

**Budget Detail and Payment Provisions – Exhibit B**  
**MS 1718 Contract**

ARTICLE I. INVOICING AND PAYMENT

- A. To receive payment under the fee-for-service payment model, the Contractor shall prepare and submit electronic claims through the State's Fiscal Intermediary as set forth in the Medi-Cal Provider Manual.
- B. Payments shall be made in accordance with the following provisions:
  - 1. The Contractor shall submit claims to Medi-Cal fiscal intermediary, based upon the month of service and only for actual expenses. On each claim, the Contractor shall show the amount billed for each service code
  - 2. Failure to provide data and reports specified by this Agreement will result in the delay of payment of invoices
- C. Payment will be made in accordance with, and within the time specified in, California Government Code, Chapter 4.5, commencing with Section 927.
- D. Reimbursement for Performance

The Contractor shall be entitled to monthly payment for actual services delivered to the Contractor's monthly active participants. This amount may vary from month to month but total annual payments to the Contractor shall not exceed the amount of the Contractor's total waiver slot budget for the year.

- E. Rate Adjustment

Care Management and Care Management Support rates will not be adjusted at any time during the term of the Agreement to compensate a contractor for a service level which falls below the total annual waiver slot budget.

- F. Advance Payments

- 1. CDA may authorize an advance payment during the term of the Agreement pursuant to the Welfare and Institutions Code Section 9566 for Contractors providing services under the fee-for-service payment model. Upon approval of this Agreement, the Contractor may request an advance not to exceed twenty-five percent (25%) of the total contract amount.
- 2. No advance payments shall be authorized for a contractor that has entered into the CCI payment model with a PLAN(S).

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ARTICLE I. INVOICING AND PAYMENT (Continued)

3. A request for an advance payment shall be on the Contractor's letterhead and include both an original signature of authorized designee and the Agreement number. Requests for advances will not be accepted after the first day of that fiscal year unless otherwise authorized by CDA.
4. Any funds advanced under this Agreement, plus interest earned on same, shall be deducted from amounts due the Contractor. If, after settlement of the Contractor's final claim, the California Department of Health Care Services (DHCS) or CDA determines an amount is owed DHCS or CDA hereunder, DHCS or CDA shall notify the Contractor and the Contractor shall refund the requested amount within ten (10) working days of the date of the State's request.
5. The Contractor may at any time repay all or any part of the funds advanced hereunder. Whenever either party gives prior written notice of termination of this Agreement, the Contractor shall repay to DHCS, within ten (10) working days of such notice, the unliquidated balance of the advance payment.
6. Repayment of advances will be recovered from claims submitted to the State's Fiscal Intermediary after January 1<sup>st</sup> of each fiscal year and be collected at fifty percent (50%) of each claim submitted until the amount advanced is repaid. The Contractor may at any time be required to repay to DHCS all or any part of the advance.
7. Repayment of any remaining advances funds not collected through the process described in subsection 6 above, will be recovered through the Closeout process.

ARTICLE II. FUNDS

A. Expenditure of Funds

1. The Contractor shall expend all funds received hereunder in accordance with this Agreement.
2. Any reimbursement for authorized travel and per diem shall be at rates not to exceed those amounts paid by the State in accordance with the California Department of Human Resources' (CalHR) rules and regulations.

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ARTICLE II. FUNDS (Continued)

In State:

- Mileage -  
<http://www.calhr.ca.gov/employees/Pages/travel-personal-vehicle.aspx>
- Per Diem (meals and incidentals) –  
<http://www.calhr.ca.gov/employees/Pages/travel-meals.aspx>
- Lodging -
- <http://www.calhr.ca.gov/employees/Pages/travel-lodging-reimbursement.aspx>

Out of State:

- <http://www.calhr.ca.gov/employees/Pages/travel-out-of-state.aspx>

This is not to be construed as limiting the Contractor from paying any differences in costs, from funds other than those provided by CDA, between the CalHR rates and any rates the Contractor is obligated to pay under other contractual agreements. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State. [2 CCR 599.615 et seq.]

The Contractor agrees to include these requirements in all contracts it enters into with subcontractors/vendors to provide services pursuant to this Agreement.

3. DHCS and CDA reserve the right to refuse payment to the Contractor or later disallow costs for any expenditure as determined by DHCS or CDA to be out of compliance with this Agreement; unrelated or inappropriate to contract activities; when adequate supporting documentation is not presented; or where prior approval was required but was either not requested or granted.
4. The Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Contract, shall be paid by the Contractor to DHCS to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by DHCS under this Contract.
5. CDA may require prior approval and may control the location, cost, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar workshop or conference conducted by the Contractor in relation to the program funded through this Contract. CDA may also maintain control over any reimbursable

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ARTICLE II. FUNDS (Continued)

publicity, or education materials to be made available for distribution. The Contractor is required to acknowledge the support of CDA in writing, whenever publicizing the work under this Agreement in any media.

- B. The Contractor shall maintain accounting records for funds received under the terms and conditions of this Agreement. These records shall be separate from those for any other funds administered by the Contractor and shall be maintained in accordance with Generally Accepted Accounting Principles and Procedures and Office of Management and Budget's– Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [2 CFR Part 200]
- C. Upon termination, cancellation, or expiration of this Agreement or dissolution of the entity, the Contractor, upon written demand, shall immediately return to DHCS any funds provided under this Agreement, which are not payable for goods or services delivered prior to the termination, cancellation, or expiration of this Agreement or the dissolution of the entity.
- D. Interest Earned
  - 1. Interest earned on federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense. [2 CFR § 200.305(b)(9)]
  - 2. The Contractor must maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply.
    - a. The Contractor receives less than \$120,000 in Federal awards per year.
    - b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on federal cash balances.
    - c. The depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources.

