1) The denial or limited authorization of a requested service, including determinations based on the type or level of service, requirements for medical necessity, appropriateness, setting, or effectiveness of a covered benefit. (42 C.F.R. § 438.400(b)(1).)

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2) The reduction, suspension, or termination of a previously authorized service. (42 C.F.R. § 438.400(b)(2).)

3) The denial, in whole or in part, of payment for a service. (42 C.F.R. § 438.400(b)(3).)

4) The failure to provide services in a timely manner, as defined by the Department. (42 C.F.R. § 438.400(b)(4).)

5) The failure of the Contractor to act within the timeframes provided in §438.408(b)(1) and (2) regarding the standard resolution of grievances and appeals. (42 C.F.R. § 438.400(b)(5).)

6) The denial of a beneficiary's request to dispute a financial liability, including cost sharing, copayments, premiums, deductibles, coinsurance, and other beneficiary financial liabilities. (42 C.F.R. § 438.400(b)(7).)

B. The Contractor shall give beneficiaries timely and adequate notice of an adverse benefit determination in writing and shall meet the language and format requirements of 42 Code of Federal Regulations part 438.10. (42 C.F.R. § 438.404(a); 42 C.F.R. § 438.10.) The NOA shall contain the items specified in 42 Code of Federal Regulations part 438.404 (b) and California Code of Regulations, title 9, section 1850.212.

C. When the denial or modification involves a request from a provider for continued Contractor payment authorization of a specialty mental health service or when the Contractor reduces or terminates a previously approved Contractor payment authorization, notice shall be provided in accordance with California Code of Regulations, title 22, section 51014.1. (Cal. Code Regs., tit. 9, § 1850.210(a)(1).)

D. A NOABD is not required when a denial is a non-binding verbal description to a provider of the specialty mental health services that may be approved by the Contractor. (Cal. Code Regs., tit. 9, § 1850.210(a)(2).)

E. Except as provided in subsection F below, a NOABD is not required when the denial or modification is a denial or modification of a request for

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Contractor payment authorization for a specialty mental health service that has already been provided to the beneficiary. (Cal. Code Regs., tit. 9, § 1850.210(a)(4).)

F. A NOABD is required when the Contractor denies or modifies a payment authorization request from a provider for a specialty mental health service that has already been provided to the beneficiary when the denial or modification is a result of post-service, prepayment determination by the Contractor that the service was not medically necessary or otherwise was not a service covered by the Contractor. (Cal. Code Regs., tit. 9, § 1850.210(b).)

G. The Contractor shall deny the Contractor payment authorization request and provide the beneficiary with a NOABD when the Contractor does not have sufficient information to approve or modify, or deny on the merits, a Contractor payment authorization request from a provider within the timeframes required by Cal. Code Regs., tit. 9, §§ 1820.220 or 1830.215. (Cal. Code Regs., tit. 9, § 1850.210(c).)

H. The Contractor shall provide the beneficiary with a NOABD if the Contractor fails to notify the affected parties of a resolution of a grievance within 90 calendar days, of an appeal decision within 30 days, or of an expedited appeal decision within 72 hours. If the timeframe for a grievance, appeal or expedited appeal decision is extended pursuant to sections 1850.206, 1850.207 or 1850.208 of Title 9 of the California Code of Regulations and the Contractor failed to notify the affected parties of its decision within the extension period, the Contractor shall provide the beneficiary with a NOABD. (42 C.F.R. § 438.408.)

I. The Contractor shall provide a beneficiary with a NOABD when the Contractor or its providers determine that the medical necessity criteria in sections 1830.205(b)(1),(b)(2),(b)(3)(C), or 1830.210(a) of Title 9 of the California Code of Regulations have not been met and that the beneficiary is not entitled to any specialty mental health services from the Contractor. The NOABD shall, at the election of the Contractor, be hand-delivered to the beneficiary on the date of the Adverse Benefit Determination or mailed to the beneficiary in accordance with Cal. Code Regs., tit. 9, § 1850.210(f)(1), and shall specify the information contained in Cal. Code Regs., tit. 9, § 1850.212(b). (Cal. Code Regs., tit. 9, § 1850.210(g).)

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J. For the purpose of this Attachment, each reference to a Medi-Cal managed care plan in Cal. Code Regs., tit. 22, § 51014.1, shall mean the Contractor. (Cal. Code Regs., tit. 9, § 1850.210(h).)

