**AMENDMENT #1 TO THE CONTRACT WITH**
**AEGIS TREATMENT CENTERS, LLC Res 23-389**

**THIS AMENDMENT** is executed this 9th day of January 2024 by and between AEGIS TREATMENT CENTERS, LLC, hereinafter referred to as "Contractor" and COUNTY OF NEVADA, hereinafter referred to as "County." Said Amendment will amend the prior Agreement between the parties entitled Professional Services Contract, executed on August 8, 2023 per Resolution 23-389; and

**WHEREAS**, the Contractor provides Drug Medi-Cal (DMC) outpatient Narcotic Treatment Program (NTP) for referred clients of the Nevada County Behavioral Health Department; and

**WHEREAS**, the parties desire to amend their Agreement to increase the contract price from $806,000 to $826,000 (an increase of $20,000), revise Exhibit "A" Schedule of Services to incorporate Narcotics Treatment Program (NTP) services for adolescents and amend Exhibit "B" Schedule of Charges and Payments to reflect the increase in the maximum contract.

**NOW, THEREFORE,** the parties hereto agree as follows:

1. That Amendment #1 shall be effective as of January 1, 2024.
2. That Maximum Contract Price, shall be amended to the following: $826,000.
3. That the Schedule of Services, Exhibit "A" is amended to the revised Exhibit "A" attached hereto and incorporated herein.
4. That the Schedule of Charges and Payments, Exhibit "B" is amended to the revised Exhibit "B" attached hereto and incorporated herein.
5. That in all other respects the prior agreement of the parties shall remain in full force and effect except as amended herein.

COUNTY OF NEVADA:

By:_____

Chair of the Board of Supervisors

ATTEST:

By:_____

Clerk of the Board

CONTRACTOR:

By: _____

Aegis Treatment Centers, LLC
1317 Route 73 North, STE 200
Mount Laurel, NJ 08054

**EXHIBIT "A"**
**SCHEDULE OF SERVICES**
**AEGIS TREATMENT CENTERS, LLC.**

Aegis Treatment Centers, LLC., hereinafter referred to as "Contractor", shall provide Drug Medi-Cal (DMC) outpatient Narcotic Treatment Program (NTP) for referred clients of the Nevada County Behavioral Health Department, hereinafter referred to as "County". Opioid (Narcotic) Treatment Program (ASAM OTP Level 1) services are provided in NTP licensed facilities. Medically necessary services are provided in accordance with an individualized treatment plan determined by a licensed physician or licensed provider and approved and authorized according to the State of California requirements. NTPs/OTPs are required to offer methadone, buprenorphine, naloxone, and disulfiram.

Medi-Cal beneficiaries whose county of responsibility is Nevada County are able to receive covered and clinically appropriate DMC ODS services consistent with the following assessment, access, and level of care determination criteria.

**Narcotic Treatment Program** (This section supersedes MHSUDS IN 16-048)

1. Narcotic Treatment Program (NTP), also described in the ASAM Criteria© as an Opioid Treatment Program (OTP), is an outpatient program that provides Food and Drug Administration (FDA)-approved medications and biological products to treat SUDs when ordered by a physician as medically necessary. NTPs are required to administer, dispense, or prescribe medications to beneficiaries covered under the DMC-ODS formulary. NTPs shall comply with all federal and state NTP licensing requirements. If the NTP cannot comply with all federal and state NTP requirements, then the NTP must assist the beneficiary in choosing another MAT provider, ensure continuity of care, and facilitate a warm hand-off to ensure engagement. NTP services are provided in DHCS-licensed NTP facilities pursuant to the California Code of Regulations, title 9, Chapter 4, and Title 42 of the Code of Federal Regulations (CFR).
2. NTPs are required to administer, dispense, or prescribe medications to beneficiaries covered under the DMC-ODS formulary including:
    a. Methadone
    b. Buprenorphine (transmucosal and long-acting injectable)
    c. Naltrexone (oral and long-acting injectable)
    d. Disulfiram
    e. Naloxone
    f. If the NTP is unable to directly administer or dispense medically necessary medications covered under the DMC-ODS formulary, the NTP must prescribe the medication for dispensing at a pharmacy or refer the beneficiary to a provider capable of dispensing the medication.
    g. Service components:
        i. Intake: The history and physical exam conducted by the LPHA at admission qualifies as the medical necessity determination for NTP/OTP program services pursuant to state and federal regulations
        ii. Initial Assessment
        iii. Care Coordination
        iv. Counseling (individual and group)

