

Agency or Department
Human Services
Department or Agency
Number
IHM
Contract Routing Number
10-IHM-00105

## **CONTRACT AMENDMENT # 4**

THIS AMENDMENT, made this 17th day of April, 2009, by and between the State of Colorado for the use and benefit of the Department of Human Services, Alcohol and Drug Abuse Division, 3824 W. Princeton Circle, Denver, CO 80236 hereinafter referred to as the State, and West Slope Casa LLC, P.O. Box 1208, Montrose, CO 81401, hereinafter referred to as the Contractor.

### **FACTUAL RECITALS**

Authority exists in the Law and Funds have been budgeted, appropriated, and otherwise made available and a sufficient unencumbered balance thereof remains available for payment; and

Required approval, clearance, and coordination has been accomplished from and with appropriate agencies; and

The parties entered into a contract dated 04/15/2006, for coordinated and comprehensive alcohol and drug treatment services. The purpose for this amendment is described below.

The State wishes to modify the original contract to include necessary changes as required by fiscal and legal considerations for state fiscal year 2010.

NOW THEREFORE, it is hereby agreed that

1. Consideration for this amendment to the original contract, 07 IHM 00105, dated April 15, 2006 consists of the payments, which shall be made pursuant to the original contract as amended, and the promises and agreements herein set forth.
2. It is expressly agreed by the parties that this amendment is supplemental to the original Contract, as amended (08 IHM 00105, 08 IHM 00185, 09 IHM 00115), collectively, referred to as the "original contract", which is, by this reference incorporated herein, that all terms, conditions, and provisions thereof, unless specifically modified herein, are to apply to this amendment as though they were expressly rewritten, incorporated, and included herein.
3. It is agreed the original contract is and shall be modified, altered, and changed in the following respects only:
  - a. **Contract Exhibit A as modified by Amendment 4**, "Miscellaneous Provisions", as attached and incorporated herein.
  - b. **Contract Exhibit B as modified by Amendment 4**, "Treatment and Related Services", as attached and incorporated herein.

- c. Contract Exhibit C as modified by Amendment 4, "Data Reporting Requirements",** as attached and incorporated herein.
  - d. Contract Exhibit D as modified by Amendment 4, "Admission Requirements",** as attached and incorporated herein.
  - e. Contract Exhibit E as modified by Amendment 4, "Fiscal Requirements",** as attached and incorporated herein.
  - f. Contract Exhibit G, "Fiscal Monitoring Requirements",** is deleted.
  - g. Contract Exhibit K as modified by Amendment 4, "Finding Source",** as attached and incorporated herein.
  - h. Contract Exhibit M as modified by Amendment 4, "Performance Measures",** as attached and incorporated herein.
4. The effective date of this amendment is upon approval of the State Controller or July 1, 2009, or whichever is later.
5. Except for the "Special Provisions," in the event of any conflict, inconsistency, variance, or contradiction between the provisions of this amendment and any of the provisions of the original contract, the provisions of this amendment shall in all respects supersede, govern, and control. The "Special Provisions" shall always be controlling over other provisions in the contract or amendments. The representations in the Special Provisions concerning the absence of bribery or corrupt influences and personal interest of State employees are presently reaffirmed.
6. FINANCIAL OBLIGATIONS OF THE STATE PAYABLE AFTER THE CURRENT FISCAL YEAR ARE CONTINGENT UPON FUNDS FOR THAT PURPOSE BEING APPROPRIATED, BUDGETED, AND OTHERWISE MADE AVAILABLE.

**THE PARTIES HERETO HAVE EXECUTED THIS AMENDMENT**

\* Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.

<p style="text-align: center;"><b>CONTRACTOR</b> <b>West Slope Casa, LLC</b></p> <p>By: Bernard H. Heath, Jr. Ph.D. Title: President</p> <hr/> <p style="text-align: center;">*Signature</p> <p>Date: _____</p>	<p style="text-align: center;"><b>STATE OF COLORADO</b> <b>Bill Ritter, Jr. GOVERNOR</b> Department of Human Services Karen Beye, Executive Director</p> <hr/> <p>By: Eustacio (Leo) Jaramillo, Jr., Director of Finance</p> <p>Date: _____</p>
<p style="text-align: center;">2nd Contractor Signature if Needed</p> <p>By: N.A. Title: N.A.</p> <hr/> <p style="text-align: center;">*Signature</p> <p>Date: _____</p>	<p style="text-align: center;"><b>LEGAL REVIEW</b> John W. Suthers, Attorney General</p> <p>By: _____</p> <p style="text-align: center;">Signature - Assistant Attorney General</p> <p>Date: _____</p>

**ALL CONTRACTS REQUIRE APPROVAL by the STATE CONTROLLER**

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Contract is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

**STATE CONTROLLER**  
**David J. McDermott, CPA**

**By:** \_\_\_\_\_

Richard Taylor, Controller, Department of Human Services

Date: \_\_\_\_\_

**EXHIBIT A**  
**MISCELLANEOUS PROVISIONS**

1. DEFINITIONS

The following definitions shall apply in the interpretation of this contract:

- a. Area network means the total of all providers of the contractor that provide services under this contract in the covered sub-state planning area. There is one contractor and one area network for each of 7 sub-state planning areas.
- b. Diagnostic Related Groups (DRG) has seven levels of care and an assessment only category that have distinct reimbursement rates. They are 1) Differential assessment only, 2) Detoxification, 3) Outpatient, 4) Intensive Outpatient/Day Treatment, 5) Residential Treatment, 6) STIRRT Residential, and 7) Opioid Replacement Treatment. DBH/ADAD's reimbursement for substance use disorder treatment is based on distinct rates for these DRG-like levels of care that are determined through a required differential assessment process and the ASAM Patient Placement Criteria.
- c. Managed Care means the flexible application of certain management techniques in order to control services cost while still providing quality care. Including but not limited to these techniques include replacement of program-driven treatment with assessment-driven treatment; tailoring lengths of stay to individual clinical needs rather than fit persons with varying needs to a prescribed length of stay; managing an individual's care throughout an entire continuum of services rather than admitting and discharging persons from single programs; developing system uniformity that lends itself to outcome analyses and mid-course corrections in service delivery and management; holding down costs while maximizing capacity; and inspiring innovation in developing service alternatives.
- d. Managed Service Organization (MSO) is an organization that applies the techniques of managed care to a particular service such as primary health services. The MSO usually has one or more large contracts from large purchasers of services. The MSO primarily provides systems and financial management, data and tracking systems, and quality assurance functions and contracts with other providers for a variety of direct services.
- e. Sub-state planning area (SSPA) refers to the seven geographic areas of the state of Colorado that have been designated by the contractor for planning and contracting substance abuse prevention and substance use disorder treatment services. Area 1 consists of the counties of Cheyenne, Elbert, Kit Carson, Larimer, Lincoln, Logan, Morgan, Phillips, Sedgwick, Washington, Weld and Yuma. Area 2 consists of the counties of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Gilpin, and Jefferson. Area 3 consists of the counties of Chaffee, Custer, El Paso, Fremont, Lake, Park and Teller. Area 4 consists of the counties of Alamosa, Baca, Bent, Conejos, Costilla, Crowley, Huerfano, Kiowa, Las Animas, Mineral, Otero, Prowers, Pueblo, Rio Grande, and Saguache. Area 5 consists of the counties of Archuleta, Delta, Dolores, Gunnison, Hinsdale, La Plata, Montezuma, Montrose, Ouray, San Juan and San Miguel. Area 6 consists of the counties of Eagle, Garfield, Grand, Jackson, Mesa, Moffat, Pitkin, Rio Blanco, Routt, and Summit. Area 7 consists of the county of Boulder.

- f. Utilization review means a system for reviewing and controlling patients' use of substance use disorder treatment services, as well as the appropriateness and quality of that care. Usually involves data collection, review, and/or authorization.

## 2. PROVIDE SERVICES

The Contractor shall provide the substance use disorder treatment services described in Exhibit B as modified by amendment # 4 (Treatment and Related Services).

## 3. ADMINISTRATION

The Contractor shall carry out the following area-wide administrative and management functions:

- a. Collect specified client data from all providers, and compile, analyze, and report it to the State in formats and by due dates to be specified by the State. Additionally, the contractor shall comply with all Data Reporting Requirements of Exhibit C (Data Reporting Requirements).
- b. Manage all fiscal and administrative aspects of the area-wide system, including but not limited to subcontracting and efficient, timely and accurate billing and payment procedures affecting all network providers; receive and disburse the funds from the State. All subcontractors shall receive payment within 90 days of their date of billing the Contractor, unless otherwise agreed by all affected parties.
- c. Evaluate the efficiency and effectiveness of the network system, plan for the use of any cost savings or overcoming problems of cost overruns, and annually report results to the State in a format which includes plans to address deficiencies as appropriate.

## 4. SHALL COMPLY

The Contractor shall comply with all the provisions of this contract and its amendments, if any, and shall act in good faith in the performance of the requirements of said contract. The Contractor agrees that failure to act in good faith in the performance with said requirements may result in the assessment of remedial actions, liquidated damages as delineated in Exhibit E as modified by amendment # 4 (Fiscal Requirements) of this contract and/or termination of the contract in whole or in part and/or other actions by the State as allowed by law as set forth in this contract.