K. For the purposes of this Attachment, "medical service", as used in Cal. Code Regs., tit. 22, § 51014.1, shall mean specialty mental health services that are subject to prior authorization by a Contractor pursuant to Cal. Code Regs., tit. 9, §§ 1820.100 and 1830.100. (Cal. Code Regs., tit. 9, § 1850.210(i).)

L. The Contractor shall retain copies of all Notices of Adverse Benefit Determination issued to beneficiaries under this Section in a centralized file accessible to the Department. The Department shall engage in random reviews (Cal. Code Regs., tit. 9, § 1850.210(j).)

M. The Contractor shall allow the State to engage in reviews of the Contractor's records pertaining to Notices of Adverse Benefit Determination so the Department may ensure that the Contractor is notifying beneficiaries in a timely manner.

10. Contents and Timing of NOABD

A. The Contractor shall include the following information in the NOABD:

1) The adverse benefit determination the Contractor has made or intends to make; (42 C.F.R. § 438.404(b)(1).)

2) The reason for the adverse benefit determination, including the right of the beneficiary to be provided upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the beneficiary's adverse benefit determination. Such information includes medical necessity criteria, and any processes, strategies, or evidentiary standards used in setting coverage limits; (42 C.F.R. § 438.404(b)(2).)

3) Citations to the regulations or Contractor payment authorization procedures supporting the adverse benefit determination; (Cal. Code Regs., tit. 9, § 1850.212(a)(3).)

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4) The beneficiary's right to file, and procedures for exercising, an appeal or expedited appeal with the Contractor, including information about exhausting the Contractor's one level of appeal and the right to request a state fair hearing after receiving notice that the adverse benefit determination is upheld; (42 C.F.R. § 438.404(b)(3)-(b)(4).)

5) The circumstances under which an appeal process can be expedited and how to request it; (42 C.F.R. § 438.404(b)(5).)

6) The beneficiary's right to have benefits continue pending resolution of the appeal, how to request that benefits be continued, and the circumstances under which the beneficiary may be required to pay the costs of those services. (42 C.F.R. § 438.404(b)(6).)

7) Information about the beneficiary's right to request a fair hearing or an expedited fair hearing, including:

   a) The method by which a hearing may be obtained; (Cal. Code Regs., tit. 9, § 1850.212(a)(5)(A).)

   b) A statement that the beneficiary may be either self-represented, or represented by an authorized third party such as legal counsel, a relative, friend, or any other person; (Cal. Code Regs., tit. 9, § 1850.212(a)(5)(B).)

   c) An explanation of the circumstances under which a specialty mental health service will be continued if a fair hearing is requested; (Cal. Code Regs., tit. 9, § 1850.212(a)(5)(C).) and

   d) The time limits for requesting a fair hearing or an expedited fair hearing. (Cal. Code Regs., tit. 9, § 1850.212(a)(5)(D).)

B. The Contractor shall mail the NOABD within the following timeframes:

1) For termination, suspension, or reduction of previously authorized Medi-Cal covered services, at least 10 days before the date of

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action. (42 C.F.R. § 438.404(c)(1); 42 C.F.R. § 431.211.) The Contractor shall mail the NOABD in as few as 5 days prior to the date of action if the Contractor has facts indicating that action should be taken because of probable fraud by the beneficiary, and the facts have been verified, if possible, through secondary sources. (42 C.F.R. § 438.404(c)(1); 42 C.F.R. §.431.214.)

2) For denial of payment, at the time of any action affecting the claim. (42 C.F.R. § 438.404(c)(2).)

3) For standard service authorizations that deny or limit services, as expeditiously as the beneficiary's condition requires not to exceed 14 calendar days following the receipt for request for services. (42 C.F.R. § 438.404(c)(3); 42 C.F.R. 438.210(d)(1).)

4) The Contractor may extend the 14 calendar day NOABD determination timeframe for standard service authorization decisions that deny or limit services up to 14 additional calendar days if the beneficiary or the provider requests the extension. (42 C.F.R. § 438.404(c)(4); 42 C.F.R. 438.210(d)(1)(i).)

5) The Contractor may extend the 14 calendar day notice of adverse benefit determination timeframe for standard service authorization decisions that deny or limit services up to 14 additional calendar days if the Contractor justifies a need to the Department, upon request, for additional information and shows how the extension is in the beneficiary's best interest. (42 C.F.R. § 438.404(c)(4); 42 C.F.R. 438.210(d)(1)(ii).)

