COUNTY OF LOS ANGELES

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DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.gov

Reply To: (213) 738-4601
Fax: (213) 386-1297

May 31, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

AUTHORIZATION TO SUPERSEDE THE AFFILIATION AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, LOS ANGELES FOR FISCAL YEARS 2007-08, 2008-09, 2009-10, AND 2010-11 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Mental Health or his designee to prepare, sign, and execute the supersession of the Affiliation Agreement with The Regents of the University of California, Los Angeles for Fiscal Years (FYs) 2007-08, 2008-09, 2009-10, and 2010-11, using an agreement format substantially similar to Attachment A, to ensure all specialized agreements are in compliance with all new and revised County contract provisions. This Affiliation Agreement will be funded with Sales Tax Realignment funds, Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) - State General Funds (SGF), EPSDT-Federal Financial Participation (FFP), and Non-EPSDT-FFP which are included in the Department of Mental Health's (DMH) FY 2007-08 Proposed Budget in the total amount of $3,293,902.

2. Authorize the Director or his designee to prepare and execute future amendments to the Agreement, provided that: 1) the County's total payments to each contractor under the Agreement for each fiscal year shall not exceed an increase of 20 percent from the applicable revised contracted rate; 2) any increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer (CAO) or their designee is obtained prior to any such Amendment; 5) County and

contractor may by written amendments reduce programs or services and revise the applicable contracted rate; and 6) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The supersession of this agreement will ensure that all specialized agreements are in compliance with all new and revised contract provisions. There has been an ongoing review of all agreements with contractors, and the CAO, County Counsel, and Auditor-Controller have previously recommended that there be uniformity of all terms and conditions.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Strategic Plan Programmatic Goals: No. 1, "Service Excellence," No. 3, "Organizational Effectiveness," No. 5, "Children and Families' Well-Being," No. 6, "Community Services," and No. 7, "Health and Mental Health." Supersession of this agreement will ensure that contractor is in compliance with all provisions required in County contracts and will continue to promote the collaborative partnership between government and community agencies.

FISCAL IMPACT/FINANCING

There is no increase in net County cost.

The projected 2007-08 cost supersession of this Affiliation Agreement with The Regents of the University of California, Los Angeles is $3,293,902 funded with $1,693,183 in Sales Tax Realignment funds, $733,669 in EPSDT-SGF, and $867,050 in EPSDT-FFP, for a total of $3,293,902, which is included in DMH's FY 2007-08 Proposed Budget. Funding for FYs 2008-09, 2009-10, and 2010-11 will be included in the Department's annual budget requests for these fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The supersession of this Agreement is necessary to add new and revised contract provisions to this current Agreement such as: Suspension of Payments, Budget Reductions, Compliance with Applicable Law, Alterations of Terms, Contractor's Exclusion from Participation in a Federally Funded Program, and Performance Standards and Outcome Measures.

The supersession of the Affiliation Agreement with The Regents of the University of California, Los Angeles will continue to provide the following services: individual psychotherapy, group psychotherapy, psychotropic medication monitoring, psychological evaluation, training, consultation, and participation in ongoing research.

This Affiliation Agreement was established to provide a frame work for a relationship between DMH and The Regents of the University of California, Los Angeles to accomplish the shared goals of transferring state-of-the-art treatment strategies from academia to the community and provide student training.

The Agreement format has been approved as to form by County Counsel. The CAO has reviewed the proposed actions. Clinical and administrative staff of DMH will also continue to administer and supervise the Agreement, evaluate programs to ensure that quality services are being provided to clients, and ensure that Agreement provisions and Departmental policies are being followed.

Attachment B provides information regarding Contracting with Minority/Women-Owned Firms Percentage of Ownership in Firms contracting with the County.

IMPACT ON CURRENT SERVICES

Upon Board approval, the supersession of this agreement will allow The Regents of the University of California, Los Angeles to comply with revised provisions required in all County contracts and provide for essential and accessible mental health services to clients throughout Los Angeles County.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board actions. It is requested that the Executive Officer of the Board notify the DMH Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,

Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:SAS:KW:RK

Attachments (2)

c: Chief Administrative Officer
County Counsel
Chairperson, Mental Health Commission

ATTACHMENT A

AFFILIATION AGREEMENT

BY AND BETWEEN

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

ON BEHALF OF THE

UCLA SCHOOL OF MEDICINE

AND THE

UCLA NEUROPSYCHIATRIC INSTITUTE AND HOSPITAL

AND

THE COUNTY OF LOS ANGELES

THROUGH ITS

DEPARTMENT OF MENTAL HEALTH

JULY 1, 2007

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ATTACHMENT I SAFELY SURRENDERED BABY LAW FACT SHEET
(In English and Spanish)

ATTACHMENT II ATTESTATION REGARDING FEDERALLY FUNDED PROGRAM

ATTACHMENT III CHARITABLE CONTRIBUTIONS CERTIFICATION

1 INTRODUCTION

This Agreement formalizes the affiliation between the Regents of the University of California, Los Angeles, ("University") and the County of Los Angeles Department of Mental Health ("DMH"). This Agreement is founded upon the belief that an affiliation between University and DMH will not only benefit both parties, but also the community that both of these public institutions serve.

DMH, is transforming its system of care to one that is truly client-centered, family-focused, and attuned to the needs of the local areas served. DMH recognizes that these objectives, given the complexities of mental disabilities, are best approached with the knowledge and instruction obtainable from a distinguished academic institution.

University, through its School of Medicine, Neuropsychiatric Institute, and Neuropsychiatric Hospital, recognizes that its respective missions—preparing its graduates for distinguished careers in medicine, furthering its understanding of complex human behavior, and fostering an environment integrating education and research with exemplary patient care—demand extensive community-based experience.

With these objectives and needs in mind, this Agreement initially implements the following programs:

- A countywide Academic and Medical Teaching Services program to be provided at mutually agreed upon DMH Facilities;

- An Academic and Medical Teaching Services program provided at Edmund D. Edelman Westside Mental Health Center and Valley Coordinated Children's Services;

- Mental Health Services to be directly provided through University's Training, Intervention, Education, and Services ("TIES") for Adoption program.

In addition to these programs, University and DMH have designed this Agreement as an "umbrella agreement." With this format, this Agreement sets forth the underlying terms and conditions of this affiliation, and permits new programs to be implemented under this Agreement through addenda provided that such addenda otherwise conform to relevant legal and policy requirements of the Regents of the University of California ("Regents") and the Board of Supervisors of the County of Los Angeles ("Board"). This obviates the need to spend time and resources renegotiating basic affiliation terms, and is intended to engender a relationship between University and DMH that is easily adaptable to the ever-changing needs of the community.

2 SERVICES TO BE PROVIDED BY UNIVERSITY

University shall provide two categories of services to DMH under this Agreement, as described below in sections 2.1 ("Academic and Medical Teaching Services") and 2.2 ("Mental Health Services").

21 Academic and Medical Teaching Services

University shall provide Academic and Medical Teaching Services to DMH at various DMH Facilities in accordance with the provisions of this Agreement. The nature and scope of these services are set forth in:

- **Addendum A:** Academic and Medical Teaching Services Program;
- **Addendum B:** Edmund D. Edelman Westside Mental Health Center Program;
- **Addendum C:** Training, Intervention, Education, and Support ("TIES") for Adoption.
- Any subsequent addenda, mutually agreed upon by University and DMH to be governed by the provisions of this Agreement, provided that such addenda otherwise conform to relevant legal and policy requirements of the Regents of the University of California ("Regents") and the Board of Supervisors of the County of Los Angeles ("Board").

22 Mental Health Services

University shall provide Mental Health Services to DMH in accordance with the provisions of this Agreement. The nature and scope of these services are set forth in:

- **Addendum C:** Ties for Adoption; and,
- Any subsequent addenda, mutually agreed upon by both University and DMH to be governed by the provisions of this Agreement, provided that such addenda otherwise conform to the relevant legal and policy requirements of the Regents and the Board.

3 RESPONSIBILITIES OF UNIVERSITY

Section 3 is divided into two sections. Section 3.1 ("University Responsibilities Regarding Academic and Medical Teaching Services") applies only to Academic and Medical Teaching Services. Section 3.2 ("University Responsibilities Regarding Mental Health Services") applies only to Mental Health Services.

3.1 University Responsibilities Regarding Academic and Medical Teaching Services

University shall provide the Academic and Medical Teaching Services in a manner that reflects high standards of education, training, and client care. In addition to these standards, University shall be responsible for the requirements set forth in sections 3.1.1 through 3.1.4. These requirements apply to all Academic and Medical Teaching Services, unless these requirements are specifically waived, modified, or amended in the addenda.

3.1.1 Administration of Academic and Medical Teaching Services

3.1.1.1 University Academic Administrator

University shall appoint a University Academic Administrator to oversee University's provision of Academic and Medical Teaching Services, and may also serve as the University Administrator.

3.1.1.2 University Administrator

University shall appoint a University Administrator who shall serve as University's contract officer for Academic and Medical Teaching Services.

3.1.2 Nature and Scope of Academic and Medical Teaching Services

Academic and Medical Teaching Services shall be measured in terms of sessions ("sessions") unless otherwise provided.

3.1.2.1 Content of Sessions

University shall participate in developing session content through its involvement in the Joint Mental Health Committee ("Committee"). The specific procedures are set forth in section 5.1.1.4.1 ("Joint Program Planning and Scheduling").

The parties acknowledge that the content of these sessions may vary, due to the educational nature of services provided. However, the content of each session shall be developed and subsequently modified by the Committee so that services are provided in good faith and according to the highest levels of academic standards and client care. The parties contemplate that, unless otherwise specified, compliance with these standards shall usually result in the following forms of services: presentations, seminars, discussion groups, tutorials, case consultations, conferences, service observation and evaluation sessions, and participation in staff and client meetings.

3.1.2.2 Duration of Sessions

The parties acknowledge that the amount of time required for each session may vary, due to the educational nature of the services provided. However, each session shall be of sufficient duration to ensure that University personnel perform their required duties in good faith and according to high levels of academic

standards and client care. The parties contemplate that compliance with these standards will result in an approximate session length of four (4) hours under normal circumstances.

3.1.2.3 Scheduling of Sessions

University shall participate in developing session scheduling through its involvement in the Joint Mental Health Committee ("Committee"). The specific procedures are set forth in section 5.1.1.4.1 ("Joint Program Planning and Scheduling").

3.1.2.4 Certification of Sessions

Monthly claims submitted by University under section 6.1.1 ("Submission of Monthly Claim") must be certified, prior to DMH payment, by the Program Manager of the DMH Facility where the sessions were provided. The specific procedures for this certification process are set forth in section 4.1.3.2 ("Certification of Monthly Claim").

3.1.3 Personnel Responsibilities

3.1.3.1 University Personnel

3.1.3.1.1 Compensation

University shall provide all direct compensation to physicians, other health care professionals, University Housestaff and support staff who may provide services under this Agreement and who are employees of the University. University shall annually provide a list of individuals and compensation from this Agreement to DMH.

3.1.3.1.1.1 Cessation of Compensation upon Loss of Clinical Privileges

DMH shall notify University if (a) a Faculty member's clinical privileges at DMH Facilities have been terminated, or (b) disciplinary or termination proceedings have been initiated against a Faculty member; and, in such case, payment to the Faculty member from DMH funds for Academic and Medical Teaching Services shall terminate. Promptly upon receipt of such notice, University shall cease using DMH funds to compensate that Faculty member for performance of the specified services.

3.1.3.1.1.2 Former DMH Employees

University shall notify DMH Academic Administrator prior to University's use of any individual for Academic and Medical Teaching Services, if the University has knowledge that the individual was a DMH employee at any time during the previous twelve (12) months. University shall not use DMH funds to compensate such individual if DMH objects in writing within thirty (30) days after DMH's receipt of such notice. This section shall apply only to individuals who leave DMH employment after July 1, 2001. DMH shall invoke its right to object under this paragraph only in instances where, at the time of leaving County

employment, an individual physician has been disciplined under the County's Employee Evaluation and Discipline Guidelines or such discipline is pending.

3.13.1.1.3 Exclusion from Federal Health Care Programs

3.13.1.1.3.1 Cessation of Compensation for Exclusion from Participation in Any Federal Health Care Program

Each Party shall promptly notify the other upon learning that a Faculty member has been excluded from participation in any federal health care program, including Medicare or Medi-Cal. Promptly upon learning of any such exclusion, University shall: (a) cease using DMH funds to compensate the excluded individual for Academic and Medical Teaching Services subsequent to the date of exclusion; and (b) immediately bar that individual from providing any of these services.

3.13.1.1.3.2 Indemnification for Exclusion from Federal Health Care Programs

University shall indemnify, defend and hold harmless DMH and its officers, employees, agents, students, fellows and volunteers from and against any and all losses, claims, damages, liabilities or expenses arising out of or connected with the performance of any Academic and Medical Teaching Services by any person employed by University and not by DMH, who has been excluded from a federal health care program; provided University: (a) knew or reasonably should have known of such person's excluded status during the period at issue; and (b) failed to remove such person from the performance of any of these services.

3.13.1.2 Staffing Levels

Subject to DMH providing timely and adequate non-physician staff, support, resources and funding pursuant to section 4.1.3 ("Operations of DMH Facilities"), University shall provide University Personnel to render education, patient care, training, and supervision that meets Academic and Medical Teaching Services requirements. Such staffing shall not fall below these requirements without written approval of DMH, except for such minor, temporary adjustments as deemed reasonable by DMH Academic Administrator.

3.13.1.3 Physician Recruitment

It is the intent of the Parties that physicians hired by DMH to practice in any DMH Facility will be eligible for consideration for faculty status. University upon request shall review the academic qualifications of each such physician, concurrent with DMH's civil service hiring process. University shall use reasonable efforts to confirm a physician's eligibility for faculty status by such time as DMH's hiring process is concluded. All DMH hiring decisions are within DMH's sole discretion. University shall

consider applications for faculty appointment of physicians hired by DMH to practice in any DMH Facilities provided such physicians meet, at minimum, University's criteria for faculty appointments. University shall be under no obligation to provide faculty appointments to such physicians. This paragraph shall not apply to the recruitment or hiring of DMH Housestaff.

3.13.1.4 Discipline by University

University shall be solely responsible for the discipline of all University Personnel who are not also DMH Personnel and may independently discipline any University Personnel in conjunction with their University employment. University shall cooperate with DMH with respect to the discipline of DMH Personnel performing services under this Agreement. University shall investigate any DMH complaints against University Personnel to determine the necessity for appropriate action. If the nature of the complaint provides reasonable grounds to believe that the safety of any person or property in DMH Facilities may be at risk, then University shall promptly reassign or exclude such University Personnel from DMH Facilities pending resolution of the complaint.

3.13.1.5 Academic Discipline

University shall establish and implement a process for academic discipline of Faculty, Housestaff, medical students and other professions students. This shall not include employment actions against DMH Personnel.

3.13.1.6 Coordination of Discipline

To the extent permitted by law or University policy, University shall inform the DMH Academic Administrator and/or Geographic Area Manager promptly of any adverse actions known to University against Housestaff or Faculty serving in DMH Facilities with respect to employment status, medical staff status, academic appointment or exclusion from participation in any federal health program, which might affect the individual's right or ability to participate in University Training Programs or to provide patient care in any DMH Facility. University shall coordinate with DMH respecting such adverse actions.

3.13.1.7 Access to Records

To the extent permitted by law, DMH and University shall have reasonable and timely access to the medical records, charts, applicable Medical Staff minutes and quality assurance data of the other Party relating to any claim or investigation related to services provided pursuant to this Agreement; provided that nothing shall require either DMH or University to disclose any peer review documents, records or communications that are privileged under California Evidence Code section 1157, under the Attorney-Client Privilege or under the Attorney Work-Product Privilege.