## 5. PAYMENT

In consideration of the provision of services and reporting as set forth herein and subject to all payment and price provisions herein and further subject to verification by the State of full and satisfactory compliance with the terms of this contract, the State shall cause to be paid to the Contractor a sum not to exceed \$ 2,796,111.00, in the following manner:

- a. Up to the amounts shown below for purchase of admissions for detoxification, treatment and STIRRT Residential at rates per admission (the Diagnostic Related Group, DRG rate) and cost sharing percentages as specified and defined in Exhibit D as modified by amendment # 4 (Admission Requirements). The Contractor must provide at least 95% of the admissions specified in Exhibit D as modified by amendment # 4 (Admission Requirements) in order to receive the total funds contracted. The Contractor may submit, for consideration by the State, a justified request for change in admission targets.

Detoxification	\$ <u>757,862.00</u>
Treatment	\$ <u>1,210,647.00</u>
STIRRT Residential	\$ <u>151,020.00</u>

- 1) The Contractor shall submit monthly requests for payment as specified in paragraph 5.b. of this document.
  - 2) For the first six months of the contract year, the State shall, after review and approval of monthly bills submitted, make monthly payments to the Contractor of up to one twelfth of the above amount of the contract. Based on the first quarter documentation, the State will notify the Contractor of any apparent admission deficiencies related to Exhibit D as modified by amendment # 4 (Admission Requirements), but will not reduce payment to the Contractor therefore.
  - 3) For the second six months of the contract year, monthly payment to the Contractor will be subject to review of admissions provided in Exhibit D as modified by amendment # 4 (Admission Requirements), on a year-to-date basis. In the event the number of admissions falls below 95% of the required level on a year-to-date basis, an amount equal to the number of admission deficiencies below 95% for Detox and Treatment ONLY times the applicable DRG rate times the cost sharing percentage may be withheld from monthly payments by the State.
  - 4) In the event the number of admissions falls below 95% of the required level on a year-to-date basis, for Subpopulations ONLY, an amount equal to the number of admission deficiencies below 95% times the outpatient DRG rate times the cost-sharing percentage may be withheld from monthly payments by the State.
  - 5) If the Contractor comes into compliance with the admission requirements by the close of the contract year, the State will make retroactive payment to the Contractor of funds previously withheld.
- b. All of the services listed below (with the exception of Additional Family) shall be in accordance with the budgets shown in Exhibit F as modified by amendment # 4 (Budgets). Reallocation of funds between budget categories within the budgets listed below or any other state approved budget equal to or less than 10% of the original amount does not require approval by the State. The Contractor may not transfer funds from one budget to another budget or to any other services provided under this contract. To receive reimbursement for expenditures under this section, the Contractor shall submit accurate monthly requests for payment that include date, check number (if applicable), name of payee, description of expenditure, total cost, amount to be reimbursed by

DBH, and amount to be reimbursed from other sources (and quarterly reconciliation documents), on forms prescribed by the State, by the 20th of the second month following the month in which expenses occur.

- |    |  |                      |
|----|--|----------------------|
| 1. | Additional Family Services               | <u>\$ 304,586.00</u> |
| 2. | Specialized Women's Services             | <u>\$ 133,453.00</u> |
| 3. | SSC Offender Groups                      | <u>\$ 112,543.00</u> |
| 4. | STIRRT Psych                             | <u>\$ 75,000.00</u>  |
| 5. | People at Risk for Communicable Diseases | <u>\$ 51,000.00</u>  |
- c. Payment for STIRRT Continuing Care funds to sub-contractors performing STIRRT Continuing Care as described in this contract (**Exhibit B** as modified by amendment # 4) will be made as earned, in whole or in part, from the available funds encumbered in an amount not to exceed the 2009-2010 legislative appropriation of \$352,307.00 for the STIRRT Continuing Care program. It is further understood and agreed that the maximum amount of funds available for payment to all programs state wide for fiscal year 2009-2010 for this purpose is \$352,207.00 except as this amount may be modified by the State Legislature. At any time, the liability of the State for such payment shall be limited to the encumbered amount remaining of such funds.
- d. Payment for Involuntary Commitment Transportation funds to sub-contractors performing Involuntary Commitment Transportation will be made as earned, in whole or in part, from the available funds encumbered in an amount not to exceed \$12,000.00 for the Involuntary Commitment Transportation program. It is further understood and agreed that the maximum amount of funds available for payment to all programs state wide for fiscal year 2009-2010 for this purpose is \$12,000.00 except as this amount may be modified by the Division of Behavioral Health. At any time, the liability of the State for such payment shall be limited to the encumbered amount remaining of such funds.
- e. Payment will normally be made in arrears for services rendered. Advances will not be approved except in documented situations of cash flow emergency, for a term specified in advance, with the prior written approval of the State, and in accordance with State fiscal rules and procedures. Subject to the review of the services provided year-to-date, the State will continue to pay monthly on the basis of up to one twelfth of the contract for the final six months of this contract.
- f. Contractor may be eligible for any increases as appropriated by the Colorado General Assembly and approved by the Department of Human Services.
- g. Subject to available appropriation as determined by the State, the State agrees to make incentive payments to certain Managed Service Organizations, selected by the State in its sole discretion to reward for outstanding performance (the "performance incentive award system") hereunder. The Contractor shall be eligible for participation in the performance incentive award system only if the State, in its sole discretion, determines that the Contractor is in compliance with the terms and conditions of this contract. The contractor's eligibility for the performance incentive award system will be based on data collected by the State pursuant to this contract.

The total aggregate amount to be awarded to all Contractors in connection with this program shall not exceed \$300,000.00, and will be divided among these providers selected to receive awards in amounts determined by the State in its sole discretion.

6. BLOCK GRANT REPORTING REQUIREMENTS

For Specialized Women's Services: the specific services, the number of clients receiving any or all of the specialized services, and the dollars expended on this population shall be reported to the State semi annually.

7. SUBCONTRACTS

The Contractor shall be responsible for the delivery of all services set forth in this contract and may enter into subcontracts or other forms of legally binding agreements with appropriately licensed and State approved entities for the performance of services required under this contract. The State reserves the right to refuse contracts with any subcontractor. The Contractor shall submit to the State by October 31 of the current contract year a copy of any subcontract or agreement, which shall include but is not limited to:

- a. Name, address, and type of organization.
- b. Statement of ownership, including full disclosure of all individuals with a financial interest in the subcontracting organization.
- c. Description of services to be provided, priority populations to be served, admission requirements for detoxification and treatment, client rights and accessibility to services, rates of reimbursement, billing procedures, timetables, remedies for late payment, and other applicable matters. The dollars and admissions are to be in the same format as Exhibit D as modified by amendment # 4 (Admission Requirements) of this contract.
- d. Procedures for transmittal to the Contractor of data and information on services provided and recipients served.
- e. Procedures the Contractor will use in monitoring performance of the subcontractor.
- f. Provision to hold the State harmless in the event of any dispute between the Contractor and the subcontractor.

The State recommends that Exhibits to this contract be attached to all contracts between Contractor and the subcontractors. The Contractor shall be responsible for the performance of any subcontractor, and failure of the subcontractor to provide services in accordance with the requirements of this contract shall be the responsibility of the Contractor. The Contractor shall monitor the subcontractors' clinical, fiscal, and data processes. The monitoring tools will be provided by the State.

The Contractor shall submit to the State, by August 31, of each year, a matrix of its subcontractor allocations and administrative/indirect/flex pool allocations. The sum of this matrix shall equal the total contract dollars as specified in paragraph 5 of this exhibit.

In the event of closure of the Contractor or a subcontractor, the Contractor shall comply with all applicable regulations as specified in the current Alcohol and Drug Abuse Division Substance Use Disorder Treatment Rules, adopted by the State Board of Human Services, as they currently exist.

## 8. COST SHARING

In order to enhance the potential for expansion of rehabilitative services to State priority populations, the Contractor shall promote and facilitate cost sharing in all required treatment services, as defined in Exhibit B as modified by amendment # 4, [excluding Additional Family Services]. Payments made to the Contractor under this contract shall represent the State's share of the total approved costs of these services as reported during the term of this contract. The balance of total approved costs of treatment services not provided by State payments under this contract shall be supported through any combination of the following:

- a. Cash sources including but not limited to county and municipal appropriations, direct federal grants and contracts, other state contracts, client and family fees, third party payments, philanthropic foundation grants, and cash donations.
- b. Non-cash sources including necessary goods, services, or space that has been donated to the provider and whose receipt and value have been properly documented in the provider's financial records.

## 9. BLOCK GRANT PROHIBITIONS

In accordance with requirements of P.L. 102-321, the Contractor agrees that any federal SAPT Block Grant funds provided under this contract may not be used:

- a. To provide inpatient hospital services except as provided in applicable federal law;
- b. To make cash payments to intended recipients of health services;
- c. To purchase or improve land; purchase, construct or permanently improve (other than minor remodeling) any building or other facility; or purchase major medical equipment;
- d. To satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds;
- e. To provide financial assistance to any entity other than a public or non-profit private entity; or
- f. To provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs, unless a demonstration needle exchange program is approved by the Surgeon General of the Public Health Service.
- g. In accordance with requirements, none of the federal block grant funds provided under this contract may be used to pay the salary of an individual at a yearly rate in excess of an Executive Level I, that amount can be found at: [www.opm.gov/oca/08tables/html/ex.asp](http://www.opm.gov/oca/08tables/html/ex.asp)
- h. To make payment for any service to the extent that payment has been made, or can reasonably be expected to be made, under any federal or State health benefits program including Medicare and Medicaid, or under any insurance policy, prepaid health services plan, or State compensation plan.

