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SAPC BULLETIN NO. 17-09-START

October 5, 2017

TO: Los Angeles County Substance Use Disorder
Contracted Treatment Providers

FROM: Wesley L. Ford, M.A., M.P.H., Director
Substance Abuse Prevention and Control *WLF*

**SUBJECT: SYSTEM TRANSFORMATION TO ADVANCE RECOVERY AND
TREATMENT (START-ODS) SERVICE COST RECONCILIATION
SETTLEMENT**

Under the delegated authority issued to Substance Abuse Prevention and Control (SAPC) on May 17, 2017 to amend contracts via bulletins, this bulletin serves to amend Section 5, paragraph D of Substance Use Disorder contracts and Section 5, paragraph E of Drug Medi-Cal contracts, titled Invoices and Payment, to reflect the provisions of the System Transformation to Advance Recovery and Treatment, Los Angeles County's Substance Use Disorder Organized Delivery System (START-ODS). Effective July 1, 2017, the reimbursement model will be cost reconciliation, or settlement at the lesser of costs or charges.

While payments shall be made in accordance with the fee-for-service (FFS) rate(s) set out in the attached Rates and Standards Matrix, the Contractor must produce proof of actual allowable costs incurred in the provision of units of service as requested by County, State, or Federal representatives. Depending on the total incurred allowable costs, and based on the delivery of medically necessary services, the Contractor will be reimbursed as follows:

1. If the actual allowable and documented costs are less than the FFS rate(s) submitted for reimbursement, the Contractor shall be reimbursed for the actual costs not to exceed charges, and excess payment will be recouped.
2. If the actual allowable and documented costs are more than the FFS rate(s) submitted for reimbursement, the Contractor shall be reimbursed for the submitted charges only, and excess costs will not be reimbursed.

3. If the actual allowable and documented costs are equal to the FFS rate(s) submitted for reimbursement, the Contractor shall be reimbursed for the submitted charges, and no funds will be collected or returned.

In no event shall the County be required to pay the Contractor for units of service that are not supported by actual allowable and documented costs, and that are not deemed medically necessary for patient(s) served. Regardless of the amount of costs incurred by the Contractor, in no event will the County pay, or be obligated to pay, the Contractor more than the fees for the units of service provided for DMC contracts, or more than the contract maximum amount for SUD contracts.

Providers should refer to the SAPC Provider Manual for more information on the treatment requirements and billing for services.

If you have any questions or need additional information, please contact Babatunde Yates at (626) 299-4590 or at byates@ph.lacounty.gov.

WLF:dd