

**ERIE COUNTY  
DEPARTMENT OF MENTAL HEALTH  
PROCEDURE MANUAL FOR CONTRACT AGENCIES**



**COUNTY OF ERIE**

**Mark C. Poloncarz  
County Executive**

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## **INTRODUCTION**

This manual applies to contracted mental health, developmental disabilities, alcohol and substance abuse services, and programs covered under an Erie County contract.

This manual describes the updated procedures, reporting requirements and reimbursement methodologies which can be found in its entirety on:

<https://www3.erie.gov/mentalhealth/information-contract-agencies>.

**100 PROGRAM SERVICES GUIDELINES**

**110 Program Services Policies & Procedures**

The Agency will develop and maintain an updated Procedure Manual. It is the responsibility of the Agency to assure provision of services by professional staff consistent with the Mental Hygiene Law, the New York State Codes, Rules, and Regulations, the Program/Budget Submission of the Agency, and the Agency's Program Services Policies & Procedures Manual. The manual describes the Agency's policies, practices, and procedures designed to assure high quality care and service to consumers.

**120 Standards for Program Services**

Agencies should operate consistent with all applicable regulations for the operation of programs to serve individuals with mental illness as established in New York State Law and in regulation of the applicable Offices of New York State. Agencies must also meet any applicable standards or regulations as required for funding or service delivery by other departments of State or Federal government including the New York Codes, Rules and Regulations (NYCRR), and Federal Office of Management and Budget Rules and Regulations.

These standards establish the minimum contract requirements for the operation of programs. Additional requirements for quality of care are specified in Section 130.

**130 Quality Improvement**

Quality Improvement is more than the development of a plan. It is an active integration of data collection, monitoring and understanding the relationship between practice and outcomes. This is achieved through both the administration and management of a program as well as group and individual clinical supervision. It is through a combination of integrated management and clinical practices that improvement opportunities are identified and effective solutions are implemented.

Although the Department does not require a Quality Improvement Plan, the Department continues to require each contracted agency to engage in rigorous Quality Improvement activity and reserves the right to request the same should performance concerns arise. For example, deficiencies identified through New York State and/or County Site Visits may require a Quality Improvement Plan to be developed and implemented by the Agency that includes a management plan and/or actual resolution of deficiencies prior to execution of the following year contract.

The Agency Quality Improvement Plan must have the capacity to identify potential or realized problems in services delivered and lead to effective corrective actions. Agencies must demonstrate evidence of the use of information or analyses derived from quality improvement activities. No direct tie of Quality Improvement to reimbursement is established.

The Quality Improvement Plan includes: staff and board champions, outcomes, performance measures, action and targets to be achieved.

## **140 Performance Reports**

Agencies will complete periodic performance reports in ClearPoint. If not otherwise specified, performance reports are to be submitted quarterly. Consistent with the practice to outcome model, the Department may also require Agencies to track data on fidelity to practice, and make supplemental data available to the Department on request.

## **200 PROGRAM AND FISCAL REVIEW GUIDELINES**

### **210 Program and Fiscal Review**

Each Agency is responsible for implementing the program and services consistent with: (1) local laws, (2) New York State Mental Hygiene Law, Codes, Rules, Regulations, (3) Federal laws and regulations and (4) the approved contract and its appendices.

### **220 Site Visits**

The Department's site visit reviews of each Agency may be conducted on a periodic basis to assess quality of care, program effectiveness, efficacy of services, and adherence to all local, state & federal rules & regulations both programmatic and fiscal. Site reviews may occur through both on-site visits or remotely and include review of written documents. Site reviews may be announced or unannounced. The site visit may be coordinated with similar reviews conducted by the Department and/or New York State or Federal Offices with Agency oversight responsibilities wherever possible. The Agency shall permit and participate in reviews. Site reviews may include, but not be limited to: record reviews; fiscal reviews; Board, staff and consumer interviews; and observation of program operations. All site review procedures utilized by the Department will be performed in a manner consistent with the protection of consumer rights and ensuring consumer confidentiality. The Department will seek to implement site visits and program audits in a manner that is conducive to and not disruptive of Agency operations without lessening the Department's contract obligations, responsibilities and authority.

The Agency will establish and maintain all records and documents necessary, pursuant to the laws governing not-for-profit corporations, and pursuant to local laws, the New York State Mental Hygiene Law, Codes, Rules, & Regulations, Federal laws and regulations, and as required pursuant to the Erie County Department of Mental Health Procedure Manual. The Agency shall make all such related records available to the Department.

Site reviews may be done separately, or as part of programmatic site visit. The Erie County Department of Mental Health will give an initial Review Report that will be forwarded to the Agency summarizing the findings and recommendations regarding required corrective action that don't meet practice standards or required thresholds. The Agency will have 30 days to review and respond to the preliminary written report. Upon receipt of the Agency response, the Agency and the Department will meet to finalize the report. This meeting will establish mutual agreement regarding findings, recommendations, and a corrective action plan. This final document is considered a public document.

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The Agency Site Review Report will identify the time period allowed to complete all corrective actions. The Department may perform a follow-up site visit to assess the effectiveness of the corrective actions in resolving the identified deficiencies.

### **230 Contract Oversight and Investigation of Incidents and Complaints**

The Erie County Department of Mental Health may respond to and investigate complaints and/or incidents related to service delivery or quality filed with the Erie County Department of Mental Health or Erie County by any individual, consumer, their advocate, and/or Agency employee.

Agency further agrees, upon fifteen (15) days advance written notice, to make available its records relating to services, facilities, and all financial, statistical and client or patient records, memoranda and other data relating thereto for audit, inspection and visitation by the County, Federal Government and/or the Offices of New York State. All examinations, inspections, audits and visitations shall, in the absence of an effective waiver by the client or patient, be conducted in accordance with laws governing patient confidentiality and privilege. The Agency obligation under this Section shall continue beyond the expiration or termination of this Agreement.

The Agency agrees to submit the results of any federal, state or other oversight entity audit, site/program review and/or inspection. The Agency also agrees to submit a copy of any corrective action plans and/or responses to such audits, site/program reviews or inspections.

The Agency understands that it must comply with: 1) The Protection of People with Special Needs Act, enacted as Chapter 501 of the Laws of 2012 for incident reporting and 2) As applicable, the following statutory regulations with regard to incident management plans:

- 14 NYCRR Part 624 (OPWDD funded, operated or certified agencies)
- 14 NYCRR Part 836 (OASAS funded, operated, certified or licensed agencies)
- 14 NYCRR Part 524 (OMH funded, operated or licensed agencies)

The Agency's responsibilities include reporting to the NYS Justice Center any incidents of alleged abuse and neglect of a person receiving services. Additionally, the Agency will comply with any subsequent investigations completed by the Justice Center. Agency will copy to the Department any resulting reports/correspondence including directed corrective action in relation to said regulations.

## **300 PROGRAM SERVICE GUIDELINES**

### **310 Contracted Service Values & Principles**

The contracted program and services shall be consistent with the following vision, values and principles:

#### ***Vision***

The Erie County Department of Mental Health will empower stakeholders to access behavioral health services that promote hope, recovery and improved quality of life.



**Values**

- Promoting choice, hope and independence
- Fostering practices that work
- Providing training and educational opportunities
- Advocating for parity and inclusion
- Ensuring collaborative partnerships with diverse stakeholders

**Principles**

- The consumer shall receive supports & services that are effective and meet his/her individualized needs.
- The consumer shall relate to his/her family, friends, and communities when and how he/she chooses, consistent with the rights and wishes of others.
- The consumer shall be as independent as possible and determine the direction of his/her life.
- The consumer shall have the opportunity to make life choices that do not compromise health and safety, and those choices shall be respected and valued.
- The consumer shall have the opportunity to communicate his/her feelings, including fears, and have them addressed and not be subjected to fear of harm or reprisal in connection with the provision of supports and services.

The Agency service policy & procedure manual required by NYS for certification, and other documents applicable to the quality of contracted services shall be available for review during Site Visits and Quality Assurance Visits.

**320 Outcomes**

The focus of contract oversight and accountability places increased emphasis on service utilization, quality of care and program performance outcomes. Outcomes describe the impact of services on consumers' quality of life, and address the questions: "*How are consumers better off as a result of the program service or intervention?*" Outcomes should be quantified, measurable, and reflect consumer choices and values. The Department uses a system called ClearPoint where outcomes for similar programs across Agencies are being collected. ECDMH will be able to use this data to evaluate outcomes and performance.

Program outcomes may change annually to reflect a changing environment.

**330 Discharge Planning**

Discharge planning to facilitate the transition of consumers from inpatient or other institutional level of care to aftercare services must occur between the consumer, inpatient facility, aftercare provider(s) and family, when possible and appropriate, in order to assure the probability of an adequate transition by the consumer to community life.

**340 Procedures Related to Review of Proposed Residential Services in Erie County**

Erie County is responsible for the planning, coordination, and development of a comprehensive system of care for individuals with mental disabilities and addictions and their families under Articles 19, 23, and 41

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of the New York State Mental Hygiene Law. The Erie County Department of Mental Health is responsible for the review and recommendation to New York State Office of Mental Health and New York State Office for People with Developmental Disabilities of certified residential programs subject to and in accordance with Parts 551, 620, and 1010 of the New York State Codes, Rules and Regulations. Criteria to be considered in this review include: character and competence of the operator; need for the program; financial viability and cost effectiveness; and the probability of operating in conformance with applicable regulations. The Department may seek information and input from multiple sources to assist in its review of such residential proposals/projects subject to Parts 620 and 551.