## 10. CHANGE ORDER LETTER

Bilateral changes within the general scope of the contract, may be executed using the change order letter process described in this paragraph and a form substantially equivalent to the sample change order letter attached as Exhibit H (Sample Bilateral Change Order Letter) for any of the following reasons:

- a. Where the agreed changes to the specifications result in an adjustment to the price, delivery schedule, or time of performance.
- b. Where the agreed changes result in no adjustment to the price, delivery schedule, or time of performance. The change order shall contain a mutual release of claims for adjustment of price, schedule, or time of performance.
- c. Where the changes to the contract are priced based on the unit prices to be paid for the services established in the Exhibit D as modified by amendment # 4 (Admission Requirements).
- d. Where the changes to the contract are priced based on established catalog generally extended to the public.
- e. Other bilateral modifications not within the terms of this paragraph must be executed by formal amendment to the contract, approved in accordance with state law.

#### 11. OPTION LETTER

The State may require continued performance for a period of 5 years for any services at the rates and terms specified in the contract. The State may exercise the option by written notice to the contractor within 30 days prior to the end of the current contract term in a form substantially equivalent to Exhibit I (Option Letter).

If the State exercises this option, the extended contract will be considered to include this option provision. The total duration of this contract, including the exercise of any options under this clause, shall not exceed 5 years or June 30, 2011.

The State may increase the quantity of services described in Exhibit D as modified by amendment # 4 (Admission Requirements) at the unit prices established in the contract. The State may exercise the option by written notice to the contractor within 30 days before the option begins in a form substantially equivalent to Exhibit I (Option Letter). Performance of service shall continue at the same rate and under the same terms as established in the contract.

The State may unilaterally increase/decrease the maximum amount payable under this contract based upon the unit price established in the contract and the schedule of services required, as set by the State. The State may exercise the option by providing a fully executed option to the contractor, in a form substantially equivalent to Exhibit I (Option Letter), immediately upon signature of the State Controller or his delegate. Performance of the service shall continue at the same rate and under the same terms as established in the contract.

#### 12. NEW SUBCONTRACTORS

Prior to entering into a subcontract with a new provider the Contractor may request the following information from the State:

- a. Expiration date of the license of subcontractor
- b. Location for the subcontractor sites
- c. Specialized populations approvals for each site for the subcontractor
- d. Notation of any critical incidents and/or complaints for each subcontractor
- e. Identification of the Treatment Field Manager for the subcontractor

Contractor will submit to the State the name of any new subcontractor within 30 days of execution of the contract between Contractor and subcontractor.

### 13. FUNDING SOURCES

The parties agree that members of the provider network under this Contract may rely on Colorado state general funds and cash funds to be used in grants, contracts and programs to match Federal funds. Therefore, the State acknowledges that, as long as providers are participating in such programs, the amounts shown as Colorado state general fund and state cash funds, in Exhibit K as modified by amendment # 4 (Funding Sources), are eligible to match Federal grants, contracts and programs. Also in Exhibit K as modified by amendment # 4 (Funding Sources), the Substance Abuse Prevention and Treatment (SAPT) Block Grant amount is the amount that shall be reported in the A-133 audit, under CFDA # 93.959.

### 14. FORFEITURE

Contractors are required to report, by August 31, of each year, the amount of annual and historical forfeiture revenue received for the previous state fiscal year (July 1 through June 30) by judicial district, and the amount of annual and historical expenses, by treatment provider and by judicial district, in a format to be provided to the Contractor by the State.

### 15. FEDERAL BLOCK GRANT CERTIFICATIONS

Exhibit L (Federal Block Grant Certifications) is incorporated, and included herein.

### 16. RECORDS

Records maintained by the Contractor in accordance with the General Provisions of this contract shall be retained for a period of six (6) years, rather than three, from the date of final payment under this contract. Such records shall include, or the Contractor shall have a system in place to retrieve, information to identify the provider who delivered services to a client.

### 17. PERFORMANCE MEASURES

The Contractor shall achieve the Performance Measure Goals identified in Exhibit M as modified by amendment # 4 (Treatment Performance Measures) attached and incorporated herein.

### 18. HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT of 1996 (“HIPAA”)

Federal law and regulations governing the privacy of certain health information requires a “Business Associate Contract” between the State and the Contractor. 45 C.F.R. Section 164.504(e). Exhibit O (HIPAA Business Associate Addendum) attached and incorporated herein by reference and agreed to by the parties is a HIPAA Business Associate Addendum for HIPAA compliance. Terms of the Addendum shall be considered binding upon execution of this contract and shall remain in effect during the term of the contract including any extensions.

Colorado Department of Human Service  
DBH  
Managed Service Organization Exhibit B  
Treatment and Related Services

### ***Managed Service Organization Requirements***

#### **I. Network of Services**

1. The Contractor shall be responsible for refining and maintaining a network of alcohol and drug treatment services to provide a continuum of care, which includes the detoxification and treatment services outlined below, to the priority populations specified in this Exhibit, through subcontracting and other mechanisms as appropriate. The Contractor shall manage all clinical, fiscal and administrative aspects of the area-wide network.
2. The Contractor shall have written policies, procedures and standards of conduct that articulate:
  - a. the subcontractor’s commitment to comply with the statutes and regulations pertaining to the Substance Abuse Prevention and Treatment (SAPT) Block Grant, the Federal Drug & Alcohol Confidentiality Law (FADCL), the Health Insurance Portability and Accountability Act (HIPAA), and all other applicable federal and state requirements,
  - b. provisions for internal monitoring and auditing to guard against fraud and abuse, and
  - c. provisions for prompt response to detected contract breaches, offenses and for development of corrective action initiatives, including imposing sanctions, if applicable.
3. It is understood and agreed by the parties that the basic treatment services that shall be provided by the Contractor within its sub state planning area (SSPA) and over the full period of this contract include:
  - a. Detoxification for adults and adolescents (ASAM PPC Detox Levels I-D and III.2-D), including client transportation as applicable;
  - b. Individual, group, and/or family outpatient substance use disorder treatment for adults and adolescents (ASAM PPC Level I);
  - c. Intensive Outpatient (IOP) substance use disorder treatment for adults and adolescents (ASAM PPC Level II.1).
4. It is understood and agreed by the parties that the following services shall be provided by the Contractor over the full period of this contract, and may be physically located outside the SSPA so long as the Contractor has formal agreements to accomplish appropriate referral, tracking, case management, and payment for services:
  - a. Outpatient Methadone Treatment for adults (ASAM PPC OMT);
  - b. Transitional Residential Treatment for adults (ASAM PPC Level III.1);

- c. Therapeutic Community (ASAM PPC Level III.5);
  - d. Intensive Residential Treatment for adults (ASAM PPC Level III.7) and adolescents.
5. For services provided outside an SSPA, the referring Managed Service Organization assumes financial responsibility for payment to the provider of services. If needed, transportation outside of the SSPA is to be provided by the Contractor.
  6. Nothing shall preclude the Contractor from providing additional services, or a broader range of services, so long as basic core services are in place as provided by paragraphs 3 and 4.
  7. The Contractor shall ensure that services are available at times convenient to potential clients, including evening and weekend hours, and are available at locations convenient to potential clients, such as schools, correctional facilities, child welfare offices, homeless shelters and homes.
  8. The Contractor shall make every effort to maintain and/or implement models of treatment that are evidence-based.
  9. The Contractor shall have a policy and procedure for credentialing new subcontractors.
  10. The Contractor shall determine the effectiveness and efficiency of its network, and shall ensure quality services.
  11. The Contractor shall make known to the State any failure by the Contractor or a subcontractor to comply with DBH policies, including those addressing complaints, critical incidents and appeals.
  12. The Contractor shall have a mechanism for monitoring subcontractors' (client) Customer Satisfaction, with a minimum of bi-annual collection and reporting of such data.
  13. The Contractor shall develop annually, and submit by April 1 to DBH for approval, plans for standardized Quality Assurance (QA) protocols for its subcontractors throughout the sub state planning area network, including mechanisms for utilization review and reviews of service appropriateness. The Contractor's QA plan shall include a process for addressing issues of non-compliance and reporting to the State.
  14. The Contractor shall submit QA data quarterly to DBH, by the end of the month following the end of each calendar quarter. Quality Assurance protocols shall focus on priority populations.
  15. The Contractor shall have primary responsibility for ensuring its subcontractors compliance with this contract. The Contractor shall monitor its subcontractors' performance to ensure compliance with every element of this exhibit, and shall conduct a minimum of one onsite visit to each subcontractor each year to review its compliance with DBH-Contractor contract terms. One hundred percent of subcontractors shall be visited between July 1 and April 30 of each year. DUI programs and records shall be excluded from the annual visit. The contractor shall submit to DBH, by June 1 of each year, documentation of having monitored subcontractors' compliance with all contract terms.

16. While it is the responsibility of the Contractor to monitor its various subcontractors, the State shall have the right to monitor and audit the subcontractors within the network and, to the extent it deems necessary, to monitor and audit Contractor performance and to resolve consumer complaints. Such monitoring may include onsite as well as off site review and audit in areas including but not limited to level of care appropriateness, clinical quality, outcome indicators, service efficiency, administrative proficiency, and financial performance.