3.1.3.2 University Housestaff, Medical Students

University shall be solely responsible for supervising the academic programs of, and for selecting and educating, any University Housestaff, Medical Students and other professions students, or other University trainees rotating through DMH Facilities. The number and assigned rotation of such trainees shall be subject to the approval of the DMH Academic Administrator and the Geographic Area Manager. University shall notify DMH Academic Administrator and/or Geographic Area Manager of changes to established academic schedules that could affect the volume or quality of client care provided at DMH Facilities. University shall coordinate the scheduling of University Housestaff and Medical Students or other professions students for rotations through DMH Facilities, in consultation with the DMH Academic Administrator and/or Geographic Area Manager.

3.1.3.3 Maintenance of Accreditation

University, with cooperation of DMH, shall maintain accreditation of all University Training Programs that are conducted, in whole or in part, in DMH Facilities. University shall maintain accreditation of its School of Medicine by the Liaison Committee on Medical Education, and it shall maintain accreditation of all Training Programs by the ACGME and any appropriate specialty boards or other applicable accreditation bodies. In the event that any Training Program, that is conducted in whole or in part, in DMH Facilities, receives a probationary accreditation status from ACGME or other applicable accreditation body, University shall provide DMH with all material information regarding the deficiencies cited by such accreditation body; University's work plan for ending probationary accreditation status; and regular reports on University's progress toward this end. Loss of accreditation may constitute an Event of Immediate Termination (as set forth in section 7.4), Immediate Partial Termination (as set forth in 7.4.2), or Partial Termination for Cause (as set forth in 7.5.2). The obligations set forth in this section shall be subject to the terms of section 4.1.3.5 ("Training Program Support").

3.1.3.4 Operation of University Training Programs

Training of University Housestaff and University Medical Students and other professions students at DMH Facilities shall be accomplished in accordance with University procedures, in compliance with DMH policies and regulations. To the extent authorized by Academic and Medical Teaching Services Programs or otherwise by DMH, Faculty may teach medical students or other professions students, pharmacy, psychology, and allied health students and trainees from other institutions, rotating through DMH Facilities.

3.1.3.5 Academic Administration of Training Programs

University shall provide academic administration of Training Programs as called for by the Academic and Medical Teaching Services Programs, including education of DMH clinical staff in accordance with accreditation bodies.

3.1.4 University Personnel and Rotations

University shall maintain a list of all University Personnel rotating through DMH Facilities, including any medical or independent health professions students, provide the list to the DMH Academic Administrator and/or Geographic Area Manager upon execution of this Agreement, and update it as necessary thereafter. For each DMH Facility, the list shall

include the name, location, and assignment of all University Faculty, Housestaff, Medical Students or other professions students.

University shall promptly notify DMH of all material changes in University Training Programs, including changes in the number of Faculty, Medical Students or other professions students, or University Housestaff assigned to or rotating through DMH Facilities, and changes in the scope, organization or length of such education or training programs. University shall be accountable for the compliance of University Personnel with those lists. University Housestaff and other professions students rotating through DMH facilities and programs as part of their graduate medical education shall be subject to all appropriate supervisory and regulatory requirements applicable to DMH Housestaff and other professional students participating in such programs, including requirements regarding medical records and quality assurance activities.

3.1.5 Compliance with DMH Policies

3.1.5.1 Knowledge and Compliance Generally

University Personnel providing services under this Agreement at DMH Facilities shall be subject to and shall comply with applicable DMH Policies, as defined in section 13.18 ("DMH Policies"), to the same extent as DMH Personnel. Whenever University Personnel are present at any DMH Facility, such persons shall be subject to the administrative and clinical rules and regulations of such DMH Facility, and as they are otherwise notified by DMH. University shall immediately remove any of its personnel from the provision of any Academic and Mental Health Services hereunder upon receipt of written notice from DMH Director or his or her designee, that (a) such person has violated applicable rules or regulations, or (b) such person's actions, while on DMH premises, may harm DMH clients. DMH shall provide University with a written statement of the facts supporting any such violation or action within twenty-four (24) hours of such removal.

3.1.5.2 Client Complaints

University shall make a good faith effort to address client complaints involving University Personnel, to bring those matters outside its control to the attention of appropriate DMH administrators, and to cooperate fully with DMH to resolve any such complaints.

3.1.5.3 Quality Improvement

University Personnel shall participate in quality improvement, utilization review and risk management activities as specified in the DMH's policies; all legal, accreditation and certification standards; and the conditions and terms of this Agreement. University Personnel shall work in coordination with the DMH Academic Administrator and/or Geographic Area Manager the appropriate quality improvement bodies in developing and implementing the DMH's quality improvement plan.

3.1.5.4 Medical Administration

University shall require that all University Personnel assigned to DMH Facilities attend and participate in all applicable training provided by DMH under this subsection, including appropriate resource utilization, managed care procedures,

accreditation and licensure, risk management, and other necessary training as identified and provided by DMH.

3.1.5.5 Medical Records

University personnel shall cooperate in the timely completion and maintenance of a complete medical record for each patient encountered, pursuant to applicable federal, state, and County regulations, on forms provided by DMH. The medical record shall, at all times, remain the property of DMH.

3.1.6 Adherence to DMH Human Subject Research Policies

University shall abide by applicable DMH policies with respect to the review, approval and conduct of any research to be performed in DMH Facilities, including the review and approval of the DMH Human Subjects Review Committee.

3.2 University Responsibilities Regarding Mental Health Services

University shall provide Mental Health Services in a manner that reflects high standards of client care. In addition to these standards, University shall be responsible for the requirements set forth in sections 3.2.1 through 3.2.2. These requirements apply to all Mental Health Services Programs, unless these requirements are specifically waived, modified, or amended in the addenda.

3.2.1 Negotiation Package Standards

The Negotiation Package for each Mental Health Services Program, once approved and agreed upon, pursuant to an addendum hereto, will become part of this Agreement by reference herein, as though fully set forth, to the extent that Negotiation Package terms are not in conflict with the terms of this Agreement or the applicable Mental Health Services Program addenda.

3.2.2 Client Ability to Pay

The Mental Health Services provided by University under this Agreement shall be the same regardless of the patient's/client's ability to pay or source of payment.

4 RESPONSIBILITIES OF DMH

Section 4 is divided into two sections. Section 4.1 ("DMH Responsibilities Regarding Academic and Medical Teaching Services") applies only to Academic and Medical Teaching Services. Section 4.2 ("DMH Responsibilities Regarding Mental Health Services") applies only to Mental Health Services.

4.1 DMH Responsibilities Regarding Academic and Medical Teaching Services

4.1.1 Payment for Services

DMH shall provide payment for Academic and Medical Teaching Services as provided in section 6.1 ("Financial Provisions regarding the Provision of Academic and Medical Teaching Services").

4.1.1.1

For each month of the term of this Agreement, University shall submit to DMH a claim for each applicable Financial Exhibit column identified on the Financial Summary and Rate Schedule, in the form and content specified by DMH. Each monthly claim shall be submitted within sixty days of University's receipt of DMH's MIS reports for the last date mental health services were provided during the particular month, within sixty days of the last date Title XIX Medi-Cal Administrative Activities were provided during the particular month.

4.1.2 Administration and Governance of DMH Facilities

4.1.2.1 General

DMH Director or his or her designee is authorized to administer this Agreement on behalf of DMH. DMH is responsible for the governance, administration and operation of DMH Facilities.

4.1.2.2 Academic and Medical Teaching Services Administration

4.1.2.2.1 General

DMH shall designate a DMH Academic Administrator who shall be responsible for monitoring and overseeing services provided under the Academic and Medical Teaching Services of this Agreement, and will serve as the DMH Administrator. The appointment shall be a DMH employee. In addition, the designated DMH Geographic Area Managers shall have responsibility for the local administration of services provided in each Geographic Area.

4.1.2.2.2 Assignment

DMH shall be solely responsible for the final selection of DMH Academic Administrator in accordance with DMH's civil service and personnel policies. Qualification by University for academic appointment is a preferred qualification for DMH Academic Administrator.

41223 Duties

Subject to the authority of DMH Director, DMH Academic Administrator's responsibilities shall include:

412231 Client Care Policies

Assistance in developing and in informing University Personnel of applicable client care policies and initiating appropriate action to correct noncompliance.

412232 Clinical Management and Supervision

Clinical direction and oversight of medical management of all physician services, rendered at DMH Facilities.

412233 Quality Improvement

Oversight of quality improvement activities as set forth in DMH policies and procedures. The DMH Academic Administrator shall be responsible to DMH Director for oversight of Medical Staff quality improvement activities.

4.1.3 Operations of DMH Mental Health Facilities

4.1.3.1 General

DMH is responsible for operations and facilities at DMH Mental Health Facilities, including the provision of qualified personnel (other than University Personnel) in adequate numbers, and of sufficient supplies, equipment, support and facilities. DMH shall provide these resources at levels sufficient to maintain a high quality teaching environment in compliance with accreditation standards of JCAHO, ACGME and other accrediting and regulatory bodies and in conformity with all applicable state and federal laws, rules, regulations and standards.

4.1.3.2 Certification of Monthly Claim and Administrative Review of Disputes

Any monthly invoices submitted by University under section 6.2.11.1 ("Submission by University of Monthly Claim") for Academic and Medical Teaching Services shall be reviewed by the Program Manager of the DMH Mental Health Facility where those services were provided. By certifying the monthly invoice, the Program Manager certifies that the Academic and Medical Teaching Services provided by University met or exceeded DMH's requirements for payments hereunder. Any services not reviewed for certification by these procedures within thirty (30) days after the monthly claim is first received by DMH shall be automatically deemed certified.

If certification is withheld for a specific claim for session(s) provided, the Program Manager shall immediately notify the University Academic Administrator and the DMH Academic Administrator of the reasons for withholding certification. Upon receipt of this notification, University Academic Administrator and DMH Academic Administrator shall investigate the disputed claim and determine whether certification was properly withheld. In the event that University Academic Administrator and DMH Academic Administrator cannot come to a mutual determination on this issue, the Joint Mental Health Operations Committee ("Committee") shall determine, at their next meeting and after appropriate investigation, whether certification was properly withheld. This Committee

determination shall be based only upon a majority consensus of Committee members. If a majority of Committee members cannot agree on this issue, then DMH Director shall determine, after appropriate investigation, whether certification was properly withheld.

4.1.3.3 Security

DMH shall maintain appropriate security measures to protect University Personnel in DMH Facilities, including parking facilities and grounds.

4.1.3.4 Medical Records

DMH is responsible for the preparation, maintenance, and security of all medical records related to clinical care provided in DMH Facilities. DMH shall maintain a medical records department sufficient to: (a) meet the requirements of applicable laws, regulations and accreditation requirements; (b) support patient care, the education of Housestaff, Medical Students or other professions students quality-assurance/performance activities; and (c) provide a resource for scholarly activity in compliance with the rules and regulations governing approved medical research. DMH shall retain medical records for the required time period as prescribed by law and accreditation standards. DMH shall make charts available to University Personnel in a timely manner as necessary for scheduled clinic visits, Hospital admissions, mortality and morbidity reviews, and preparation of responses to citations, reimbursements, appeals, billing, and other claims brought by third parties, and approved medical research.

4.1.3.5 Training Program Support

DMH shall maintain adequate non-physician staff (other than University Personnel) and facilities, as appropriate, to meet the educational and supervisory objectives of DMH and University Training Programs in a manner consistent with the standards established by LCME and ACGME.

4.1.3.6 Knowledge and Compliance with DMH Policies

DMH shall include University Personnel, as may be applicable, in training sessions regarding DMH policies and University shall cooperate with DMH in instructing University Personnel regarding DMH policies.

4.1.3.7 Client Complaints

DMH shall make a good faith effort to address client complaints, to bring those matters relating to University Personnel to the attention of University, and to cooperate with University in addressing any such complaints.

4.1.4 Personnel Responsibilities

4.1.4.1 General

DMH shall be responsible for the hiring, scheduling, promoting, compensating, disciplining (other than academic discipline) and terminating DMH Personnel. DMH shall use its best efforts to ensure that the job description for each physician to be hired by DMH to practice in DMH Facilities shall correspond to University's criteria for faculty appointments, as appropriate. DMH shall consult

with University concerning reassignment of Faculty to those DMH Facilities in which their clinical services are most needed.

4.1.4.2 Coordination and Discipline of University Personnel

To the extent permitted by law and DMH policy, DMH shall promptly inform University of any adverse actions by DMH against University Personnel with respect to DMH employment status or medical staff status, which might affect the individual's right or ability to participate in a University Training Program, or provide client care in any DMH Facility. DMH shall coordinate and work with University to address such matters.

4.1.4.3 Discipline of DMH Personnel

DMH shall be responsible for the discipline of DMH Personnel, including DMH Housestaff and other students, other than academic discipline, in accordance with section 3.1.3.1.5. DMH shall seek the cooperation of University in any disciplinary matter in which DMH Personnel perform services under this Agreement and shall investigate any University complaints regarding DMH Personnel to determine the necessity for appropriate action. If a complaint provides reasonable grounds to believe that the safety of any person in DMH Facilities may be at risk, then, consistent with established DMH civil service rules, DMH procedures, DMH shall exclude or temporarily reassign such DMH Personnel from DMH Facilities, pending resolution of the complaint. This provision does not preclude University from taking disciplinary action in accordance with section 3.1.3.1.5.

4.1.4.4 Health and Safety of University Personnel

DMH shall protect the health and safety of University Personnel and other professional students on rotation at DMH Facilities by providing all University Personnel with the following:

4.1.4.4.1 DMH Security Information

Orientation of the type and scope provided by DMH to its new employees, including information about DMH's security measures, fire safety and disaster protocols, and any additional recommended personnel safety and security precautions.

4.1.4.4.2 Infection Control Procedures

Instruction in DMH's policies and procedures for infection control, including the handling and disposal of needles and other sharp objects, and in DMH's protocols for on-the-job injuries, including those resulting from needlestick injuries and other exposures to blood or body fluids or airborne contaminants.

4.1.4.4.3 Emergency Treatment

First aid and other emergency treatment at an appropriate facility, including immediate evaluation for risk of infection and appropriate follow-up care of University Personnel in the event of a needlestick injury or other exposure of Housestaff/Medical and other Students to blood or body fluids or airborne contaminants. In the case of suspected or

confirmed exposure to the human immuno-deficiency virus ("HIV") or hepatitis, such follow-up care shall be consistent with DMH policies and the current guidelines of the Centers for Disease Control and Prevention ("CDC") and the community's standard of care. Information regarding the CDC guidelines may be obtained by calling the CDC directly. The initial care and administration of testing and prophylactic therapy shall be provided by DMH. Subsequent care of University Personnel shall be paid pursuant to the mutual agreement of Parties.

4.1.4.4 Facilities

Information concerning provision of parking, meals, lockers, and appropriate access to lounge, restrooms and shower facilities, as applicable.

4.1.5 Real and Personal Property

Unless prohibited by DMH Director, University shall be permitted to use such real and personal property of DMH as necessary in fulfilling its obligations hereunder.

4.1.6 Training and Teaching Programs

4.1.6.1 Accreditation of DMH and University Training Programs

DMH shall cooperate with University in order to maintain accreditation of any DMH Training Program with which University is involved pursuant to this Agreement. DMH shall cooperate with University's activities in maintaining accreditation of any University Training Program implemented, in whole or in part, in DMH Facilities and shall notify University of any matters to its knowledge that may compromise such accreditation.

4.1.6.2 DMH Housestaff in University Programs

DMH Housestaff and other professional students rotating through University facilities and programs as part of their graduate medical or professional education shall be subject to all appropriate supervisory and regulatory requirements applicable to University Housestaff and other professional students participating in such programs, including requirements regarding medical records and quality assurance activities.