Prior to the formal submission of an application for Prior Approval Review (PAR) and as early as possible, it is required that all Agencies submitting Certificate of Need applications for OASAS and OPWDD residential programs consult with the Department of Mental Health to ensure, to the extent possible, that the proposed project is needed, and consistent with the Local Government Plans for mental disabilities and addictions.

### **350 Appointment & Authority of Emergency Admission Designees**

The Emergency Admission Procedure described below is a component of the Emergency Mental Health Service System in Erie County. That system was established by an agreement which was reached on December 18, 1972, by the Erie County Department of Mental Health, Suicide Prevention & Crisis Services, Inc., and the Erie County Medical Center. The system has further evolved with the addition of other provider agencies to the Emergency Mental Health Service System.

### **351 Mental Hygiene Law Section 9.45**

Emergency Admission Designees are appointed by the Commissioner of the Erie County Department of Mental Health, and they function under Section 9.40 of the New York State Mental Hygiene Law. The Commissioner of Mental Health shall have the power to direct the removal of any person, within his or her jurisdiction, to a hospital approved by the Commissioner pursuant to subdivision (a) of Section 9.39 of this article of the Mental Hygiene Law, or to a comprehensive psychiatric emergency program pursuant to subdivision (a) of Section 9.40, if the parent, adult sibling, spouse or child of the person, the committee of the person, a licensed psychologist, registered professional nurse or certified social worker currently responsible for providing treatment services to the person, a licensed physician, health officer, peace officer or police officer reports to him or her that such person has a mental illness for which immediate care and treatment in a hospital is appropriate and without which is likely to result in serious harm to himself or herself or others. It shall be the duty of peace officers, when acting pursuant to their special duties, or police officers, who are members of an authorized police department or force or of a sheriff's department to assist representatives of such director to take into custody and transport any such person. Upon the request of a Director of Community Services or the Director's designee, an ambulance, as defined in subdivision 2 of Section 3001 of the public health law, is authorized to transport any such person. Such person may then be retained in a hospital pursuant to the provisions of Section 9.39 or in a comprehensive psychiatric emergency program pursuant to the provisions of Section 9.40 of this article.

### **352 Qualifications of the Emergency Admission Designee**

Professional staff members of the Contract Agencies' Outreach Teams and staff of the Erie County Adult Intensive Mental Health Services have the power to function under Article 9 on behalf of the Director of Community Services and must possess the following qualifications:

1. Academic Degree in a mental health related field which included supervised clinical experience working with individuals with mental illness.
2. Supervised experience in assessing individuals' mental health needs.
3. Successful completion of a training program approved by the Director of Community Services in Emergency Outreach which includes assessment of lethality.
4. Substantially equivalent training or experience as approved by the Director of Community Services.

A personal interview with the Director of Community Services is required for appointment and annual reappointment.

### **353 Identification of Designees**

Individuals certified as Emergency Admissions Designees shall be issued ID cards to be renewed annually. Cards shall display a photo of the designee. ID cards shall state:

I have certified \_\_\_\_\_ as an Emergency Admission Designee under Section 9.45 of the Mental Hygiene Law.

This certification shall expire \_\_\_\_\_.

Commissioner of Mental Health

### **354 Functions of the Designees**

In accordance with their program policy, members of the Outreach Teams and Single Point of Access (SPOA) attempt to resolve crisis situations by means other than involuntary hospitalization, i.e., by the appropriate use of sound community mental health practices. If those methods should fail, the Emergency Admission Designee may determine that the individual needs emergency care and may direct his/her removal to a hospital. Such determination must be by direct personal evaluation within the context of a visit by an Outreach Team. The Designee's authority, to function under Section 9.45 of the Mental Hygiene Law (Emergency Admissions), only pertains during the period he/she is scheduled on duty for purposes of this policy.

When an individual is found to be in need of emergency admission, the Designee requests the assistance of a police/peace officer to transport the individual to a hospital. The designee completes both parts of the Department of Mental Health form: *"Request to Take Mentally Ill Person into Custody"* (forms will be distributed to Designees and may also be obtained from the Department). It then becomes the duty of the

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police/peace officer to transport him/her to the designated hospital. A member of the Outreach Team will accompany the client to the hospital when requested by the police/peace officer, the client, or the member of the Outreach Team.

If there is an indication that an Emergency Admission Designee has been injured by another individual in an assaultive manner while in the course of performing his/her duties as an Emergency Admission Designee, those instances must be reported to the Commissioner of the Erie County Department of Mental Health.

The Coordinators of the Emergency Outreach Services will prepare a yearly report on the conditions and frequency of utilization of the Emergency Admission Authority for submission to the Director of Community Services.

The Commissioner of the Erie County Department of Mental Health will also designate physicians to function in accordance with Section 9.37 of the Mental Hygiene Law (Involuntary Admissions). These physician designees are bound by separate regulations.

### **360 Required Reporting Provisions of New York State and Federal Government**

Agencies must be familiar with and comply in practice with all mandatory reporting requirements established by New York State and Federal Law and Regulation.

### **370 HUD Continuum of Care Regulations and Subrecipient Agreement**

Agencies receiving HUD funds must be familiar with, and comply in practice with all regulations put forth by the United States Department of Housing and Urban Development Continuum of Care Program Interim Rule (24 CFR part 578), the ECDMH HUD Policy and Procedure Manual and must sign a Subrecipient Agreement with The Erie County Department of Mental Health which will guide the Service Provision and Operations of HUD funded grants.

A formatted version of the Continuum of Care Program Interim Rule can be found at:  
[www.hudexchange.info/resources/documents/CoCProgramInterimRule\\_FormattedVersion.pdf](http://www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf).

#### **Subrecipient Agreement**

All agencies receiving HUD grants will be required to sign a Subrecipient Agreement that will be specific to the grant operating term of the HUD award. For example, if the term of the grant is October 1, 20XX through September 30, 20XX, the Subrecipient Agreement between the agency and ECDMH will cover that timeframe. This Subrecipient Agreement will be attached to your annual county contract and amended to the contract upon execution of the Subrecipient Agreement for a new grant term. The Agreement will include all necessary clauses for adequate oversight and management of the grants.

### **380 SAMHSA Regulations & Subrecipient Agreement**

Agencies receiving SAMHSA funds must be familiar with, and comply in practice with all regulations put forth by the OMB Uniform Grant Guidance (UGG) or Super Circular (2 CFR 200). The Department of Health and Human Services (DHHS) codified its own version of this guidance as 45 CFR 75, and that set of rules is in effect for DHHS grants (DHHS includes several federal agencies that address health and human services including SAMHSA). The agency must sign a Subrecipient Agreement with The Erie County Department of Mental Health which will guide the Service Provision and Operations of SAMHSA funded grants.

The UGG can be found at:

[http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl).

#### **Subrecipient Agreement**

The purpose of this Subrecipient Agreement is to set forth the terms and conditions under which ECDMH shall grant SAMHSA funds to the Subrecipient. This Subrecipient Agreement sets forth rights and responsibilities of both parties in connection with the Subrecipient's program. In this Subrecipient Agreement, the Subrecipient assumes full responsibility for adherence to all applicable laws, assurances, regulations, and guidelines associated with SAMHSA.

All agencies receiving SAMHSA grant funds will be required to sign a Subrecipient Agreement that will be specific to the grant operating term of the SAMHSA award. For example, if the term of the grant is October 1, 20XX through September 30, 20XX, the Subrecipient Agreement between the agency and ECDMH will cover that timeframe. This Subrecipient Agreement will be attached to your annual county contract and amended to the contract upon execution of the Subrecipient Agreement for a new grant term. The agreement will include all necessary clauses for adequate oversight and management of the grants.

## **400 PERSONNEL POLICIES & MANPOWER REGULATIONS**

Each Agency is responsible for preparing & maintaining a personnel policies and procedures manual. The provisions of the manual shall comply with applicable federal and state laws, rules and regulations.

### **410 Organizational Structure & Staffing Pattern**

It is the responsibility of each Agency to develop and maintain an organizational structure and staffing pattern which is appropriate and adequate for delivering the program of contracted services, utilization levels, and quality of service to the target population. Any changes in staffing patterns must be consistent with all applicable regulations. Agencies must meet and maintain minimum staffing ratios as specified in regulatory requirements for certified programs. Staffing for other contracted programs must be sufficient for safe and effective programming. Agencies must ensure that staff meets all background checks, licensure, certification, and other qualification requirements established in applicable law and regulations.

Agencies will be responsible for the recruitment and retention of qualified staff to ensure that contracted services are of highest quality and are effective, as well as ensure the satisfaction of the individuals served. The Agency is further responsible to ensure the availability and provision of training activities that serve to maintain, increase, expand, and update staff skills in providing contracted services in the most effective, efficient, and highest quality manner.