## II. Contractor SAPT Block Grant and Priority Population Requirements

1. The Contractor shall continually monitor and document for DBH that subcontractors providing residential treatment are in compliance with the admission of admission-priority population requirements of this contract. The Contractor shall inform DBH in advance of the contract year the manner in which this requirement shall be accomplished and documented.
2. The Contractor shall ensure that each subcontractor documents the ongoing training that supervisory and other clinical staff have which maintains their knowledge of Block Grant and other DBH contract requirements.
3. The Contractor shall identify any subcontractor that considers itself a faith-based program, or any who consider any part of their program to which DBH clients are admitted to be faith-based. The Contractor shall assure that each subcontractor with faith based services is in full compliance with Charitable Choice regulations 42 CFR Part 54 and 54a. The Contractor shall ensure that any faith-based subcontractor informs all incoming clients of the availability of the option of selecting another provider. The subcontractor with faith-based services to which DBH clients are admitted shall report to the Contractor:
  - a. their policy and procedures regarding client notification, and
  - b. when a client chooses to seek treatment at another program.The Contractor shall report the number of such clients to DBH on an annual basis.

## III. Requirements for Child Welfare Collaboration

1. Additional Family Services (AFS) are funded by this contract and includes federal Substance Abuse Prevention and Treatment Block Grant (Block Grant) funds. DBH shall retain its authority as the federally designated Single State Authority to administer Block Grant funds.
2. These services are restricted to use with children and adolescents (and their family members) in, or at imminent risk of, out-of-home placement as identified by the county child welfare agency.
3. As outlined in Child Welfare Agency Letter CW-04-32A, DBH delegates to the Contractor the authority to negotiate and plan with each county child welfare agency in the sub-state planning area for appropriate alcohol and drug treatment services for this population, and to negotiate contracts (or other formal documentation) to provide or arrange such services.
4. These plans, which shall be approved by DBH and the State Division of Child Welfare, may include substance use disorder services for other populations as approved by DBH and the Division of Child Welfare.

5. The substance use disorder services to be provided include 1) assessment, and 2) group, individual and family treatment.
6. Funds may not be spent on abstinence monitoring only.
7. Detoxification services may be included in the mix of services agreed upon by the Contractor and the county.
8. A plan, agreed to by the county and the Contractor and approved by the State, shall include the method of reimbursement, the Contractor's costs, and the specific type and quantity of services to be provided through the Contractor's area wide network.
9. The county and the Contractor shall agree to any fees charged, and in no instance shall a client be refused services based on non-payment.

#### IV. Contractor Reporting

1. The Contractor shall submit a written QA plan for the coming year to DBH by April 1.
2. The Contractor shall submit to DBH by June 1 of the contract year, a report detailing performance of required activities described in this document by the Contractor and subcontractors for the current year beginning July 1 and ending April 30.
  - a. Block Grant Requirements for Pregnant Women
  - b. Block Grant Requirements for IDUs
  - c. Block Grant Requirements for Women With Dependent Children
  - d. Block Grant Coordination Requirement
  - e. Block Grant Requirement to Treat Families as a Unit
  - f. Block Grant Continuing Education Requirement
  - g. Block Grant Charitable Choice Requirements
3. Documentation of having monitored all contract terms of this exhibit with all subcontractors shall be submitted to DBH by June 1.
4. Client satisfaction data shall be submitted biannually to DBH.
5. Copies of the Contractor's formal agreements to provide the required services outside the SSPA shall be submitted to DBH:
  - a. Outpatient Methadone Treatment for adults (ASAM PPC OMT);
  - b. Transitional Residential Treatment for adults (ASAM PPC Level III.1);
  - c. Therapeutic Community (ASAM PPC Level III.5);
  - d. Intensive Residential Treatment for adults (ASAM PPC Level III.7) and adolescents.

6. The Contractor shall inform DBH/ADAD in advance of the contract year the manner in which the requirement to monitor and document for DBH the compliance with the admission of admission-priority populations requirements.
7. The Contractor shall submit to DBH's Manager, Women's Treatment Programs in advance of the contract year the Specialized Women's Services (SWS) budgets for the coming year. SWS utilization financial reports shall be submitted to the Manager, Women's Treatment Programs by October 1 and March 1 of each contract year.

#### V. Contractor Requirements Regarding Priority Populations and Interim Services

1. It is understood and agreed by the parties that all Managed Service Organizations that receives DBH/ADAD funding through this contract shall screen for pregnancy all incoming requests for substance use disorder services, in order to ensure that pregnant women are prioritized for admission to treatment and to ensure that Interim Services are provided to pregnant women beginning within 48 hours of initial contact with program by client or referral source.
2. It is understood and agreed by the parties that all Managed Service Organizations that receive DBH/ADAD funding through this contract shall screen all incoming requests for substance use disorder services for use of drugs in the last 30 days where injection was the route of administration, in order to ensure that Injecting Drug Users are prioritized for admission to treatment and to ensure that Interim Services are provided to Injecting Drug Users beginning within 48 hours of initial contact with program by the client or a referral source for the client.
3. All Contractors that refer clients to services shall refer all opiate dependent clients to medication-assisted treatment for opiate users, unless clinically contraindicated. Any clinical contraindication and referral elsewhere shall be clearly documented in program records.
4. If no such treatment exists within the SSPA, the Contractor shall obtain this specialized treatment for such clients. The Contractor is responsible for securing treatment in a timely manner, so that the client receives their first dose within 14 days of the initial seeking treatment contact made either by the client or a referral source, whichever is first.
5. The Contractor is also responsible for ensuring that Interim Services described below are provided to the client within 48 hours of first contact.

#### VI. Deaf and Hard of Hearing Population

1. The Contractor shall provide treatment services for the deaf and hard of hearing population that are fully in compliance with the Americans with Disabilities Act (ADA), and any subsequent revisions to the ADA. Specifically, the Contractor shall provide the clients' preferred "auxiliary aids and services" (ADA Regulations, Title III, Regulation 28 CFR Part 36, Subpart A, Section 36.303).

2. When an interpreter is the preferred auxiliary aid or service, the Contractor shall provide “a qualified interpreter” (ADA Regulations, Title III, Regulation 28 CFR Part 36, Subpart A, Section 36.104). ADA Regulations state “In certain circumstances, notwithstanding that the family member or friend is able to interpret or is a certified interpreter, the family member or friend may not be qualified to render the necessary interpretation because of factors such as emotional or personal involvement or considerations of confidentiality that may adversely affect the ability to interpret ‘effectively, accurately, and impartially’. (ADA Regulations, Title III, Regulation 28 CFR Part 36, Appendix B)”. Therefore, a family member or friend does not meet the ADA definition of “a qualified interpreter”.
3. Contractors or subcontractors “may not place a surcharge on a particular individual with a disability or any group of individuals with disabilities to cover the costs of measures, such as the provision of auxiliary aids or program accessibility, that are required to be provided that individual or group with the nondiscriminatory treatment” as required by the ADA (ADA Regulations, Title III, Regulation 28 CFR Part 36, Subpart A, Section 35.130 (f)).

#### VII. Coordination with the Public Mental Health System

The Contractor shall ensure cooperation in serving persons eligible for services from a community mental health center by maintaining relationships with each community mental health center, mental health specialty clinic, and Behavioral Health Organization (BHO) in its SSPA, including a process for resolving differences of opinion and a method for keeping abreast of available services in each system for persons with co-occurring disorders.

#### VIII. Modifications of Protocols and Specifications

The State, in conjunction with the Clinical Advisory Group and the DBH-MSO Management Collaborative, reserves the right to modify protocols and specifications contained in this Exhibit as may be appropriate during the term of this contract. Such changes shall be reflected in the minutes of these meetings.

- IX. Any Contractor providing direct services shall also be in compliance with the subcontractor requirements of this Exhibit.

Colorado Department of Human Service

DBH  
Managed Service Organization Exhibit B  
Treatment and Related Services

***Subcontractor/Provider Requirements***

*I. Admission Priorities and Interim Services: Admission-Priority Populations*

1. It is understood and agreed by the parties that any client in one or more of the following categories, known as Admission-Priority Populations, shall be a highest admission priority for any Contractor or subcontractor that receives DBH funding through this contract to provide substance use disorder treatment services:
  - Involuntary Commitment Clients
  - Adult and Adolescent Pregnant Substance Abusing Women
  - Pregnant Injecting Drug Users***
  - Other Pregnant Women
  - All other Adult and Adolescent Injecting Drug Users
2. Any client in these categories shall be admitted immediately to any service supported by dollars from this contract. Where immediate admission to treatment is not available, this client shall be the next client admitted to treatment (going to the top of any waiting list). Persons falling into any of these categories being admitted prior to admitting any other client is a requirement of receiving funding through this contract or related subcontracts. Failure to comply with this requirement may result in penalties as described in Exhibit E.
3. It is understood and agreed by the parties that in the case of any pregnant woman being placed on a waiting list due to inability to admit her immediately, the subcontractor shall also contact the DBH Manager, Women's Treatment Programs who may be able to arrange an earlier admission elsewhere. The original program is responsible for providing Interim Services.
4. In the case of any Injecting Drug User being placed on a waiting list due to inability to admit that person immediately, the subcontractor shall also contact the DBH Manager, Medication Assisted Treatment Programs. The original program is responsible for providing Interim Services.
5. It is understood and agreed by the parties that if more than one of these admission-priority populations seeks treatment without being immediately admitted, and none is an Involuntary Commitment, order of admission to treatment is determined by the order of the list above. If one or more is an Involuntary Commitment client, DBH shall determine admission priority. The DBH Director of Community Treatment and Recovery Programs or designee shall be contacted by the program, and shall determine the order of priority.
6. Involuntary Commitment Clients: Admission Priority and Related Care

- a. It is understood and agreed by the parties that any subcontractor that receives DBH/ADAD funding through this contract to provide substance use disorder Treatment services (see Exhibit A) (except for entities receiving only AFS funding) shall provide services to Involuntary Commitment clients pursuant to 25-1-311 and 25-2-1107 Colorado Revised Statutes, as amended, and shall have sites licensed for Involuntary Commitments.

