State of California—Health and Human Services Agency
Department of Health Care Services

JENNIFER KENT
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

February 14, 2017

To: Interested Parties

Subject: Prostate Cancer Treatment Program Request for Information (RFI)

The California Department of Health Care Services (DHCS), Medi-Cal Benefits Division, Cancer Detection and Treatment Branch (CDTB), is soliciting input from interested parties regarding the Prostate Cancer Treatment Program (PCTP).

THIS IS NOT A SOLICITATION FOR PROPOSALS, BUT IS TO ELICIT INFORMATION FOR CONSIDERATION REGARDING THE FUTURE DIRECTION OF THE PCTP. DHCS may issue a future Request for Proposal (RFP) and use information from the RFI responses in its development.

Interested parties are requested to respond to the questions outlined on page five in Section III, RFI Questions. Responses to this RFI must be submitted by **March 15, 2017** to OMCPRFP1@dhcs.ca.gov or mailed to:

Department of Health Care Services
Office of Medi-Cal Procurement
Prostate Cancer Treatment Program RFI
1000 G Street, 4th Floor
Sacramento, CA 95814

Responses may also be faxed to the Office of Medi-Cal Procurement (OMCP), to the attention of: Jeff Ketelson/Chris Steinwert/Teri Lesh, at (916) 440-7369.

If you have any questions about this RFI, please submit them to DHCS in writing no later than **fifteen business days from the date of this letter**.

Please do not submit proprietary or confidential material in your response. Thank you for your interest in this program.

Sincerely,

Original signed by *Kevin Morrill*

Kevin Morrill, Chief
Office of Medi-Cal Procurement

Prostate Cancer Treatment Program (PCTP)
Request for Information (RFI)

I. Purpose

The Department of Health Care Services (DHCS) is soliciting information from firms and health organizations that may be able to perform the prostate cancer treatment services pursuant to Health and Safety Code (HSC) 104322.

If a Request for Proposal (RFP) is released, DHCS intends to award a single statewide contract. The contract will be awarded to the most responsive and qualified firm or health organization earning the highest score in the RFP process. This procurement will be open to all private or public non-profit health organizations including, but not limited to, community-based organizations, local health care providers, and the University of California medical centers.

II. Background

The mission of the DHCS Cancer Detection and Treatment Branch (CDTB) is to save lives by preventing and reducing the devastating effects of cancer for all Californians through education, early detection, diagnosis, treatment, and integrated prevention services.

The vision of CDTB is to:

- be a leader in cancer prevention, detection, and control.
- reduce the disparities in the cancer burden.
- provide access to high quality cancer education, early detection, diagnosis and treatment services.
- influence health care systems to provide quality services.

CDTB manages multi-faceted public health programs for breast and cervical cancer screening and diagnosis and prostate cancer treatment through the Every Woman Counts (EWC) program and the Prostate Cancer Treatment Program (PCTP).

The PCTP was established in 2000 under HSC 104322 to develop, expand, and ensure high quality prostate cancer treatment for low-income, uninsured, and underinsured California men who are 18 years old and older.

PCTP eligible men must:

- be uninsured [1] or underinsured [2],
- have income at or below 200 percent of the poverty level,
- be a resident of California,
- be aged 18 years and older,
- have a diagnosis of prostate cancer.

Eligible men are enrolled in the PCTP for 12 months of prostate cancer treatment services. Participating providers are reimbursed at Medi-Cal rates for providing Medi-Cal covered benefits for prostate cancer treatment, including but not limited to, surgery, radiation, hormone therapy, chemotherapy, and watchful waiting. Coverage also includes medical tests and services, hospital, outpatient, laboratory, pharmaceutical charges, necessary transportation, medically necessary psychology, and social services. PCTP collaborates statewide with local hospitals, clinics, and private practitioners to provide treatment services in the nearest participating facility to where men reside.

Currently, the PCTP is administered through a contract with the University of California, Los Angeles (UCLA). UCLA's PCTP is known as Improving Access, Counseling, and Treatment (IMPACT). The program has enrolled approximately 2,079 men since the program's inception in 2001. During this same period, more than 1,000 California medical entities contracted with UCLA to provide treatment services.