Agencies must ensure sufficient staffing in number and qualifications necessary to provide accessible, high quality, and effective services to all targeted and other special populations in a program including, but not limited to, individuals with special needs, multiple disabilities, and/or from culturally diverse backgrounds.

### **411 Contract Personnel**

The Agency shall provide and maintain sufficient qualified staff necessary to ensure the delivery of safe and effective Contract Services. The Agency shall be responsible for all training and retraining of staff providing contract services under this Agreement.

### **412 Notice regarding Critical Staff Vacancies**

The Agency shall notify the Contract Manager regarding critical vacancies such as the Executive Director, Chief Financial Officer and Program Director. The Agency and Contract Manager will negotiate any additional critical positions on an Agency/Program basis.

## **500 PROGRAM AND BUDGET SUBMISSION**

### **510 Purposes of Program Budgeting**

The Agency shall comply with all administrative, financial and performance requirements as outlined within this procedure manual, ensuring timeliness and accuracy of information reported. All contract documents available on the ECDMH website at <https://www3.erie.gov/mentalhealth/information-contract-agencies> are, by reference, hereby made a part of the Provider Agreement. The Agency agrees to be bound by these documents.

### **520 Program and Budget Document Contents**

The program document that serves to describe and integrate program outcomes, priority target populations, quality, and service utilization for contracted services is the Scope of Service. A Scope of Service will need to be completed and approved for all funded services. The document includes:

#### ***Program Section Appendix A: Scope of Service (Program Specific)***

This is the Scope of Service for the Provider Contract. The Scope of Service identifies for each Erie County contracted program:

**1. Program Identification**

Specifies the program name, program type, program code, ClearPoint outcome report, site address(es), hours of operation, and operating capacity, if applicable.

**2. Number Served**

Include the annualized number to be served in current year and projected number to be served in the contract year.

**3. Service Description**

A description of the program services to be provided within the contracted program and description of any evidence-based practices used. This should also include the goals of the program, services components, and other details and deliverables as appropriate. Unique and/or discrete service elements within a broader program category should be identified and briefly described.

**4. Target Population**

Population variables may include, but not be limited to: specific disability, diagnosis, risk, severity of disability, functional level, age, sex, race, funding eligibility, and concurrent physical, medical, or mental disability. The Department and Agencies shall meet as necessary to work with referral sources to address potential variations between local planning priority populations and referral populations to contracted programs. The Department will continue to focus on reduction of risk factors for target populations. This analysis may impact upon allocation of funds in future years.

**5. Special Population**

Identification of any special populations to be served in this program.

***Program Performance Outcomes***

Program Performance Outcomes are available in ClearPoint, the performance reporting system.

The Agency Personnel Report, also available in ClearPoint, is required to be completed by contract agencies to provide information pertaining to personnel race/ethnicity. Agencies are required to report annually.

**Budget:**

The Agency is required to complete an annual calendar year budget document, located within the current year's Cost Report file, which resides in *Google Sheets*, for review and approval by ECDMH consistent with the Contract Reporting Calendar posted on the ECDMH website at:

<https://www3.erie.gov/mentalhealth/information-contract-agencies>. The budget should comply with all CFR accounting standards and those of any funding source contained in the Agency's contract with the County and shall be submitted on the required ECDMH Cost Report template using the required format to include projected expenses, Medicaid and other third-party revenues and deficit funding, up to the amount authorized by ECDMH.

### **530 Submission & Review Process**

The Department will initiate the annual program/budget submission process through a call letter to be issued during the Fall of the preceding fiscal year. The call letter will provide preliminary appraisal of the State and/or County funding anticipated being available for the upcoming fiscal year, as well as any necessary additional guidance and instructions for preparing Agency program/budget document submissions. Actual funding is subject to availability from federal, state and local sources.

All component contract deliverables will be submitted to the agency assigned Contract Coordinator and Contract Technician as specified in contract correspondence with agency personnel.

## **600 AGENCY CONTRACTS**

### **610 Agency Contract**

Funding appropriations will not be directly related to program population profiles in any single contract year. However, contract funding may be based upon shifts in population profiles in subsequent contract periods in relation to changing target population priorities identified in Erie County's Local Government Plans for Mental Health.

The County/Agency contractual agreement sets forth the basic responsibilities and duties of each of the parties. The agreement incorporates, as part of the contract, all documents published on <https://www3.erie.gov/mentalhealth/information-contract-agencies>, the Provider Agreement and appendices to this agreement, including this Procedure Manual.

Receipt of contract funding is contingent upon the Agency providing contracted services detailed in the PFSD/FAS and in accordance with Section 2, of the contract. Agency expenditures must be in accordance with all requirements set forth in the Procedure Manual. The Agency is required to comply with all relevant provisions of local laws, the New York State Mental Hygiene Laws, Codes, Rules & Regulations Policies and Procedures of the New York State Department of Mental Hygiene, New York State Department of Criminal Justice Services, Federal Laws and Regulations and/or any New York State or other governmental or organizational entity for which the Agency receives a contract.

To allow for flexibility to respond to unforeseen circumstances, the Appendices and/or ClearPoint may be amended or modified during the contract period, subject to the governing sections of this manual and the contract itself.

### **620 Contract Funding Ceilings**

Annually, Erie County establishes contracts with Agencies based upon planning priorities and forecasts of state and local funding levels anticipated to be available for the contracted fiscal year. Contracted funding levels may be reduced through the establishment of a contract funding ceiling in lieu of a full contract amendment. Such funding ceilings shall be communicated in writing by the Commissioner of the Erie County Department of Mental Health (or other authorized designee) to the Agency Executive Director. Notification of a contract funding ceiling shall be provided to Agencies as soon as possible, and, in those



instances involving State Aid from the Offices of New York State, upon such State notification to Erie County.

### **630 Contract Services**

The Agency shall provide the level and type of contract services to the target population as set forth in the ClearPoint and/or the FAS (Funding Authorization Summary). The Agency further agrees not to make any changes to contracted services unless it has obtained the prior written permission of the County prior to implementation. The Agency shall achieve program performance goals that include program performance measures as set forth in the ClearPoint and/or Children's System of Care MIS and the FAS. If an Agency fails to achieve its program performance measures and capacity as set forth in the Program forms and the FAS, the County will monitor and intervene as necessary to ensure quality services.

Contract services shall be provided in accordance with all applicable local, New York State, and Federal laws, rules, and regulations including, but not limited to, the following:

New York State Office of Mental Health Aid to Localities Spending Plan Guidelines: guidelines, fiscal control points and other rules can be found on the NYS Office of Mental Health (NYS OMH) website at the following location: <https://apps.omh.ny.gov/omhweb/spguidelines/>.

New York State Office of Addiction Services and Supports (OASAS) State Aid Funding Authorization Funding Requirements can be found at the following location: <https://www3.erie.gov/mentalhealth/sites/www3.erie.gov.mentalhealth/files/2021-09/oasas-state-aid-funding-authorization-funding-requirements.pdf>.

As a provider operating one or more OASAS funded programs, Agency agrees to comply with the Administrative and Fiscal Guidelines for OASAS Funded Providers <https://oasas.ny.gov/system/files/documents/2022/08/administrative-and-fiscal-guidelines-for-oasas-funded-providers.pdf> which includes a requirement that providers are to accurately complete a CFR schedule CFR-5 Transactions with Related Organizations/Individuals. Agency understands that failure to accurately disclose all financial transactions with related organizations/individuals may result in the denial of provider claims for reimbursement. It is understood that Erie County advances funds to Agency in anticipation of reimbursement from payment of OASAS provider claims. Should OASAS deny payment of such claims, Agency shall be liable to Erie County for reimbursement of advanced funds.

Agency acknowledges that it is receiving "State funds" or "State authorized payments" originating with or passed through the Office of Addiction Services and Supports (OASAS) in order to provide program or administrative services on behalf of the Erie County Department of Mental Health. The provider shall comply with the terms of 14 NYCRR Part 812, as amended. A failure to comply with 14 NYCRR Part 812, where applicable, may be deemed a material breach of this Agreement constituting a sufficient basis for suspension or termination for cause. The terms of 14 NYCRR Part 812, as amended, are incorporated herein by reference at: <https://oasas.ny.gov/system/files/documents/2020/01/812.pdf>.

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Agency shall ensure that no non-allowable expenses, as defined in the CBR and the CFR Manuals and in the OASAS Administrative and Fiscal Guidelines, are budgeted or claimed for State aid reimbursement.

New York State Office for People with Developmental Disabilities (OPWDD) regulations and laws can be found at the following location: <https://opwdd.ny.gov/regulations-guidance/current-proposed-regulations>.

Grant contracting and reporting forms for the NYS Division of Criminal Justice Services can be found at the following location: <http://www.criminaljustice.ny.gov/ofpa/applcngtrntfrms.html>.

Information pertaining to contracting for the United States Department of Housing and Urban Development can be found at the following location: <http://www.hudexchange.info/>.

The Health Insurance Portability and Accountability Act of 1996. <http://www.hhs.gov/ocr/privacy/>.

Substance Abuse & Mental Health Services Administration (SAMHSA)  
<https://www.samhsa.gov/grants/grants-management/policies-regulations>.

New York State Office of Children and Family Services can be found in the following location:  
<https://www.ocfs.ny.gov/main/>.