4.2 DMH Responsibilities Regarding Mental Health Services

4.2.1 Payment for Services

DMH shall pay for Mental Health Services as provided in section 6.2 "Financial Provisions regarding the Provision of Mental Health Services".

5 JOINT RESPONSIBILITIES OF UNIVERSITY AND DMH

Section 5 is divided into two sections. Section 5.1 ("Joint Responsibilities Regarding Academic and Medical Teaching Services") applies only to Academic and Medical Teaching Services. Section 5.2 ("Joint Responsibilities Regarding Mental Health Services") applies only to Mental Health Services.

5.1 Joint Responsibilities Regarding Academic and Medical Teaching Services

5.1.1 Joint Mental Health Operations Committee

Parties shall establish a supervisory committee for the Academic and Medical Teaching Services Programs: the Joint Mental Health Operations Committee ("Committee"). The parties acknowledge and agree that each party shall commit sufficient personnel, time, and resources in order to fulfill the responsibilities assigned to the Committee. The parties further acknowledge and agree that each party's participation in Committee activities shall not be reimbursed by the other party.

5.1.1.1 Composition of Joint Mental Health Operations Committee

The Committee shall include the University Administrator and Academic Administrator, the DMH Administrator and Academic Administrator, and additional members as appointed in equal proportion by the University and DMH. University appointees shall be appointed by the Executive Chair, Department of Psychiatry and Biobehavioral Research, UCLA Medical School. DMH appointees shall be appointed by DMH Director.

The University and DMH Academic Administrators shall co-chair all meetings. Initial appointments shall be made within thirty (30) days following execution of this Agreement.

The Committee may create and delegate its responsibilities to subcommittees, unless otherwise specified. However, unless otherwise specified, any subcommittee must maintain the equal proportion of University and DMH appointees.

5.1.1.2 Meetings

The Committee shall meet as needed, but at least quarterly.

5.1.1.3 Protocol

The Committee shall address issues relating to DMH Facilities and to the performance of the Academic and Medical Teaching Services under this Agreement. The Committee shall address matters of joint concern among any of DMH's affiliates, facilitate communication and permit deliberation on issues relevant to the affiliations. Parties anticipate that most committee decisions shall be made by consensus. Either Party, or with respect to the Committee, any other university represented, may propose agenda items. Parties shall consider any Committee analyses and recommendations before acting on matters of joint concern. Parties recognize that each Party retains final control over its own staffing and program decisions, except where otherwise specified.

5.1.1.4 Joint Mental Health Operations Committee Responsibilities

The Committee shall be responsible for the following activities, as set forth in sections 5.1.1.4.1 through 5.1.1.4.5 below, to the extent necessary to implement

the services set forth in the individual addenda to this Agreement. These responsibilities may be modified or amended by the individual addenda.

5.1.1.4.1 Strategic Planning

The Committee shall conduct strategic planning addressing the staffing levels, scope, and content of Academic and Medical Teaching Services, taking into account the needs of DMH Facilities, and its constituents, the topics to be covered, the efficacy of individual programs, the educational objectives of University, DMH's objectives under the Section 1115 Waiver, and the changing mental health care environment.

5.1.1.4.2 Outcomes Evaluation

The Committee shall develop appropriate outcome measures to assess the effectiveness of any Academic and Medical Teaching Services provided by University.

Based upon these measures, the Committee shall conduct an annual evaluation assessing the effectiveness of the program and provide a written report of these assessments to the Director. This report shall specifically identify the efficacy of each individual program element, so that program modifications and improvements may be developed and incorporated to this Agreement on an annual basis.

5.1.1.4.3 Session Content and Scheduling

Proposed session content and scheduling shall be initially developed as provided in the individual Academic and Medical Teaching Services Programs. Once developed, the Committee shall be responsible for reviewing and approving session content and scheduling. The Committee may not delegate to a subcommittee its responsibilities under this paragraph.

In determining whether to approve session content and scheduling, the Committee shall ensure that:

a) Each quarterly schedule contains the following information: start time, date, location, a brief description of anticipated session content, and name and position of participating University personnel;

b) Each quarterly schedule does not substantially deviate from the previous schedule, unless such a deviation is deemed necessary by the Committee based upon its activities under sections 5.1.1.4.1 ("Strategic Planning") and 5.1.1.4.2 ("Outcomes Evaluation");

c) Session scheduling provides for adequate supervision at all times, based upon the skills, experience and seniority of University Housestaff, Medical Students, or other professionals providing services at DMH facilities under this Agreement, and in accordance with Medical Staff, DMH, and accreditation standards; and

d) Session content reflects the Committee's findings under sections 5.1.1.4.1 ("Strategic Planning") and 5.1.1.4.2 ("Outcomes Evaluation").

The Committee may modify any proposed session content or schedule as necessary to satisfy these criteria. Upon approval of the schedule, the Committee shall submit copies of the finalized schedule to the DMH Academic Administrator prior to the beginning of each year.

If the Committee is unable to agree on session content or scheduling, DMH Director may determine session content and scheduling after consultation with the University appointees on the Committee.

5.1.1.4.4 Resolution of Disputed Monthly Claims

As set forth in section 4.1.3.2 ("Certification of Monthly Claim"), the Committee shall be the penultimate level of administrative review of any disputes regarding the certification of monthly invoices.

5.1.1.4.5 Additional Issues

If requested by either party, the Committee may provide advisory opinions on the following issues:

a) Client service issues;

b) Quality of DMH and University Training Programs, Academic and Teaching Services, and DMH Facilities; and

c) Any significant threat to JCAHO accreditation of DMH Facilities (as related to this Agreement) or ACGME accreditation of DMH and University Training Programs.

5.1.2 Compliance and Cooperation

Parties shall work cooperatively in seeking to accomplish the purposes of this Agreement. DMH and University agree to work together to the extent feasible to balance University's academic mission and program needs with DMH's mission and objectives, including excellence in education of DMH staff, clinical care, accessibility of care, and the efficient utilization of resources. University and DMH Academic Administrator shall play pivotal roles in these efforts. University and DMH jointly shall train Faculty and Housestaff in, and oversee their compliance with, applicable Medicare and Medi-Cal billing guidelines with respect to physician services.

5.1.3 Annual Addenda

If appropriate and unless otherwise specified, the Parties shall make amendments to the Addenda at least six (6) months prior to the start of the new Contract Year. If Parties fail to reach such consensus on an Addendum, then the terms and conditions of the Addendum in effect immediately preceding the Contract Year in question shall remain in effect, except as otherwise called for by the Academic and Medical Teaching Services Programs.

5.1.4 Third Party Revenue

Each Party shall require personnel under its supervision to work cooperatively to enable the other to recover all available and appropriate third party reimbursement.

5.1.5 Avoidance of Detrimental Activities

Consistent with the need to maintain high quality clinical care and academic Training Programs, Parties shall seek to avoid activities that unnecessarily increase the costs or

decrease third party reimbursement for services provided at DMH Facilities. DMH shall use its best efforts to avoid cost reduction activities that harm Training Programs. Although University and DMH shall cooperate to resolve any conflicts that may arise between clinical and academic programs, DMH retains the sole right and responsibility to allocate its clinical resources as DMH deems appropriate, subject to DMH's obligations pursuant to section 4.1.3.5 ("Training Program Support").

5.1.6 Risk Management and Quality Improvement

To the extent permitted by law, Parties shall exchange information for risk management purposes, including incident reports, necessary to the defense of actions brought against DMH and University. As necessary in exchanging such information, Parties shall provide for protection of privileged information through joint confidentiality agreements for defense.

5.1.7 Faculty Distribution

DMH shall consult with University, and University shall cooperate with DMH within the bounds of its contractual obligations to facilitate the movement of Faculty to those DMH Facilities in which their services are most needed.

5.2 Joint Responsibilities Regarding Mental Health Services

5.2.1 Third Party Revenue

Each Party shall require personnel under its supervision to work cooperatively to enable the other to recover all available and appropriate third party reimbursement.

6 FINANCIAL PROVISIONS

Section 6 is divided into two sections. Section 6.1 ("Financial Provisions Governing the Provision of Academic and Medical Teaching Services") applies only to Academic and Medical Teaching Services. Section 6.2 ("Financial Provisions Governing the Provision of Mental Health Services") applies only to Mental Health Services.

6.1 Financial Provisions Governing the Provision of Academic and Medical Teaching Services

DMH shall pay University for Academic and Medical Teaching Services according to the provisions set forth in sections 6.1.1 through 6.1.5.

Notwithstanding these provisions, payment by DMH for services under section 2.1 ("Academic and Medical Training Services") will be subject to authorization by DMH Director and any applicable DMH policies and procedures. DMH shall timely provide University with information regarding DMH's payment authorization policies and procedures as necessary for University to correctly submit its claims to DMH.

6.1.1 Submission of Monthly Claim

University shall submit to DMH a "monthly claim" for any month during which Academic and Medical Teaching Services were provided. Each monthly claim shall be submitted within sixty (60) days of the last date these services were provided during the particular month.

The amount claimed shall reflect the number and type of sessions provided during the particular month, and the applicable rates. The number of sessions, session type and content, and session rate shall subject to the requirements and limitations of the Academic and Medical Teaching Services Programs.

The form and content of this monthly invoice shall be as specified by DMH. If a claim is not submitted as required by DMH, then the certification process described in section 6.1.2 ("Certification of Monthly Claim") shall not commence until DMH is in receipt of a complete and correct claim and such claim has been reviewed and approved by Director.

6.1.2 Certification of Monthly Claim

Upon receiving from University a complete and correct monthly claim, DMH shall promptly submit a copy to the Program Manager of any DMH Facility where Academic and Medical Teaching Services were provided during the month covered by the claim. The claim shall then be reviewed for certification according to the provisions and time limits section 4.1.3.2 ("Certification of Monthly Claim").

6.1.3 Payment Procedures

Upon certification of the claim by the Program Manager, DMH shall make payment to University for the certified Academic and Medical Teaching Services covered by the claim within 45 days of certification. If any portion of the claim is disputed by DMH, DMH shall timely pay University for the certified (undisputed) services contained on the claim and work diligently with University to resolve the disputed portion of the claim.

6.1.4 Amount of Payment

The amount of payment to be made to University by DMH for each session of Academic and Medical Teaching Services provided by University under this Agreement is set forth in the Addenda.

6.1.5 Hold Harmless by University of State and Clients if DMH Unable or Unwilling to Provide Payment

University agrees to hold harmless both the State and patient/client in the event DMH disputes or refuses to pay University for the Academic and Medical Teaching Services provided by University under this Agreement.

6.2 Financial Provisions Governing the Provision of Mental Health Services

DMH shall pay University for services provided under section 2.2 ("Mental Health Services") according to the provisions set forth in sections 6.2.1 through 6.2.25.

This section sets forth the various reimbursement models by which certain services and programs provided by the University under this agreement will be reimbursed by the DMH. The parties understand and agree that not all provisions of this section will be applicable to all services or programs covered by this Agreement. The provisions contained in this section 6.2 shall only apply to the extent they are expressly identified as applicable for a particular program or services in either this section 6.2 or an Addendum to this Agreement.

6.2.1 Reimbursement Models

6.2.1.1 Cost Reimbursement

DMH agrees to reimburse University during the term of the Agreement for the actual and allowable costs, less all fees paid by or on behalf of patients/clients receiving services/activities hereunder and all other revenue, interest and return resulting from services/activities and/or funds paid by DMH to University hereunder but not to exceed the Maximum Reimbursable Amount per visit as shown on the Financial Summary for the applicable Mental Health Services Program in the applicable Financial Exhibit column(s) and the maximum number of allowable visits stipulated in the Fee-For-Service Medi-Cal Specialty Mental Health Services Provider Manual when University is providing mental health services, specialty mental health services, and/or Title XIX Medi-Cal Administrative Activities hereunder in accordance with California Welfare and Institutions Code sections 5704, 5707, 5709, 5710, 5714, 5716, 5717, 5718, 5719, 5720, 5721, 5723, and 14132.44; California Code of Regulations Titles 9 and 22; SDMH Policy Letters; CR/DC Manual; RO/TCM Manual; DMH policies and procedures; and all other applicable Federal, State, and local laws, ordinances, rules, regulations manuals, guidelines, and directives.

6.2.1.2 EPSDT

DMH agrees to reimburse University during the term of this Agreement for providing EPSDT mental health services/activities over the State established baseline in accordance with Federal and State laws and regulations. Baseline increases imposed by the State will be imposed on the University in like percentages.

EPSDT funds are part of the Maximum Contract Amount(s) of this Agreement and shall be paid by DMH to University solely in DMH's capacity as the EPSDT claim intermediary between the University and the State.

Notwithstanding any other provision of this Agreement, in the event that University provides EPSDT services reimbursable under the State's EPSDT mandate claim process, in excess of the University's Fiscal Year **2002-2003** base of $**0**, University shall be paid by DMH from EPSDT funds upon receipt from the State. In the event that EPSDT funds are not available to pay EPSDT claims or that State denies any or all of the EPSDT claims submitted by DMH on behalf of University, University shall indemnify and hold harmless DMH for any and all liability for payment of any or all of the denied EPSDT claims or for the unavailability of EPSDT funds to pay for

EPSDT claims except to the extent that University can demonstrate that such denials were directly caused by the negligence of DMH. University shall be solely liable and responsible for all data and information submitted by University to DMH in support of all claims for EPSDT funds submitted by DMH as the fiscal intermediary.

6.21.3 Negotiated Rate

DMH agrees to reimburse University during the term of this Agreement for providing mental health services hereunder in accordance with California Welfare and Institutions Code sections 5704, 5705, 5707, 5709, 5710, 5714, 5716, 5717, 5718, 5719, 5720, 5721, 5723, and 14132.44; California Code of Regulations Titles 9 and 22; SDMH Policy Letters; CR/DC Manual; RO/TCM Manual; DMH policies and procedures; and all other applicable Federal, State, and local laws, ordinances, rules, regulations, manuals, guidelines, and directives. Except for Title XIX Medi-Cal Administrative Activities, reimbursement shall be at the Negotiated Rate(s), as mutually agreed upon between DMH and University and approved by SDMH (for any Negotiated Rate funded in whole or in part by Title XIX Short-Doyle/Medi-Cal and/or State funds) and as shown on the Financial Summary less all fees paid by or on behalf of patients/clients receiving services hereunder and all other revenue, interest and return resulting from services/activities and/or funds paid by DMH to University hereunder.

6.22 Reimbursement for Initial Period

The Maximum Contract Amount for the Initial Period of this Agreement as described in section 7 ("Term and Termination") shall not exceed ONE DOLLAR ($1.00) per year and shall consist of County, State (excluding EPSDT), and/or Federal (excluding EPSDT and FFP) funds as shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary for the applicable Mental Health Services Program. Notwithstanding any other provision of this Agreement, in no event shall DMH pay University more than this Maximum Contract Amount for University's performance hereunder during the Initial Period.

6.23 Reimbursement if Agreement is Automatically Renewed

The Maximum Contract Amount for the Automatic Renewal Periods of this Agreement as described in section 7 ("Term and Termination") shall not exceed _____ dollars **($)** and shall consist of County, State, and/or Federal (excluding Medicare Partial Hospitalization services) funds as shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary. This Maximum Contract Amount includes the Cash Flow Advance which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall DMH pay University more than this Maximum Contract Amount for University's performance hereunder during any Automatic Renewal Period.

6.24 SDMH Approval of Negotiated Rate(s)

Pursuant to California Welfare and Institutions Code section 5716, SDMH's approval of each Negotiated Rate, which is funded in whole or in part by Federal and/or State funds, shall be obtained prior to the commencement date of this Agreement and prior to the beginning of any subsequent Fiscal Year or portion thereof that this Agreement is in effect. Each such Negotiated Rate shall be effective only upon SDMH approval. If SDMH approval is received after the commencement date of this Agreement or after the beginning of any subsequent Fiscal Year, SDMH approval may be retroactive. If any such negotiated rate is disapproved by SDMH for any Fiscal Year or portion thereof, University

shall be compensated for all Mental Health Services under this Agreement in accordance with the provisions of California Welfare and Institutions Code section 5716.