a. The NTP shall offer the beneficiary a minimum of fifty (50) minutes of counseling services per calendar month
b. Counseling services may be provided in-person, by telehealth, or by telephone

v. Family Therapy (referral to family therapy if indicated)
vi. Medical Psychotherapy
vii. Medication Services
viii. MAT for OUD
ix. MAT for AUD and other non-opioid SUDs
x. Patient Education
xi. Recovery Services
xii. SUD Crisis Intervention Services
xiii. Medical evaluation for methadone treatment

a. Medical history
b. Laboratory tests
c. Physical exam
d. Medical evaluation must be conducted in-person

3. Adolescents

CONTRACTOR agrees to provide the following services to any adolescent person served who meets medical necessity for narcotic treatment program services, including additional medication assisted treatment:

A. Each person served will be considered on a case-by-case basis.
B. Any consideration of adolescent OTP/NTP service delivery must comply with Title 9 of the CA Health and Safety Code allowing adolescents to receive MAT in Opioid Treatment Programs. Per the Rehabilitation and Developmental Services Division 4, Alcohol and Drug Programs, Chapter 4, Narcotic Treatment programs, section 10270 — Criteria for Patient Selection, Section d.2 requirements, patients under the age of 18 years, must have a documented history of two unsuccessful attempts at short-term detoxification or drug-free treatment within a 12-month period. The methods to confirm this history and the types of documentation to be maintained in the patient's record shall be stated in the protocol. Patients under the age of 18 years shall also have the written consent of their parent(s) or guardian prior to admission, which COUNTY shall procure.
C. CONTRACTOR will comply with providing the Federal Drug Administration (FDA) approved medications listed in DHCS Information Notice No. 21-024 DMC-ODS — Expanding Access to MAT.
D. Any adolescent client considered for OTP/NTP treatment services will be assessed, triaged and provided a full multidimensional ASAM Assessment by COUNTY contracted SUD treatment provider.
E. Any adolescent client considered for OTP/NTP treatment services must be oriented to and agree to OTP/NTP services.
F. Evidenced-based-practices will usually indicate buprenorphine as the most appropriate medication for adolescents within an OTP/NTP, but this does not preclude the need for the other FDA approved medications if indicated.
G. Because it is clinically contraindicated to mix adult and adolescent clients for long term care within an OTP/NTP, CONTRACTOR will provide initial assessment, medical clearance, induction services (if buprenorphine is used), initial and ongoing medication prescription and medical management of the medications.
H. All adolescents receiving OTP/NTP treatment services will receive behavioral SUD treatment through COUNTY contracted adolescent providers. Individual care coordination services will be provided by

COUNTY contracted providers to all adolescents receiving OTP/NTP services with CONTRACTOR to ensure seamless integration between COUNTY and CONTRACTOR for client Treatment/Recovery success.
J. CONTRACTOR will provide adolescent with a referral and warm handoff to the county contracted treatment program for counseling services.