All contract services shall be delivered by the Agency in accordance with generally accepted standards of professional quality. Contract services reimbursed through Federal Government funds must be provided in compliance with the Federal Funds Guidelines made available by the State Offices as well as the requirements of the Federal Funds Certifications.

[2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

[45 CFR Part 75 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards](#)

[24 CFR Part 578 Regulations Relating to Housing and Urban Development: Continuum of Care Program](#)

For all contracted services, licensed or certified services of the State Offices, the Agency shall maintain and retain records in accordance with all applicable local, New York State and Federal laws, rules and regulations and the Erie County Department of Mental Health Procedure Manual. The Agency further agrees, upon fifteen (15) days advance written notice, to make available its records relating to services, facilities, and all financial, statistical and client or patient records, memorandum and other data relating thereto for audit, inspection and visitation by the County and/or the Offices of New York State. All examinations, inspections, audits and visitations shall, in the absence of an effective waiver by the client or patient, be conducted in accordance with laws governing patient confidentiality and privilege and shall be performed on a "no-name" basis on the Agency's premises. The Agency obligation under this Section shall continue beyond the expiration or termination of this Agreement.

The Agency agrees to participate in County work groups, as requested, to establish system/program-wide common performance measures to be incorporated in subsequent contracts.

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Changes in contracted services may result in an amendment of the FAS in accordance with the Contract. All contract amendments require Board President signature and notary.

Insurance coverage must be obtained and described on an Erie County Standard Insurance Certificate, and approved by the Erie County Attorney, prior to, and in order to execute a service contract (*See Section 793*).

### **640 Contract Documentation**

The Agency shall comply with all administrative, financial and performance requirements as outlined in the ClearPoint data system and this manual, ensuring timeliness and accuracy of information reported. All data collection and information forms published through ClearPoint are, by reference, hereby made a part of this Agreement.

All contract material will be maintained in hardcopy and/or electronic format in the Department. All contract documentation and funding documents shall be submitted annually, as needed/required for reporting purposes and upon revision or corrective action.

### **650 Information Transmittal and Reporting Requirements**

Agencies may be required to track and submit specific information for certain programs in order to monitor enrollments and services provided through the various behavioral health initiatives under the auspices of the Erie County Department of Mental Health. This requirement includes reporting to the Single Points of Access (SPOA) for both Children and Adults (Care Management and Housing). The County will involve Agencies participating in these initiatives where possible to assure appropriate design and specification of information requirements. Information must be submitted in data management formats and on the schedule approved by the Erie County Department of Mental Health.

### **660 Contract Property**

The Agency is responsible for the inventory and maintenance of property purchased under this Agreement, and cannot remove said property from the Agency without written permission from the County or replacement as specified in the Contract. The Agency shall carry sufficient property insurance pursuant to County requirements as referenced in Section 793 herein, with the County included as a named additional insured/loss payee to cover all such property acquired by the Agency through purchase under contract or acquired through the County on some other basis. The County shall maintain an equitable interest in all such property and, additionally, the State of New York shall also maintain an equitable interest where said property is acquired utilizing funds granted from the New York State Office of Mental Health (OMH), the New York State Office of Addiction Services and Supports (OASAS), NYS Division of Criminal Justice Services (DCJS), and additionally the Federal Government shall also maintain an equitable interest where said property is acquired utilizing funds granted from Housing and Urban Development (HUD) and Substance Abuse and Mental Health Services Administration (SAMHSA). Upon the request of the County, the Agency shall identify such property (or, if fungible, an equivalent amount). This Section shall apply to contract property purchased under this agreement or under any preceding agreement between the parties hereto. The Agency obligation under this Section shall continue beyond the expiration or termination of this Agreement. Please see Section 792 for additional details regarding property management.

## **661 Lease Agreements**

It is recommended that the agency include the following language, or similar language, in any real property lease agreements:

“In the event that the funding necessary for Tenant to continue to operate said facility is discontinued or for any reason its certificates or licenses required for operation of said facility are revoked, this lease will terminate sixty (60) days after Landlord receives written notice from tenant of such discontinuance of funding, without further liability to either party, except that this lease shall not be deemed terminated and Tenant shall remain liable therefore if said revocation of approval is caused by the voluntary withdrawal from the program by Tenant or as a result of any fault of Tenant in the operation of said program.”

Please be advised that agencies must consult applicable regulations to determine whether it's funding sources, including, but not limited to, NYS OASAS funding, require inclusion of specific language in real property leases.

## **700 FISCAL RECORDS AND REPORTING STANDARD**

### **710 The Contract and Operating Budget**

The contract between the County of Erie and the services Agency is written to cover a period of one (1) year or as otherwise specified and is supported by a detailed Cost Report. Program service categories are identified and described by the Agency for the purpose of forecasting program unit costs and developing an acceptable program of professional services.

The payment schedule shall be in accordance with the Cost Report and the prevailing FAS. The accrual basis of accounting will be the basis for computing the County payment. An Agency that does not generate Agency Income as defined in Section 3, with prior approval from the Department, may use the cash basis for computing the County payment.

The current County contract and quarterly fiscal reporting processes are based upon program service costs by category of expenditures. The Cost Report allocates costs on a program category basis and provides the basis for State reporting requirements. The Agency must develop and maintain an accounting system which satisfies Agency management needs and enables timely and accurate completion of county and state reporting requirements by service category.

As a point of clarification, Net Deficit Funding consists of State Aid, Erie County funds from tax revenue, Federal Medicaid salary sharing and other sources of funding that are communicated to agencies via the FAS. When reporting budget and actuals on the Cost Report, providers must enter total gross expenses and revenues for each program and actively manage against these numbers. Consistent with the *Certification for Quarterly and Year-End Reports* that accompanies the Cost Reports, quarterly submissions must be submitted as actual auditable figures and not estimates. All significant variances must be communicated to ECDMH and addressed immediately.

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According to State Finance Law, Net Deficit Funding must be considered revenue of last resort and all other sources of revenue must be reported prior to applying these allocations. Shifting of funding between programs must have prior approval by ECDMH, and any program funding surpluses will be recovered unless formally granted in writing by the funding agency. Contact the ECDMH Contract Coordinator or the Director of Fiscal Administration for any requests.

The ECDMH will (continue to) audit Cost Reports and return them for incomplete or inaccurate data. We may request backup financial information to validate reporting. The *Certification for Quarterly and Year-End Reports* that is included with your Cost Report submission does not require a signature, but as a result of your submission, you are attesting to the fact that the information included is supported by actual financial reports.

With tighter budget constraints and the fiscal environment that counties operate in, the county requires financial information in a timely and accurate manner. Most providers meet the deadlines and submit quality reports, but there are a number of providers who consistently miss deadlines, report inaccurate data, do not report on all programs, and report expenses/revenues at exactly 25%, 50%, 75%, 100% each quarter, etc. For those providers that fall within this last group, ECDMH will more closely audit their deliverables, specifically Cost Reports.

All expenditures must be in accordance with the Agency's budget as approved by the ECDMH. Any payment made for expenses which are not provided for in the budget will be disallowed. Reimbursement for program costs will not exceed actual costs, less any disallowances. Any such funding adjustments will be applied to a subsequent advance payment.

The Agency is permitted to make certain transfers of funds without the prior approval of the County. Specific instructions regarding the need for prior County approval of transfers are given in Section 750 of this manual.

Cost reporting will include the following which is required by Erie County and governed by local and state laws. The County is requiring contract agencies who receive state and county funding to provide information pertaining to the utilization of Minority and Women Business Enterprises (M/WBE) for professional, technical or other consultant services.

### **County Law**

For the purposes of facilitating business with MBE/WBE's and reporting requirements, the following definitions apply:

- Minority Owned Business Enterprise (MBE) shall mean a business which performs a commercially useful function, at least fifty-one percent (51%) of which is owned by minority group members or in the case of a publicly owned business, at least fifty one percent (51%) of all stock is owned by minority group members, with such ownership certified by the County of Erie and City of Buffalo Joint Certification Committee (JCC). The business enterprise should have and maintain an office in the County of Erie. The following ethnic groups are identified as meeting the MBE requirement: Black – persons having origin from any of the black African racial groups; Hispanic – person of

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Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin regardless of race; Asian- Pacific Islander – persons having origins from Far East, Southeast Asia or the Pacific Islands; Asian Indian Subcontinent – persons having origins from the Indian subcontinent; Native Americans or Alaskan Natives - persons having origins in any of the original peoples of North America.

- Women Owned Business Enterprise (WBE) shall mean a business which performs a commercially useful function, at least fifty-one percent (51%) of which is owned by a woman or women or, in the case of a publicly owned business, at least fifty one percent (51%) of all stock is owned by citizens or permanent resident aliens who are women with such ownership certified by the County of Erie and City of Buffalo Joint Certification Committee (JCC). The business enterprise should have and maintain an office in the County of Erie.

EC Local Law No. 5 (1994) - governs utilization of minority and women firms in procurement of supplies, materials, and equipment exceeding \$15,000 and requires 10% MBE and 2% WBE participation.