University understands that any Negotiated Rate funded in whole or in part by Title XIX Short-Doyle/Medi-Cal and/or State funds may include DMH's share of reimbursement for administrative support costs, including, but not limited to, quality assurance, utilization review, technical assistance, training, cost accounting, contract administration, other direct administrative activities which result because of contracting activities, medications, monitoring, revenue generation, and client data collection. DMH shall pay University for University's share of reimbursement for any such Negotiated Rate and shall retain DMH's share of reimbursement to pay for DMH's associated administrative support costs, if any.

6.2.5 Established Maximum Allowable Rates

Notwithstanding any other provision of this Agreement, DMH shall not be required to pay University more than the Established Maximum Allowable Rates for applicable Title XIX Short-Doyle/Medi-Cal SFC units. The Established Maximum Allowable Rates shall be those specified in the California Code of Regulations, Title 22, as authorized by California Welfare and Institutions Code section 5720.

Pursuant to section 0 ("SDMH Approval of Negotiated Rate(s)") and this section 6.2.5, the appropriate Established Maximum Allowable Rates in effect during the Initial Period of this Agreement or any Automatic Renewal Period shall be applicable to this Agreement when adopted by State.

The Established Maximum Allowable Rates shall not apply to SFC units that are wholly funded by CGF.

6.2.6 Shift of Funds

6.2.6.1 General

DMH control of funds shall be for each Financial Exhibit column(s) identified on the Financial Summary for the applicable Mental Health Services Program and in the amounts shown in that Financial Exhibit column(s) identified on this Financial Summary. University may utilize realignment funds within a financial exhibit column identified on a financial summary based upon client service needs. With Director's prior written approval, University may shift funds, on a dollar-for-dollar basis, from one Financial Exhibit column identified on the Financial Summary for the applicable Mental Health Services Program to another identified on this Financial Summary and within the applicable fiscal year.

6.2.6.2 Report by University and Approval by DMH

University shall make a written report in the applicable Fiscal Year for Director's written approval of a shift of funds from one Financial Exhibit column identified on the Financial Summary for the applicable Mental Health Services Program to another identified on the Financial Summary. Director shall approve or deny in writing a request to shift funds after a program review within ten (10) working days of the receipt of University's written request.

6.2.6.3 Conditions Permitting Shift of Funds

Before any shift of funds from one Financial Exhibit column identified on the Financial Summary for the applicable Mental Health Services Program to another identified on this Financial Summary under section 6.2.6 ("Shift of Funds") may be requested, University shall determine that the number of clients receiving services, as shown in the MIS reports, for the Financial Exhibit column identified on this Financial Summary whose amount is to be augmented, has been significantly greater during the preceding months than the number initially

projected. Such shifting of funds shall be on a dollar-for-dollar basis and as the Maximum Contract Amount of a particular Financial Exhibit column identified on this Financial Summary is augmented, there shall be a corresponding reduction in the Maximum Contract Amount of another Financial Exhibit column identified on this Financial Summary. Under no circumstances can the total Maximum Contract Amount of this Agreement be increased or decreased without a properly executed amendment.

6.2.7 EPSDT Title XIX Medi-Cal Services, Title XIX Short-Doyle/Medi-Cal Services, and Title XIX Medi-Cal Administrative Activities

6.2.7.1 Reimbursement of University by DMH

Except as otherwise provided in this Agreement, if University provides EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, then University shall be reimbursed by DMH for the eligible and Federal and State-approved EPSDT Title XIX Medi-Cal SFC units furnished to eligible Medi-Cal beneficiaries; and/or for the eligible and State-approved Title XIX Short-Doyle/Medi-Cal SFC units furnished to eligible Medi-Cal beneficiaries; and/or as determined by the State, for the actual and allowable costs of eligible and State-approved Title XIX Medi-Cal Administrative Activities only in arrears and only to the extent of actual EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal, and/or Title XIX Medi-Cal Administrative Activities payments made by the Federal and State governments to DMH for such service and activities.

6.2.7.2 Reimbursement basis for Title XIX Short-Doyle/Medi-Cal SFC Units and/or Title XIX Medi-Cal Administrative Activities Services

Each Fiscal Year of the term of this Agreement, such reimbursement for Title XIX Short-Doyle/Medi-Cal SFC units and/or for Title XIX Medi-Cal Administrative Activities shall be made as applicable on the basis of the current federal sharing ratio for (a) FFP funds which are part of the applicable Maximum Contract Amount of this Agreement and which are paid by DMH to University solely in DMH's capacity as the fiscal intermediary for such Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and (b) local match from funds which are part of the applicable Maximum Contract Amount of this Agreement, and which qualify as eligible FFP match as shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary for the applicable Mental Health Services Program.

6.2.7.3 Reimbursement basis for EPSDT and Specialty Mental Health Services Title XIX Medi-Cal Services

Each Fiscal Year of the term of this Agreement, such reimbursement for EPSDT and Specialty Mental Health Services Title XIX Medi-Cal services shall be one hundred percent (100%) of the program funds which are part of the applicable Maximum Contract Amount of this Agreement and which are paid by DMH to University solely in DMH's capacity as the fiscal intermediary. EPSDT Title XIX Medi-Cal services shall be paid as applicable on the basis of the current federal match ratio for FFP funds and State matching general funds for EPSDT and only when such EPSDT Title XIX services exceed the individual University's base year minimum requirement as calculated by DMH using the State's Fiscal Year 1994-95 base year data as adjusted by the state. Specialty Mental Health Services should be paid as applicable on the basis of fifty percent Title XIX services FFP and fifty percent (50%) local match funds.

6.2.7.4 Compliance with Federal and State Reimbursement Requirements

Notwithstanding any other provision of the Agreement, if EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities are provided hereunder, such services and administrative activities shall comply with and be compensated in accordance with all applicable Federal and State reimbursement requirements.

6.2.7.5 DMH as Fiscal Intermediary and University Representative; Liability and Indemnity

If EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities are provided under the Agreement, University authorizes DMH to serve as the fiscal intermediary for claiming and reimbursement for such EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and to act on University's behalf with SDMH, SDHS and/or SDSS in regard to claiming reimbursement for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities.

University shall be solely liable and responsible for all data and information submitted by University to DMH in support of all claims for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities submitted by DMH as the fiscal intermediary to SDMH, SDHS and/or SDSS and for any subsequent state approvals or denials of such claims that may be based on data and information submitted by University except to the extent that University can demonstrate that such denials, unresolved claims, or audit disallowances were directly caused by the negligence of DMH. University shall process all EPSDT Title XIX Medi-Cal and/or Title XIX Short-Doyle/Medi-Cal Explanation of Balance ("EOB") or other data within the time frame prescribed by the state and federal governments. DMH shall have no liability for University's failure to comply with state and federal time frames.

Notwithstanding any other provision of this Agreement, University shall hold DMH harmless from and against any loss to University resulting from any such state denials, unresolved EOB claims, and/or any federal and/or state audit disallowances for such Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities except to the extent that University can demonstrate that such denials, unresolved claims, or audit disallowances were directly caused by the negligence of the DMH.

6.2.7.6 Indemnification by University for Denied Claims, Unresolved Claims, and Audit Disallowances

University shall hold DMH harmless from and against any loss to University resulting from any such state denials, unresolved EOB claims, and/or any federal and/or state audit disallowances for such EPSDT Title XIX Medi-Cal services, except to the extent that University can demonstrate that such denials, unresolved claims, or audit disallowances were directly caused by the negligence of DMH.

6.2.7.7 University Liabilities and Responsibilities

Notwithstanding any other provision of this Agreement, University shall be totally liable and responsible for: (a) the accuracy of all data and information on all claims for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services which University inputs into MIS, (b) the accuracy of all data and

information which University provides to DMH, and (c) ensuring that all EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities are performed appropriately within Medi-Cal guidelines, including, but not limited to, administration, utilization review, documentation, and staffing.

6.2.7.8 Identification by University of Services to be Claimed by DMH for Reimbursement; University Maintenance of Audit File

As the State designated Short-Doyle/Medi-Cal fiscal intermediary, DMH shall submit a claim to SDMH for EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal reimbursement only for those services entered by University into MIS which are identified by University as "Y". The "Y" means that the service provided is to be claimed by DMH to Short-Doyle/Medi-Cal. University shall comply with all written instructions from DMH and/or State regarding EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal claiming and documentation.

University shall maintain an audit file documenting all EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal services as instructed by DMH for a period of seven (7) years from the end of the Fiscal Year in which such services were provided or until final resolution of any audits, whichever occurs later.

6.2.7.9 DMH Responsibilities as Fiscal Intermediary regarding Title XIX Claims and Documentation

DMH is the State designated fiscal intermediary for EPSDT Title XIX Medi-Cal services, Title XIX Short-Doyle/Medi-Cal services, and Title XIX Medi-Cal Administrative Activities. University shall comply with all written instructions from DMH regarding any such Title XIX claims and documentation. University shall certify in writing that all necessary Title XIX documentation exists at the time any such claims for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities are submitted by University to DMH.

University shall maintain all records, including, but not limited to, all time studies prepared by University, documenting all EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities as instructed by DMH for a period of seven years from the end of the quarter in which such services were provided or until final resolution of any audits, whichever occurs later.

6.2.7.10 Modification by DMH of Claiming System

DMH may modify the claiming systems for either EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities at any time in order to comply with changes in, or interpretations of, State or Federal laws, rules, regulations, manuals, guidelines, and directives. When possible, DMH shall notify University in writing of any such modification and the reason for the modification thirty (30) days prior to the implementation of the modification.

6.2.7.11 EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report

Prior to fourteen and one-half (14.5) months after the close of each Fiscal Year, University shall provide DMH with two (2) copies of an accurate and complete EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation

Report at the legal entity level for each of University's Short-Doyle/Medi-Cal provider numbers which are part of the legal entity, for all EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal SFC units furnished and State-approved during the applicable Fiscal Year. Each such EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report shall be prepared by University in accordance with all SDMH instructions and shall be certified in writing by University's Chief Executive Officer. If University does not so provide DMH with the EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report within such fourteen and one-half (14.5) months, then Director, in his sole discretion, shall determine which State approved EPSDT Medi-Cal, and/or Short-Doyle/Medi-Cal data shall be used by DMH for completion of the EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report.

6.27.12 EPSDT Title XIX Medi-Cal Services, Title XIX Short-Doyle/Medi-Cal Services, Title XIX Medi-Cal Administrative Activities Overpayment Recovery Procedures

University shall repay to DMH the amount, if any, paid by DMH to University for EPSDT Title XIX Medi-Cal services, Title XIX Short-Doyle/Medi-Cal services, and Title XIX Medi-Cal Administrative Activities which are found by County, State, and/or Federal governments not to be reimbursable.

For Federal audit exceptions, Federal audit appeal processes shall be followed. DMH recovery of Federal overpayment shall be made in accordance with all applicable Federal laws, regulations, manuals, guidelines, and directives.

For State audit exceptions, DMH shall immediately recover any overpayment from University when the State recovers the overpayment from DMH.

For DMH audit exceptions, DMH shall immediately recover the overpayment from University thirty (30) days from the date of the applicable audit determination by Director.

University shall pay DMH according to the method described in section 6.2.19 ("Payments Due to DMH/Method of Payment").

6.28 Funding Sources

6.28.1 Limitation of Funding

County, State, and/or Federal funds shall be limited to and shall not exceed the respective amounts shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary for the applicable Mental Health Services Program. DMH funds include the portion of Cash Flow Advance and is repayable through cash, and/or DMH SFC units, and/or approved EPSDT Title XIX Medi-Cal units of service, approved Title XIX Short-Doyle/Medi-Cal SFC units, and/or approved Title XIX Medi-Cal Administrative Activities units of activities.

6.28.2 Reimbursement Method of Payment

The reimbursement method of payment for the respective DMH, State and/or Federal funding source(s) is shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary for the applicable Mental Health Services Program.

6.2.8.3 Limitation on Funds Disbursed by DMH

The combined CGF and any other funding sources shown in the Financial Exhibit column(s) identified on the Financial Summary for the applicable Mental Health Services Program as funds to be disbursed by DMH shall not total more than the Maximum Contract Amount for the applicable period of the Agreement term as specified in sections 6.2.2, ("Reimbursement For Initial Period"), and 6.2.3, ("Reimbursement If Agreement Is Automatically Renewed").

6.2.8.4 EPSDT Title XIX Medi-Cal Services State and FFP Funds, Title XIX Short-Doyle/Medi-Cal Services FFP Funds, and Title XIX Medi-Cal Administrative Activities FFP Funds

DMH funds include Cash Flow Advance which is repayable through cash and/or DMH SFC units, and/or approved EPSDT Title XIX Medi-Cal SFC units, and/or approved Title XIX Short-Doyle/Medi-Cal SFC units, and/or approved Title XIX Medi-Cal Administrative Activities units of activities.

Notwithstanding any other provision of this Agreement, EPSDT Title XIX Medi-Cal and FFP funds shall be paid by DMH to University solely in DMH's capacity as the fiscal intermediary for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities. In no event shall DMH be liable or responsible to University for any payment for any disallowed EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities.

EPSDT Title XIX Medi-Cal and FFP funds shall be subject to all applicable Federal and State laws, rules, regulations, manuals, guidelines, and directives.

6.2.8.5 Maximizing Federal Reimbursement through Matching Funds to FFP Component for Title XIX Short-Doyle/Medi-Cal Services and/or Title XIX Medi-Cal Administrative Activities

To the extent permitted by Federal law, certain funds, as designated in the Financial Exhibit column(s) which are identified on the Financial Summary for the applicable Mental Health Services Program, may be used to match the FFP component of reimbursement for Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities in order to achieve the maximum federal reimbursement possible for mental health services and administrative activities provided under this Agreement.

6.2.9 Government Funding Restrictions

This Agreement shall be subject to any restrictions, limitations, or conditions imposed by State, including, but not limited to, those contained in State's Budget Act, which may in any way affect the provisions or funding of the Agreement. This Agreement shall also be subject to any additional restrictions, limitations, or conditions imposed by the federal government which may in any way affect the provisions or funding of the Agreement.

6.2.10 Patient/Client Eligibility, UMDAP Fees, Third Party Revenue, And Interest

6.2.10.1 University Compliance with County, State, and Federal Requirements and Procedures

University shall comply with all County, state, and federal requirements and procedures, as described in California Welfare and Institutions Code sections 5709, 5710 and 5721, relating to: (a) the determination and collection of

patient/client fees for services hereunder based on UMDAP and DMH's Revenue Manual, (b) the eligibility of patients/clients for Short-Doyle/Medi-Cal, Medicare, private insurance, or other third party revenue, and (c) the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. University shall vigorously pursue and report collection of all patient/client and other revenue.

6.2.10.2 Use of Fees Limited to Delivery of Specified Mental Health Service Units

All fees paid by patients/clients receiving services under this Agreement and all fees paid on behalf of patients/clients receiving services hereunder shall be utilized by University only for the delivery of mental health service units specified in the Agreement.

6.2.10.3 Reimbursement for Title XIX Medi-Cal Administrative Activities

If University provides Title XIX Medi-Cal Administrative Activities funded by Title XIX pursuant to California Welfare and Institutions Code section 14132.44 under section 2.2 ("Mental Health Services"), then University shall ensure that FFP reimbursement for such Title XIX Medi-Cal Administrative Activities shall be utilized by University only for the provision of Title XIX Medi-Cal Administrative Activities.