Senate Bill 650 (Ortiz, Chapter 442, Statutes of 2005) amended HSC 104322 to maximize funds for treatment and to use Medi-Cal rates for reimbursement of services. Pursuant to HSC 104322, the PCTP must be cost effective and maximize the number of men served for the amount of funds appropriated. Furthermore, HSC 104322 mandates specific direct patient care costs for PCTP contractors as summarized below:

- 87 percent may be used for Direct Patient Care
  - No less than 70 percent shall be used for Direct Patient Care Treatment Costs (payments to PCTP providers)

DHCS will be conducting an open, competitive procurement process to solicit eligible private or public non-profit organizations to contract for three years*. The anticipated total program funding for this period is approximately $9 million.

*The amount available for each fiscal year is subject to legislative appropriations and expenditure authority.

[1] Uninsured is defined as persons who do not have health insurance, Medicare, or no cost Medi-Cal.
[2] Underinsured is defined (for purposes of the future RFP) as persons who have existing comprehensive health insurance (e.g. private insurance, Covered California health plans, or Medicare) that is inaccessible due to high premiums, deductibles, and/or copayment costs, defined as costs exceeding out of pocket costs of $750 in the twelve-month period. If these costs are determined by the PCTP contractor to be $750 or less the man is not eligible for PCTP services. Persons with Medi-Cal Share of Cost (SOC) are eligible for PCTP services.

III. RFI Questions for Interested Parties

1. Does your organization see any elements of the attached Scope of Work (SOW) and payment provisions that would discourage or prohibit your organization from submitting a proposal in response to a future RFP? If so, please provide recommendations that would address those elements.

2. Does your organization have any suggested changes to the language in the attached SOW that would provide better clarity to help you decide if your organization is a viable bidder/proposer?

3. Does your organization see any problems in the payment structure, as described in the attached Payment Provisions, that would discourage you from submitting a proposal in response to a future RFP? If so, what recommendations would you make to address these problems?

4. What data would your organization require in advance to prepare a response to a future RFP?

5. What questions would your organization require to be answered prior to responding to a future RFP?

6. What experience requirements does your organization think are essential for the Department to seek in developing a future RFP for the PCTP?

7. What suggestions would your organization have to improve outreach in California to the culturally and linguistically diverse target audience for the PCTP program?

8. What kinds of cross collaboration partnerships are essential to the effectiveness of a program such as the PCTP?
    a. For example, what is your organization's opinion on the feasibility of creating and administering cross collaboration partnerships between urology, oncology and public health to provide a statewide network of providers?

9. Does your organization perform state and national research on the causes and incidences of cancer and/or chronic diseases?
    a. If so, can you provide access to the results of that research on a regular basis and in a form that is readily available to patients and other organizations, including governmental agencies?

Exhibit A-A2
Scope of Work

1. Service Overview

Pursuant to California Health and Safety Code, section 104322, the contractor will administer the Prostate Cancer Treatment Program (PCTP) to provide quality prostate cancer treatment to men who are uninsured and underinsured, income at or below 200 percent of the federal poverty level, reside in California, and men who are 18 or older with a diagnosis of prostate cancer. Eligible men are enrolled for 12 months of prostate cancer treatment services, based on the PCTP Grid of Reimbursable Services. Reimbursement rates are based on Medi-Cal eligible services which are limited to prostate cancer treatment only. The PCTP collaborates statewide with local hospitals, clinics, and private practitioners to provide treatment services including but not limited to surgery, radiation, hormone therapy, chemotherapy, and watchful waiting. Coverage also includes medical tests and services, hospital, outpatient, and pharmaceutical charges.

2. Service Location

The services shall be performed at various statewide facilities accessible to the Contractor.

3. Project Representatives

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

B. Direct all inquiries to:

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 agreement.

4. Description of Services to be Performed

A. Contractor will provide services as per Request for Applications Number 10-10413, dated January 13, 2011 through June 30, 2017, and the Grid of Reimbursable Services, both available upon request to the DHCS program representative. In the case where language in Exhibit A of this contract differs from the RFA language, Exhibit A will supersede the RFA. IMPACT contracts with multiple local hospitals, clinics and community practitioners throughout the state to provide a range of quality prostate cancer treatment services. IMPACT's Grid of Reimbursable Services (Grid) is based on Medi-Cal reimbursement rates and includes services related to the treatment of prostate cancer: treatment procedures, hospitalization, pharmaceuticals and lab tests. Any new services approved by the program director must be added to the Grid and submitted to CDTB, with an explanation, by close of the following business day.

