



# Contract Provider Audit Appeal Policy

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**Policy** It is the policy of the Department of Behavioral Health (DBH) to establish and maintain a process designed to organize, manage, and document reports and findings of audits and/or claims submitted by a DBH Contracted Provider (CP).

**Purpose** The purpose of this policy is to provide the DBH workforce and contract agency staff with guidance for responding to CP disputes related to DBH Audits, Claims, Financial Reporting and Support's (ACFRS) Final Audit Report (FAR) finding(s). A CP may submit an appeal request to dispute findings to the current CPA firm for a third-party review consideration (see attached for current third-party CPA contact information).

**Definition(s)**

**Contracted Provider (CP):** A third-party provider that has entered into a contract with DBH.

**Certified Public Accountant (CPA) Firm:** A third-party firm accepted by the Department of Behavioral Health to review appeals submitted by a Contract Provider.

**Final Audit Report (FAR):** The final version of an audit report of a CP's claimed costs, financial records, procedures and practices, in compliance with CP's contractual agreement with DBH over a period of time, and in accordance with Generally Accepted Accounting Principles and OMB Circular A-122 Cost Principle for Non-Profit Organization (as applicable).

**Appeal Criteria** A DBH CP seeking to submit an appeal to the current CPA Firm, must meet minimum criteria for consideration. Only appeals that meet the following minimum standards can be accepted by the CPA firm for a third-party review:

- Appeal must be submitted within thirty (30) days in writing (via email or mail delivery);
- Appeal must include detailed description of the violation and/or dispute supporting the appeal, with relevant supporting documentation, and
- Appeal must specify detailed violation or noncompliance with the above guidelines, standards, and laws.

**Note:** For further procedural details on the appeal process please review Contract Provider Audit Appeal Procedure (COM0961-1).

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**Appeal Cost** All CPA Firm review costs will be the responsibility of the CP, paid through DBH, if the third-party review concurs with the original FAR. If the third-party review does not concur with the original FAR in its entirety, DBH will be responsible for all CPA firm review costs.

Should there be partial concurrence with the original FAR, then the CPA firm review costs will be prorated between the CP and DBH as appropriate.

**Note:** Related CPA billable hours may vary depending on the scope of the audit.

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**Related Policy or Procedure** [DBH Standard Practice Manual and Departmental Forms:](#)

- [Contract Provider Audit Appeal Procedure \(BOP3052-1\)](#)
- [Compliance Verification, Monitoring and Auditing Policy \(COM0917\)](#)
- [Contract Provider Audit Appeal Procedure \(COM0961-1\)](#)

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**Reference(s)** [California Government Code Section 87100 et seq.](#)  
[Code of Federal Regulations Title 42 Subpart D – Third Party Liability](#)

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