EC Local Law No. 9 (2005) - governs utilization of minority and women owned professional, technical, and other consultant services such as in the areas of law, finance, information technology, accounting, and engineering, contracted and paid consultants, and outside of construction projects and requires 15% MBE and 5% WBE participation.

Consistent with NYS Executive Law – Article 15A Division of Minority and Women’s Business Development (DMWBD) (<https://esd.ny.gov/mwbe/programmandate.html>) and Erie County MBE/WBE Utilization Commitment Act Local Laws No. 5 and No. 9 the County is requiring contract agencies receiving state and county funding to provide information pertaining to the utilization of Minority and Women Business Enterprises (M/WBE).

### **State Law**

NYS Article 15A governs a written agreement or purchase order instrument providing for a total expenditure of more than \$25,000 by a contracting agency in return for labor, services, supplies, equipment and or materials or any combination of the foregoing or providing for a total expenditure of more than \$100,000 by a contracting agency or by the owner of a state assisted housing project in return for the acquisition, construction, demolition, replacement, major repair, renovation or improvements of real property. The term “services” does not include banking relationships, issuance of insurance policies or contracts or other contracts for the sale of bonds, notes or other securities. The utilization of minority and women owned business enterprises including but not limited to the above services and requires 20% MWBE.

The following are also in the Cost Report:

- The Cost Report will include a section for reporting expenses associated with the utilization of Minority and Women Business Enterprises for professional, technical or other consultant services.
- Net operating costs (minus utilities) should include a combination of the above services totaling twenty percent (20%) M/WBE utilization.
- Further reporting instructions are included in the Cost Report.
- A M/WBE vendor list can be found on the Erie County Website:  
MBE <http://www2.erie.gov/eo/index.php?q=mbe-resource-list>  
WBE <http://www2.erie.gov/eo/index.php?q=wbe-resource-list>

### **711 Advance Payments to Agencies**

Advance payments to an Agency may only be made following the execution of a contract between Erie County and the Agency.

Payments shall be made on invoices submitted to and approved by the Department. Said invoices are required to be on official Agency letterhead and electronically submitted to ECDMH fiscal staff. If a payment is requested for Federal Funds, the federal funding source should be noted on the invoice at a minimum and a detailed cost breakdown should be provided on the invoice and/or in a supporting document attached thereto.

Quarterly contract payment requests will be invoiced to the Department and advanced to the Agency based on 25% of the net contract value and may be adjusted for any over advance from prior reporting quarters or for Agency historical spending patterns which have resulted in prior period over payments. The quarter four advance will be calculated based on the prior advances year to date and the year to date forecast as submitted in the Cost Report. Advance payments are contingent upon timely and accurate submission of invoices as outlined in this manual and all required contract documentation per the Department's Temporary Payment Withhold Policy. Supplemental advances, as outlined in the Erie County Department of Mental Health Procedure Manual, are allowable based on prior review and approval by the County. The County also reserves the right to modify and/or withhold all or a portion of advance payments to the Agency contingent upon receipt by the County of State, Federal or other revenue streams supporting the contract as designated in the FAS.

The Department may impose a temporary payment withhold/suspension in the event the Agency fails to comply with the timely submission of valid insurance certification, required program, service or fiscal documentation, reports or other material. Upon receipt of overdue items, the Department will resume advance payments.

### **712 Reimbursement after the Quarter - Agencies Not Requiring Cash Advances**

An Agency that provides its own daily operating funds will be reimbursed quarterly. A quarterly fiscal report must be submitted consistent with the documentation calendar (see Section 730) together with a properly executed Agency invoice. The invoice amount should be equal to the Agency's net expenditures less the Agency contribution for the quarter.

In an effort to expedite the flow of cash to contract Agencies, payments for all quarters, except the final quarter, will be processed immediately upon receipt of (1) an invoice, and (2) a complete quarterly fiscal report. No payments will be made while any fiscal and/or program reports are delinquent. The payments may also be reduced due to previous quarterly current year over-advances, or prior year over-advances. The quarterly fiscal report will be reviewed by the Department after the quarterly payment has been processed and, should disallowances be necessary, the Agency will be so notified and a subsequent payment will be reduced. This review procedure will not apply to the final payment for the contract period. The final payment for the contract period will be processed after a review and approval of prior quarterly reports as well as the Agency's properly submitted Consolidated Fiscal Report (CFR).

### **713 Reimbursement of Federal Grant Expenditures (HUD, SAMHSA)**

ECDMH will release Federal funds on a monthly basis to Subrecipient agencies following the receipt of the prior month expense report, accompanying invoice, and supporting General Ledger (G/L) documentation from their accounting system. ECDMH will do a review of the supporting G/L document(s) to ensure the expenses reported in the G/L tie to the accompanying expense report and invoice submitted and also that the expenses reported are allowable, allocable, reasonable and consistent. Once approved, ECDMH will process the invoice and forward it to the Comptroller's Office for payment. As the recipient of federal funds, at any time, ECDMH has the right to request further financial data that supports the monthly G/L documents submitted. These records may include, but are not limited to, cash receipts and disbursements journals, accounts receivable and payable subsidiary ledgers, payroll records, employee attendance records, equipment register, purchase orders, and cancelled checks. The collection & review of this more detailed backup documentation will most often occur during the agency's annual site review or at any time deemed appropriate by ECDMH during the grant term.

### **715 Repayment of Agency Advances**

If an agency does not contract with the ECDMH in the subsequent contract cycle (i.e. agency dissolution, discontinuance of services/programs, etc.), the following procedure will be followed for repayment of funds that Erie County advanced to the agency, but which pursuant to the terms of the agreement and funding requirements, must be reimbursed to Erie County ("outstanding debt"):

- The principal of the outstanding debt is due along with accrued interest up to the time of a repayment agreement being reached by the agency and the ECDMH. The interest rate will be determined by the ECDMH, based on current market conditions.
- Interest on the outstanding debt will stop accruing upon the agency and ECDMH entering into a repayment plan. Interest will begin to accrue if the agency fails to meet the terms of the repayment plan.

### **720 Agency Income**

Records must be kept of all Agency income. Agencies are required to account for revenues by program category in accordance with instructions contained in the Consolidated Fiscal Reporting and Claiming Manual (CFR Manual) issued by New York State.



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Journals and ledgers must comply with acceptable accounting standards and should be maintained by funding source and program. If the existing accounting system does not provide fiscal information at an acceptable level of detail, subsidiary records and accounts must be established to meet those CFR State Aid Fiscal Reporting system requirements.

Agencies are required to take all appropriate measures to maximize revenue. Agencies are required to maintain documentation that they have applied for and received all forms of third-party reimbursement that may be available for such services or formal notification of refusal. Agencies are also required to maintain documentation that they have sought payment from each client not eligible for third party reimbursement according to a schedule of client fees where such schedule of client fees is required by the Offices of New York State.

Income is reported on the quarterly fiscal report. Gross expenses are reduced by the amount of income to determine net reportable expenses.

For Agencies contracting on a cash basis of accounting, in the event that revenues are earned during the contract period, but received after the expiration of the contract and no successor agreement has been entered into, that revenue will be paid to the County.

### **721 Voluntary Funds**

Voluntary funds are Agency monies typically derived from donations and contributions received from charitable and other organizations such as the United Way, sectarian organizations, and/or townships. Income that is deemed exempt under the New York State Mental Hygiene Law from determining net operating costs may be an additional source of voluntary funds; e.g.: exempt income, exempt long-term sheltered employment (LTSE) revenue.

Voluntary funds may be used to support the current operating costs of an Agency in accordance with the contract and budget negotiated with Erie County. In this situation, the revenues are included on the quarterly fiscal report.

### **730 Fiscal Reporting**

Fiscal reports for the quarters ending June 30th, September 30th and December 31st are to be submitted to the ECDMH consistent with the documentation calendar.

Additional specialty fiscal reports will be submitted by the Agency to the ECDMH as required by the Department in order to satisfy requirements of funders.

Agencies will also need to submit estimated current year final expenditures consistent with the required ECDMH format at the time the Q4 advance invoice is submitted.

The Agency must have on file and available for audit, worksheets which support the amounts allocated to each program category.

## **740 Year-End Fiscal Reporting**

Year-end fiscal reports which display cumulative data for the calendar year contract period consist of two (2) sets of forms:

- (1) ECDMH Cost Report
- (2) Consolidated Fiscal Report (CFR) for applicable Agencies

### **1. ECDMH Cost Report:**

The Cost Report is an Erie County Department of Mental Health required form to be submitted by the agency to the fiscal department. Within the form, the agency will report the gross expenses and revenues associated with each of their programs included in their contract with the ECDMH. The report contains a tab in which the agency fills in the budgeted expenses and revenue for the coming year. Beginning with quarter 2, the agency will fill in the actual gross expenses and revenues for each of their programs. The report is submitted quarterly and the figures reported are on a year to date basis.

### **2. Consolidated Fiscal Report (CFR):**

Instructions for completing the CFR schedules are contained in the [Consolidated Fiscal Reporting and Claiming Manual \(CFR Manual\)](#), issued annually by New York State.

The CFR forms to be submitted are identified on the Consolidated Fiscal Report Document Submission Matrix which is included in the CFR Manual.