Hospitals providing services under the IMPACT program may be eligible for a payment augmentation of the Medi-Cal reimbursement rates for some prostate cancer-related radiation therapy services provided in a hospital outpatient department (Provider Types 015 or 061). The augmentation is based on the Department's decision to pay hospitals providing hospital outpatient services under the IMPACT program the augmentation applicable to such services under the Medi-Cal program pursuant to Title 22 California Code of Regulations section 51509, subdivision (m). As noted by section 51509, subdivision (m), this augmentation only applies to claims from hospitals billing with a currently active hospital outpatient department provider number for hospital outpatient services for which the hospital uses Medi-Cal authorized billing codes and for which the Medi-Cal rate for the service was on file as of July 1, 2001. However, if the Medi-Cal rate for the particular hospital outpatient service has been adjusted since July 1, 2001 the payment augmentation is not applicable.

B. When a new patient applies for services through IMPACT, or an existing patient is reassessed for eligibility, the enrollment coordinator will inquire with the patient about whether he has exhausted all possibilities for insurance affordability programs. Also, in compliance with California Health and Safety Code section 104322 (b)(2), IMPACT shall make available to all applicants and beneficiaries prior to, or concurrent with, enrollment, information on the manner in which to apply for insurance affordability programs. The information provided shall include the manner in which applications can be submitted for insurance affordability programs, information about the open enrollment periods for the California Health Benefit Exchange, and the continuous enrollment aspect of the Medi-Cal program. IMPACT shall refer to hbex.coveredca.com for open enrollment periods and other information regarding California Health Benefit Exchange.

C. Effective June 1, 2015, when IMPACT enrolls a Medi-Cal Beneficiary (a man with Share of Cost (SOC) Medi-Cal), IMPACT will connect the beneficiary to an IMPACT contracted Medi-Cal provider for prostate cancer treatment services. IMPACT will pay that IMPACT contracted Medi-Cal provider for approved prostate cancer treatment services for Medi-Cal SOC beneficiaries, up to the amount of the beneficiary's SOC for each month. The provider must invoice IMPACT for the SOC and not take payment from the beneficiary. The provider must invoice Medi-Cal for costs above the beneficiary's SOC.

Effective June 1, 2015, DHCS requires the above language be added to IMPACT's contracts (via contract amendment) with Medi-Cal providers currently seeing enrolled men with SOC Medi-Cal. After June 1, 2015, additional amendments with contracted Medi-Cal providers will be secured on an as-needed basis to cover treatment services for enrolled men with SOC Medi-Cal.

D. IMPACT shall make every effort to have all SOC Medi-Cal Beneficiaries utilize IMPACT contracted Medi-Cal providers for prostate cancer treatment services.

1) This process can be worked out on a case-by-case basis with approval from DHCS.

2) All hospital services, anesthesia services, laboratory services, and medications, including but not limited to, pharmaceuticals, injectibles, and infusion medications, will be exempted from the Medi-Cal SOC provision, and will be reimbursed either at the rate on the IMPACT Grid of Reimbursable Services or via contract rates with Quest Diagnostics or US Script. County case rate payments will also be exempted from the SOC provision.

5. Subcontractor Requirements

No subcontractors may be used in performance of the scope of work.

6. Use of Students

A. The Contractor will abide by the following conditions per Government Code Section 19133:

1) No student shall be employed for more than 194 days in the 365 days following the initial date of employment,
2) No student shall accrue state civil service status, and
3) No student shall cause displacement of civil service employees,
4) Students shall perform work related to the student's field of study.

B. Any student allowed to operate a State vehicle in the normal course of their work assignments under this agreement shall possess a valid operator's license. Students that operate a State vehicle shall adhere to existing "no smoking" restrictions.

C. All students hired to perform services under this agreement must be currently enrolled as a student at the educational institution from which they are obtained.

D. All students hired to perform services under this agreement must continue to be a registered student at the educational institution from which they are obtained during the entire time period that the student is performing services under this agreement.