## DEFINITIONS

**Adolescent:** Refers to beneficiaries under age 21.

**Assessment:** Consists of activities to evaluate or monitor the status of a beneficiary's behavioral health and determine the appropriate level of care and course of treatment for that beneficiary. Assessments shall be conducted in accordance with applicable State and Federal laws, and regulations, and standards.[1] Assessment may be initial and periodic and may include contact with family members or other collaterals if the purpose of the collateral's participation is to focus on the treatment needs of the beneficiary. Assessment services may include one or more of the following components:

- Collection of information for assessment used in the evaluation and analysis of the cause or nature of the substance use disorder.
- Diagnosis of substance use disorders utilizing the current DSM and assessment of treatment needs for medically necessary treatment services. This may include a physical examination and laboratory testing (e.g., body specimen screening) necessary for treatment and evaluation conducted by staff lawfully authorized to provide such services and/or order laboratory testing (laboratory testing is covered under the "Other laboratory and X-ray services" benefit of the California Medicaid State Plan).

Treatment planning, a service activity that consists of development and updates to documentation needed to plan and address the beneficiary's needs, planned interventions and to address and monitor a beneficiary's progress and restoration of a beneficiary to their best possible functional level.

**Family Therapy:** A rehabilitative service that includes family members in the treatment process, providing education about factors that are important to the beneficiary's recovery as well as the holistic recovery of the family system. Family members can provide social support to the beneficiary and help motivate their loved one to remain in treatment. There may be times when, based on clinical judgment, the beneficiary is not present during the delivery of this service, but the service is for the direct benefit of the beneficiary.

**Group Counseling:** Consists of contacts with multiple beneficiaries at the same time. Group Counseling focuses on the needs of the participants. Group counseling shall be provided to a group that includes 2-12 individuals.

**Individual Counseling:** Consists of contacts with a beneficiary. Individual counseling can include contact with family members or other collaterals if the purpose of the collateral's participation is to focus on the treatment needs of the beneficiary by supporting the achievement of the beneficiary's treatment goals.

[1] As described above, NTPs conduct a history and physical exam by an LPHA pursuant to state and federal regulations. This history and physical exam done at admission to a NTP qualifies the purpose of determining medical necessity under the DMC-ODS

**Medical Psychotherapy:** A counseling service to treat SUDs other than OUD conducted by the medical director of a Narcotic Treatment Program on a one-to-one basis with the beneficiary.

**Medication Services:** Includes prescription or administration of medication related to substance use disorder services, or the assessment of the side effects or results of the medication. Medication Services does not include MAT for Opioid Use Disorders (OUD) or MAT for Alcohol Use Disorders (AUD) and other Non-Opioid Substance Use Disorders. Medication Services includes prescribing, administering, and monitoring medications used in the treatment or management of SUD and/or WM not included in the definitions of MAT for OUD or MAT for AUD services.

**Medications for Addiction Treatment (also known as Medication Assisted Treatment (MAT)) for Opioid Use Disorders (OUD):** Includes all medications approved under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) and all biological products licensed under section 351 of the Public Health Service Act (42 U.S.C. 262) to treat opioid use disorders.

MAT for OUD may be provided in clinical or non-clinical settings and can be delivered as a standalone service or as a service delivered as part of a level of care listed below in the "Levels of Care" section.

- "Patient Education", which is education for the beneficiary on addiction, treatment, recovery, and associated health risks.
- Prescribing and monitoring for MAT for OUD, which is prescribing, administering, dispensing, ordering, monitoring, and/or managing the medications used for MAT for OUD.

**SUD Crisis Intervention Services:** Consists of contacts with a beneficiary in crisis. A crisis means an actual relapse or an unforeseen event or circumstance which presents to the beneficiary an imminent threat of relapse. SUD Crisis Intervention Services shall focus on alleviating the crisis problem, be limited to the stabilization of the beneficiary's immediate situation, and be provided in the least intensive level of care that is medically necessary to treat their condition.

**Withdrawal Management Services (WM):** Provided to beneficiaries when medically necessary for maximum reduction of the SUD symptoms and restoration of the beneficiary to their best possible functional level.

- Observation, which is the process of monitoring the beneficiary's course of withdrawal. Observation is conducted at the frequency required by applicable state and federal laws, regulations, and standards. This may include but is not limited to observation of the beneficiary's health status.