6.2.10.4 University Use of Unanticipated Revenue

University may retain unanticipated revenue, which is not shown in University's Negotiation Package for the Agreement, for a maximum period of one (1) Fiscal Year, provided that the unanticipated revenue is utilized for the delivery of mental health service units specified in the Agreement. University shall report the Mental Health Services funded by this unanticipated revenue in the Annual Cost Report submitted by University to DMH. The Annual Cost Report shall be prepared as instructed by State and DMH.

6.2.10.5 University Retention of Fees Paid by Any Resources for or on Behalf of Medi-Cal Beneficiaries

University shall not retain any fees paid by any resources for or on behalf of Medi-Cal beneficiaries without having those fees deducted from the cost of providing the mental health service units specified in the Agreement.

6.2.10.6 University Retention of Interest

University may retain any interest and/or return which may be received, earned or collected from any funds paid by DMH to University, provided that University shall utilize all such interest and return only for the delivery of mental health service units specified in the Agreement.

6.2.10.7 Remedies for University Failure to Report All Claims and Fees Received

Failure of University to report in all its monthly claims and in its Annual Cost Report all fees paid by patients/clients receiving services hereunder, all fees paid on behalf of patients/clients receiving services hereunder, all fees paid by third parties on behalf of Medi-Cal beneficiaries receiving services and/or activities hereunder, all unanticipated revenue not shown in University's Negotiation Package for the Agreement, and all interest and return on funds paid by DMH to University, shall result in: (a) University's submission of a revised claim statement showing all such nonreported revenue, (b) a report by

DMH to SDMH of all such nonreported revenue, (c) a report by DMH to the Federal Health Care Financing Administration ("HCFA") should any such unreported revenue be paid by any resources for or on behalf of Medi-Cal beneficiaries, and/or (d) any appropriate financial adjustment to University's reimbursement.

6.2.11 Payment

6.2.11.1 Submission by University of Monthly Claim

For each month of the term of the Agreement, University shall submit to DMH a claim for each applicable Financial Exhibit column identified on the Financial Summary and Rate Schedule for the applicable Mental Health Services Program, in the form and content specified by DMH. Each monthly claim shall be submitted within sixty (60) days of University's receipt of DMH's MIS reports for the last date mental health services were provided during the particular month, within sixty (60) days of the last date Title XIX Medi-Cal Administrative Activities were provided during the particular month and/or within sixty (60) days of the last date Academic and Medical Teaching Services were provided during the particular month.

6.2.11.1.1 Cost Reimbursement

University's monthly claim to DMH shall show all University's actual and allowable costs and all other revenue, interest and return resulting from services/activities and/or funds paid by DMH to University hereunder for the particular month. DMH may make provisional reimbursement, subject to final settlement to cost. All provisional reimbursement shall be based upon specialty mental health services actually provided as shown on DMH's Claims Systems reports. University certifies that all units of service claimed by University on a provisional reimbursement basis are true and accurate claims for reimbursement.

6.2.11.1.2 Negotiated Rate

University's monthly claim to DMH shall be separately itemized by each SFC to show the payment calculation for each SFC by multiplying the SFC units as shown on MIS reports by the applicable Negotiated Rate for such SFC as shown on the Financial Summary for the applicable Mental Health Services Program, except that for PATH and SAMHSA services, University's monthly claim shall show University's actual and allowable costs, less all fees paid by or on behalf of patients/clients receiving services hereunder and all other revenue, interest and return resulting from services/activities and/or funds paid by DMH to University hereunder.

6.2.11.1.2.1 Denial of Payment for Deficient Services

DMH shall have the option to deny payment for services when documentation of clinical work does not meet minimum State and County standards.

6.2.11.2.2 **Amount of Final Reimbursement; Provisional Reimbursement**

Final reimbursement to University shall not exceed the listed rates as shown on the Financial Summary. Provisional reimbursement to University shall be at the State established Title XXII rates for CPT codes. At cost report, provisional reimbursement will be adjusted to actual cost not to exceed the rates shown on the Financial Summary for the applicable Mental Health Services Program and shall be considered payment in full, subject to third party liability and beneficiary share of cost, for the specialty mental health services provided to a beneficiary. Reimbursement shall be made only for Medi-Cal services approved by the SDHS and to the extent that funds allocated by State for County specifically for these services are available.

6.2.11.2 **Approval and Payment by DMH**

On the basis of this monthly claim and after Director's review and approval of the monthly claim, University shall receive from DMH payment of University's claimed amount for Negotiated Rate services, actual and allowable costs for all cost reimbursed services and activities, and claimed amount for services provided under section 2.1 ("Academic and Medical Teaching Services"), less all revenue, interest and return resulting from services/activities and/or funds paid by DMH to University hereunder, including, but not limited to, all Medicare, patient/client fees, private insurance, and any other revenue, interest and return as described in section 6.2.10 ("Patient/Client Eligibility, UMDAP Fees, Third Party Revenue, and Interest").

The monthly claim and subsequent payment shall be made in accordance with DMH policies and procedures. If a claim is not submitted as required by DMH, then payment shall be withheld until DMH is in receipt of a complete and correct claim and such claim has been reviewed and approved by Director.

If University has received any Cash Flow Advance pursuant to Subparagraph 6.2.11.10 (Cash Flow Advances In Expectation of Services/Activities To Be Rendered), then Director may, in his discretion, at any time, make adjustments to any of University's monthly claims as necessary to ensure that University shall not be paid by DMH a sum in excess of the amount determined by multiplying the SFC units as shown on MIS reports by the applicable NR for such SFC as shown on the Financial Summary for NR services and/or University's actual and allowable costs of providing mental health services and Title XIX Medi-Cal Administrative Activities and/or a sum in excess of the amount determined by multiplying the Capitated Rate by the applicable enrolled individuals/members for Capitated Rate Contractors, or the Maximum Contract Amount for such Fiscal Year as shown in Subparagraphs 6.2.2 (Reimbursement for Initial Period) or 6.2.3 (Reimbursement If Agreement Is Automatically Renewed), whichever is less, less all revenue, interest and return resulting from services/activities and/or funds paid by DMH to University hereunder. University may request in writing, and shall receive if requested, DMH's computations for determining any adjustment to University's monthly claim.

University may request in writing, and shall receive if requested, DMH's computations for determining any adjustment to University's monthly claim.

6.2.11.3 Subsequent Adjustment of Monthly Claims

All monthly claims shall be subject to adjustment based upon the MIS reports, EOB data, and/or University's Annual Cost Report which shall supersede and take precedence over all claims.

6.2.11.4 MIS Basis for Monthly Claims

All monthly claims shall be based on mental health services actually provided as shown on MIS reports or invoices for services rendered and/or Title XIX Medi-Cal Administrative Activities actually provided as shown by State-approved time studies prepared or actual and allowable costs for State approved units of activities reported by University. University certifies that all units of services reported by University into MIS are true and accurate claims for reimbursement.

6.2.11.5 EPSDT Title XIX Medi-Cal funds and Title XIX Short-Doyle/Medi-Cal Funds; EPSDT Title XIX Medi-Cal FFP Funds

EPSDT Title XIX Medi-Cal funds and Title XIX Short-Doyle/Medi-Cal funds shall be paid by DMH to University only for State-approved claims for EPSDT Title XIX Medi-Cal and/or Title XIX Short-Doyle/Medi-Cal SFC units provided to eligible Medi-Cal beneficiaries. EPSDT Title XIX Medi-Cal FFP funds shall be paid by DMH to University only in arrears, only for the period of time University is certified as a Title XIX Short-Doyle/Medi-Cal provider, only to the extent that eligible FFP matching funds are available under the Agreement, and only after DMH has received EPSDT and FFP payment from State.

6.2.11.6 Title XIX Medi-Cal Administrative Activities FFP Funds

Title XIX Medi-Cal Administrative Activities FFP funds shall be paid by DMH to University only for State-approved claims for Title XIX Medi-Cal Administrative Activities based on time studies prepared or actual and allowable costs for units of activities reported by University. Title XIX Medi-Cal Administrative Activities FFP funds shall be paid by DMH to University only in arrears and only if University is authorized as a Title XIX Medi-Cal Administrative Activities provider, only to the extent that eligible FFP matching funds are available under the Agreement, and only after DMH has received FFP payment from State.

6.2.11.7 Payment By DMH to University of EPSDT and FFP Funds

EPSDT and FFP funds shall be paid by DMH to University solely in DMH's capacity as the fiscal intermediary for EPSDT Title XIX Medi-Cal services, Title XIX Short-Doyle/Medi-Cal services, and Title XIX Medi-Cal Administrative Activities. Each Fiscal Year of the term of this Agreement, DMH shall pay to University FFP funds only to the extent that the applicable Maximum Contract Amount has eligible State and/or local funds which qualify as the match to FFP, as required by federal and/or State laws, regulations, manuals, guidelines, and directives.

6.2.11.8 Payment by DMH to University of EPSDT Title XIX Medi-Cal Services Funds, Title XIX Short-Doyle/Medi-Cal Services FFP Funds, Title XIX Medi-Cal Administrative Activities FFP Funds

EPSDT Title XIX Medi-Cal services funds, Title XIX Short-Doyle/Medi-Cal services FFP funds, and Title XIX Medi-Cal Administrative Activities FFP

funds, are part of the Maximum Contract Amount(s) of this Agreement and are paid by DMH to University under this Agreement. Such funds shall be paid by DMH to University solely in DMH's capacity as the fiscal intermediary for EPSDT Title XIX Medi-Cal services, Title XIX Short-Doyle/Medi-Cal services, Title XIX Medi-Cal Administrative Activities. Each Fiscal Year of the term of the Agreement, DMH shall pay to University EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities funds only to the extent required by Federal laws, regulations, manuals, guidelines, and directives.

6.2.11.9 Payment by DMH to University of EPSDT-State General Funds (SGF) and Medi-Cal FFP

DMH pays any EPSDT-SGF (Early and Periodic Screening, Diagnosis, and Treatment–State General Funds) local matching funds in excess of the EPSDT baseline as identified in Section 6 (FINANCIAL PROVISIONS), Subsection 6.2.1.2 (EPSDT) and Medi-Cal Federal Financial Participation Funds (FFP) to University solely in DMH's capacity as the EPSDT-SGF and FFP intermediary between the University and the State. Solely to assist DMH in expeditiously processing and initially paying University (because of the internal accounting necessity for appropriation authority) for such claims for payment pending reimbursement from the State, the Maximum Contract Amount(s) of this Agreement for the applicable Mental Health Services Program shall include EPSDT-SGF and/or FFP. This will establish legal authorization by the Board of Supervisors to make expenditures for the services and/or activities identified on the Financial Summary and Service Exhibit(s) of this Agreement, pending reimbursement by the State. To the extent University exceeds the EPSDT-SGF and/or FFP amount(s) included in this Agreement, such excess will be paid to University only upon Contract Amendment approved by the Board of Supervisors, or from an Appropriation Account set up to record the Board's specific authorization to spend EPSDT-SGF and FFP in excess of the Maximum Contract Amount(s).

University understands and agrees that DMH's assistance in processing and, as an intermediary for the State and Federal governments, initially paying for EPSDT-SGF and FFP in accordance with the above is subject to reimbursement from the State and does not render DMH in any way responsible for the substantive obligation to be ultimately fiscally responsible for payment for University's claims for payment for these services except to the extent that University can demonstrate that such denials, unresolved claims, or audit disallowances were directly caused by the negligence of DMH. University's entitlement to payment for such services, or claimed services, is entirely dependent upon compliance with the law and regulations related to same. In the event of a dispute regarding entitlement for payment, University agrees that DMH is not liable for payment for such claims and will not pursue any such claims for payment against DMH.

6.2.11.10 Cash Flow Advances In Expectation of Services/Activities To Be Rendered

For each month of each fiscal year, DMH will reimburse University based upon the County and/or State and/or Federal government(s) processing of the reimbursement claims for rendered services/activities submitted by University to the DMH subject to claim edits, and future settlements and audit processes. However, for each month of each fiscal year not to exceed three (3) or five (5) consecutive months, or portion thereof, as described below, and for such month the County and/or State and/or Federal government(s) have not made

payment, and/or such payment is less than 1/12th of the Maximum Contract Amount, University may request in writing from DMH a monthly County General Fund Cash Flow Advance as herein described.

Cash Flow Advance shall consist of, and shall be payable only from, the Maximum Contract Amount appropriation approved by County's Board of Supervisors for the particular fiscal year in which the costs are to be incurred and upon which the request(s) is (are) based.

Cash Flow Advance is intended to provide cash flow to University pending University's rendering and billing of eligible services/activities, as identified in Addendum D, Section D2 (DESCRIPTION OF SERVICES/ACTIVITIES) of this Agreement, to the County and/or State and/or Federal government(s), and the County and/or State and/or federal government(s) have made payment for such services/activities. University may request each monthly Cash Flow Advance only for such services/activities and only when there is no reimbursement from other public or private sources for such services/activities.

The Cash Flow Advance amount for any particular month will be reduced by DMH payments of actual reimbursement claims received by DMH from the University. The DMH's claims payment process is initiated immediately upon DMH receipt from University of a reimbursement claim. If such University reimbursement claim is received at any time during either the initial three (3) or two (2) additional consecutive months, the monthly payment to University will include the payment for such actual reimbursement claim thereby reducing the Cash Flow Advance disbursement amount for that particular month.

Cash Flow Advance is based upon the following:

(1) Each month of each fiscal year not to exceed three (3) consecutive months, or portion thereof, that this Agreement is in effect, University may request, separately for each month, in writing from DMH a monthly County General Fund Cash Flow Advance for any funds which may be part of the Maximum Contract Amount for such fiscal year as identified on the Financial Summary Page. University shall specify in their request the amount of the monthly Cash Flow Advance not to exceed $_____ per month and the total Cash Flow Advance for the three (3) months shall not exceed $_____.
The Cash Flow Advance monthly amount is 1/12th of Maximum Contract Amount as identified on the Financial Summary Page, annualized Maximum Contract Amount if a partial year.

(2) University providing EPSDT Short-Doyle Medi-Cal services as part of this Agreement, may for two (2) additional consecutive months, or portion thereof, that this Agreement is in effect, request, separately for each month, in writing from DMH a monthly County General Fund Cash Flow Advance for any FFP and/or EPSDT-SGF funds designated for clients less than 21 years of age which may be part of the Maximum Contract Amount for such fiscal year as shown on the Financial Summary Page. University shall specify in their request the amount of the monthly Cash Flow Advance not to exceed $_____ per month for each of the two (2) additional consecutive months and the total Cash Flow Advance for the two (2) additional consecutive months shall not exceed $_____.
The Cash Flow Advance monthly amount for each of the two (2) consecutive months is:

(1) 1/12th of the Maximum Contract Amount for EPSDT-SGF as identified on the Financial Summary Page, annualized Maximum Contract Amount if a partial year plus;

(2) An amount equal to the 1/12th of the Maximum Contract Amount for EPSDT-SGF that is the Cash Flow Advance component for the anticipated FFP financial participation to be provided by the federal government for services provided to EPSDT Medi-Cal beneficiaries.

Upon receipt of a request, Director, in his sole discretion, shall determine whether to approve the Cash Flow Advance request and, if approved, whether the request is approved in whole or in part. The time schedules and examples for DMH claims payment, and the 3 and 5 months Cash Flow Advance disbursement(s) and University repayment of Cash Flow Advance funds to DMH by means of a County offset to University claims to DMH are incorporated herein as Attachment I.

DMH identifies if University's units of service and State FFP & EPSDT-SGF approvals are meeting or exceeding the contracted levels and if not Cash Flow Advance recovery is initiated to ensure University completes repayment of the Cash Flow Advance with units of services by the time the University's fiscal year's twelfth month of claims are received and processed.

Any County and/or State and/or Federal government(s) approved University reimbursement claims for eligible services/activities in excess of the actual unpaid Cash Flow Advance DMH to University will be disbursed in accordance with the terms and conditions of this Agreement.