Involuntary Commitment clients shall be placed in the type of services specified by the State for the period of time specified by court order.

They are to be given the highest priority for admission, along with pregnant women and Injecting Drug Users as described above.

Involuntary commitment clients shall be prioritized for admission prior to any client funded by any other dollars.

No pre-admission payment can be required from any source prior to admitting an Involuntary Commitment client.

- b. It is understood and agreed by the parties that any subcontractor that receives DBH funding through this contract to provide substance use disorder Detoxification services (see Exhibit A) receives dollars to provide services to Involuntary Commitment clients.

Detox facilities located in Metropolitan Statistical Areas, as defined by the U.S. Census Bureau, shall include the provision of the time of legally qualified healthcare professionals to perform medical evaluations, to sign IC Certificates prior to court proceedings and to testify at hearings.

## 7. All Pregnant Women: Screening, Interim Services and Admission Priority

- a. It is understood and agreed by the parties that all substance use disorder programs operated by any subcontractor that receives DBH/ADAD funding through this contract (including those receiving only AFS funding) for substance use disorder Treatment or Detoxification services (see Exhibit A) shall be in compliance with the Substance Abuse Prevention and Treatment (Block Grant) requirement to screen for pregnancy all incoming requests for substance use disorder services, in order to ensure that pregnant women are prioritized for admission to treatment and to ensure that Interim Services are provided to pregnant women beginning within 48 hours of initial contact with program by client or referral source, whichever is first.

It is understood and agreed by the parties that any pregnant woman shall be admitted immediately to treatment.

All substance use disorder programs of subcontractors, including detoxification programs, shall refer pregnant women to specialized treatment for women if it is locally available, or to other non-offender/non-DUI treatment if specialized treatment is not locally available.

Medicaid eligible pregnant women shall receive specialized treatment at no cost by enrolling in the Colorado Special Connections program by being admitted to a Special Connections provider.

SAPT Block Grant dollars allocated by this contract shall support treatment of other pregnant women who have no other financial means of obtaining such services.

No pre-admission payments can be required from any source prior to admitting a pregnant woman.

- b. It is understood and agreed by the parties that Interim Services to pregnant women seeking or being referred to treatment shall begin within 48 hours of first contact with the program.

Interim Services are defined as services that are provided until an individual is admitted to a substance use disorder treatment program.

For pregnant women, Interim Services include counseling on the effects of alcohol and drug use on the fetus, as well as referral for prenatal care.

Interim Services also include counseling and education about HIV and tuberculosis (TB), about the risks of needle-sharing, the risks of transmission to sexual partners and infants, and about steps that can be taken to ensure that HIV and TB transmission does not occur, as well as referral for HIV or TB treatment services if necessary.

- c. It is understood and agreed by the parties that when a women is both pregnant and receiving medication assisted treatment for opiate dependence, treatment protocols shall not allow pregnant women to be discharged from medication assisted treatment for opiate dependence during pregnancy or to be detoxified from such medication without notification of, and approval by, the DBH Manager, Medication Assisted Treatment Programs or the DBH Manager, Women's Treatment Programs.

#### 8. Injecting Drug Users: Screening, Admission Priority & Interim Services

- a) It is understood and agreed by the parties that all substance use disorder programs that receive DBH/ADAD funding through this contract for substance use disorder Treatment or Detoxification services shall screen all incoming requests for substance use disorder services for use of drugs in the last 30 days where injection was the route of administration, in order to ensure that Injecting Drug Users are prioritized for admission to treatment and Interim Services are provided to Injecting Drug Users beginning within 48 hours of initial contact with the program by the client or a referral source for the client.

SAPT Block Grant dollars allocated by this contract shall support treatment of Injecting Drug Users who have no other financial means of obtaining such services.

- b. It is understood and agreed by the parties that any Injecting Drug User shall be admitted immediately to treatment whenever possible. Medication assisted treatment programs for opiate dependence receiving DBH funding through this contract shall admit such persons within no more than 14 days of first contact by client, or referral source, to the program or an MSO, whichever is first.

All subcontractors shall refer all opiate injecting drug users to medication-assisted treatment for opiate users, unless clinically contraindicated. Any clinical contraindication shall be clearly

documented in the client's chart. If no such treatment exists within the SSPA, the program shall contact the MSO to obtain this specialized treatment for this client.

No pre-admission payments can be required from any source prior to admitting an Injecting Drug User to any treatment, or admitting an opiate user supported by funds from this contract to medication assisted treatment.

- c. It is understood and agreed by the parties that Interim Services to Injecting Drug Users seeking or being referred to treatment shall begin within 48 hours of first contact with any program receiving funds from this contract. Interim Services are defined as services that are provided until an individual receives their first dose at a medication assisted treatment for opiate dependence program or is admitted to another treatment program, if medication assisted treatment for opiate dependence is clinically contraindicated.

The purposes of Interim Services are to reduce the adverse health effects of substance use disorders, promote the health of the individual, and reduce the risk of transmission of disease. Interim Services for Injecting Drug Users include counseling and education about HIV and tuberculosis (TB), about the risks of needle-sharing, the risks of transmission to sexual partners and infants, and about steps that can be taken to ensure that HIV and TB transmission does not occur, as well as referral for HIV or TB treatment services, if necessary.

## II. Required Outreach to Pregnant Women and Injecting Drug Users

1. It is understood and agreed by the parties that all subcontractors that receive DBH/ADAD funding through this contract for Specialized Women's Services shall publicize:
  - a. the availability of specialized services for pregnant women, and
  - b. the fact that pregnant women have admission preference.

This may be done by means of, but not limited to, street outreach programs, ongoing public service announcements (radio/television), regular advertisements in local/regional print media, posters placed in targeted areas, and frequent notification of availability of such treatment distributed to the network of community based organizations, health care providers, and social service agencies. Examples of such outreach materials shall be submitted to the DBH Director of Community Treatment and Recovery Programs (copies of posters, for instance).

2. It is understood and agreed by the parties that all subcontractor that receives DBH/ADAD funding through this contract for medication-assisted treatment for opiate dependence shall carry out activities to encourage individuals in need of medication assisted treatment for opiate dependence to enroll in such treatment. All shall use outreach models that are scientifically sound, or if no such models are available which are applicable to the local situation, to use an approach that reasonably can be expected to be an effective outreach method. The model shall require that outreach efforts include the following:
  - a. Selecting, training and supervising outreach workers;
  - b. Contacting, communicating and following-up with high risk substance abusers, their associates, and neighborhood residents, within the constraints of Federal and State confidentiality requirements, including 42 C.F.R. Part 2;
  - c. Promoting awareness among injecting drug abusers about the relationship between injecting drug abuse and communicable diseases such as HIV;

- d. Recommend steps that can be taken to ensure that HIV transmission does not occur, and
- e. Encouraging entry into treatment.

### III. Treatment Requirements for Serving Pregnant Women & Women with Dependent Children and for Serving Injecting Drug Users

1. It is understood and agreed by the parties that all subcontractors receiving Specialized Women's Services (SWS) funding through this contract *shall treat the family as a unit* and therefore shall admit both women and their children into treatment services, if appropriate, and *shall provide or arrange for the provision of the following services*, at a minimum, to pregnant women and women with dependent children, including women who are attempting to regain custody of their children:
  - a. primary medical care for women, including referral for prenatal care and, while the women are receiving such services, child care;
  - b. primary pediatric care, including immunization, for their children;
  - c. gender specific substance abuse treatment and other therapeutic interventions for women which may address issues of relationships, sexual and physical abuse and parenting, and child care while the women are receiving these services;
  - d. therapeutic interventions for children in custody of women in treatment which may, among other things, address their developmental needs, their issues of sexual and physical abuse, and neglect; and
  - e. sufficient case management and transportation to ensure that women and their children have access to services provided by paragraphs a. through d. of this section.
2. SAPT Block Grant dollars allocated by this contract shall support treatment of other pregnant women and other women with dependent children who have no other financial means of obtaining such services.
3. It is understood and agreed by the parties that subcontractors providing medication-assisted treatment for opiate addiction shall operate programming consistent with SAMHSA's Treatment Improvement Protocol #43: "Medication-Assisted Treatment For Opioid Addiction in Opioid Treatment Programs."
4. Programs providing medication assisted treatment for opiate dependent persons shall also be in compliance with the federal regulations pertaining to Interim Maintenance Treatment, which are different than the Block Grant Interim Services requirements for Injecting Drug Users specified earlier in this Exhibit.

### IV. Infectious Disease Control Requirements

1. It is understood and agreed by the parties that for each client admitted, the subcontractor shall use one of two DBH-approved instruments to screen for TB, HIV, and other communicable diseases. Since many women substance abusers in need of treatment have trauma histories, it is recommended that subcontractors use the trauma-sensitive version with women clients.
2. It is understood and agreed by the parties that any subcontractor that receives DBH/ADAD funding through this contract to provide substance use disorder Treatment or Detoxification (see Exhibit A) shall comply with the Block Grant requirement to provide, directly or by referral to an entity with which the subcontractor has a formal arrangement, the following to all clients determined to be at significant risk:
  - a. Counseling the individual with respect to tuberculosis;

- b. Testing to determine whether the individual has been infected with mycobacteria tuberculosis to determine the appropriate form of treatment for the individual; and
  - c. Providing for or referring the individuals infected by mycobacteria tuberculosis for appropriate medical evaluation and treatment.
3. All individuals identified with active tuberculosis shall be reported to the appropriate State official as required by law. Subcontractors shall conduct case management activities to ensure that individuals receive the services addressed in this section.

