



All Provider & Sage Advisory Meeting

Contracts & Finance Update

September 6, 2022

Contracts & Finance Update

Overview

- New Finance Services Branch Contact
- Billing Deadline
- Provisional Fiscal Reporting
- Fiscal Compliance Update
- Recent Bulletins
- Amendment Requests
- Contract Reminders
- Corrective Action Plans





Finance Services Branch

Finance Services Main Telephone Line:



(626) 293-2630

Finance Services Central E-Mail

sapc-finance@ph.lacounty.gov

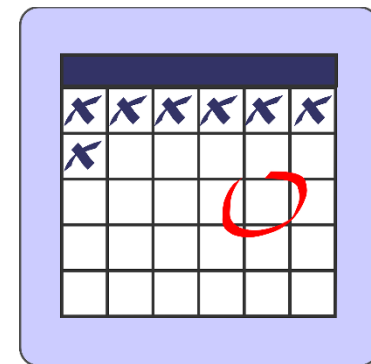
Sage Help Desk:

Phone Number: (855) 346-2392

ServiceNow Portal: <https://netsmart.service-now.com/plexussupport>



Finance Services Branch - Billing Deadline(s)



Billing Reminder

- Recommend 10th of every month deadline.
- Submitted by the 10th, paid the 25th

Benefits

- Timely notification of denials.
- Allow for resolution of denied claims.
- Prevent cash flow issues.

Finance Services Branch – **Provisional Fiscal Reporting**



Provisional Fiscal Reporting

- County-level process to be conducted shortly after end of each Fiscal Year.
- Allow for more timely visibility on cost and needed actions.
- Timely resolution of fiscal compliance deficiencies.
- Authority confirmed by County Counsel.
- Bulletin under revisions for release.
- Effective date: **July 1, 2023**

Finance Services Branch – **Fiscal Compliance Updates**



Fiscal Compliance Updates

- Auditor-Controller (A-C) will conduct all fiscal compliance activities.
- Providers must comply with the A-C Handbook and relevant regulations.
- Fiscal Compliance Analyst will work with providers to develop corrective actions plans and sustained resolutions.
- Repeated citations may result in the County Alert Reporting Data (CARD) placement.

Finance Services Branch – **Fiscal Compliance Updates**



Requirement

Cost Allocation Plan and Cost Allocations

Description

Contractor must ensure the indirect cost allocation methodology chosen is clearly described in their Cost Allocation Plan and is used consistently to allocate indirect costs. The allocations of the expenditures to program(s) needs to be based on actual costs. Predetermined rates and/or time estimates do not qualify as support for expenditures and will be disallowed upon audits/reviews.

Finance Services Branch – **Fiscal Compliance Updates**



Requirement

Unsupported Expenditures

Description

Providers must maintain acceptable supporting documentation for allocated expenses (e.g., timecards, time summaries, square footage measurements, number of employees, etc.). All expenditures must be supported by original vouchers, invoices, receipts, and/or other documentation and shall be filed in a systematic and consistent manner in accordance with the A-C Handbook, Section A.3.3 titled, “Supporting Documentation”. Unsupported or inadequately supported disbursements will be disallowed upon audits.

Finance Services Branch – Fiscal Compliance Updates



Requirement

Use of Unencrypted Devices/Did Not Utilize Encryption Software

Description

Providers must ensure the security of data by the use of encryption software in addition to other security measures. Providers who are not utilizing encryption software must immediately secure and incorporate systems and software meeting County's requirements ensuring the security of data and patient's information. Review Information Security Requirements Exhibit of your contract for additional information and to ensure compliance.

Finance Services Branch – Fiscal Compliance Updates



Requirement

Internal Control

Description

Providers shall prepare necessary written policies and procedures establishing internal controls for use by personnel. The Internal Control activities must include, but are not limited to, cash handling, disbursements, separation of duties, reconciliation, timekeeping, and financial reporting. Providers who do not maintain proper Internal Control Policies and Procedures must establish these and continuously monitor operations to ensure compliance.

Finance Services Branch – **Fiscal Compliance Updates**



Requirement

Accounting and Financial Reporting

Description

Provider shall prepare and maintain on a current basis, complete financial records in accordance with the Generally Accepted Accounting Principles. Such financial records shall clearly reflect the actual cost of the type of service for which payment is claimed. Separate accounts (cost centers) must be maintained for the expenses and revenues of each of the provider's programs (both COUNTY and non-COUNTY programs). Postings to the General Ledger and Journals shall be made at least on a monthly basis.

Finance Services Branch – Fiscal Compliance Updates



Requirement

Fiscal Viability

Description

Providers must be able to carry the costs of its program without reimbursement(s) from the contract for at least sixty (60) calendar days at any point during the term of the agreement. Providers must monitor their financial position closely and seek additional funding and/or donations to ensure they have sufficient working capital to meet their financial obligations in a timely manner.