Should University request and receive Cash Flow Advance, University shall exercise cash management of such Cash Flow Advance in a prudent manner.

6.2.12 Maximum Monthly Payment

DMH's Maximum Monthly Payment to University for each monthly claim shall not exceed an amount determined pursuant to DMH policies and procedures.

The State and FFP funds for State-approved claims for EPSDT Title XIX Medi-Cal SFC units claimed by DMH to State on behalf of the University shall be paid by DMH to University only in arrears and only after DMH has received State and FFP payment from State.

The FFP funds for State approved claims for EPSDT Title XIX Medi-Cal SFC units, and/or Title XIX Short-Doyle/Medi-Cal SFC units, and/or Title XIX Medi-Cal Administrative Activities claimed by DMH to State on behalf of the University shall be paid by DMH to University only in arrears and only after DMH has received FFP payment from State.

In order to recover CGF provided to University as Cash Flow Advance pursuant to this Subparagraph 6.2.12, or any amounts due to DMH by University under this Agreement or otherwise, DMH shall withhold from any amounts due by DMH to University under this Agreement or otherwise: (1) the FFP and/or EPSDT-SGF portions of total State approved Short-Doyle/Medi-Cal claims Cash Flow Advances that are in excess of a cumulative, for each month actual State approval data has been received, 1/12 of the Maximum Contract Amount and/or (2) the FFP portion of Title XIX Short-Doyle/Medi-Cal for State approved claims for Title XIX Short-Doyle/Medi-Cal SFC units and/or (3) the State and FFP portion of EPSDT Title XIX Medi-Cal for State approved claims for EPSDT Title XIX Medi-Cal SFC units and/or (4) the FFP for Title XIX Medi-Cal Administrative Activities and/or (5) the County, State and Federal portions of SFC units claimed by University in MIS for non-Title

XIX Medi-Cal services. University may request in writing, and shall receive if requested, DMH's computations for determining any amounts withheld.

6.2.13 Withholding of Payment for Nonsubmission of MIS and Other Information

DMH may withhold a maximum of ten percent (10%) of any monthly claim, if any MIS data, EOB data, RGMS report, or other information is not submitted by University to DMH within the time limits of submission of the Agreement or if any MIS data, EOB data, RGMS report, or other information is incomplete, incorrect, or is not completed in accordance with the requirements of the Agreement.

6.2.14 Annual Cost Reports

6.2.14.1 Provision by University of Annual Cost Report

For each Fiscal Year or portion thereof that the Agreement is in effect, University shall provide DMH with two (2) copies of an accurate and complete Annual Cost Report, with a statement of expenses and revenue. The annual cost report will be comprised of a separate set of forms for DMH and State for each Financial Exhibit column identified on the Financial Summary for the applicable Mental Health Services Program within each entity. Such reports will be due within seventy-five (75) days following either the end of such Fiscal Year or the expiration or termination date of the Agreement, whichever occurs earlier. Each such Annual Cost Report shall be prepared by University in accordance with the requirements set forth in the Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual, CR/DC Manual, RO/TCM Manual, and any other written guidelines which may be provided to University by Director by June 30th of the Fiscal Year for which the Annual Cost Report is to be prepared.

6.2.14.2 Suspension of Payment by DMH Upon Failure by University to Provide Annual Cost Report

If University fails to submit accurate and complete Annual Cost Report(s) by such due date, and if the Agreement is automatically renewed as provided in section 7 ("Term and Termination"), then DMH shall not make any further payments to University under the Agreement until the accurate and complete Annual Cost Report(s) is (are) submitted.

6.2.14.3 Late Penalty Upon Failure by University to Provide Annual Cost Report

Failure of University to submit accurate and complete Annual Cost Report(s) by such due date shall result in a late penalty of ONE HUNDRED DOLLARS ($100.00) for each day that the accurate and complete Annual Cost Report(s) is (are) not submitted. The late penalty shall be assessed separately on each outstanding Annual Cost Report. The late penalty shall commence on the seventy-sixth (76th) day following either the end of the applicable Fiscal Year or the expiration or termination date of the Agreement and shall continue thereafter up to the one hundred and fifth (105th) day.

In the event that University does not submit accurate and complete Annual Cost Report(s) by the one hundred and fifth (105th) day, then all amounts covered by the outstanding Annual Cost Report(s) and paid by DMH to University in the Fiscal Year for which the Annual Cost Report(s) is (are) outstanding shall be due by University to DMH. University shall pay DMH according to the method described in section 6.2.19 ("Payments Due to DMH/Method of Payment").

6.2.15 Annual Cost Report Adjustment and Settlement

Based on the Annual Cost Report(s) submitted pursuant to section 6.2.15 ("Annual Cost Report and Settlement"), at the end of each Fiscal Year or portion thereof that the Agreement is in effect, the cost of all mental health services and Title XIX Medi-Cal Administrative Activities rendered hereunder shall be adjusted as follows:

6.2.15.1 Cost Reimbursement

To actual and allowable costs, not to exceed the applicable Maximum Contract Amount as shown in sections 6.2.2 ("Reimbursement For Initial Period") or 6.2.3 ("Reimbursement If Agreement Is Automatically Renewed"), provided that reimbursement for Short-Doyle/Medi-Cal funded services shall be consistent with the amounts authorized by State law and State's Medicaid Plan, and reimbursement for Title XIX Medi-Cal Administrative Activities shall be consistent with the amounts authorized by State law and State's Title XIX Medi-Cal Administrative Activities Plan not to exceed the Maximum Contract Amount. Reimbursement for Title XIX Short-Doyle/Medi-Cal services and/or Title XIX Medi-Cal Administrative Activities shall not exceed an amount for which there is sufficient CGF/State match funds in the applicable Maximum Contract Amount.

6.2.15.2 Negotiated Rate

To the lower of the DMH determined final MIS run of reported SFC units, or the SFC units reported in University's Annual Cost Report, multiplied by the applicable negotiated rate less all revenue, interest and return resulting from services/activities and/or funds paid by DMH to University, including, but not limited to, all Medicare, patient/client fees, private insurance, and any other revenue, interest and return resulting from services/activities and/or funds paid by DMH to University as described in section 6.2.10 ("Patient/Client Eligibility, UMDAP Fees, Third Party Revenue, and Interest"), not to exceed the applicable Maximum Contract Amount as shown in sections 6.2.2 ("Reimbursement For Initial Period") or 6.2.3 ("Reimbursement If Agreement Is Automatically Renewed"), provided that reimbursement for Title XIX Short-Doyle/Medi-Cal funded services shall be consistent with the amounts authorized by State law and State's Medicaid Plan, and reimbursement for Title XIX Medi-Cal Administrative Activities shall be consistent with the amounts authorized by State law and State's Title XIX Medi-Cal Administrative Activities Plan not to exceed the Maximum Contract Amount. Reimbursement for Title XIX Short-Doyle/Medi-Cal services and/or Title XIX Medi-Cal Administrative Activities shall not exceed an amount for which there is sufficient CGF/State match funds in the applicable Maximum Contract Amount. In the event that University adjustments based on any of the above methods indicate an amount due the DMH, University shall pay DMH according to the method described in section 6.2.11 ("Payment").

6.2.16 Post-Contract Audit Settlement

6.2.16.1 General

In the event of a post-contract audit conducted by County, state, and/or federal personnel, actual and allowable SFC units for negotiated rate services and actual and allowable costs for cost reimbursement services shall be determined for each fiscal year or portion thereof that the Agreement is in effect. Such audit may include requests to review any fiscal, programmatic, or SFC unit concerns County, State, and/or Federal auditors may have under the

Agreement. CR/DC Manual, RO/TCM Manual, SDMH's utilization review policies and procedures, State's Medicaid Plan, State's Title XIX Medi-Cal Administrative Activities Plan, and the Federal Health Care Financing Administration's Health Insurance Manual Volume 15 (HIM 15) shall serve as the basic reference and authority for the audit determination of actual and allowable SFC units for mental health services and actual and allowable costs for Title XIX Medi-Cal Administrative Activities and PATH and SAMHSA services. One of the purposes of the audit determination of actual and allowable SFC units is to identify and adjust for duplicated claims; SFC units not provided; SFC units not documented; and utilization review findings, including, but not limited to, unnecessary care and the lack of appropriate licensed practitioners of the healing arts.

6.2.16.2 If Amount Paid Exceeds Allowable Amount

For mental health services, if the post-contract audit conducted by County, state, and/or federal personnel determines that the amounts paid by DMH to University for any SFC units or other services furnished hereunder are more than the amounts allowable pursuant to the Agreement, then the difference shall be due by University to DMH.

For Title XIX Medi-Cal Administrative Activities, if the post-contract audit conducted by County, State, and/or Federal personnel determines that the actual and allowable costs for Title XIX Medi-Cal Administrative Activities furnished hereunder are more than the amounts allowable pursuant to the Agreement, then the difference shall be due by University to DMH. University shall pay DMH according to the method described in section 6.2.19 ("Payments Due to DMH/Method of Payment").

6.2.16.3 If Amount Paid Is Less Than Allowable Amount

For Negotiated Rate, CR, and other services, if the post-contract audit conducted by County, state, and/or federal personnel determines that the amounts paid by DMH to University for any Negotiated Rate SFC units furnished hereunder are less than the allowable pursuant to the Agreement and/or CR and other services, then the difference shall be paid by DMH to University, provided that in no event shall DMH's Maximum Contract Amount for the applicable Fiscal Year, as shown in sections 6.2.2 ("Reimbursement For Initial Period") or 6.2.3 ("Reimbursement If Agreement Is Automatically Renewed"), be exceeded.

For Title XIX Medi-Cal Administrative Activities, if the post-contract audit conducted by County, State, and/or Federal personnel determines that the actual and allowable costs for Title XIX Medi-Cal Administrative Activities furnished hereunder are less than the amounts reimbursable pursuant to the Agreement, then the difference shall be paid by DMH to University, provided that in no event shall DMH's Maximum Contract Amount for the applicable Fiscal Year, as shown in sections 6.2.2 ("Reimbursement For Initial Period") or 6.2.3 ("Reimbursement If Agreement Is Automatically Renewed"), be exceeded.

6.2.17 Audit Appeals after Post-Contract Audit Settlement

If University appeals any audit report, the appeal shall not prevent the post-contract audit settlement pursuant to section 6.2.16 ("Post-Contract Audit Settlement").

6.2.18 DMH Audit Settlements

If, at any time during the term of the Agreement or at any time after the expiration or termination of the Agreement, authorized representatives of DMH conduct an audit of University regarding the mental health services and/or Title XIX Medi-Cal Administrative Activities provided hereunder and if such audit finds that DMH's dollar liability for such services and/or administrative activities is less than payments made by DMH to University, then the difference shall be due by University to DMH. University shall pay DMH according to the method described in section 6.2.19 ("Payments Due to DMH/Method of Payment").

If such audit finds that DMH's dollar liability for such services and/or administrative activities provided hereunder is more than payments made by DMH to University, then the difference shall be paid to University by DMH by cash payment, provided that in no event shall DMH's Maximum Contract Amount for the applicable Fiscal Year, as shown in sections 6.2.2 ("Reimbursement For Initial Period") or 6.2.3 ("Reimbursement If Agreement Is Automatically Renewed"), be exceeded.

6.2.19 Payments Due to DMH/Method of Payment

Within ten (10) days after written notification by DMH to University of any amount due by University to DMH, University shall notify DMH as to which of the following six (6) payment options University requests be used as the method by which such amount shall be recovered by DMH. Any such amount shall be: (a) paid in one cash payment by University to DMH, (b) offset against prior year(s) liability(ies), (c) deducted from future claims over a period not to exceed three (3) months, (d) deducted from any amounts due from DMH to University whether under the Agreement or otherwise, (e) paid by cash payment(s) by University to DMH over a period not to exceed three (3) months, or (f) a combination of any or all of the above. If University does not so notify DMH within such ten (10) days, or if University fails to make payment of any such amount to DMH as required, then Director, in his sole discretion, shall determine which of the above six (6) payment options shall be used by DMH for recovery of such amount from University.

6.2.20 Interest Charges on Delinquent Payments

If University, without good cause as determined in the sole and reasonable judgment of Director, fails to pay DMH any amount due to DMH under the Agreement within sixty (60) days after the due date, as determined by Director, then Director, in his sole discretion and after written notice to University, may assess interest charges at a rate equal to DMH's Pool Rate, as determined by County's Auditor-Controller, per day on the delinquent amount due commencing on the sixty-first (61st) day after the due date. University shall have an opportunity to present to Director information bearing on the issue of whether there is a good cause justification for University's failure to pay DMH within sixty (60) days after the due date. The interest charges shall be: (a) paid by University to DMH by cash payment upon demand and/or (b) at the sole discretion of Director, deducted from any amounts due by DMH to University whether under the Agreement or otherwise.

6.2.21 Financial Solvency

University shall maintain adequate provisions against the risk of insolvency.

6.2.22 Limitation of County's Obligation Due to Nonappropriation of Funds

Notwithstanding any other provision of this Agreement, DMH shall not be obligated for University's performance hereunder or by any provision of this Agreement during this or any of DMH's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such fiscal year. Should County, during this or any subsequent fiscal year, impose budgetary restrictions which appropriate less than the amount provided for in sections 6.2.2 ("Reimbursement

for Initial Period") or 6.2.3 ("Reimbursement if Agreement Is Automatically Renewed"), of this Agreement, DMH shall reduce services under this Agreement consistent with such imposed budgetary reductions. In the event funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30th of the last fiscal year for which funds were appropriated. County shall notify University of any such changes in allocation of funds at the earliest possible date.

6.2.23 Use Of Certain Non-County Funds

A review of University's expenditures and commitments to utilize any non-County funds, which are specified in the Agreement for the services hereunder and which are subject to time limitations as determined by Director, shall be conducted by DMH and University midway through each Fiscal Year during the term of the Agreement, midway through the applicable time limitation period for such non-County funds if such period is less than a Fiscal Year, and/or at any other time or times during each Fiscal Year as requested by Director. At least fifteen (15) days prior to each such review, University shall provide Director with a current update of all University's expenditures and commitments of such non-County funds during such Fiscal Year or other applicable time period. If Director, in his sole judgment, determines from such review that there will be any nonexpenditure of such non-County funds, then Director, to the extent authorized by County's Board of Supervisors, shall reduce the Maximum Contract Amount for the applicable Fiscal Year up to the amount of such anticipated nonexpenditure, or Director shall recommend to County's Board of Supervisors a reduction in the Maximum Contract Amount for the applicable Fiscal Year up to the amount of such anticipated nonexpenditure. If Director determines to reduce, or recommend a reduction in, the Maximum Contract Amount for such Fiscal Year, then Director shall notify University in writing and shall provide University with the revised Maximum Contract Amount for such Fiscal Year. Any reduction in the Maximum Contract Amount for the applicable Fiscal Year shall be effected by an amendment to the Agreement pursuant to section 11.33 ("Alteration of Terms") of the Agreement which shall set forth the revised Maximum Contract Amount and the revised Financial Exhibit column(s) identified in the Financial Summary for such Fiscal Year.

Notwithstanding any other provision of the Agreement, the revised Maximum Contract Amount and the revised Financial Exhibit column(s) identified in the Financial Summary for the applicable Mental Health Services Program for such Fiscal Year shall entirely supersede the then existing Maximum Contract Amount and Financial Exhibit column(s) identified in the Financial Summary for the applicable Mental Health Services Program as of the date determined by Director or County's Board of Supervisors and set forth in the amendment.

6.2.24 University Requested Changes

If University desires any change in the terms and conditions of the Agreement, University shall request such change in accordance with section 5.1.3 ("Annual Addenda"), and all changes shall be made by an amendment pursuant to section 11.33 ("Alteration of Terms").