6) If the Contractor extends the 14 calendar day notice of adverse benefit determination timeframe for standard service authorization decisions that deny or limit services, the Contractor shall do the following:

   a) Give the beneficiary written notice of the reason for the extension and inform the beneficiary of the right to file a grievance if he/she disagrees with the decision ; (42 C.F.R. § 438.404(c)(4)(i); 42 C.F.R. 438.210(d)(1)(ii).) and,

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b) Issue and carry out its determination as expeditiously as the beneficiary's health condition requires and no later than the date of the extension. (42 C.F.R. § 438.404(c)(4)(ii); 42 C.F.R. 438.210(d)(1)(ii).)

7) The Contractor shall give notice on the date that the timeframes expire, when service authorization decisions are not reached within the applicable timeframes for either standard or expedited service authorizations. (42 C.F.R. § 438.404(c)(5).)

8) If a provider indicates, or the Contractor determines, that following the standard service authorization timeframe could seriously jeopardize the beneficiary's life or health or his or her ability to attain, maintain, or regain maximum function, the Contractor must make an expedited service authorization decision and provide notice as expeditiously as the beneficiary's health condition requires and no later than 72 hours after receipt of the request for service. (42 C.F.R. § 438.404(c)(6); 42 C.F.R. 438.210(d)(2)(i).)

9) The Contractor may extend the 72 hour expedited service authorization decision time period by up to 14 calendar days if the beneficiary requests an extension, or if the Contractor justifies to the Department, upon request, a need for additional information and how the extension is in the beneficiary's interest. (42 C.F.R. § 438.404(c)(6); 42 C.F.R. § 210(d)(2)(ii).)

10) The Contractor shall deposit the NOABD with the United States Postal Service in time for pick-up on the date that the applicable timeframe expires. (Cal. Code Regs., tit. 9, § 1850.210(f).)

C. The Adverse Benefit Determination shall be effective on the date of the NOABD and the Contractor shall mail the NOABD by the date of adverse benefit determination when any of the following occur:

1) The death of a beneficiary; (42 C.F.R. § 431.213(a).)

2) Receipt of a signed written beneficiary statement requesting service termination or giving information requiring termination or reduction of services, provided the beneficiary understands that this will be

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the result of supplying that information; (42 C.F.R. § 431.213(b)(1)-(b)(2).)

3) The beneficiary's admission to an institution where he or she is ineligible for further services; (42 C.F.R. § 431.213(c).)

4) The beneficiary's whereabouts are unknown and mail directed to him or her has no forwarding address; (42 C.F.R. § 431.213(d).)

5) Notice that the beneficiary has been accepted for Medicaid services by another local jurisdiction; (42 C.F.R. § 431.213(e).)

6) A change in the beneficiary's physician's prescription for the level of medical care; (42 C.F.R. § 431.213(f).) or

7) The notice involves an adverse determination with regard to preadmission screening requirements of section 1919(e)(7) of the Act. (42 C.F.R. § 431.213(g).)

8) The transfer or discharge from a facility will occur in an expedited fashion. (42 C.F.R. § 431.213(h).)

9) Endangerment of the safety or health of individuals in the facility; improvement in the resident's health sufficient to allow a more immediate transfer or discharge; urgent medical needs that require a resident's immediate transfer or discharge; or notice that a resident has not resided in the nursing facility for 30 days (but only in Adverse Benefit Determinations based on NF transfers).

11. Annual Grievance and Appeal Report

The Contractor is required to submit to the Department a report that summarizes beneficiary grievances, appeals and expedited appeals filed from July 1 of the previous year through June 30 of that year by October 1 of each year. The report shall include the total number of grievances, appeals and expedited appeals by type, by subject areas established by the Department, and by disposition. (Cal. Code Regs., tit. 9, § 1810.375(a).)

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1. General Requirements

As a condition for receiving payment under a Medi-Cal managed care program, the Contractor shall comply with the provisions of 42 C.F.R. §§ 438.604, 438.606 and 438.608, and 438.610. (42 C.F.R. § 438.600(b).)

2. Excluded Providers

A. The Contractor shall screen and periodically revalidate all network providers in accordance with the requirements of 42 Code of Federal Regulations, part 455, subparts B and E. (42 C.F.R. §438.602(b).)