7. Meetings, Trainings, and Site Visits

A. Contractor is required to attend and participate in meetings and teleconferences as scheduled by Cancer Detection Treatment Branch (CDTB).

B. CDTB will perform an annual formal site visit. Contractor will receive forty-five (45) days advance notice prior to the formal site visit. In addition, CDTB will perform at their discretion informal visits to gain program knowledge. Contractor will receive advance notice, not less than five (5) working days prior to these visits.

C. If deemed necessary by DHCS, the Contractor shall attend a final meeting at a mutually agreeable time to present any findings, conclusions and/or recommendations.

8. Progress Reporting Requirements

A. Contractor shall submit semi-annual progress reports for the period of July through December and January through June. The first progress report will cover the first seven months (June through December) of the contract. Each report including data is to be cumulative for the fiscal year. A minimum of two copies and one electronic copy is to be submitted to the DHCS Program Manager or CDTB designated staff in the format prescribed by the State.

B. The progress report shall describe progress made in completing the scope of work as detailed in this exhibit. The progress reports shall also discuss budget status, staff changes, problems encountered in completing the scope of work, solutions proposed, and issues requiring consultation with the DHCS Program Manager or other State program staff.

1) The progress report summary shall also include the *Required Data Element List*, which is as follows:
   a) total number of men enrolled since program inception
   b) number of men enrolled since contract inception
   c) number of men still enrolled at the beginning of each fiscal year
   d) number of men receiving treatment during reporting period
   e) number of new enrollments for the report period
   f) number of disenrollment's for the report period
   g) number of men re-enrolled since start of this contract, broken down by number of times re-enrolled and reason
   h) Demographic information about each man enrolled, including:
      1. race/ethnicity
      2. income
      3. age (at time of report)
      4. birth date

5. city and county of residence

2) Program information about each man enrolled, incuding:
   a) identification number
   b) date of most recent enrollment/re-enrollment
   c) date of diagnosis
   d) extent of disease at start of PCTP treatment, when available (i.e. local, regional, distant)
   e) provider(s) of record
   f) county of treatment
   g) types of treatment services and other services received
   h) reason for disenrollment (e.g., no further treatment needed, obtained insurance, died, etc.)
   i) treatment costs paid by the PCTP for each individual man

3) Summary information about the men enrolled, including:
   a) race/ethnicity
   b) income, age (at time of report)
   c) city and county of residence
   d) types of treatment services and other services that the men received
   e) total costs paid

4) Information about all providers providing clinical services, including:
   a) provider group
   b) provider type
   c) facility
   d) address
   e) county
   f) telephone
   g) doctor type
   h) doctor name
   i) National Provider Identifier (NPI)
   j) Is the provider a Medi-Cal provider? (Y/N)

   *Effective May 1, 2015, items i and j above will be captured and reported for all newly secured providers completing Full Contracts or Letters of Agreement as well as for any providers with Full Contracts or Letters of Agreement that are renewed and/or amended.

5) The average cost per patient receiving treatment through the program, and average cost by type of treatment (e.g., prostatectomy, radiation therapy, chemotherapy, brachy therapy, hormone therapy, orchiectomy, transurethral resection prostatectomy, watchful waiting).

6) Summary of patient/provider issues as per the Medical Director log.

7) In the event of enrollment suspension, contractor will provide a minimum of sixty (60) calendar days advance notification of anticipated suspension date. An exception to the sixty (60) day notification will be permitted in the event of an unforeseen extreme patient care cost requirement. Along with the anticipated suspension date provide the following:
   a) number of men anticipated to be placed on the waiting list during the report period
   b) number of men enrolled from the waiting list during the report period

c) final enrollment disposition of remaining men (e.g., enrolled, dropped out,ineligible).

8) Log of in-kind services provided by the Contractor including clinical and administrative.

9) Case Management notes, including but not limited to patient summary, treatment received, dates of treatment, patient/provider issues, highlights of case management.