Practice Requirements: Contractor must implement at least two evidenced based practices in its treatment modalities. The acceptable evidenced based practices for the treatment of SUDs should be from the following list:

a. Motivational Interviewing- A beneficiary-centered, empathic, but directive counseling strategy designed to explore and reduce a person's ambivalence toward treatment. This approach frequently includes other problem-solving or solution-focused strategies that build on beneficiaries' past successes.

b. Cognitive-Behavioral Therapy- Based on the theory that most emotional and behavioral reactions are learned and that new ways of reacting and behaving can be learned.

c. Relapse Prevention- A behavioral self-control program that teaches individuals with SUD how to anticipate and cope with the potential for relapse. Relapse prevention can be used as a stand-alone substance use treatment program or as an aftercare program to sustain gains achieved during initial SUD treatment.

d. Trauma-Informed Treatment- Services must take into account an understanding of trauma, and place priority on trauma survivors' safety, choice, and control.

e. Psychoeducation- Psychoeducational groups are designed to educate beneficiaries about substance abuse and related behaviors and consequences. Psychoeducational groups provide information designed to have a direct application to beneficiaries' lives; to instill self-awareness, suggest options for growth and change, identify community resources that can assist beneficiaries in recovery, develop an understanding of the process of recovery, and prompt people using substances to take action on their own behalf.

1. Data Collection, Reports, and Ancillary Services:

1.1 Contractor agrees to abide by the provisions of Attachment 1 hereto attached and incorporated herein as required of "contractors" and "subcontractors" under the State Department of Health Care Services (DHCS) Standard Agreement Number by and between DHCS and the County.

1.2 Contractor shall cooperate with the County in the implementation, monitoring and evaluation of the Contract and comply with any and all reporting requirements established by the County. Payment of invoices may be held until Contractor is in compliance with reporting requirements. County shall not be responsible for reimbursement of invoices submitted by Contractor that do not have proper authorizations in place. Contractor shall participate in Risk Needs Responsivity practices as determined by County.

1.3 Contractor agrees to provide the following data quarterly to the Nevada County Quality Assurance Manager:

1.3.1 Number of new clients

1.3.2 Number of clients discharged successfully or unsuccessfully

1.3.3 Percentage of clients who are illicit opiate free within 90 days of admission

1.4 Contractor shall make referrals as permissible and in accordance to HIPAA and 42 CFR Part 2, or assist County case managers in the identification of and referral to ancillary services needed by individual clients, including literacy enhancement, family counseling, and vocational training.

2. Case Referrals:

2.1 Contractor agrees to accept new County case referrals as having been appropriately assessed if such referrals are deemed by Contractor's physician to meet admission criteria as set by Title 9 and 22 of the California Code of Regulations.

3. Maintenance of Effort:

3.1 Contractor agrees to provide County ***upon request***:

3.1.1 Number of full time equivalent (FTE) staff assigned to this program

3.1.2 Staffing profile by license, education, certification, or training

3.1.3 Staff development and training plan

3.1.4 Quarterly program reports (in writing or in person), including expected outcomes, results, and performance measurements

3.1.5 Reports on and participation in any quality assurance or quality improvement processes

3.1.6 Participation in distribution of client satisfaction surveys

4. Performance Measurement:

4.1 Client progress, while in treatment, shall be evaluated using the ASAM assessment and placement instrument at intervals as required by Title 9 and 22 of the California Code of Regulations.

4.1.1 Client satisfaction surveys shall be collected (as available) at discharge, and again at 90 days post discharge.

4.1.2 CalOMS data on number of intakes, versus number of successful discharges shall be reported.

4.1.3 Contractor shall supply any other relevant outcome data they have available.

5. Workforce Development:

Contractor shall provide training for staff to develop competence in current and evidence-based practices. In addition, for each special population served (e.g. women, adolescents), Contractor shall require staff to participate in training relevant to that population.

