

Lag Funding Agreement

INTERMEDIATE CARE FACILITY (ICF) FOR DEVELOPMENTALLY DISABLED TRANSITION TO MANAGED CARE

Effective January 1, 2024

This Agreement is between

Regional Center (*name*)_____

Referred to as the “**Creditor Regional Center**”

and

Intermediate Care Facility (*Vendor Number & Name*) _____

Referred to as the “**ICF Provider**”.

Subject to the terms of this Agreement, Creditor Regional Center will periodically provide lag payments (that is, loans) to ICF Provider for services it renders to consumers between January 1, 2024, and December 31, 2024, to the extent necessary to support the timely transition of ICF payments from Medi-Cal fee-for-service to Managed Care Plan (MCP) responsibility.

Creditor Regional Center may loan ICF Provider amounts not to exceed the current Medi-Cal rate for ICF-DD/H or ICF-DD/N services, up to the facility capacity. Each separate loan is a “Lag Payment” and the loans collectively are “Lag Payments”.

Creditor Regional Center shall have no obligation to remit a Lag Payment unless ICF Provider has either 1) not been paid within 30 days of its submission of a valid claim for payment to the MCP or, 2) due to factors beyond the ICF Provider’s control, provider has been unable to submit, or been delayed in the submission of, claims to the MCP for services provided at least 30 days prior to the request for Lag Payment. Then, Creditor Regional Center *will* provide a Lag Payment within 10 working days after receiving an invoice from the ICF Provider, if the five requirements below are satisfied.

ICF Provider must satisfy all of the following requirements, and must also make the certifications contained in items 'D' and 'E' in writing to Creditor Regional Center, in order to qualify for each Lag Payment:

- A) ICF Provider must be vendored as a Regional Center ICF Provider and be in good standing and not in breach of contract with the Creditor Regional Center.
- B) ICF Provider must not be in collections with any Regional Center and/or DDS for non-payment of any amounts.
- C) ICF Provider must have successfully completed its licensing and certification through the Department of Public Health.
- D) ICF Provider must attest that either:
 - i. it submitted claims to the applicable MCP(s) at least 30 days prior to seeking payment from the Creditor Regional Center and the ICF Provider has not received payment from such MCP(s) for such claims, or
 - ii. due to factors beyond the ICF Provider's control, it has been unable to submit, or been delayed in the submission of, claims to the applicable MCP(s) for services provided at least 30 days prior to the request for Lag Payment
- E) ICF provider must agree to actively pursue/take steps necessary to obtain reimbursement from all applicable MCPs, and to repay the Creditor Regional Center within 15 days of receipt of such payments from the applicable MCPs.

This Agreement is between Creditor Regional Center and the ICF Provider named below. If there is a change in ownership in one or more ICF homes, this Agreement will not transfer to the successor ICF Provider.

Creditor Regional Center will only make Lag Payment loans under this Agreement with *Purchase of Service* (POS) dollars.

Creditor Regional Center is providing Lag Payments to ICP Provider solely as an accommodation. Therefore, Creditor Regional Center shall not be liable for any loss or liability incurred by ICF Provider resulting from Creditor Regional Center's delays or failure to provide any Lag Payment under this Agreement.

Lag Payments (if made) will be disbursed on a per consumer per diem basis, up to facility capacity or facility census, whichever is less. The ICF provider

must submit documentation to the regional center of the per diem rate in effect for services provided.

Each Lag Payment must be fully repaid, by the Payment Deadline which is the 15th day after ICF Provider receives reimbursement of such amount from the applicable MCP(s).

Creditor Regional Center may share this Agreement, Lag Payment amounts and repayment history with the MCPs that residents are enrolled in.

If Lag Payments are not repaid by the applicable Payment Deadline, any subsequent requests for Lag Payments will be denied. Further, the ICF Provider hereby authorizes Creditor Regional Center to offset delinquent Lag Payments from other sums owed by Creditor Regional Center to the ICF Provider or their related entities.

Either party may terminate this Agreement on thirty (30) days written notice outlining the reasons for such termination.

This is a fully integrated Agreement and supersedes any other agreement between the parties regarding the terms herein. This Agreement may be signed in counterparts. Copies of this Agreement signed electronically (such as via DocuSign) and/or delivered electronically (such as via a PDF attachment to an email) shall be deemed the same as originals.

[Name of ICF Provider]

[Name of Regional Center]

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

Date:_____

Date:_____