10) Progress reports must be received by DHCS by the due date as follows:

PERIOD	DUE DATE
June 1, 2011 through December 31, 2011	February 29, 2012
January 1, 2012 through June 30, 2012	August 31, 2012 (Year End Report)
July 1, 2012 through December 31, 2012	February 28, 2013
January 1, 2013 through June 30, 2013	August 31, 2013 (Year End Report)
July 1, 2013 through December 31, 2013	February 28, 2014
January 1, 2014 through June 30, 2014	August 31, 2014 (Year End Report)
July 1, 2014 through December 31, 2014	February 28, 2015
January 1, 2015 through June 30, 2015	August 31, 2015 (Year End Report)
July 1, 2015 through December 31, 2015	February 29, 2016
January 1, 2016 through June 30, 2016	August 31, 2016 (Year End Report)
July 1, 2016 through December 31, 2016	February 28, 2017 (Year End Report)
January 1, 2017 through June 30, 2017	June 30, 2017 (Final Report)

11) If the State does not receive progress reports by the required dates, further payment to the Contractor may be suspended.

9. Final Report

A. Contractor shall submit a final two page report, two hard copies and one electronically via email to the DHCS Program Manager in the format prescribed by the State, which will be provided 60 days prior to the due date. The final report shall cover the entire term of the agreement and will describe progress made in completing contract scope of work, problems encountered, solutions proposed, and lessons learned. The final report shall also provide a cumulative summary of all reportable data.

B. The Final Report must be received by DHCS by the due date as follows:

PERIOD	DUE DATE
January 1, 2017 through June 30, 2017	June 30, 2017 (Final Report)

C. If the State does not receive a final report by the required date, final payment to the Contractor may be suspended until a report is received.

10. DHCS, at its discretion, may opt to extend the contract for one (1) additional year. The terms, conditions, and prices for the contract extension option shall be by mutual agreement between the Contractor and the State. If a mutual agreement cannot be met, the contract may be terminated at the end of the current contract term.

11. See the following pages for a detailed description of the services to be performed.

1. Invoicing and Payment

A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the budget(s) attached hereto.

B. Invoices shall include the Agreement Number and shall be submitted not more frequently than monthly in arrears to:

C. Invoices shall:

1) Be prepared on Contractor letterhead. If invoices are not on produced letterhead invoices must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this Agreement.

2) Bear the Contractor's name as shown on the agreement.

3) Identify the billing and/or performance period covered by the invoice.

4) Itemize costs for the billing period in the same or greater level of detail as indicated in this agreement. Subject to the terms of this agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this agreement and approved by DHCS.

5) Be supported by appropriate documentation (e.g., vendor invoices or paid vouchers) that is retained on file by the Contractor.

D. Contractor will submit a monthly invoice, no more than sixty (60) calendar days after the last day of the month to DHCS, for reimbursement of their expenses using a Cover Letter, Exhibit J entitled 8-Line Item Invoice Template and Exhibit K entitled Additional Budget Detail Invoice Template. Back-up documentation will be required three times yearly for the months of September, January, and May. The initial month requiring submission of sequentially following the date of signature on this amendment. Back-up documentation will include but not be limited to timesheets, operating expenses, and/or vendor/provider payments. Back-up documentation must include specific itemization that matches the monthly invoice budget detail line items. Failure to submit monthly invoices will result in a decrease of five (5) percent of the total annual budget from subsequent invoice(s). Failure to submit timely back-up documentation will result in a decrease of ten (10) percent of the total annual budget from subsequent invoice(s).

E. DHCS may, at its option, request a corrected invoice or return a disputed invoice for correction and resubmission prior to requesting payment or reduce claimed

itemized expenses that are not fully substantiated, cannot be verified as appropriate project expenses, are not in accordance with an approved Budget, or are not in accordance with Exhibits I, J, and K. Disputed expenses may be withheld from payment until all billing disputes and/or errors are remedied.

F. Invoices must be submitted to DHCS no later than sixty (60) days after the end of the invoice period. DHCS, at its discretion, may disallow 10 percent of the invoice amount if the invoice has not been received ninety (90) days after the end of an invoice period.

G. DHCS may audit invoices during the term of the Agreement. DHCS may, at its option, request Contractor to submit all back-up documentation for the invoice(s) identified. Contractor will be required to submit all back-up documentation three times per year for the months of September, January, and May. The initial month requiring submission of back-up documentation will be the first of the identified months (September, January, or May) sequentially following the date of signature on this amendment.