Finance Services Branch – **Fiscal Compliance Updates**



Requirement

Key Personnel Background Clearances

Description

Providers must conduct background clearances on all staff in key positions and owner(s). Additionally, youth serving providers must incorporate the FBI and DOJ background checks. Non-youth serving providers may include FBI and DOJ in their clearances of staff. Additionally, all providers must ensure that no staff working under a SAPC agreement is barred or excluded from participating in the Drug Medi-Cal (DMC) program.

Finance Services Branch – **Fiscal Compliance Updates**



Requirement

Key Personnel Background Clearances

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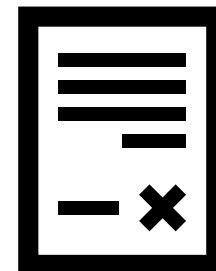
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Contracts & Compliance Branch Updates

Contracts & Compliance Update

Contracts Management Unit

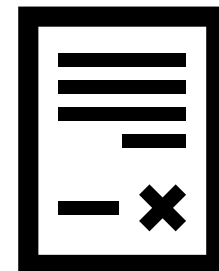


Recent Information Notices/Bulletins

- SAPC Information Notice 22-15 – Compliance with Economic Sanction imposed in response to Russia's Actions in Ukraine

Contracts & Compliance Update

Contracts Management Unit

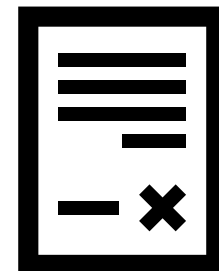


Fiscal Year (FY) 22/23 Contract Amendments

- Contract Amendments take 3-4 months to process
- Refer to SAPC Information Notice **22-14**
- New Sites, Levels of Care, Funding Increases, etc.
- Network approach to review and approval of your amendment request – be responsive and provide all necessary documentation

Contracts & Compliance Update

Contracts Management Unit

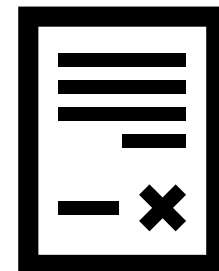


Contract Amendment Reminders and Updates

- Contract annual amount *reverts back* to the original amount of the current contract term (ie: FY 19/20) each FY
- If you have increased your program last year by LOC's, locations and/or bed count, include this in your justification.
- Be responsive and timely for any requested documentation.
- Amendment Requests should be submitted once 60% utilization is reached.

Contracts & Compliance Update

Contracts Management Unit

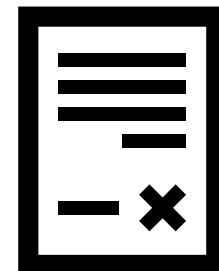


Contract Reminders and Updates

1. Be sure you have an active Master Agreement for future contracting opportunities and work order solicitations:
 - RFSQ (DHS) “Supportive and/or Housing Services Master Agreement
 - RFSQ(DPH) “As-Needed Substance Use Prevention Services”
2. Upcoming Change Notices to update ASAM 1.0 At-Risk (AR) to ASAM 0.5 AR

Contracts & Compliance Branch Update

Compliance Monitoring Unit

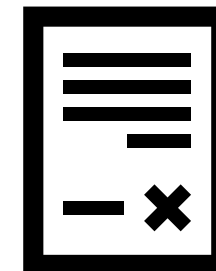


SAPC Corrective Action Plans

- Corrective actions are captured based on compliance activities.
- Includes all SAPC compliance activities
- Important to respond and resolve all deficiencies as soon as possible and close out any open and unresolved deficiencies.
- Open/unresolved issues may impact amendment requests.
- **Reminder – be responsive to SAPC and your Contract Program Auditor (CPA), particularly regarding requests for documentations.**

Contracts & Compliance Update

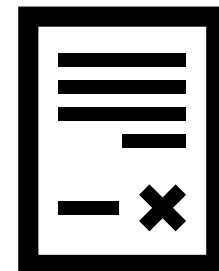
Compliance Monitoring Unit



AGENCY NAME									
CONTINUOUS CORRECTIVE ACTION PLAN									
FY	Compliance Activity	Activity Date	LOC, Service, or Section	Requirement	Finding	Corrective Action	Agency's Lead	Expected Completion Date	Updates - CPA
Completed by CPA						Completed by Provider			

Contracts & Compliance Update

Compliance Monitoring Unit



DHCS Corrective Action Plans

- DHCS Audits/Reviews
 - ✓ Drug Medi-Cal Monitoring (DMCM)
 - ✓ DMC Postservice Postpayment (PSPP)
- SAPC is responsible for implementation of DHCS's Corrective Action Plans.
- Work closely with your CPA
- Again, open/unresolved issues may impact amendment requests.



THANK YOU!