If University requests to increase or decrease any Maximum Contract Amount, such request and all reports, data, and other information requested by DMH's Contracts Development and Administration Division, shall be received by DMH's Contracts Development and Administration Division in accordance with section 5.1.3 ("Annual Addenda").

6.2.25 Authority Delegated to Director

Notwithstanding any other provision of this Agreement, County's Department of Mental Health Director may, without further action by County's Board of Supervisors, prepare and sign amendments to this Agreement during the remaining term of the Agreement, under the following conditions:

a) DMH's total payments to University under the Agreement, for each Fiscal Year of the term of this Agreement, shall not exceed or shall not be reduced by more than twenty percent (20%) of the applicable Maximum Contract Amount; and

b) Any such increase shall only be used for additional services or to reflect program and/or policy changes that affect this Agreement; and

c) County's Board of Supervisors has appropriated sufficient funds for all changes described in each such amendment to this Agreement; and

d) Approval of County Counsel and the Chief Administrative Officer is obtained prior to any such amendment to this Agreement; and

e) County's Department of Mental Health Director shall notify County's Board of Supervisors and Chief Administrative Officer of all Agreement changes, in writing, within fifteen (15) days following execution of any such amendment(s).

6.3 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in County contracts, the County reserves the right to reduce its payment obligation under this Agreement to implement such Board reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by the Contractor under this Agreement shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such action. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Agreement.

7 TERM AND TERMINATION

The term and termination provisions in this section 7 shall apply to both Academic and Medical Teaching Services described in sections 2.1 ("Academic and Medical Teaching Services") and 2.2 ("Mental Health Services"), except where otherwise specifically provided.

7.1 Term

7.1.1 Initial Period

The initial period of this Agreement shall commence on **July 1, 2007**, and shall continue in full force and effect through **June 30, 2008**.

7.1.2 Automatic Renewal Periods

After the Initial Period, this Agreement shall be automatically renewed without further action by the parties hereto unless either party desires to terminate this Agreement at the end of the Initial Period and gives written notice to the other party not less than thirty (30) days prior to the end of the first Initial Period.

7.1.2.1 First Automatic Renewal Period

If this Agreement is automatically renewed, the First Automatic Renewal Period shall commence on **July 1st, 2008**, and shall continue in full force and effect through **June 30th, 2009**. After the First Automatic Renewal Period, this Agreement shall be automatically renewed without further action by the parties, unless either party desires to terminate this Agreement at the end of the First Automatic Renewal Period and gives written notice to the other party not less than thirty (30) days prior to the end of the First Automatic Renewal Period.

7.1.2.2 Second Automatic Renewal Period

If this Agreement is automatically renewed, the Second Automatic Renewal Period shall commence on **July 1st, 2009**, and shall continue in full force and effect through **June 30th, 2010**. After the Second Automatic Renewal Period, this Agreement shall be automatically renewed without further action by the parties, unless either party desires to terminate this Agreement at the end of the Second Automatic Renewal Period and gives written notice to the other party not less than thirty (30) days prior to the end of the Second Automatic Renewal Period.

7.1.2.3 Third Automatic Renewal Period

If this Agreement is automatically renewed, the Third Automatic Renewal Period shall commence on **July 1st, 2010**, and shall continue in full force and effect through **June 30th, 2011**. After the Third Automatic Renewal Period, this Agreement shall be automatically renewed without further action by the parties, unless either party desires to terminate this Agreement at the end of the Third Automatic Renewal Period and gives written notice to the other party not less than thirty (30) days prior to the end of the Third Automatic Renewal Period.

7.1.2.4 Fourth Automatic Renewal Period

If this Agreement is automatically renewed, the Fourth Automatic Renewal Period shall commence on **N/A**, and shall continue in full force and effect through **N/A**.

7.2 DMH Reductions in Amount of Services

Nothing in this Agreement shall restrict the right of DMH to reduce the volume of Services provided under this Agreement and to revise any addenda adopted under this Agreement to implement such a reduction, provided that DMH shall notify University of such reduction by no later than February 15th prior to the Contract Year in which the reduction is to take effect. University may accept such reduction; or University may in its discretion deem the reduction an Event of Termination for Cause or an Event of Partial Termination for Cause, pursuant to section 7.5 of this Agreement.

In the event that DMH proposes to reduce Housestaff in University Training Programs pursuant to this section, DMH shall seek to permit current and newly accepted University Housestaff in such programs to complete their respective Training Programs consistent with ACGME requirements; provided that DMH shall first seek to fulfill its obligations to DMH Housestaff.

7.3 Preservation of Other Remedies

Failure of the non-breaching Party to elect termination under the provision of this section shall not constitute a waiver of any other remedies.

7.4 Immediate Termination

7.4.1 Academic and Medical Teaching Services

The following shall constitute Events of Immediate Termination with respect to that portion of this Agreement relating to the provision of Academic and Medical Teaching Services by University, and the non-breaching Party may terminate this Agreement immediately upon providing written notice of breach and immediate termination, or upon such other date as provided in the notice.

7.4.1.1 Regulatory

Except as otherwise provided in sections 7.4.1.2 ("Loss of AGCME Accreditation") or 7.4.2 ("Immediate Partial Termination"), loss by either Party of any essential accreditation, license or permit required by law for the provision of services under this Agreement, which substantially affects the defaulting Party's ability to perform its obligations under this Agreement. Loss of accreditation by Training Program shall not automatically be deemed essential for purposes of this paragraph. Notice of breach and immediate termination shall also be provided to the Joint Mental Health Operations Committee, which shall have thirty (30) days before termination takes effect to review the notice of breach and make recommendations to the Parties regarding alternatives.

7.4.1.2 Loss of LCME or ACGME Accreditation

Any loss of LCME or ACGME accreditation (without recovery) by University that directly affects University's ability to provide services under this Agreement shall constitute a breach by University and an Event of Immediate Termination (as set forth in section 7.4).

7.4.2 Immediate Partial Termination

If a breach of this Agreement by University that results in an Event of Immediate Termination (as defined in section 7.4) is limited to individual DMH Training Programs,

then DMH may terminate this Agreement with respect to any such DMH Training Program in lieu of termination of the entire Agreement. Loss of ACGME accreditation by any DMH Training Program shall constitute an Event of Immediate Partial Termination; subject to the provisions of section 7.5. Upon notice by DMH, responsibilities under this Agreement will be terminated with respect to such disaccredited DMH Training Program (or Programs), and payments to University shall be reduced in a pro rata amount to reflect the program's (or programs') elimination. Parties recognize that adequate support of the remaining DMH Training Programs may require the retention of certain Faculty members from a DMH Training Program that is subject to Partial Immediate Termination. This paragraph shall not apply if such accreditation was lost (a) primarily due to DMH's failure to fulfill its obligations pursuant to section 4.1.3.5 ("Training Program Support"), or (b) due to DMH's collective bargaining agreements with DMH Housestaff.

7.4.3 Immediate Termination Provisions Applicable to All Programs and Services Covered by this Agreement

The following shall constitute Events of Immediate Termination with respect to all programs and services covered by this Agreement, and the non-breaching Party may terminate this Agreement immediately upon providing written notice of breach and immediate termination, or upon such other date as provided in the notice.

7.4.3.1 Destruction of Premises

Whole or partial destruction during the term of this Agreement of DMH Facilities or University's clinics or hospitals by casualty, if the Parties agree that they are thereby rendered unsuitable for the services provided under this Agreement as contemplated and other suitable facilities are not reasonably available.

7.4.3.2 Improper Consideration

The proffer or provision of consideration in any form by University, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to University's performance pursuant to this Agreement. Such improper consideration, among other items, may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts. University shall report any attempt by a County officer or employee to solicit improper consideration for such purposes immediately upon becoming aware of any such attempt. The report shall be made either to County's manager charged with the supervision of the employee or County's Auditor-Controller's Employee Fraud Hotline (currently (213) 974-0914 or (800) 544-6861).

7.4.3.3 Other Events

Violation of University's obligations under sections 9.1 ("Insurance Coverage by University"), 11.4 ("Nondiscrimination in Employment"), 11.12 ("Prohibition on Subcontracting"), 11.18 ("County Lobbyists"), 11.25 ("Interruption of Service"), or violation of DMH's obligations under section 6.2.11 (payment to University within ninety (90) days after receipt of notice under section 6.2.11.1) and section 9.2 ("Insurance Coverage by DMH for Medical and Academic Teaching Services").

7.5 Termination for Cause

The events set forth under this section shall constitute Events of Termination for Cause. Upon an Event of Termination for Cause, the non-defaulting Party may terminate this Agreement by serving written notice of termination, to be effective as of the end of the current Contract Year.

7.5.1 Material Breach

Either party may terminate this Agreement upon material breach of this Agreement by the other party by giving the other party ninety (90) days' prior written notice of such breach. Except as otherwise provided in this Agreement, if such material breach not remedied by the breaching party within ninety (90) days after receipt of notice of the breach (or such other period of time as specified in the notice), this Agreement shall terminate at the end of such ninety (90) day period or as otherwise specified by the nonbreaching party. For purposes of this Agreement, a material breach shall include, but is not limited to, a material breach of sections 4.1.3.5 ("Training Program Support"), 7.2 (reductions in volume of services purchased), 8.3 ("Records and Audits"), 11.4 ("Nondiscrimination in Employment"), 11.6 ("Performance During Disaster or Civil Unrest"), 11.10 ("Covenant against Contingent Fees"), 11.19 ("County's Child Support Enforcement Program"), or 11.21 ("Severability"). The events set forth under this section shall constitute Events of Termination for Cause. If the breaching party has undertaken diligent good faith efforts to remedy the breach within forty-five (45) days after receipt of notice, then the period for remedy shall be extended upon mutual agreement of the Parties.

7.5.2 Partial Termination for Cause

If a material breach of this Agreement is limited to a single program contained in a particular addendum, then the non-breaching Party may deem such breach an Event of Partial Termination for Cause and terminate this Agreement with respect to such program in lieu of termination of the entire Agreement. Payments under this Agreement shall be reduced in a pro rata amount to reflect the elimination of the program from this Agreement. This paragraph shall not apply if the primary cause of University's breach is (a) DMH's failure to fulfill its obligations pursuant to 4.1.3.5 ("Training Program Support") or (b) DMH's collective bargaining agreements with DMH Housestaff.

7.6 Effects of Termination, Continuing Responsibilities of the Parties

DMH shall pay University for services rendered up to the effective date of any termination, subject to the terms of this Agreement. Upon termination, Parties shall have no further obligations under this Agreement except as follows:

7.6.1 Cooperation

In the event either Party terminates this Agreement, whether or not for cause, Parties shall jointly develop and implement a plan for disaffiliation that provides for the continuation of quality patient care and medical education programs and recognizes the limits of available resources.

7.6.2 Survival

The following sections of this Agreement shall survive its termination and expiration: 3.1.3.1.1.3 (indemnification for "Exclusion from Federal Health Care Programs"), 3.1.3.1.7 ("Access to Records"), 9 ("Insurance"), 5.1.6 ("Risk Management and Quality Improvement"), 7.6 ("Effects of Termination, Continuing Responsibilities of the Parties),

8.3 ("Records and Audits"), 10 ("Indemnification"), 11.2 ("Confidentiality"), 11.13 (indemnification for "Compliance with Applicable Law"), 11.15 (indemnification for "Fair Labor Standards"), 11.16 (indemnification for "Employment Eligibility Verification"), and 11.22 ("Investigations").

7.7 Suspension of Payments

Payments to University under this Agreement shall be suspended if Director, for good cause, determines that University is in default under any of the provisions of this Agreement. Except in cases of alleged fraud or similar intentional wrongdoing, at least 30 days notice of such suspension shall be provided to University, including a statement of the reason(s) for such suspension. Thereafter, University may, within 15 days, request reconsideration of the Director's decision. Payments shall be withheld pending the results of the reconsideration process.

8 REPORTING AND ACCOUNTABILITY

The reporting and accountability provisions in this section 8 shall apply to both Academic and Medical Teaching Services and Mental Health Services, except where otherwise specifically provided.

8.1 General Operations

Each Party shall collect and maintain accurate information on the nature and scope of its operations under this Agreement and provide such information as reasonably requested by the other Party. The DMH Administrator and the University Administrator shall each designate one person to be responsible for providing this information. University shall provide the DMH Administrator with a copy of any report it files with the County Auditor-Controller.

8.2 Notice of Certain Events

8.2.1 Legal or Administrative Actions

Subject to the confidentiality requirements of section 11.2, each Party for matters relating to this Agreement shall promptly notify the University Administrator or DMH Administrator, respectively, of any Medical Staff corrective action, claims, administrative reviews or lawsuits relating to DMH Facilities and professional liability, and any other corrective actions, claims, administrative reviews or lawsuits relating to either Party's performance of this Agreement that may affect the other Party. The University Administrator or DMH Administrator, respectively, shall determine whether to conduct a joint investigation and coordinate any remedial action or defense.

8.2.2 Accreditation, Licensure, and Site Visits

8.2.2.1 General

Each Party shall promptly notify the other of any planned site visit by an entity charged with reviewing or certifying any program in operation at either University or DMH facility which might affect the provision of services under this Agreement, including the Academic and Medical Teaching Services. Such Party shall make available to the other the report from such site visits, including any letters citing deficiencies or suggesting corrective action.

8.2.2.2 Sanctions

Each Party shall promptly notify the other of any actual or threatened sanction by any licensing or accrediting entity, peer review organization, or any entity charged with reviewing or certifying health care delivery facilities, or educational operations in DMH Facilities, that are likely to have a substantial effect on performance of this Agreement.

8.3 Records and Audits

8.3.1 Financial Records

University shall prepare and maintain accurate and complete financial and operational records, in accordance with generally accepted accounting principles, that identify University's use of revenues under this Agreement. Such records shall allocate revenues

between University employed non-physician staff and Faculty, by category, on an aggregated basis. University shall maintain accurate and complete records of all services performed hereunder in such form and manner as DMH may from time to time direct, to satisfy payment requirements of DMH's various governmental and private third-party payers. University shall maintain records as necessary to DMH under this Agreement. This paragraph shall not require University to release documentation disclosing the amount of salary or benefits paid by University to University Personnel. All records pertaining to this Agreement shall be retained by University for a minimum of five (5) years following the end of DMH's July 1st through June 30th fiscal year in which service was rendered; provided that, if DMH notifies University of an ongoing audit, University shall retain all such records until Country notifies University that retention is no longer required. During such periods of record retention, and throughout the term of this Agreement, University shall make all such records available upon reasonable notice, at the University during normal business hours, to County and State representatives. University shall indemnify DMH for revenues that DMH cannot collect or otherwise loses as a result of University's failure to maintain records as required under this paragraph.

8.3.2 Federal Access to Records

If, and to the extent that, section 1861(v)(1)(I) of the Social Security Act [42 United States Code section 1395x(v)(1)(I)] is applicable, University agrees that for a period of five (5) years following the furnishing of services under this Agreement, University shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, the contract, books, documents and records of University which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if University carries out any of the services provided hereunder through any subcontract with a value or cost of TEN THOUSAND DOLLARS ($10,000.00) or more over period of twelve (12) months with a related organization (as that term is defined under federal law), University agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor. In the event that such request for access is made by any representative of the federal government, University shall notify DMH in writing within five (5) business days of receipt of such request.

8.3.3 Audit Reports

In the event that any private third-party payer, federal or state auditor conducts an audit of University and such audit directly concerns or has a material effect on any of the services provided under this Agreement, University shall file a copy of any final audit report prepared by such auditor with County's Auditor-Controller within thirty (30) days of receipt thereof to the extent permitted under this Agreement, or under applicable state or federal law or regulations.