The CFR is to be uploaded by the Agency within the Consolidated Fiscal Reporting System (CFRS Web) <https://omh.ny.gov/omhweb/finance/cfrs.htm> in accordance with instructions contained in the CFR Manual. A signed copy of the complete CFR is to be forwarded to the Erie County Department of Mental Health at the time the CFR is uploaded to the CFRS Web. If revisions to the CFR are made, all such revisions must be sent to New York State and also to the Erie County Department of Mental Health.

Service providers are required to self-report and certify their compliance with OASAS policy. All providers operating one or more OASAS funded programs are required to accurately complete a Consolidated Fiscal Report (CFR) schedule CFR-5 Transactions with Related Organizations/Individuals. Failure to accurately disclose all financial transactions with related organizations/individuals may result in the denial of provider claims for reimbursement.

## **750 Transfers within the Approved Budget**

It is the Agency's responsibility to spend within budget allocations for the contract year. When unforeseen circumstances necessitate budget reallocations, Agencies should work with the ECDMH to revise the budget in an appropriate and timely manner. Moving funds between programs is not allowed unless approved by ECDMH prior to the expense being incurred.

Please note the following constraint:

Specific amounts are budgeted for each funding source on CBR Schedule DMH-3 and on the Program Funding Source Detail (PFSD). ECDMH is not responsible for actual gross or net expenditures that exceed these contracted totals.

### **751 Transfers within the Approved Budget for SAMHSA Grants & Carryovers**

Each of our SAMHSA Grant Subrecipients have a budget and justification that has been approved by SAMHSA which spells out how the funds can be spent. Your agency was involved with the development of this budget and your spending of Federal funds should align with the budget categories and approved expenses as detailed in your approved budget and justification.

Any changes to how SAMHSA grant funds are used that are different from what was approved by SAMHSA must be **PRE-APPROVED** by the ECDMH prior to incurring these costs. These costs will not be paid without prior written approval. Please note that this includes any adjustments across budget lines. Depending on the amount or the nature of budget adjustments, the ECDMH may also need to submit these requests to SAMHSA for approval.

#### **Carryovers**

Recipients are expected to plan their work and ensure that funds are expended within the twelve (12)-month budget period reflected in their Subrecipient Agreement. If activities proposed in the approved budget cannot be completed within the current budget period, SAMHSA cannot guarantee the approval of any request for carryover of remaining unobligated funding. If you would like to request to carry forward unspent funds, you should communicate this to the Project Manager and your Contract Coordinator by the last month of the funding period. You will need to prepare a revised budget and justification (with details about how you plan to spend these funds) by the end of the month following the close of the funding year. These requests will be reviewed by the Project Manager and your Contract Coordinator and decisions will be made and communicated to you within the following month. If you do not communicate this request in a timely manner and provide a revised budget and justification, there will be no carry forward of funds for your agency. We will be managing any carry forward funding on a project wide basis, not on a Subrecipient basis.

### **760 Cash Disbursement before Year-End by Agencies Using Cash Basis of Accounting**

Funds must be expended on or before the ending date of the fiscal year by Agencies operating on a cash basis of accounting. Expenditures after the year-end are not reimbursable under the contract unless the Agency has requested and received specific approval.

### **770 Audits**

If the Agency receives federal funding, the recipient shall comply with all requirements stated in OMB Circular A-133 and the 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit

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Requirements for Federal awards, also known as the Super Circular. If an Agency expends \$750,000 or more in all Federal awards combined in its fiscal year the Agency shall have an independent audit conducted in accordance with the Federal Office of Management and Budget Circular A-133, and shall provide a copy of the audit report to the County within thirty (30) days after the completion of the audit.

The Agency must have an annual audit conducted by an independent accounting firm (refer to CFR manual for requirements) and must provide the County with a copy of the annual audit report, management letter and a plan to address recommendations if cited in the audit report issued by the independent auditors. If the audited financial statements differ from the claimed expenses, the audit must include supplemental information to support the claimed expenses.

The term "Financial Audit" typically encompasses several types of record review including the following:

1. Examination of financial transactions, accounts, and reports to determine whether:
  - a. The audited entity is maintaining effective internal control over revenues, expenditures, assets, and liabilities.
  - b. The audited entity is properly maintaining accurate accounting records of resources, liabilities, and operations.
  - c. The audited entity is complying with the requirements of applicable laws and regulations corresponding to non-profit corporations.
2. Review of Internal Control practices and procedures; recommendations contained in a management letter.
3. Review of financial compliance with contractual terms.

Agencies which operate in the public sector with public funds are also subject to audit by Federal, State, or County units which have a fiscal or operational interest in Agency performance. When any of these entities elects to exercise its right to audit, it will utilize its own protocols and procedures for contacting Agencies and performing audits. If necessary, or upon request, the Department will provide technical advice during outside audits when issues pertaining to County requirements or procedures arise.

### **771 Agency Records to be Maintained for Auditing Purposes**

Agencies are required to maintain complete accounting records for the program under contract with the County. Such records shall be kept separate or identifiable from those relating to other activities of the Agency. These records will include, but not be limited to, cash receipts and disbursements journals, general ledger, general journal, accounts receivable and payable subsidiary ledgers, payroll records, employee attendance records, equipment register, purchase orders, and cancelled checks. In addition, vendor invoices noted with payment check number and account number charged, staff mileage reports, long-distance travel reports supported by appropriate receipts, petty cash vouchers, etc., must also be available for audit. Upon request, the Department will assist the Agency in establishing its accounting system.

## **772 Use of Tax Exemption Certificate**

Agencies should apply for exemption from State and Federal excise taxes where applicable and New York State Sales Tax. Sales Tax exemption certificates must be filed with all vendors. Sales tax is not a reimbursable expense.

## **773 Disallowances**

Disallowances to reimbursement of reported costs will be made in the following instances:

- Expenditures which are inconsistent with NYS CBR/CFR requirements or those which violate rules regarding the transfer from one expense category to another as defined in Section 750; and
- Expenditures that are inconsistent with this Manual or with the Mental Hygiene Law and the Offices of New York State regulations and policies governing State Aid for locally contracted services.

Disallowances will be calculated separately for each program cost center.

Disallowances within program cost centers will be allocated among funding sources in that program cost center, including non-funded costs, in the same proportions that each funding source's gross expenses bears to the total gross expenses for the program cost center.

## **780 Funding Adjustments**

Reimbursement by the County for each program will be limited to the least amount of:

- Eligible Net Operating Costs, less Agency Voluntary Contribution, or
- The Net Contract Total identified in the Funding Authorization Summary, or
- Net Expenses approved by New York State less the Agency Voluntary Contribution, or
- The Contract Funding Ceiling established in accordance with Section 620 of this Procedure Manual.

Claim documents will be prepared by Agencies as follows:

- Agencies will complete their estimated and final claims and CFR in accordance with State requirements and methodology.
- Chapter 620 funding will be claimed based upon actual program net operating costs and actual Chapter 620 units of service provided up to the budgeted Chapter 620 funding level or an established contract funding ceiling, whichever is less.
- Local Assistance funding will be claimed based upon actual program net operating costs, up to the budgeted funding level or an established contract funding ceiling, whichever is

less. For OPWDD, Chapter 620 costs may be claimed as Local Assistance net operating costs, subject to the approval of the New York State OPWDD.

- For each program that has a voluntary contribution as specified in the Program Funding Source Detail, Erie County funding and Agency voluntary contribution will be claimed based upon actual program net operating costs up to the budgeted level in accordance with the Program Funding Source Detail or an established contract spending ceiling, whichever is less.
- CSS funding will be claimed based upon actual program net operating costs, up to the budgeted funding level or an established contract funding ceiling, whichever is less, and consistent with prevailing CSS reimbursement procedures, requirements, and unit cost caps.
- ACT funding will be claimed based upon actual program net operating costs, up to the budgeted funding level or an established contract funding ceiling, whichever is less, and consistent with prevailing ACT reimbursement procedures, requirements, and gross cost caps and revenue targets.
- Deficit Funding for Legacy slots (former TCM) will be allocated for the purpose of providing access to those meeting the SPOA eligibility criteria but without Medicaid. This includes capacity to serve at least 15% of the historical NYS OMH Targeted Case Management Model slot capacity. For example, if your NYS OMH slots capacity was 100, the expectation to serve the SPOA determined eligible uninsured population will be at least 15. Allocation of this deficit funding is subject to change based upon availability of funding from OMH, utilization, and emerging system need.

Legacy funding will be claimed based upon actual program net operating costs, up to the budgeted funding level or an established contract funding ceiling, whichever is less, and consistent with reimbursement procedures and requirements.

A contract may be amended when an Agency incurs unanticipated additional expenses that are eligible and approvable program expenses, assuming adequate funding is available (at the discretion of ECDMH).

## **790 General and Non-allowable Costs**

The major objectives of the fiscal regulations promulgated by the County are to restrain expenditures which are not directly related to providing client services and to ensure accountability for the expenditure of public funds.

In cases where prior County approval of expenditures is not required, Agencies are expected to exercise fiscal restraint by limiting expenditures to those essential to the service mission of the organization.