B. Consistent with the requirements of 42 Code of Federal Regulations, part 455.436, the Contractor must confirm the identity and determine the exclusion status of all providers (employees and network providers) and any subcontractor, as well as any person with an ownership or control interest, or who is an agent or managing employee of the of the Mental Health Plan through routine checks of Federal and State databases. This includes the Social Security Administration's Death Master File, the National Plan and Provider Enumeration System (NPPES), the Office of Inspector General's List of Excluded Individuals/Entities (LEIE), the System for Award Management (SAM), as well as the Department's Medi Cal Suspended and Ineligible Provider List (S & I List). (42 C.F.R. §438.602(d).)

C. If the Contractor find a party that is excluded, it must promptly notify the Department (42 C.F.R. §438.608(a)(2),(4)) and the Department will take action consistent with 42 C.F.R. §438.610((d). The Contractor shall not certify or pay any excluded provider with Medi-Cal funds, and any such inappropriate payments or overpayments may be subject to recovery and/or be the basis for other sanctions by the appropriate authority.

3. Compliance Program

A. Pursuant to 42 C.F.R. § 455.1(a)(1), the Contractor must report fraud and abuse information to the Department.

B. The Contractor, or any subcontractor, to the extent that the subcontractor is delegated responsibility by the Contractor for coverage of services and

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payment of claims under this Contract, shall implement and maintain a compliance program designed to detect and prevent fraud, waste and abuse that must include:

1) Written policies, procedures, and standards of conduct that articulate the organization's commitment to comply with all applicable requirements and standards under the contract, and all applicable Federal and state requirements.

2) A Compliance Officer (CO) who is responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with the requirements of the contract and who reports directly to the CEO and the Board of Directors (BoD).

3) A Regulatory Compliance Committee (RCC) on the BoD and at the senior management level charged with overseeing the organization's compliance program and its compliance with the requirements under the contract.

4) A system for training and education for the CO, the organization's senior management, and the organization's employees for the federal and state standards and requirements under the contract.

5) Effective lines of communication between the CO and the organization's employees.

6) Enforcement of standards through well-publicized disciplinary guidelines.

7) The establishment and implementation of procedures and a system with dedicated staff for routine internal monitoring and auditing of compliance risks, prompt response to compliance issues as they are raised, investigation of potential compliance problems as identified in the course of self-evaluation and audits, correction of such problems promptly and thoroughly (or coordination of suspected criminal acts with law enforcement agencies) to reduce the potential for recurrence, and ongoing compliance with the requirements under the contract. (42 C.F.R. §438.608(a), (a)(1).)

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4. Fraud Reporting Requirements

A. The Contractor, or any subcontractor, to the extent that the subcontractor is delegated responsibility by the Contractor for coverage of services and payment of claims under this Contract, shall implement and maintain arrangements or procedures designed to detect and prevent fraud, waste and abuse that include prompt reporting to the Department about the following:

1) Any potential fraud, waste, or abuse. (42 C.F.R. §438.608(a), (a)(7).)

2) All overpayments identified or recovered, specifying the overpayments due to potential fraud. (42 C.F.R. §438.608(a), (a)(2).)

3) Information about changes in a beneficiary's circumstances that may affect the beneficiary's eligibility including changes in the beneficiary's residence or the death of the beneficiary. (42 C.F.R. §438.608(a), (a)(3).)

4) Information about a change in a network provider's circumstances that may affect the network provider's eligibility to participate in the managed care program, including the termination of the provider agreement with the Contractor. (42 C.F.R. §438.608(a), (a)(4).)

B. If the Contractor identifies an issue or receives notification of a complaint concerning an incident of potential fraud, waste or abuse, in addition to notifying the Department, the Contractor shall conduct an internal investigation to determine the validity of the issue/complaint, and develop and implement corrective action, if needed.

C. The Contractor shall implement and maintain written policies for all employees of the Mental Health Plan, and of any contractor or agent, that provide detailed information about the False Claims Act and other Federal and state laws, including information about rights of employees to be protected as whistleblowers. (42 C.F.R. §438.608(a), (a)(6).)

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D. The Contractor shall implement and maintain arrangements or procedures that include provision for the Contractor's suspension of payments to a network provider for which there is a credible allegation of fraud. (42 C.F.R. §438.608(a), (a)(8).)