#### V. Other Block Grant Requirements

1. It is understood and agreed by the parties that any subcontractor that receives DBH/ADAD funding through this contract to provide substance use disorder treatment services shall be in compliance with the following Block Grant requirements:

- a. The Block Grant (Section 96.124 Certain Allocations) requires the Contractor's and subcontractors' treatment of pregnant women and women with dependent children to address their "families as units, including admitting women and their dependent children to treatment when clinically appropriate."
- b. The Block Grant (96.132 Additional Agreements) requires Contractors providing direct services and subcontractors to provide continuing education to employees providing services funded by this contract: "With respect to any facility for treatment services or prevention activities that is receiving amounts from a Block Grant, continuing education in such services or activities (or both, as the case may be) shall be made available to employees of the facility who provide the services or activities."

Staff providing treatment services to the admission-priority populations shall be appropriately qualified, based on certification, licensure, education training and/or experience, to work with these populations.

- c. The Block Grant (Section 96.132 Additional Agreements) requires treatment activities being "coordinated with the provision of other appropriate services (including health, social, correctional and criminal and juvenile justice, educational, vocational rehabilitation, and employment services)."

#### VI. Additional Family Services

1. These services are referred to as Additional Family Services (AFS) and are funded by this contract and include federal Block Grant funds and State General Funds.
2. It is understood and agreed by the parties that any subcontractor that receives DBH/ADAD Funding for Additional Family Services through this contract is required to be in compliance with all Block Grant requirements identified in this Exhibit.

3. Women only therapeutic environments shall be made available to women receiving AFS-funded services, and treatment provided shall meet the Block Grant Requirements for pregnant women and women with dependent children which include providing or ensuring linkage to (and specifically documenting this activity in the client chart):
  - a. primary medical care for women, including referral for prenatal care and, while the women are receiving such services, child care;
  - b. primary pediatric care, including immunization, for their children;
  - c. gender specific substance abuse treatment and other therapeutic interventions for women which may address issues of relationships, sexual and physical abuse and parenting, and child care while the women are receiving these services;
  - d. therapeutic interventions for children in custody of women in treatment which may, among other things, address their developmental needs, their issues of sexual and physical abuse, and neglect; and
  - e. sufficient case management and transportation to ensure that women and their children have access to services provided by paragraphs a. through d. of this section.
2. As Block Grant dollars partially fund AFS services, providers of AFS services shall adhere to the Block Grant requirement that all programs shall treatment the family as a unit and therefore shall admit both women and their children into treatment services, if appropriate.
3. AFS funds shall not pay for treatment provided in DUI Offender groups or Non-DUI Offender treatment groups, including SSC groups.
4. AFS funds shall not be spent on abstinence monitoring only.

#### VII. Required Screening and Assessment Tools for Adult Clients

1. Subcontractors shall give each adult and adolescent client a clinician's "diagnostic impression" based on the most recent edition of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM) criteria for substance use, abuse or dependence.
2. Subcontractors may use one or more of the following five screening instruments with each adult client: The Adult Substance Abuse Survey (ASUS), Alcohol Use Disorder Identification Test (AUDIT), Rapid Alcohol Problems Screen (RAPS4), the Substance Use Subtle Screening Inventory (SASSI), and Triage Assessment for Addictive Disorders (TAAD).
3. Subcontractor's screening shall include mental health diagnoses and cognitive problems. Program policies and procedures shall describe the screening protocol and referral processes.
4. Subcontractors shall utilize a standardized placement protocol based on the most recent edition of "ASAM Patient Placement Criteria for the Treatment of Substance-

Related Disorders,” published by the American Society of Addiction Medicine (ASAM) to accurately assess each client for the most appropriate level of care.

- a. If the level determined is not available from that subcontractor, subcontractors shall make a timely and appropriate referral to an appropriate level of care.
- b. Subcontractors shall document in the client’s chart at the program where the decision is made any decision to “override” the indicated level of placement, including in the documentation the rationale and any supporting information.

5. Subcontractors shall use at least the following two components assessing all adult clients.
  - a. Subcontractors shall use one of two assessment tools, the Addiction Severity Index (ASI) or the Global Appraisal of Individual Needs (GAIN), with all adult clients.
  - b. The assessment process shall include a clinical interview whether or not a client-administered format of the tool is used. Clinical observations and judgments shall be used to add to and refine the information obtained from use of the assessment tool.

#### VIII. Other Populations to Be Served

It is understood and agreed by the parties that the purpose of Treatment funding (see Exhibit A) through this contract is to serve primarily the previously mentioned Admission-Priority Populations and the following populations:

- a. Women of any age with dependent children who have no other financial means of obtaining such services,
- b. Adult and adolescent persons infected with HIV or TB,
- c. Persons receiving Aid to the Needy and Disabled (AND), and
- d. Adolescents who have no other financial means of obtaining such services.

Other specific funding categories in Exhibit A, such as SSC, are tied to other specific populations, and are addressed later in this Exhibit.

#### IX. Adolescents

1. For adolescents, use of the most recent edition of one of the following screening tools is suggested, and the use of the most recent version of one of the following assessment instruments is required for use with every adolescent client:
  - a. Choice of suggested screening tools for use with adolescents: Substance Abuse Subtle Screening Inventory-Adolescent (SASSI-A2) or the Substance Use Survey (SUS).
  - b. Choice of required assessment tools for use with adolescents: Adolescent Self-Assessment Profile (ASAP-II), the Comprehensive Adolescent Severity Inventory (CASI), Global Appraisal of Individual Needs (GAIN), Practical Adolescent Dual Diagnostic Interview (PADDI) or the Teen-Addiction Severity Index (T-ASI)).

2. Subcontractors shall ensure that in any sleeping or bathing areas women are separated from men and adolescents are separated from adults, and that adolescents are separated from adults by sight and sound in secure settings.
3. Programs serving adolescents shall be in compliance with DBH Substance Use Disorder Treatment Rules for Treating Minors.

#### X. Gender Specific Treatment

It is agreed and understood by the parties that, regardless of the source of funding, subcontractors providing gender specific treatment for women shall be in compliance with the Block Grant requirements for pregnant women and women with dependent children described in detail earlier in this Exhibit, and with all DBH Substance Use Disorder Treatment Rules for Gender Specific Women's Treatment.

#### XI. Criminal and Juvenile Justice Referred Clients

1. Subcontractors shall develop and operate programming consistent with the Interagency Advisory Committee on Adult and Juvenile Correctional Treatment's (IACAJCT) Principles resulting from the December 2000 State Assembly on Drugs, Alcohol Abuse and the Criminal Offender.
2. Subcontractors shall establish positive working relationships with local probation, parole, and drug court personnel, as well as with the District Attorney's office and other law enforcement entities in order to improve the supervision and treatment of offenders in both the juvenile justice and criminal justice systems.
3. For offenders, the referring entity shall use the currently accepted standardized offender assessment (SOA) as adopted by the IACAJCT to screen the client and to determine the level of care. Additionally, the subcontractor shall use assessment instruments described in this Exhibit for adults or adolescents, depending on the age of the client.
4. STIRRT
  - a. STIRRT programs shall utilize DBH's STIRRT model, which is 112 therapeutic hours during a two week residential stay, followed by up to 8 months of continuing care.
  - b. No fee may be charged to the client or referral source for STIRRT residential or continuing care.
  - c. STIRRT programs shall be in compliance with DBH Substance Use Disorder Treatment Rules' Offender Education, Treatment and Adjunct Services, and all DBH STIRRT policies.
5. Strategies for Self Improvement and Change
  - a. Subcontractors may charge a co-pay, unless it creates a barrier to treatment.
  - b. If a co-pay creates a barrier to treatment, subcontractors shall utilize a fee waiver procedure.

- c. Programs utilizing the SSC curriculum shall be in compliance with all applicable DBH Substance Use Disorder Treatment Rules, including those for Offender Education, Treatment and Adjunct Services.

## XII. Detoxification Services

1. At admission to detoxification, subcontractors shall utilize the current version of the Addiction Research Foundation's "Clinical Institute Withdrawal Assessment for Alcohol" (CIWA) to assess the severity of alcohol withdrawal symptoms to determine if the client needs a more acute level of care. The CIWA shall be administered by CIWA-trained staff and reviewed by a minimum of a CAC I also trained in the CIWA. This paragraph does not apply to detoxification programs that are not located in Metropolitan Statistical Areas, as defined by the U.S. Census Bureau, if a licensing waiver regarding reduced staffing has been submitted to and approved by the DBH Treatment Field Manager who is assigned to the detoxification subcontractor.
2. Subcontractors shall refer every pregnant woman admitted to detox to treatment, and the program to which she is referred shall initiate Interim Services.
3. Subcontractors shall utilize the current DBH Detoxification Discharge Guidelines in determining appropriateness of discharge for each patient.
4. Subcontractors shall ensure that in any sleeping and bathing areas women are separated from men, that adolescents are separated from adults, and that adolescents are separated from adults by sight and sound in secure settings.
5. Rural detoxification programs shall be in compliance with all applicable DBH Substance Use Disorder Treatment Rules, including those for Non-Hospital Residential Detoxification. Funding from the rural detox line may only be used for increased staffing in Non-Hospital Residential Detoxification programs.

## XIII. Intensive Residential Treatment

Intensive Residential Treatment (IRT) shall include a minimum of one individual session per week between each client and the client's primary counselor. Each IRT shall provide treatment daily, including holidays.