An appendix to the NYS CFR and Claiming Manual, "Adjustments to Reported Costs," lists certain items of expense that are considered non-allowable. Please reference that document. Agencies are obligated to be aware of all funder source constraints on allowable costs including but not necessarily limited to the

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ECDMH, NYS OMH, OASAS and OPWDD, NYS Division of Criminal Justice Services, the United States Department of Housing and Urban Development, and the Substance Abuse and Mental Health Services Administration.

### **791 Items Requiring New York State Department of Mental Hygiene Approval**

Prior written approval from New York State is required by New York State OMH, OASAS and OPWDD guidelines for certain items. When required, Agencies should request approval through the Erie County Department of Mental Health which will contact the appropriate State office for approval.

1. **Certain purchases of equipment and services.** It is the Agency's responsibility to follow all fiscal and other guidelines pertaining to equipment purchases for those funding authorities not specifically listed herein, but are funded in the contract with the County - i.e. HUD, DCJS, and SAMHSA. The Agency should request approval through the ECDMH consistent with State or Federal requirements. These requirements may be modified by the applicable State or Federal Agency at any time; ECDMH policy and procedure will be consistent with the State or Federal Agency. Agencies should refer to the Procurement Guidelines for All Funders available at <https://www3.erie.gov/mentalhealth/information-contract-agencies> to determine when State approval is needed.
2. **Out-of-state travel.** Approval should be requested well in advance. Approved out-of-state travel must be supported by receipts for transportation, lodging, and any material purchases.

### **792 Procurement of Equipment / Services**

It is the Agency's responsibility to obtain the lowest possible price for all equipment acquisitions and purchases of services including but not necessarily limited to the acquisition, construction, demolition, replacement, major repair, renovation or improvements of real property. The following are minimum requirements:

- The availability of any usable surplus equipment within the mental health system should be checked. Whenever possible, the use of available surplus equipment should take precedence over the purchase of new equipment.
- The State and County purchasing contract system utilizes competitive bidding to identify vendors with the lowest prices for a wide range of commonly used equipment. Agencies should check with the Department prior to purchasing equipment to compare State and County contract prices with quotations supplied by regular suppliers.
- Not-for-profit providers who receive NYS funds have an additional purchasing option when procuring goods and services for program operations. Under New York State (NYS) State Finance Law (SFL) Section 163, not-for-profit providers may procure commodities and services through

NYS Office of General Services (OGS) contracts as “Authorized Users” or “Non-State Agency Purchasers.”

To determine an organization’s eligibility, the “Application for Eligibility to Participate in the NYS Contract Extension Program” Form, which may be found on the OGS website (<https://ogs.ny.gov/procurement/ogs-procurement-services-centralized-contract-eligibility-application>), should be completed and submitted to OGS Procurement Services. Additional details are included on the form.

During the review process, OGS Procurement Services may require additional information or approvals from senior financial management and OGS Procurement Services encourages Chief Financial Officers, Comptrollers and/or Treasurers to submit the applications to expedite the process.

For eligible programs, OGS Procurement Services will provide an Authorization Number, or OGS Customer ID, which will enable the entity to utilize the NYS Centralized Contract Portfolio. There is a wide range of services and commodities available through the portfolio, including administrative services, furniture, cars, medical equipment, appliances and computers. Information on these contracts is available through the OGS website (<https://ogs.ny.gov/procurement>). Search tools are available to navigate the information and the Purchaser Notification Service provides registered entities email notices about contract awards and other important procurement information.

Use of OGS contracts by any provider identified as eligible by OGS to utilize the NYS Centralized Contract Portfolio is acceptable in lieu of other procurement approaches as defined in the *Administrative and Fiscal Guidelines for OASAS-Funded Providers*, provided that all related procurement criteria under these contracts, including soliciting bids where applicable, are met.

- When surplus equipment is unavailable and the equipment item is not covered by State or County purchasing contracts, or in the event of purchases of services, the Agency shall comply with the following requirements for purchasing equipment:

**Purchasing Requirements:** The Procurement Guidelines for All Funders document, available at <https://www3.erie.gov/mentalhealth/information-contract-agencies> provides purchasing requirements for equipment and services purchased with Erie County, NYS OMH, OASAS and DCJS, and Federal Funds (HUD and SAMHSA):

### **Verbal/Telephone Quotes**

A record of these quotes shall be maintained and shall include the quote date, item to be purchased, vendor name, vendor's representative, and the price quoted.

### **Written Quotes**

Written quotes shall be retained and shall include the quote date, item to be purchased, vendor name, vendor's representative, and the price quoted. Quotes received via fax machine qualify as written quotes.



**Sole Source Items**

Goods and services which may be procured from only one source are defined as "sole source" items. There must be, without question, a single supplier of the item or service.

**Selection of Vendor**

The Agency will not be required, in all cases, to select the lowest quote or bid if it is determined that there is good commercial reason not to do so. In the event the lowest bid or quote is not selected, the Agency shall maintain written justification for, and evidence of, this decision.

**792.1 Property Management**

Agencies are expected to establish and maintain sound property management systems and practices. The definition of property is any item purchased with contract funds with an expected life of over 1 year regardless of price. Property management systems and practices are to include at a minimum:

1. The assignment of an identification number to each item and affixing a corresponding numbered tag or decal to that property.
2. The maintenance of property management record keeping systems, capable of producing inventory listings by site to record essential information including acquisition date, identification number, funding source, and condition.
3. The agency shall have an inventory and property management policy and procedures in place to include tagging of any tangible property purchased with contract funds to ensure accountability of property. The agency will provide the policy and procedures to the County upon request.
4. Completion of the annual inventory form which can be found on the agency cost report on a tab titled Inventory. Annual submissions are due on July 30 with the second quarter Year to Date (YTD) cost report.
5. The establishment of policies/procedures for reporting missing (lost or stolen) property to appropriate authorities, including law enforcement officials, insurers and other entities having an ownership interest including the County of Erie.
6. Any additional requirements established by New York State, SAMHSA and HUD, as applicable.

**792.3 Surplus or Obsolete Property**

To ensure the maximum utilization of available resources, the Agency is requested to periodically assess the future need for the property on hand and to advise the Department of any surplus or obsolete items for which there is no further use. These items will be transferred to another contract Agency, if needed, or to a County-supervised central storage location. This notification by the Agency may occur at any time of the year at which an item is determined to be no longer useful. However, a review of all property should be made at least annually, at the time the annual physical inventory is taken.

## **IMPORTANT**

**NO** item of property purchased under contract with the County may be sold, transferred, scrapped, or otherwise disposed of without the written authorization of the Erie County Department of Mental Health. An Agency must request authorization in writing from the Department to dispose of obsolete property. Once the property has been examined by the appropriate County department and determined to be unusable, the Agency will be notified regarding disposal of the item.

However, used equipment may be traded by OMH and OPWDD service providers for similar items without written authorization if it is part of a purchase that is in accordance with standard purchasing requirements. OASAS service providers must secure New York State approval through the Erie County Department of Mental Health prior to trading in any equipment item.

### **792.4 Loss of Property**

If an item of property is stolen or intentionally destroyed, the occurrence should be immediately reported to the police, the Agency's insurance carrier, and the Department of Mental Health.

Insurance proceeds which are subsequently received must be reported as income on the Agency's Quarterly Report and final claim per its submitted CFR.

If the property is to be replaced, the usual procedures for the purchase of property must be followed. That is, a budget line must be established and written approval to purchase, if required, must be obtained from the Department, prior to purchasing the item.

### **793 Procedure Regarding Certificates of Insurance**

During the term of this Contract, the Agency agrees to procure and maintain insurance coverage, as set forth below, naming the County of Erie as additional insured on General, Auto, Excess, and Abuse Liability policies. All policies shall name the County of Erie as Certificate Holder and satisfy the following requirements:

- **Commercial General Liability** with a minimum combined single limit of bodily injury and property damage of \$1,000,000 per occurrence and general aggregate of \$2,000,000, including premises and operations, products and completed operations, independent contractors, contractual liability (sufficient to cover all liability assumed under contracts with the County) and personal injury liability;
- **Automobile Liability** with a minimum combined single limit of liability for bodily injury and property damage of \$1,000,000 each occurrence, and shall include owned, hired and non-owned autos;
- **Excess "Umbrella" Liability** with a minimum liability of \$1,000,000;
- **Professional Liability** with a minimum limit of liability of \$5,000,000 aggregate;
- **Property Insurance** providing sufficient coverage as to contents within agency's facility, replacement cost coverage shall be maintained, naming County of Erie as Loss Payee or Additional Insured in the event of damaged, lost or stolen property;

- **Workers' Compensation and Employers' Liability**, providing statutory coverage in compliance with the Workers' Compensation Law of the State of New York;
- **Disability Benefits**, providing statutory coverage in compliance with the New York State Disability Benefits Law; and
- **Abuse and Molestation** coverage related to the ECDMH contract requires:
  - Coverage shall be included for actual or alleged incidents of Abuse and Molestation on an Occurrence Form;
  - Coverage can be provided via endorsement to the General Liability policy or as a standalone policy;
  - County of Erie shall be listed as an Additional Insured for all ongoing and completed operations on a Primary and Non-Contributory Basis;
  - **Required Limits shall depend on the total contract value with Erie County Department of Mental Health** and can be met via a combination of both Primary and Excess/Umbrella Liability policies;
  - Coverage amount is based on the following at the time of the agency's insurance renewal Limits:
    - **Tier 1 – Contracts from \$0 to \$999,999** with Limits no less than \$1 Million per occurrence;
    - **Tier 2 – Contracts between \$1,000,000 to \$2,999,999** with Limits no less than \$3 Million per occurrence; and
    - **Tier 3 – Contracts \$3,000,000 and higher** with Limits no less than \$5 Million per occurrence.