5. Service Verification

Pursuant to 42 C.F.R. § 438.608(a)(5), the Contractor, and/or any subcontractor, to the extent that the subcontractor is delegated responsibility by the Contractor for coverage of services and payment of claims under this Contract, shall implement and maintain arrangements or procedures designed to detect and prevent fraud, waste and abuse that include provisions to verify, by sampling or other methods, whether services that have been represented to have been delivered by network providers were received by beneficiaries and the application of such verification processes on a regular basis. (42 C.F.R. §438.608(a), (a)(5).)

6. Disclosures

A. Disclosure of 5% or More Ownership Interest:

1) Pursuant to 42 C.F.R. § 455.104, Medicaid managed care entities must disclose certain information related to persons who have an ownership or control interest in the managed care entity, as defined in 42 C.F.R. § 455.101. The parties hereby acknowledge that because the Contractor is a political subdivision of the State of California, there are no persons who meet such definition and therefore there is no information to disclose.

a) In the event that, in the future, any person obtains an interest of 5% or more of any mortgage, deed of trust, note or other obligation secured by Contractor, and that interest equals at least 5% of Contractor's property or assets, then the Contractor will make the disclosures set forth in i and subsection 2(a).

i. The Contractor will disclose the name, address, date of birth, and Social Security Number of any managing employee, as that term is defined in 42 C.F.R. §

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455.101. For purposes of this disclosure, Contractor may use the business address for any member of its Board of Supervisors.

ii. The Contractor shall provide any such disclosure upon execution of this contract, upon its extension or renewal, and within 35 days after any change in Contractor ownership or upon request of the Department.

2) The Contractor shall ensure that its subcontractors and network providers submit the disclosures below to the Contractor regarding the network providers' (disclosing entities') ownership and control. The Contractor's network providers must be required to submit updated disclosures to the Contractor upon submitting the provider application, before entering into or renewing the network providers' contracts, within 35 days after any change in the subcontractor/network provider's ownership, annually and upon request during the re-validation of enrollment process under 42 Code of Federal Regulations part 455.104.

a) Disclosures to be Provided:

i. The name and address of any person (individual or corporation) with an ownership or control interest in the network provider. The address for corporate entities shall include, as applicable, a primary business address, every business location, and a P.O. Box address;

ii. Date of birth and Social Security Number (in the case of an individual);

iii. Other tax identification number (in the case of a corporation with an ownership or control interest in the managed care entity or in any subcontractor in which the managed care entity has a 5 percent or more interest);

iv. Whether the person (individual or corporation) with an ownership or control interest in the Contractor's network provider is related to another person with

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ownership or control interest in the same or any other network provider of the Contractor as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the managed care entity has a 5 percent or more interest is related to another person with ownership or control interest in the managed care entity as a spouse, parent, child, or sibling;

v. The name of any other disclosing entity in which the Contractor or subcontracting network provider has an ownership or control interest; and

vi. The name, address, date of birth, and Social Security Number of any managing employee of the managed care entity.

3) For each provider in Contractor's provider network, Contractor shall provide the Department with all disclosures before entering into a network provider contract with the provider and annually thereafter and upon request from the Department during the re-validation of enrollment process under 42 Code of Federal Regulations part 455.104.

B. Disclosures Related to Business Transactions – Contractor must submit disclosures and updated disclosures to the Department or HHS including information regarding certain business transactions within 35 days, upon request.

1) The following information must be disclosed:

a) The ownership of any subcontractor with whom the Contractor has had business transactions totaling more than $25,000 during the 12-month period ending on the date of the request; and

b) Any significant business transactions between the Contractor and any wholly owned supplier, or between the Contractor and any subcontractor, during the 5-year period ending on the date of the request.

Exhibit A – Attachment 13
PROGRAM INTEGRITY

c) Contractor must obligate Network Providers to submit the same disclosures regarding network providers as noted under subsection 1(a) and (b) within 35 days upon request.

C. Disclosures Related to Persons Convicted of Crimes

1) Contractor shall submit the following disclosures to the Department regarding the Contractor's management:

a) The identity of any person who is a managing employee of the Contractor who has been convicted of a crime related to federal health care programs. (42 C.F.R. § 455.106(a)(1), (2).)

b) The identity of any person who is an agent of the Contractor who has been convicted of a crime related to federal health care programs. (42 C.F.R. § 455.106(a)(1), (2).) For this purpose, the word "agent" has the meaning described in 42 Code of Federal Regulations part 455.101.