H. DHCS will only reimburse Contractor for employee vacation and sick leave earned and accrued during the Agreement term. DHCS will not reimburse Contractor for vacation and/or sick leave taken after the termination of the Agreement, or earned prior to the start date of the Agreement.

I. Indirect expenses shall not exceed 25 percent of the total Personnel and Fringe.

2. Budget Contingency Clause

A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

4. Amounts Payable

A. The amounts payable under this agreement shall not exceed:

1) $250,874 for the budget period of 06/01/11 through 06/30/11.
2) $2,803,720 for the budget period of 07/01/11 through 06/30/12.
3) $3,203,002 for the budget period of 07/01/12 through 06/30/13.
4) $2,310,041 for the budget period of 07/01/13 through 06/30/14.
5) $1,915,624 for the budget period of 07/01/14 through 06/30/15.
6) $2,759,625 for the budget period of 7/1/15 through 06/30/16.
7) $3,010,500 for the budget period of 07/01/16 through 06/30/17.

B. Reimbursement shall be made for allowable expenses up to the amount annually encumbered commensurate with the state fiscal year in which services are performed and/or goods are received.

C. The Contractor must maintain records reflecting actual expenditures for each state fiscal year covered by the term of this agreement.

5. Timely Submission of Final Invoice

A. A final undisputed invoice shall be submitted for payment no more than ninety (90) calendar days following the expiration or termination date of this agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked “Final Invoice”, thus indicating that all payment obligations of the State under this agreement have ceased and that no further payments are due or outstanding.

B. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline. Written State approval shall be sought from the program contract manager prior to the expiration or termination date of this agreement.

C. The Contractor is hereby advised of its obligation to submit, with the final invoice: a complete list of all equipment that was purchased through this Agreement including any equipment still in use from a prior state Agreement; a **“**Contractor’s Release Form” acknowledging submission of the final invoice to the State.

6. Expense Allowability / Fiscal Documentation

A. Invoices, received from a Contractor and accepted and/or submitted for payment by the State, shall not be deemed evidence of allowable agreement costs.

B. Contractor shall maintain for review and audit and produce upon request, adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.

C. If the allowability or appropriateness of an expense cannot be determined by the State because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by the State. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

D. If travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. For more information on allowable travel and per diem expenses and required documentation, see Exhibit G entitled, "Travel Reimbursement Information."

E. Costs and/or expenses deemed unallowable are subject to recovery by DHCS. See provision 7 in this exhibit entitled, "Recovery of Overpayments" for more information.

7. Recovery of Overpayments

A. Contractor agrees that claims based upon a contractual agreement or an audit finding and/or an audit finding that is appealed and upheld, will be recovered by the State and/or Federal Government by one of the following options:

1) Contractor's remittance to the State of the full amount of the audit exception within thirty (30) days following the State's request for repayment;

2) A repayment schedule which is agreeable to both the State and the Contractor.

B. The State reserves the right to select which option will be employed and the Contractor will be notified by the State in writing of the claim procedure to be utilized.

C. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding is mailed to the Contractor, beginning thirty (30) days after Contractor's receipt of the State's demand for repayment.

D. If the Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative

appeal, Contractor shall repay, to the State, the over-claimed or disallowed expenses, plus accrued interest. Interest accrues from the Contractor's first receipt of State's notice requesting reimbursement of questioned audit costs or disallowed expenses.

8. Invoice Cover Letter Template

The Invoice Cover Letter shall be submitted under the letterhead of the Contractor. Address the invoice to the assigned DHCS Contract Manager. Include the Contract Number, Term of the Contract, Period of Invoice, and Invoice Number. The Invoice Cover Letter must have an original signature, in blue ink, by an authorized representative from the agency.

9. 8-Line Item Invoice Template

Contractor must submit an 8-Line Item Invoice, in the format of Exhibit J, along with the Invoice Cover Letter. Address the invoice to the assigned DHCS Contract Manager. Include the Contract Number, Term of the Contract, Period of Invoice, Invoice Number, Date, Agency Contact, Agency Name, and Address. The 8-Line Item Invoice must have an original signature, in blue ink, by an authorized representative from the agency. The 8-Line Item Invoice must correspond to the Additional Budget Detail Invoice. The sum of the expenditure breakdown on the Additional Budget Detail Invoice for each of the 8-Line Items will be used to calculate the total expenditures per line-item on this invoice. Note: display a breakdown of expenses on the 8-Line Item Invoice only as they pertain to any breakdowns shown on the contract's approved 8-Line Item Budget.