## XIV. Treatment Specifications Applying to All Subcontractors

1. Subcontractors shall be DBH-licensed and in compliance with current DBH Substance Use Disorder Treatment Rules (6 CCR-1008-1, State of Colorado Rules and Regulations), DBH Counselor Certification Standards (6 CCR 1008-3, State of Colorado Rules and Regulations), DBH Controlled Substances Rules (6 CCR-1008-2, State of Colorado Rules and Regulations), and all DBH policies.
2. Subcontractors shall report Critical Incidents to DBH in accord with the most recent version of DBH's Critical Incident Policy.
3. Subcontractors shall provide documented clinical supervision in accord with the DBH Counselor Certification Standards (6 CCR 1008-3, State of Colorado Rules and Regulations).

4. Subcontractors shall make every effort to maintain and/or implement models of treatment that are evidence-based.
5. Subcontractors shall refer all opiate dependent clients to medication-assisted treatment for opiate users, unless clinically contraindicated. Any clinical contraindication shall be clearly documented in the client's chart.
6. Recognizing the prevalence of mental illness among persons presenting for substance use disorder treatment, subcontractors shall develop and operate programming consistent with SAMHSA's Protocol #42: "Substance Abuse Treatment for Persons with Co-occurring Disorders," available at no charge from <http://store.health.org/catalog/results.aspx?h=publications&topic=103>.
7. Subcontractors shall ensure cooperation in serving persons eligible for services from community mental health centers and mental health clinics by maintaining relationships with each community mental health center and clinic in its area, by developing a process for resolving differences of opinion, and by developing a method for exchanging information about available services in each system for persons with co- occurring disorders.
8. Unless clinically contraindicated, subcontractors shall conduct activities to engage spouses, partners and/or families in clients' treatment. Family therapy shall be provided onsite or through referral when clinically indicated. Therapeutic activities and materials provided to children shall be developmentally appropriate.
9. Subcontractors shall provide therapeutic activities and materials that demonstrate an awareness of and are inclusive of cultural differences, including language, ethnicity, disability, gender, sexual orientation. The agency staff shall demonstrate skills, behaviors and attitudes that enable them to work effectively in cross-cultural situations.
10. Subcontractors shall ensure that in any sleeping and bathing areas women are separated from men and adolescents are separated from adults, and that adolescents are separated from adults by sight and sound in secure settings.
11. Subcontractors shall assure continuity of care for each service recipient so that an individual's changing needs shall be met as they move through the treatment and recovery process.
12. Subcontractors shall provide case management services which may include, but are not limited to, service planning and utilization, referral, service provision monitoring, supportive intervention, crisis management, establishing linkages with other community resources, client transportation, monitoring, follow-up, and advocacy.
13. Subcontractors shall collaborate with other cooperating agencies, to create system-level and case-level solutions, and for assuring proper assessment, treatment planning, case review, feedback and continuing care planning.

14. Subcontractors shall make reasonable efforts to serve homeless clients and to address the affordable housing needs of their clients.
15. Subcontractors are encouraged to use a strengths based approach to treatment planning. Subcontractors shall develop treatment plans that contain an assessment statement and corresponding goals, and that address all items identified in the screening and assessment processes, either directly or by referral. Subcontractors shall include plans for recovery and recovery support services in the treatment planning process. Tobacco cessation may be a goal of the treatment plan if there is a primary diagnosis of substance abuse or dependence, and there is at least one goal addressing the substance use disorder.
16. Treatment notes shall include assessment statements. Each note shall be tied to at least one of the goals of the treatment plan.
17. Subcontractors shall provide, and/or provide information about, support and self-help services intended to aid in recovery from substance abuse/dependence.
18. Subcontractors shall determine the individualized length of stay based on the client needs, the goals and objectives of the client's treatment plan, and treatment progress.

XV. Nondiscrimination

1. The following is a list of reasons sometimes given to refuse admission of a client to a particular treatment setting. It is agreed and understood by the parties that no one or combination of the following shall be used to deny treatment to any adolescent or adult, individual or family.
  - a. Being involuntarily committed to treatment;
  - b. Being pregnant (admission shall be accelerated, not denied);
  - c. Injecting drug use (admission shall be accelerated, not denied);
  - d. Having co-occurring psychiatric disorder(s);
  - e. Taking prescribed psychotropic medications;
  - f. Being treated with medication assisted treatment for opiate dependence;
  - g. Being deaf or hard of hearing;
  - h. Being HIV Positive;
  - i. Having an AIDS diagnosis;
  - j. Engaging in high-risk behaviors;
  - k. Receiving Aid to the Needy Disabled (AND);
  - l. Using drugs other than alcohol;
  - m. Being disabled as defined by the Americans' with Disability Act (ADA).
2. Subcontractors shall provide services to and to make reasonable accommodations for those clients who have disabilities as defined by the ADA.

Subcontractors shall provide treatment to people who are deaf or hard of hearing by contacting the Managed Service Organization to access resources dedicated to this population.

### DATA REPORTING REQUIREMENTS

The Contractor shall collect, compile, and report client data to the State as follows:

1. Contractor must submit client data required by the most recent version of the Drug/Alcohol Coordinated Data System (DACODS) data to DBH for all treatment, detoxification and DUI clients via the specified web portal on or before the 15<sup>th</sup> of each month following the report month. (E.g., if reporting data for March, then March data is due to DBH on or before the 15<sup>th</sup> of April.) Late submissions may result in liquidated damages. Specific instructions regarding DACODS are included in DBH's DACODS User Manual.
2. Contractor is responsible for training all subcontractors in the proper completion of DACODS and for collecting and submitting to DBH completed DACODS data from subcontractors on all subcontractors' clients, regardless of payer source.
3. DBH will review DACODS data quarterly by provider to assure that "unknown" response levels remain within the acceptable level. Contractor is responsible for working with providers to assure that level of unknown DACODS responses does not exceed the acceptable level. Acceptable levels are:
  - a) For a treatment site per quarter – no more than 3% total DACODS items for all clients combined may be unknown.
  - b) For a detoxification site per quarter – no more than 5% total DACODS items for all clients combined may be unknown.
4. Contractor must insure that providers perform a status review of all DACODS client records that have had no documented activity in any consecutive 90-day period, to determine if these clients should be re-contacted, maintained or discharged on the DACODS form.
5. No DUI admissions may be counted toward any target population requirement, or toward total encounters. Total encounters will include all non-detox, non-DUI treatment admissions, except that only 10% of the total encounters shall be Differential Assessment only.
6. Electronic DACODS forms must be submitted to DBH on or before the 15<sup>th</sup> of each month. Electronic DRS forms must be completed and submitted via DBH's secure web site.
7. With 90 days notice, Contractor shall participate and require provider participation in both data clean-up processes, changes to data collection systems when required, and follow-up studies on discharged clients, in the manner and timing specified by the State.
8. Contractor shall ensure that providers complete the annual federal National Survey of Substance Abuse Treatment Services (N-SSATS) within the federal time limits.
9. Contractor is responsible for assuring their own and their subcontractors' compliance efforts with the Health Insurance Portability and Accountability Act (HIPAA) and 42 C.F.R. Part 2, and for contracting only with providers who are compliant with all applicable confidentiality rules.
10. Contractor shall provide an annual report related to data and fiscal issues to the State by December 31 of each year. The format shall be provided by the State.

11. DBH Data and Evaluation staff will convene quarterly meetings with representatives from the Contractors.
12. The business rules for reporting admissions of pregnant women, injecting drug users, women with dependent children, persons at risk of TB and persons at risk of HIV are:
- a. Pregnant Women
    - DACOD data for the admission has been submitted electronically to DBH.
    - Detox excluded
    - DUI excluded, all levels
    - Differential Assessment included
    - Treatment included
    - A Pregnancy Risk Assessment has been completed
  - b. Injecting Drug Users, Persons at Risk of TB, Persons at Risk of HIV
    - DACOD data for the admission has been submitted electronically to DBH.
    - Detox excluded
    - DUI excluded, all levels
    - Differential Assessment included
    - Treatment included
    - Route of Administration for Primary, Secondary or Tertiary Drug is Injection
    - Use in Last 30 Days for Any Drug for Which Injection is the Route of Administration

Contractors supporting persons who are injecting drug users in medication assisted treatment for opiate dependence shall also be credited with a “carry over” number of admissions. DBH will seek input from the Contractors in developing procedures for how this number is determined.
  - c. Women with Dependent Children
    - DACOD data for the admission has been submitted electronically to DBH.
    - Detox excluded
    - DUI excluded, all levels
    - Differential Assessment included
    - Treatment included
    - Gender is Female
    - Number of Dependent Children is anything other than zero
13. Abstinence monitoring is not a DBH-recognized level of care, and cannot be counted as a treatment admission.
14. The State, in conjunction with the DBH-MSO Management Collaborative, reserves the right to modify protocols and specifications contained in this Exhibit as may be appropriate during the term of this contract. Such changes shall be reflected in the minutes of these meetings.

**ADMISSION REQUIREMENTS  
2009-2010**

Contractor: West Slope Casa Sub-State Area: 5&6

## I. CONTRACT SPECIFICATIONS

Service	Number of Admissions	DRG RATE	State Share	Contract Amount
<b>Detoxification</b>	<b>1,801</b>	<b>\$935.00</b>	<b>45%</b>	<b>\$757,862.00</b>
<b>Treatment: *</b>	<b>1,917</b>	<b>\$1,263</b>	<b>50%</b>	<b>\$1,210,647.00</b>
Diff. Assess.		N/A		
Outpatient		\$728.00		
IOP/Day Tx		\$1,072.00		
Residential		\$4,766.00		
<b>STIRRT Res.</b>	<b>273</b>	<b>\$553.00</b>	<b>100%</b>	<b>\$151,020.00</b>
Opioid		N/A		

\* These numbers include priority treatment of Involuntary Commitments Pregnant Women, Injecting Drug Users/Opiate Users, Women with Dependent Children, and includes Opioid Replacement Treatment.