2) The Contractor shall supply the disclosures before entering into the contract and at any time upon the Department's request.

3) Network providers should submit the same disclosures to the Contractor regarding the network providers' owners, persons with controlling interest, agents, and managing employees' criminal convictions. Network providers shall supply the disclosures before entering into the contract and at any time upon the Department's request.

Exhibit A – Attachment 14
REPORTING REQUIREMENTS

1. Data Submission/ Certification Requirements

A. The Contractor shall submit any data, documentation, or information relating to the performance of the entity's obligations as required by the State or the United States Secretary of Health and Human Services. (42 C.F.R. § 438.604(b).) The individual who submits this data to the state shall concurrently provide a certification, which attests, based on best information, knowledge and belief that the data, documentation and information is accurate, complete and truthful. (42 C.F.R. § 438.606(b) and (c).)The data, documentation, or information submitted to the state by the Contractor shall be certified by one of the following:

1) The Contractor's Chief Executive Officer (CEO).

2) The Contractor's Chief Financial Officer (CFO).

3) An individual who reports directly to the CEO or CFO with delegated authority to sign for the CEO or CFO so that the CEO or CFO is ultimately responsible for the certification. (42 C.F. R. § 438.606(a).)

2. Encounter Data

The Contractor shall submit encounter data to the Department at a frequency and level specified by the Department and CMS. (42 C.F.R. § 438.242(c)(2).) The Contractor shall ensure collection and maintenance of sufficient beneficiary encounter data to identify the provider who delivers service(s) to the beneficiary. (42 C.F.R. § 438.242(c)(1).) The Contractor shall submit all beneficiary encounter data that the Department is required to report to CMS under § 438.818. (42 C.F.R. § 438.242(c)(3).) The Contractor shall submit encounter data to the state in standardized Accredited Standards Committee (ASC) X12N 837 and National Council for Prescription Drug Programs (NCPDP) formats, and the ASC X12N 835 format as appropriate. (42 C.F.R. § 438.242(c)(4).)

3. Insolvency

A. The Contractor shall submit data to demonstrate it has made adequate provision against the risk of insolvency to ensure that beneficiaries will not

Exhibit A – Attachment 14
REPORTING REQUIREMENTS

be liable for the Contractor's debt if the Contractor becomes insolvent. (42 C.F.R. § 438.604(a)(4); 42 C.F.R . § 438.116.)

B. The Contractor shall meet the State's solvency standards for private health maintenance organizations or be licensed by the State as a risk-bearing entity, unless one of the following exceptions apply (42 C.F.R. § 438.116 (b).):

1) The Contractor does not provide both inpatient hospital services and physician services.
2) The Contractor is a public entity.
3) The Contractor is (or is controlled by) one of more federally qualified health centers and meets the solvency standards established by the State for those centers.
4) The Contractor has its solvency guaranteed by the State.

4. Network Adequacy

The Contractor shall submit, in a manner and format determined by the Department, documentation to demonstrate compliance with the Department's requirements for availability and accessibility of services, including the adequacy of the provider network. (42 C.F.R. § 438.604(a)(5).)

5. Information on Ownership and Control

The Contractor shall submit for state review information on its and its subcontractors' ownership and control described in 42 C.F.R. §455.104 and Attachment 13 of this Contract. (42 C.F.R § 438.604(a)(6).)

6. Annual Report of Overpayment Recoveries

The Contractor shall submit an annual report of overpayment recoveries in a manner and format determined by the Department. (42 C.F.R § 438.604(a)(7).)

7. Performance Data

A. In an effort to improve the performance of the State's managed care program, in accordance with 42 Code of Federal Regulations part

Exhibit A – Attachment 14
REPORTING REQUIREMENTS

438.66(c), the Contractor will submit the following to the Department (42 C.F.R. §438.604(b).):

1) Enrollment and disenrollment data;

2) Member grievance and appeal logs;

3) Provider complaint and appeal logs;

4) The results of any beneficiary satisfaction survey;

5) The results of any provider satisfaction survey;

6) Performance on required quality measures;

7) Medical management committee reports and minutes;

8) The Contractor's annual quality improvement plan;

9) Audited financial and encounter data; and

10) Customer service performance data.