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ARTICLE II. FUNDS (Continued)

- d. A foreign government or banking system prohibits or precludes interest bearing accounts.

ARTICLE III. BUDGET AND BUDGET REVISION

Payment for performance by the Contractor under this contract may be dependent upon the availability of future appropriations by the Legislature or Congress for the purposes of this contract. No legal liability on the part of the State for any payment may arise under this contract until funds are made available and until the Contractor has received notice of funding availability, which will be confirmed in writing.

A. Funding Reduction in Subsequent Fiscal Years

- 1. If funding for any State fiscal year is reduced or deleted by the Legislature, Congress, or Executive Branch of State Government for the purposes of this program, the State shall have the option to either:
    - a. Terminate the Contract pursuant to Exhibit D, Article XIII., A
    - b. Offer a contract amendment to the Contractor to reflect the reduced funding for this contract
  - 2. In the event that the State elects to offer an amendment, it shall be mutually understood by both parties that the State reserves the right to determine which contracts, if any, under this program shall be reduced and that some contracts may be reduced by a greater amount than others. The State shall determine, at its sole discretion, the amount that any or all of the contracts shall be reduced for the fiscal year.
- B. The Contractor shall be reimbursed for expenses only as itemized in the approved Budget, which is attached and hereby incorporated into this Exhibit.
- C. Category amounts stipulated in the Budget, a part of Exhibit B, are the maximum amounts that may be reimbursed by DHCS under this Agreement.

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ARTICLE III. BUDGET AND BUDGET REVISION (Continued)

D. The budget shall include the following line items:

1. Personnel Costs - monthly, weekly, or hourly rates, as appropriate and personnel classifications together with the percentage of time to be charged to this Agreement.
2. Fringe Benefits.
3. Contractual Costs – subcontract and consultant cost detail.
4. Indirect Costs.
5. Rent - specify square footage and rate.
6. Supplies.
7. Equipment - detailed descriptions and unit costs.
8. In State Travel – mileage reimbursement rate, lodging, per diem and other costs.
9. Out of State Travel - any travel outside the State of California including mileage reimbursement rate, lodging, per diem and other costs.

Other Costs - a detailed list of other operating expenses.

Indirect costs shall not exceed fifteen percent (15%) of direct salaries plus benefits.

- E. The Contractor must obtain prior written approval from CDA to transfer funds between the care management and care management support categories if the transfer amount is equal to or greater than five percent (5%) of either category of the approved budget. This request shall be submitted on a Revised Budget Form. The Contractor must provide justification and supporting documentation for the requested revision.
- F. The Contractor must obtain prior written approval from CDA to transfer any funds out of the Purchased Waiver Service category.
- G. Budgeting processes and conditions will be subject to instructions that will be issued to the Contractor under separate cover.

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**ARTICLE IV. DEFAULT PROVISIONS**

The State, without limiting any rights which it may otherwise have, may, at its discretion and upon written notice to the Contractor, withhold further payments under this Agreement, and/or demand immediate repayment of the unliquidated balance of any advance payment hereunder, upon occurrence of any one of the following events:

1. Termination or suspension of this Agreement
2. A finding by the State that the Contractor:
  - a. Has failed to observe any of the covenants, conditions, or warrants of these provisions, or has failed to comply with any material provisions of this Agreement or
  - b. Has failed to make progress, or is in such unsatisfactory financial condition, as to endanger performance of this Agreement or
  - c. Has allocated inventory to this Agreement substantially exceeding reasonable requirements or
  - d. Is delinquent in payment of taxes or of the cost of performance of this Agreement in the ordinary course of business
3. Appointment of a trustee, receiver, or liquidator for all or a substantial part of the Contractor's property, or institution of bankruptcy, reorganization, or arrangement of liquidation proceedings by or against the Contractor.
4. Service of any writ of attachment, levy, or execution, or commencement of garnishment proceeding or
5. The commission of an act of bankruptcy.

**ARTICLE V. ADDITIONAL PROVISIONS SPECIFIC TO CONTRACTORS OPERATING UNDER THE CCI PAYMENT MODEL**

**A. Submission of Claim to PLAN(S)**

The Contractor shall submit a monthly claim to the PLAN(S) as specified in the MSSP site contract with the Managed Care Plan. The monthly claim shall be for each PLAN Member enrolled in the MSSP as of the first day of the month for which the claim is submitted. The claim shall include at a minimum the following data elements: Member name, Client Identification Number (CIN), and Contractor number.

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ARTICLE V. ADDITIONAL PROVISIONS SPECIFIC TO CONTRACTORS OPERATING UNDER THE CCI PAYMENT MODEL (Continued)

B. Payment of Claims

1. The Contractor will receive a fixed monthly amount for each PLAN(S) Member receiving MSSP Waiver Services. Such MSSP amount shall be equal to \$357.08 per MSSP Waiver slot allotment in the MSSP Waiver.
2. The Contractor shall accept PLAN(S) monthly payment as payment in full and final satisfaction of PLAN(S) monthly payment obligation for MSSP Waiver Services for each MSSP Waiver Participant enrolled in PLAN(S).
3. The Contractor shall not submit separate claims to different PLAN(S) for the same MSSP Waiver Participant within the same invoice period.