**TOTAL**                      **\$2,119,529.00**

## II. ADMISSION DEFINITIONS

Case Management is assumed to be provided as appropriate for all the following:

1. **Detoxification** - An individual who has been admitted to a State-licensed social model detoxification facility.
2. **Differential Assessment Only** - An individual who has completed an assessment using the required assessment instruments.

**Note:** Differential Assessment Only may not comprise more than 10 percent of total required treatment admissions.

3. **Outpatient** - An individual who has been admitted to ASAM Level I including individual, group, family counseling, and therapeutic urinalysis/breathalyzer testing.

4. **Intensive Outpatient/Day Treatment** - An individual who has been admitted to ASAM Level II.I including individual, group, family counseling, and therapeutic urinalysis/breathalyzer testing.
5. **STIRRT Residential** – A person admitted to a STIRRT residential program for offenders with a minimum of 112 therapeutic hours including room and board.
6. **Residential Treatment** - An individual who has been admitted to ASAM Level III.1, III.5 or III.7 (TRT, TC, IRT) including individual, group, family counseling, therapeutic urinalysis/breathalyzer testing, and room and board.
7. **Opioid Replacement Treatment** - An individual who has been admitted to ASAM Level OMT including individual, group, family counseling, therapeutic urinalysis/breathalyzer testing, and methadone or other opiate replacement.

**Note:** The Roman Numerals reference the modified version of the American Society of Addiction Medicine Patient Placement Criteria 2R.

### III. PRIORITY POPULATION MATRIX

Contractor: West Slope Casa Sub-State Area: 5&6

POPULATION CATEGORY (Non detox / non DUI)	PRIORITY POPULATION ADMISSIONS
1. Pregnant Women	42
2. Injecting drug users	187
3. Females with dependent children	400

**NOTE:** Items 1 through 3 are sub-populations of total admissions, but are not mutually exclusive.

If expectations are missed (admission numbers less than 95% of expectation) in Section I, the financial penalties will be calculated using those deficiencies in Section I. If expectations are missed in Section I or Section III, the financial penalties will be calculated only on those deficiencies in the deficient section.

## FISCAL REQUIREMENTS

### 1. Independent Audit

The Contractor and any of its subcontractors who receive more than Three Hundred Thousand Dollars (\$300,000.00) in reimbursement from the Contractor for services as part of the sub-state area network shall make a provision for an independent financial audit to be performed annually. To the maximum practicable extent, the audit shall identify, examine, and report the income and expenditures specific to operation of the services described in this contract. The audit will be presented in the format specified in the "Accounting and Auditing Guidelines" for Colorado Department of Human Services. The Contractor shall furnish one copy of each audit report, together with associated special reports and the management letter, if any, to the Division of Behavioral Health (DBH), Alcohol and Drug Abuse Division, Fiscal Unit (Fiscal Unit), no later than seven months after the close of the Contractor's fiscal year. A waiver, of the aforementioned due date, may be requested of Fiscal Unit. Late audit reports shall subject the Contractor to financial sanctions as described in paragraph 6. of this exhibit.

If a subcontractor receives less than \$300,000 from this contract, and has an independent financial audit performed, the State requests that said audit be submitted to the Fiscal Unit, no later than six months after the close of the Contractor's fiscal year.

### 2. Cost/Revenue Report

If formal audit reports are not required, or if formal audit reports are provided but do not adequately identify both the costs of and associated revenues for (a) alcohol and other drug detoxification and (b) other alcohol and drug treatment services described in this contract, the Contractor and any subcontractor shall provide annual reports reflecting total cash and non-cash revenues and costs of the detox and treatment services described in this contract, in a format prescribed by the State. The reports shall be based on Contractor and its subcontractor's financial records and shall be in agreement with the Contractor and its subcontractor's internal financial statements, provided that adjustments may be made to conform to requirements of the aforementioned format. An annual report including expenditures and revenues covering July 1 - June 30 will be due to the Fiscal Unit by January 31 of the year in which the end of the fiscal year is included.

### 3. Cost Savings and Cost Overruns

If the State determines from the audits of the Contractor and its subcontractors performed pursuant to paragraph above, that total payments made to the Contractor by the State hereunder plus cost-sharing revenues as described in the above paragraph ("total revenues") exceed the total costs of providing and arranging for all services under this contract ("excess revenues"), in the next year of this contract, without cost to the State, the Contractor shall provide an expansion and/or improvement of the services provided hereunder, equal in value to the amount by which the excess revenues exceed five percent of the total revenues. The Contractor, with the State, shall coordinate the specific expansion and/or improvement of services and shall be subject to the State's approval, which approval the State shall not unreasonably withhold.

### 4. Income From Sources Other Than This Contract

If income from DBH/ADAD is less than 80% of the total contractor income, the contractor must develop and report to the Fiscal Unit a cost allocation plan for distribution of salaries, operating and other indirect costs.

### 5. MSO Reporting of Clients Sent Out Of Network

For all clients referred to another MSO's region, if the referring MSO counts the admission towards their contractual admission requirements, the referring MSO will report these clients on the quarterly admission data

that is submitted to the Fiscal Unit. It will be assumed that these “out of area referrals” will be for residential or opioid treatment, unless otherwise narrated in the MSO annual report.

#### 6. Performance and Non-Compliance

- a. The State shall have the following remedies for non-compliance by the Contractor, in addition to any other remedies listed in this contract or otherwise provided by law.
- b. The State will notify the Contractor of non-compliance and subsequently, after consultation with the Contractor, will establish a schedule for the Contractor to cure non-compliance. The Contractor shall be responsible for the submission of a plan of corrective action in accordance with said schedule. If full compliance is not achieved, or a plan of action for correction is not submitted and approved by the State within the scheduled time frame, the State may exercise remedies specified in the General Provisions paragraph U. “Remedies” section of this Contract. If the State determines that the Contractor continues to be out of compliance with the Contract, the State may exercise liquidated damages herein.
- c. Liquidated Damages. If an extension of time is not granted by the State, and the required performance associated with this contract is not received from the Contractor then liquidated damages of \$300 a day will be assessed and may be permanently withheld from payments due to the Contractor for each day that performance is late. The parties agree that incomplete or incorrect performance shall also be cause for “late performance.” The parties agree that the damages from breach of this contract are difficult to prove or estimate, and the amount of liquidated damages specified herein represents a reasonable estimation of damages that will be suffered by the State from late performance, including costs of additional inspection and oversight, and lost opportunity for additional efficiencies that would have attended on-time completion of performance. Assessment of liquidated damages shall not be exclusive of or in any way limit remedies available to the State at law or equity for Contractor breach.

#### 7. Laboratory Testing for Aid to Needy Dependent (A.N.D.) Clients

Payment of General Fund monies to Contractors performing substance abuse testing on Aid to the Needy and Disabled (A.N.D.) clients, will be made as billed, from available funds of Six Thousand Nine Hundred Twelve Dollars (\$6,912.00). It is further understood and agreed that the maximum amount of funds available for payment to all programs statewide for this fiscal year for this purpose is Six Thousand Nine Hundred Twelve Dollars (\$6,912.00).

#### 8. Client Fees

In providing the services described herein, the Contractor or any subcontractor will charge fees to adult clients based on a sliding fee schedule that shall include zero dollar fees, or, have a process by which the full fee can be waived. The lack of the intake fee may not be used as a barrier to admission to treatment for IC clients. After admission, fees can be charged per the sliding fee schedule unless the client meets the qualification for State Aid to the Needy and Disabled, in which case the fee shall be waived. Fees shall be reasonable and are subject to review by the Fiscal Unit. Clients under the age of 18 (minors) who are admitted to treatment with the knowledge and consent of their parents may have fees charged to their

family/guardians based on their family/guardians' income and number of dependents. Clients under the age of 18 (minors) who are admitted to treatment without the knowledge and consent of their parents, may have fees charged based on their income. Fees must be communicated to clients in writing as part of the admission process or, in the case of detox, as soon as possible thereafter.

9. All DBH/ADAD monies allocated to the sub-contractor/provider shall be identified as cash, general fund, and/or federal funds. Payment to subcontractors/providers shall identify payments for CORE Services and AFS separately.
10. Over a three-year period the MSO will conduct at least one on-site financial review using the state approved format of each sub-contractor/provider and report the results to the Fiscal Unit in a format prescribed by the state.

#### 11. Additional Definitions

- a. Independent financial audit means a financial audit conducted by a certified public accounting firm or certified public accountant (CPA) in accordance with generally accepted accounting principles and applicable federal regulations. The CPA or firm must be independent of the contractor. Independent means not a regular full-time or part-time employee of the contractor and not receiving any form of compensation from the contractor other than that they receive for the conduct of the financial audit.
- b. Encounter is an admission through discharge into a, a) detoxification or b) treatment program. All treatment/non-detox admissions include a differential assessment as required by DBH/ADAD's Treatment Standards. Treatment encounters include all types of necessary residential and outpatient services included in a treatment plan. Up to 10% of billable encounters may be for differential assessments-only.
- c. Provider means an organization that provides direct services to a client paid for in whole or in part by this contract. This could be the Contractor or a sub-contractor.
- d. Total approved costs means the total cost of activities under this contract that are recognized by the state as necessary for the performance of this contract under applicable federal and state laws and regulations.