The Agency shall provide a Certificate of Insurance as evidence of such coverage(s) on the County of Erie Standard Insurance Certificate or its equivalent.

## **800 SERVICE STANDARDS AND REPORTING REQUIREMENTS**

### **805 Standards for Service Activity**

The contract between the Department and the Agency establishes a projection for expected volume of services related to the number of persons to be served and historical utilization. Contracted service volume also establishes the program gross and net unit of service costs. The Department seeks to achieve consistent expectations and establish standards for gross unit costs and staffing patterns in contracted programs.

The service guidelines delineated in this section are minimum expectations for output, indirectly related to staffing. Service impact and quality are addressed in other sections of this manual.

Changes in State/Local planning priorities that impact upon service capacity will be considered in determining contracted units of service.

New York State or Federal Agencies may specify unit of service projections are also guided by gross unit of service cost ceilings by funding source. Where the application of service standards contained in this Manual result in unit costs that exceed State or Federal unit of service ceilings, the State or Federal unit of service ceilings shall take precedence.

Except as provided above, Agencies are expected to adhere to maintenance of effort regarding contracted service levels in accordance with this Section that includes non-funded services.

### **810 Service Reporting**

The ECDMH utilizes the service reporting structures and processes established by the New York State Department of Mental Hygiene, New York State Office of Addiction Services and Supports, in addition to any additional information as specified in ClearPoint.

### **Chapter 620 Rolls and Service Reporting**

Agencies are responsible for securing verification of eligibility for Chapter 620 funded services from the NYS OMH, OPWDD. Documentation of Chapter 620 eligibility must be maintained in the case record. Agencies are responsible for maintaining a master roll of Chapter 620 eligible individuals. The LS 620 for all individuals enrolled in Agency 620 programs will be completed monthly and transmitted to OMH/OPWDD as required, and to the ECDMH. Chapter 620 units of service will be cross-checked and validated with the above procedures described in Section 811.

### **Consumer Information System**

The ECDMH may establish and require participation in a consumer information system. The development of such system will occur in accordance with procedures set forth in Information Transmitted and Reporting Requirements.

## **900 ADDITIONAL GUIDELINES**

### **910 Mental Health Advance Directives**

The Agency is encouraged to establish mechanisms to ensure that individuals served are afforded the opportunity to develop an advance directive as defined by the New York State Office of Mental Health. The Agency shall ensure that the individuals served are afforded the opportunity of choice of auspice to assist in development of such advance directive.

### **920 Mental Health Assisted Outpatient Treatment and Diversion**

The Agency shall establish mechanisms to ensure priority access by individuals, referred to the provider, who are high-risk individuals or who are enrolled in or being evaluated by an Assisted Outpatient Treatment (AOT-Kendra's Law) program established pursuant to Section 9.60 of the Mental Hygiene Law. The Agency shall cooperate with the Department or the commissioner, or their authorized representatives, in ensuring priority access by such individuals, and in the development, review, and implementation of treatment plans for such individuals. Any and all related information, reports, and data which may be requested by the County shall be furnished by the Agency. Any requests for clinical records, from persons or entities authorized pursuant to Section 33.13 or 33.16 of the Mental Hygiene Law, and other interpretations, rules or regulations that may be issued in connection with individuals who are the subject

of, or under consideration for, a petition for an order authorizing Assisted Outpatient Treatment shall be given priority attention and responded to without delay.

### **930 Corporate Compliance**

All agencies are required to electronically submit the Corporate Compliance Plan Certification to the County certifying whether or not the Agency is required to have a Corporate Compliance Plan. The agency will email the completed document to their assigned Contract Coordinator. The agency must sign the Corporate Compliance Plan Certification and shall further agree to ensure that if required to have a formal compliance plan, will do so and comply with standards set forth by the NYS Office of the Medicaid Inspector General (OMIG). If required to have a Corporate Compliance Plan, the Agency shall provide the name of the Agency's Corporate Compliance Officer and provide a copy of the Corporate Compliance Plan to the County upon request. Failure to provide evidence of an active corporate compliance program will be grounds for payment suspension until such time that the requirements of this part are met to the satisfaction of the County.

### **940 Single Point of Access (SPOA)**

The Provider agrees to participate in the Single Point of Access (SPOA) established in the county in which the provider operates programs, according to the terms of the county.

- The SPOA process is designed to assist counties in managing their most intensive services, and to facilitate better coordination of services.
- The SPOA process is intended to be a collaborative one in which the county and service providers share responsibility for ensuring that individuals with the greatest risk/need are given priority access to the most appropriate services in support of their recovery.
- Counties have the right to monitor admissions by provider, and take action should a provider show a pattern of inappropriate admission decisions. Inappropriate decisions would include a rejection of entire categories of individuals, and determinations based solely on an individual's history without consideration of current clinical condition and additional supports that the county can make available.

The Agency is expected to cooperate fully with the SPOA to ensure services are designed and delivered in a manner consistent with the goals of mitigating risk, recovery, community integration and family reunification. The Agency will provide data and management reports as requested by the Department in a timely manner. The Agency will share personally identifiable information consistent with the operation of the SPOA.

The Agency will work cooperatively with the Department and other Departments of the County wherever necessary and possible to ensure the provision of the highest quality of care.

The Agency will participate in SPOA sponsored events and meetings. The Agency will also participate in meetings and activities focused on service coordination including data driven decision making, triage and referral and utilization management to respond to fiscal and system level changes.

Please see the SPOA Guidance Document for further details at <https://www3.erie.gov/mentalhealth/information-contract-agencies>.

## **950 Disaster Preparedness**

The agency agrees to have an agency-wide disaster preparedness plan. The agency is required to work with the Mental Health Emergency Planning Coordinator or Erie County Department of Mental Health designee to develop a comprehensive Disaster and Continuity of Operations Plan which allows for the continuation of the essential functions of agencies during any emergency or incident that may disrupt typical day-to-day or normal operations. The agency further agrees to review and update their Disaster and Continuity of Operations Plan annually.

The development of this plan should include representatives from across your agency as well as those from the public and private sectors as needed. The plan should also follow any guidelines outlined by the Erie County Mental Health Emergency Planning Coordinator or the ECDMH designee.

In addition to development of a disaster preparedness plan, the County requires each agency to complete the Disaster Preparedness Contact Listing and Disaster Continuity of Operations Plan (D-COOP) Participation Attestation. This document will be provided by your Contract Coordinator and should be completed annually along with other required contracting documents prior to the contract year. The agency should email the completed form containing the contact information for all agency essential personnel and location of all consumer residences to the assigned Contract Coordinator. This document should be updated if staffing changes occur during the contract term. The Agency should communicate these changes to the assigned contract coordinator in a timely fashion.

The agency also agrees to cooperate with any workgroups, meetings, drills, or other participation requests from the County. Once the plan is completed, it should be shared with and reviewed by a wide audience within the Agency, especially those who have direct responsibility for carrying out specific tasks and roles identified.

In an emergency that necessitates the opening of the Emergency Operations Center by Erie County, agencies should stay abreast of the situation and based on the circumstances, contact the emergency operations center as appropriate.

## **960 Dual Recovery Reform/Integrated Treatment**

Providers of treatment services will work with ECDMH and the Dual Recovery Coordinator to reform the current dual recovery system in an effort to reframe the integration of health, mental health, chemical dependency and intellectual/developmental disabilities services by identifying research informed practices, developing fidelity measures and standardizing service performance measures.

## **970 Healthcare Reform Initiatives**

As recommended by the NYS Governor's Medicaid Redesign Team, the State Offices are authorized to contract with Regional Behavioral Health Organizations (RBHO) to provide Medicaid fee-for-service administrative and management services for the purposes of conducting concurrent review of inpatient behavioral health services and coordinating the provision of behavioral health services. The Agency agrees to cooperate fully with the County in the design, implementation and compliance of any new requirements with the deployment of a RBHO.

## ERIE COUNTY DEPARTMENT OF MENTAL HEALTH PROCEDURE MANUAL

The Affordable Care Act (ACA) includes a provision on health homes, Section 2703, which allows Medicaid programs the option to reimburse eligible providers for comprehensive care management-related services. This option would create health homes to coordinate and better integrate primary, acute, behavioral health, and long-term services and supports for beneficiaries with complex and chronic conditions. The Agency agrees to cooperate fully with the County in the development and implementation of a Health Home or participation in a Health Home network.

The Agency agrees to cooperate fully with the County in the movement from the Medicaid fee-for-service system and replacing it with a comprehensive, high quality and integrated care management system that will improve health outcomes for high risk individuals.

The Agency agrees to cooperate fully with the County in the development and implementation of a service delivery and payment model that integrates acute and long-term care to achieve improved health outcomes and quality of care while lowering healthcare costs for the developmentally disabled population.