6. Written Policies

Contractor shall have written policies that:

a) Buprenorphine/naloxone (e.g. Suboxone) is prescribed whenever buprenorphine-containing medication is indicated for opioid medication-assisted treatment (MAT) (with the rare exception of a medical provider-documented contraindication to naloxone, e.g. anaphylactic allergy to naloxone);

b) Contractor medical staff will check CA Department of Justice's CURES prescription drug monitoring program for each client at intake and regularly thereafter, at least monthly, to detect multiple opioid (or benzodiazepine) prescriptions, especially from multiple prescribers and /or pharmacies;

c) Provide services to each client referred to provider within 3 days of referral date

Diversity, Equity, Inclusion

Despite progress in addressing explicit discrimination, racial inequities continue to be deep, pervasive, and persistent across the country. Though we have made many strides toward racial equity, policies, practices, and implicit bias have created and still create disparate results. Through partnerships with the community, Nevada County Behavioral Health strives to address these inequities and continue progress in moving forward.

Contractor is encouraged to have a diverse and inclusive workforce that includes representation from the disparate communities served by our county. Contractor will be expected to think holistically about creating services, program sites and an employee culture that is welcoming and inclusive. Contractor should track metrics on Diversity, Equity, and Inclusion outcomes within their service delivery. Additional efforts should be made to identify and highlight growth opportunities for equitable outcomes, access to services, and other opportunities. Contractor is to contact County contract manager about proposed metrics to track.

7. Confidentiality

Contractor shall ensure the confidentiality of participants and their records, including but not limited to substance abuse treatment records, medical records, and behavioral health records, in accordance with federal and state law. Further, Contractor shall comply with the provisions of HIPAA and the HiTECH Act, as more fully set forth in Exhibit D, which is attached hereto and incorporate herein by reference.

8. DRUG MEDI-CAL ORGANIZED DELIVERY SYSTEM:

I. Contractor will track Timely access data, including date of initial contact, date of first offered appointment and date of scheduled assessment. Contractor will also track ASAM data. Contractor shall also track no show data. The percentage of no shows for medication appointments as well as counseling appointments shall be reported monthly. Timely access data, ASAM data, and no-show data should be submitted to the Nevada County Quality Assurance Manager or designee by the 10th of each month for the previous month. Contractor will be provided an Excel Spreadsheet to track timeliness data, ASAM level of care data, and no-show data. No show data is an important performance metric that the contractor can monitor to analyze trends and implement appropriate changes to services as indicated.

Performance Standard:

a) First face-to-face appointment shall occur no later than 3 days of initial contact/request for service.

b) First face-to-face appointment Medication Assisted Treatment appointment for beneficiaries with alcohol or opioid disorders shall occur no later than 3 days.

c) Contractor will track No Show data for MAT/NTP appointments and for counseling appointments. Contractor will track the number of MAT appointments per month and the number of no shows for MAT/NTP appointments per month; the number counseling appointments per month and the number of no show to counseling appointment per month. This data will be reported to the County on a quarterly basis.

d) At least 75% of beneficiaries completing the Treatment Perceptions Survey reported being satisfied (3.5 out of 5.0) with the location and time of services

II. Transitions between Levels of Care

Appropriate care coordinators/clinicians from both the discharging and admitting provider agencies shall be responsible to facilitate the transition between levels of care, including assisting in scheduling an intake appointment, ensuring a minimal delay between discharge and admission at the next level of care, providing transportation as needed, and documenting all information in the client's medical record. The Contractor shall refer the beneficiary to the County when the ASAM

assessment indicate levels of care other than NTP (for example residential treatment and/or outpatient treatment. The Contractor shall also refer the client to the County for Recovery Services upon discharge from the program.

Performance Standard:

a) Transitions between levels of care shall occur within five (5) and no later than 10 business days from the time of re-assessment indicating the need for a different level of care.