10. Additional Budget Detail Invoice Template

Contractor must submit an original Additional Budget Detail Invoice, in the format of Exhibit K, along with the Cover Letter and the 8-Line Item Invoice. The Additional Budget Detail Invoice must have an original signature, in blue ink, by an authorized representative from the agency. The approved budget amount used on the Additional Budget Detail Invoice must match exactly with the Agreement's approved Additional Budget Detail exhibit. The Additional Budget Detail Invoice requested amounts must correspond to the 8-Line Item Invoice requested amounts. The expenditure breakdown shown on the Additional Budget Detail Invoice will be used to calculate the totals to be shown on the 8-Line Item Invoice.

A. Top Section

1) Address the invoice to the assigned DHCS Contract Manager.

2) Include the Contract Number, Term of the Contract, Period of Invoice, Invoice Number.

3) Indicate the date the invoice was prepared.

4) Provide the Agency Contact or appropriate authorized representative name, Agency Name, and complete Address.

B. Column 1 - Budget Categories

1) Category A - Personnel: This column must include the employee position title, last name, percent of time, and monthly salary range. If a position is unfilled, enter the title and indicate that the position is vacant.

2) Category B - Fringe Benefits: Provide the actual fringe benefits percentage rate billed for the invoice period. Fringe Benefits are based on actual expenses.

3) Category C - Operating Expenses: Include a breakdown on all line items as shown on the Agreement's approved Additional Budget Detail exhibit, if any.

4) Category D - Equipment: Include a breakdown on all line items as shown on the Agreement's approved Additional Budget Detail exhibit, if any.

5) Category E – Travel: Include a breakdown of all line items as shown on the Agreement's approved Additional Budget Detail exhibit, if any.

6) Category F - Subcontracts: Include a breakdown of all line items as shown on the Agreement's approved Additional Budget Detail exhibit, if any.

7) Category G - Other Costs: Include a breakdown of all line items as shown on the Agreement's approved Additional Budget Detail exhibit, if any.

8) Category H - Indirect Costs: Provide the indirect costs by multiplying the Total Personnel and Fringe by no more than 25 percent.

   Total Amount: Include the total amount being billed.

C. Column 2 - Approved Budget: Insert the approved contract budget amount for each line item. Amounts entered in this column should be identical to the approved contract Additional Budget Detail exhibit for the appropriate fiscal year and cannot be changed without prior DHCS approval.

D. Column 3 - Actual Expenses This Period: Record the actual expenses for each line item during the invoice period. Expenses for each line must be shown. For budgeted lines without expenditures during the invoice period, signify with "$0." The “Total Amount” claimed for this period should be carried down to the “Total payment Requested” row of the invoice, unless otherwise instructed.

E. Column 4 - Cumulative Expenses To Date: Record the cumulative total of all expenses for each line item paid through and including the current invoice period.

F. Column 5 - Unexpended Balance: Record the difference between Column 2 (Approved Budget) and Column 4 (Cumulative Expenses To Date). Column 2 minus Column 4 equals Column 5.

11. Budget Allocation and Carryover

A. Pursuant to Health and Safety Code (HSC) 104322, the Contractor must be cost-effective and maximize the number of men served for the amount of funds appropriated. Furthermore, HSC 104322 mandates specific direct patient care costs versus administrative costs as summarized below:

- 17 percent may be used for Direct Patient Care Costs.
- 70 percent at minimum shall be used for Direct Patient Care Treatment Costs.
- 13 percent at maximum may be used for Administrative Costs.
  = 100 percent total contract funding

The amount available each Budget Year is subject to adequate State budget appropriation and expenditure authority.

B. Contractor shall request budget carryover of remaining fiscal year funding no later than 30 days after submitting the final fiscal year invoice This request shall include a revised current fiscal year budget detail and revised justification(s) for all budget line item increases. The carryover of previous fiscal year funding shall carryover to the same cost category it is from (e.g., Funding remaining in direct patient treatment shall be carried over to the current fiscal year direct patient treatment).