IV. Delivery of Individualized and Quality Care

a) Beneficiary Satisfaction: DMC-ODS Providers (serving adults 18+) shall participate in the annual statewide Treatment Perceptions Survey (administration period to be determined by DHCS). Upon review of Provider-specific results, Contractor shall select a minimum of one quality improvement initiative to implement annually.

b) Evidence-Based Practices (EBPs): Contractors will implement, and assess fidelity to, at least two of the following EBPs per service modality: Motivational Interviewing, Cognitive-Behavioral Therapy, Relapse Prevention, Trauma-Informed Treatment and Psychoeducation.

c) ASAM Level of Care: All beneficiaries participate in an assessment using ASAM dimensions. The assessed and actual level of care (and justification if the levels differ) shall be recorded in the client's medical record.

Performance Standards:

1. At least 80% of beneficiaries will report an overall satisfaction score of at least 3.5 or higher on the Treatment Perceptions Survey
2. At least 80% of beneficiaries completing the Treatment Perceptions Survey reported that they were involved in choosing their own treatment goals (overall score of 3.5+ out of 5.0)
3. Contractor will implement with fidelity at least two approved EBPs
4. 100% of beneficiaries participated in an assessment using ASAM dimensions and are provided with a recommendation regarding ASAM level of care
5. At least 80% of beneficiaries are re-assessed within 90 days of the initial assessment

The Parties hereby acknowledge and agree that in the event of changes to the Drug Medi-Cal Organized Delivery System which County determines will constitute a material change to rights and obligations set forth in this Agreement, the County has, at its option, the right to re-open and renegotiate this Agreement upon thirty (30) days written notice to Contractor

**EXHIBIT "B"**
**SCHEDULE OF CHARGES AND PAYMENTS**
**AEGIS TREATMENT CENTERS, LLC.**

Subject to the satisfactory performance of services required of Contractor pursuant to this Contract, and the terms and conditions set forth, the maximum obligation of this Agreement shall not exceed $826,000 for the contract term. Only services for Nevada County Medi-Cal beneficiaries who maintain residency in Nevada County shall be billed through this Agreement.

| **Medication** | Non-Peri | Peri |
|---|---|---|
| Methadone | $ 19.19 | $ 29.47 |
| Buprenorphine-Naloxone Combo Film | $ 28.68 | $ 39.89 |
| Buprenorphine-Naloxone Combo Tablets | $ 32.55 | $ 43.86 |
| Buprenorphine Mono | $ 32.06 | $ 43.38 |
| Disulfiram | $ 11.45 | $ 11.62 |
| Buprenorphine Injectable (Sublocade) | $ 1,996.21 | $ 1,996.21 |
| Naltrexone Injectable (Vivitrol) | $ 2,180.41 | $ 2,180.41 |
| Naloxone HCL- 2 pack (Generic) | $ 106.07 | $ 106.07 |
| Naloxone HCL- 2 pack (Narcan) | $ 144.96 | $ 144.96 |

| **Direct Service Staff By Discipline** | **Hourly Rate** |
|---|---|
| Physicians Assistant | $ 415.69 |
| Nurse Practitioner | $ 460.90 |
| RN | $ 376.48 |
| MD (typically in SUD system of Care) | $ 926.86 |
| LPHA/Intern or Waivered LPHA (MFT, LCSW, LPCC) | $ 241.22 |
| Alcohol and Drug Counselor | $ 200.08 |
| Peer Recovery Specialist | $ 190.55 |

**FINANCIAL TERMS**

1. CLAIMING
2. Contractor shall submit to County, for services rendered in the prior month, and in accordance with CPT format requirements, a statement of services rendered to County that includes documentation to support all fees claimed by the 10th of each month. County shall review the billing and notify the Contractor within fifteen (15) working days if an individual item or group of services is being questioned. Contractor has the option of delaying the entire claim pending resolution of the service(s).
   A. Claims shall be complete and accurate and must include all required information regarding the claimed services.
   B. Contractor shall maximize the Federal Financial Participation (FFP) reimbursement by claiming all possible Medi-Cal services and correcting denied services for resubmission in a timely manner as needed.

3. INVOICING
   A. Contractor shall invoice County for services monthly, in arrears, in the format directed by County. Invoices shall be based on claims entered into the County's billing and transactional database system for the prior month.
   B. Invoices shall be provided to County after the close of the month in which services were rendered. Following receipt and provisional approval of a monthly invoice, County shall make payment within 30 days.
      a. If County is unable to make timely payment due to SmartCare Electronic Health Record (her) software conversion/go live, County will issue interim payment(s) at the average of May and June, 2023 services or $1/12^{th}$ of the contract amount, whichever is lower. A true up will be completed on the first invoice once services and reports are available in the EHR.
   C. Monthly payments for claimed services shall be based on the units of time assigned to each CPT or HCPCS code entered in the County's billing and transactional database multiplied by the service rates in Exhibit B-2.
   D. County's payments to Contractor for performance of claimed services are provisional and subject to adjustment until the completion of all settlement activities. County's adjustments to provisional payments for claimed services shall be based on the terms, conditions, and limitations of this Agreement or the reasons for recoupment set forth in Article 5, Section 6.
   E. Contractor shall submit invoices to:

      Nevada County Behavioral Health Department

      Attn: Fiscal Staff

      500 Crown Point Circle, Suite 120

      Grass Valley, CA 95945

4. ADDITIONAL FINANCIAL REQUIREMENTS
   A. County has the right to monitor the performance of this Agreement to ensure the accuracy of claims for reimbursement and compliance with all applicable laws and regulations.
   B. Contractor must comply with the False Claims Act employee training and policy requirements set forth in 42 U.S.C. 1396a(a)(68) and as the Secretary of the US DHHS may specify.
   C. Contractor agrees that no part of any federal funds provided under this Agreement shall be used to pay the salary of an individual per fiscal year at a rate in excess of Level 1 of the

Executive Schedule at https://www.opm.gov/ (U.S. Office of Personnel Management), as from time to time amended.

D. Federal Financial Participation is not available for any amount furnished to an Excluded individual or entity, or at the direction of a physician during the period of exclusion when the person providing the service knew or had reason to know of the exclusion, or to an individual or entity when the County failed to suspend payments during an investigation of a credible allegation of fraud (42 U.S.C. § 1396b(i)(2)).

E. Contractor shall cooperate with the County in the implementation, monitoring and evaluation of the Contract and comply with any and all reporting requirements established by the County. Payment of invoices may be held until Contractor is in compliance with reporting requirements. County shall not be responsible for reimbursement of invoices submitted by Contractor that do not have proper authorizations in place.

5. FINANCIAL AUDIT REPORT REQUIREMENTS FOR PASS-THROUGH ENTITIES

A. If County determines that Contractor is a "subrecipient" (also known as a "pass-through entity") as defined in 2 C.F.R. § 200 et seq., Contractor represents that it will comply with the applicable cost principles and administrative requirements including claims for payment or reimbursement by County as set forth in 2 C.F.R. § 200 et seq., as may be amended from time to time. Contractor shall observe and comply with all applicable financial audit report requirements and standards.

B. Financial audit reports must contain a separate schedule that identifies all funds included in the audit that are received from or passed through the County. County programs must be identified by Agreement number, Agreement amount, Agreement period, and the amount expended during the fiscal year by funding source.

C. Contractor will provide a financial audit report including all attachments to the report and the management letter and corresponding response within six months of the end of the audit year to the Director. The Director is responsible for providing the audit report to the County Auditor.

D. Contractor must submit any required corrective action plan to the County simultaneously with the audit report or as soon thereafter as it is available. The County shall monitor implementation of the corrective action plan as it pertains to services provided pursuant to this Agreement.