8.3.4 Audit/Compliance Review

During the term of this Agreement or within five (5) years after services are furnished, authorized representatives of DMH may conduct an audit of the University regarding such services. In the event DMH representatives conduct an audit/compliance review of University, University shall cooperate fully with DMH's representatives. University shall allow DMH's representatives reasonable access to all records of services rendered and all financial, medical and other records that directly concern or may have a material effect on services provided by University under this Agreement and will allow photocopies to be made of these documents using University's photocopier, for which DMH shall reimburse University promptly for its customary charge for record copying services, if requested.

Information obtained through an audit/compliance review shall be subject to the confidentiality requirement of section 11.2. DMH shall provide University with at least ten (10) working days prior written notice of any audit/compliance review.

DMH may conduct an audit/compliance review of all or a representative sample of payments by DMH. The audit/compliance review shall be conducted in accordance with generally accepted auditing standards. An exit conference shall be held following the performance of such audit/compliance review at which time the results shall be discussed with University. University Representative shall be provided with a copy of any written evaluation reports in a timely manner.

University shall have the opportunity to review DMH's audit/compliance review findings, and University shall have thirty (30) days after receipt of DMH's audit/compliance review findings to submit documentation to DMH to resolve any audit exceptions. For any audit exceptions unresolved to DMH's reasonable satisfaction following this thirty (30) day period, DMH may apply the exception rate found in the audit or sample review period to DMH's total payment to University as set forth in the Financial Exhibits for the applicable Mental Health Services Program. If University chooses to appeal DMH's application of an audit exception rate under this subsection, University shall submit documentation for review by DMH Director within thirty (30) days of application of the exception rate.

8.3.5 Audit Settlements

Nothing in this Agreement shall restrict the right of DMH to pursue any claims for repayment based on the results of an audit/compliance review conducted under section 6.2.16. In the event any third party reimbursement to DMH, whether by Medicare, Medi-Cal, Medi-Cal/Short Doyle, private or other payers, is denied or reduced solely due to University's failure to provide documentation or support required under this Agreement, University shall indemnify DMH for such losses. Such losses include denial or reduction with respect to individual claims, cost report disallowances, or others.

8.3.6 Failure to Comply

Failure of either Party to comply with the provisions of this section shall constitute a material breach of this Agreement. If such breach is not remedied within ninety (90) days following receipt of written notice by DMH from the non-breaching Party, then it shall become an Event of Termination for Cause pursuant to section 7.5.

9 INSURANCE

The insurance provisions in this section 9 shall apply to both Academic and Medical Teaching Services described in sections 2.1 ("Academic and Medical Teaching Services") and 2.2 ("Mental Health Services"), except where otherwise specifically provided.

9.1 Insurance Coverage by University

Without limiting University's indemnification of DMH and during the term of this Agreement, University shall provide and maintain at its own expense the following programs of insurance. Such programs and evidence of insurance shall be satisfactory to DMH and primary to and not contributory with any other insurance maintained by DMH. Certificate(s) or other evidence of coverage shall be delivered to DMH prior to commencing services under this Agreement, shall specifically identify this Agreement, and shall contain the express condition that DMH is to be given written notice by registered mail at least thirty (30) days in advance of any modification or termination of insurance. Failure of University to procure and maintain the required insurance shall constitute an Event of Immediate Termination (as defined in section 7.4) upon which DMH may immediately terminate or suspend this Agreement.

9.1.1 Liability

The following programs of insurance shall be endorsed naming the County of Los Angeles as an additional insured and shall include:

a) General Liability insurance written on a commercial general liability form or on a comprehensive general liability form covering the hazards of premises/operations, contractual, independent contractors, advertising, products/completed operations, broad form property damage, and personal injury with a combined single limit of not less than $1,000,000.00 per occurrence. If written with an annual aggregate limit, the policy limit should be two (2) times the above required occurrence limit. If written on a claims made form, University shall be required to provide an extended two (2) year reporting period commencing upon termination or cancellation of this Agreement.

b) Comprehensive Auto Liability insurance endorsed for all owned, non-owned, and hired vehicles with a combined single limit of not less that $1,000,000.00 per occurrence.

9.1.2 Worker's Compensation

University shall maintain Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with a $1,000,000.00 limit, covering all persons that University is legally required to cover.

9.1.3 Self-Insurance

DMH will consider a self-insured program or self-insured retention as an alternative to commercial insurance from University upon review and approval of the following:

a) A formal declaration to be self-insured for the type and amount of coverage indicated. This can be in the form of a resolution of University's governing body or a certified statement from a University officer. University must notify DMH immediately of discontinuation or substantial change in the program.

b) Agreement to provide DMH at least the same defense of suits and payment of claims as would be provided by first dollar commercial insurance.

c) Agreement to notify DMH immediately of any claim, judgment, settlement, award, verdict or change in University's financial condition which would have a significant negative effect on the protection that the self-insurance program provides DMH.

d) Name, address and telephone number of University's legal counsel and claims representative, respectively, for the self-insurance program.

e) Financial statement that gives evidence of University's capability to respond to claims falling within the self-insured retention or self-insured program. Re-submission is required at least annually for the duration of this Agreement or more frequently at DMH's request. Failure to comply will result in withdrawal of DMH approval.

The proposed self-insurance program must be approved by DMH prior to the start of this Agreement.

9.2 Insurance Coverage by DMH for Academic and Medical Teaching Services

Without limiting DMH's indemnification of University and during the term of this Agreement, DMH shall provide and maintain at its own expense the following programs of insurance. Such programs and evidence of insurance shall be satisfactory to University and primary to and not contributory with any other insurance maintained by University. Certificate(s) or other evidence of coverage shall be delivered to University prior to commencing services under this Agreement, shall specifically identify this Agreement, and shall contain the express condition that University is to be given written notice by registered mail at least thirty (30) days in advance of any modification or termination of insurance. Failure of DMH to procure and maintain the required insurance shall constitute an Event of Immediate Termination (as defined in section 7.4) upon which University may immediately terminate or suspend this Agreement.

9.2.1 Liability

The following programs of insurance shall be endorsed naming the University as an additional insured and shall include:

a) General Liability insurance written on a commercial general liability form or on a comprehensive general liability form covering the hazards of premises/operations, contractual, independent contractors, advertising, products/completed operations, broad form property damage, and personal injury with a combined single limit of not less than $1,000,000.00 per occurrence. If written with an annual aggregate limit, the policy limit should be two (2) times the above required occurrence limit. If written on a claims made form, DMH shall be required to provide an extended two (2) year reporting period commencing upon termination or cancellation of this Agreement.

b) Comprehensive Auto Liability insurance endorsed for all owned, non-owned, and hired vehicles with a combined single limit of not less that $1,000,000.00 per occurrence.

c) Hospital and professional liability insurance covering liability from any error, omission or negligent act of DMH, its officers, employees or agents, or University Personnel and University Housestaff providing services under this Agreement, with a limit of liability of at least $1,000,000.00 per claim.

9.2.2 Workers' Compensation

DMH shall maintain Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with a $1,000,000.00 limit, covering all persons that DMH is legally required to cover.

9.23 Self-Insurance

University will consider a self-insured program or self-insured retention as an alternative to commercial insurance from upon review and approval of the following:

a) A formal declaration to be self-insured for the type and amount of coverage indicated. This can be in the form of a resolution of DMH's governing body or a certified statement from a DMH officer. DMH must notify University immediately of discontinuation or substantial change in the program.

b) Agreement to provide University at least the same defense of suits and payment of claims as would be provided by first dollar commercial insurance.

c) Agreement to notify University immediately of any claim, judgment, settlement, award, verdict or change in DMH's financial condition which would have a significant negative effect on the protection that the self-insurance program provides University.

d) Name, address and telephone number of DMH's legal counsel and claims representative, respectively, for the self-insurance program.

e) Financial statement that gives evidence of DMH's capability to respond to claims falling within the self-insured retention or self-insured program. Re-submission is required at least annually for the duration of this Agreement or more frequently at University's request. Failure to comply will result in withdrawal of University approval.

The proposed self-insurance must be approved by University prior to the start of this Agreement.

10 INDEMNIFICATION

The indemnification provisions in this section 10 shall apply to both Academic and Medical Teaching Services and Mental Health Services, except where otherwise specifically provided.

10.1 Professional Liability Indemnification for Clinical Services Provided in the Course of Teaching and Academic and Medical Teaching Services

DMH shall indemnify, defend and hold harmless University and its officers, employees, agents, students, fellows, volunteers, and Faculty from and against any and all losses, claims, damages, liabilities and expenses, including reasonable attorneys' fees and costs, of every conceivable kind, character, and nature arising out of or connected with any act or omission or alleged act or omission in the rendering of, or failure to render, health care services or treatment at a DMH Facility in the performance of services under section 2 ("Services To Be Provided by University") by University and its officers, employees, agents, students, fellows, volunteers and Faculty, or by DMH and its officers, employees, agents, students, fellows and volunteers.

University shall give prompt notice to DMH of any action or claim to which this indemnification applies and University and its officers, employees, agents, students, fellows, volunteers and Faculty receiving such indemnification from DMH shall fully cooperate with DMH in any defense, settlement or other disposition of such claim or action. DMH shall retain full authority to settle such claims for such amounts and in such circumstances as DMH determines to be in the best interests of DMH.

10.2 Indemnification for Employment Practices

10.2.1 Indemnification by DMH

To the extent permitted by law and specifically with the exception of punitive damages, DMH shall indemnify, defend and hold harmless University and its officers, employees, agents, students, fellows, volunteers and Faculty from and against any and all losses, claims, damages, liabilities and expenses including reasonable attorneys fees and costs, of every conceivable kind, character, and nature arising out of or connected with, either directly or indirectly, the employment or employment practices of DMH Personnel, which includes personnel concurrently employed by University and DMH, arising out of or connected with, either directly or indirectly, the provision of Academic and Medical Teaching Services. Employment practices shall include any claims for sexual or other harassment or any form of discrimination or wrongful termination.

University shall give prompt notice to DMH of any action or claim to which this indemnification applies and University and its officers, employees, agents, students, fellows, volunteers and Faculty receiving such indemnification from DMH shall fully cooperate with DMH in any defense, settlement or other disposition of such claim or action. DMH shall retain full authority to settle such claims for such amounts and in such circumstances as DMH determines to be in the best interests of DMH.

In any civil action or claim in which University is both named as a defendant and punitive damages are alleged against University, University may elect, at its sole expense, to retain counsel to defend University against the allegations of punitive damages. With regard to any civil action or claim to which DMH's indemnification applies, DMH shall retain full and sole authority to settle such claims, and direct all litigation from the creation of a discovery plan through any trial on the merits including acting as first chair in trial, notwithstanding any election by University to retain separate counsel with regard to

punitive damages. At its sole discretion and expense, University shall have the right to appeal any judgment awarding punitive damages against it.

10.2.2 Indemnification by University

To the extent permitted by law and specifically with the exception of punitive damages, University shall indemnify, defend and hold harmless DMH and its officers, employees, agents, students, fellows and volunteers from and against any and all losses, claims, damages, liabilities and expenses including reasonable attorneys fees and costs, of every conceivable kind, character, and nature arising out of or connected with, either directly or indirectly, the employment or employment practices of personnel employed solely by University, arising out of or connected with either directly or indirectly, the provision of services under this Agreement, including any claims for sexual or other harassment or any form of discrimination or wrongful termination; provided that such indemnification shall be limited to an amount covered under University's employment practice liability insurance policy.

DMH shall give prompt notice to University of any action or claim to which this indemnification applies and DMH and its officers, employees, agents, students, fellows and volunteers receiving such indemnification from University shall fully cooperate with University in any defense, settlement or other disposition of such claim or action. University shall retain full authority to settle such claims for such amounts and in such circumstances as University determines to be in the best interests of University.

In any civil action or claim in which DMH, its departments, facilities, officials or employees are both named as a defendant and punitive damages are alleged against DMH, its departments, facilities, officials or employees, DMH may elect, at its sole expense, to retain counsel to defend DMH, its departments, facilities, officials or employees against the allegations of punitive damages. With regard to any civil action or claim to which University's indemnification applies, University shall retain full and sole authority to settle such claims, and direct all litigation from the creation of a discovery plan through any trial on the merits including acting as first chair in trial, notwithstanding any election by DMH to retain separate counsel with regard to punitive damages. At its sole discretion and expense, DMH shall have the right to appeal any judgment awarding punitive damages against DMH, its departments, facilities, officials or employees.

10.3 No Requirement to Defend or Indemnify with Regard to Administrative Proceedings

Neither DMH nor University shall be obligated to provide for the defense of any administrative or criminal proceeding brought against any current or former employee of University, any current or former employee of DMH, or any employee concurrently or formerly employed by both DMH and University. Neither DMH nor University shall be obligated to indemnify any current or former employee of University, any current or former employee of DMH, or any employee concurrently or formerly employed by both County and University with regard to costs and expenses associated with such defense. For purposes of this paragraph, "administrative proceeding" shall include proceedings before the Medical Board of California.

10.4 General Indemnification

10.4.1 By DMH

To the extent not covered by the other indemnification provisions set forth in section 10 ("Indemnification"), DMH shall indemnify, defend and hold harmless University and its officers, employees, agents, students, fellows and volunteers from and against any and all losses, claims, damages, liabilities and expenses, including reasonable attorneys fees

and costs, of every conceivable kind, character, and nature, including bodily injury, death, personal injury, property damage or workers' compensation arising out of or connected with, either directly or indirectly, DMH's operations or any activities conducted by, through or on behalf of DMH at DMH Facilities, in the performance of DMH's obligations hereunder.

University shall give prompt notice to DMH of any action or claim to which this indemnification applies and University and its officers, employees, agents, students, fellows and volunteers receiving such indemnification from DMH shall fully cooperate with DMH in any defense, settlement or other disposition of such claim or action. DMH shall retain full authority to settle such claims for such amounts and in such circumstances as DMH determines to be in the best interests of DMH.

10.4.2 By University

To the extent not covered by the other indemnification provisions set forth in section 10 ("Indemnification"), University shall indemnify, defend and hold harmless DMH and its officers, employees, agents, students, fellows and volunteers from and against any and all losses, claims, damages, liabilities or expenses including reasonable attorneys fees and costs, of every conceivable kind, character, and nature, including bodily injury, death, personal injury, property damage or workers' compensation arising out of or connected with, either directly or indirectly, University's operations or any activities conducted by, through or on behalf of University at facilities owned, controlled, or operated by University, in the performance of University's obligations hereunder.

DMH shall give prompt notice to University of any action or claim to which this indemnification applies and DMH and its officers, employees, agents, students, fellows and volunteers receiving such indemnification from University shall fully cooperate with University in any defense, settlement or other disposition of such claim or action. University shall retain full authority to settle such claims for such amounts and in such circumstances as University determines to be in the best interests of University.

10.5 Other Indemnifications

Additional indemnification responsibilities between the Parties include, but are not limited to, provisions in sections 3.1.3.1.1.3 ("Exclusion from Federal Health Care Programs"), 6.2.18 ("DMH Audit Settlements"), 11.15 ("Fair Labor Standards") and 11.16 ("Employment Eligibility Verification").

11 ADDITIONAL PROVISIONS

These additional provisions in this section 11 shall apply to both Academic and Medical Teaching Services described in sections 2.1 ("Academic and Medical Teaching Services") and 2.2 ("Mental Health Services"), except where otherwise specifically provided.

11.1 Notices

Unless otherwise specified in this Agreement, any notice, document, or other communication given or made hereunder shall be in writing and shall be deemed given upon (a) hand delivery or (b) deposit of the same in the United States registered or certified mail, first-class postage and fee prepaid, and correctly addressed to the Party for whom it is intended at the following addresses:

If to DMH:

Marvin J. Southard, D.S.W.
County of Los Angeles Department of Mental Health
550 South Vermont Avenue, 12th Floor
Los Angeles, California 90020

with a copy to:

Office of the County of Los Angeles Counsel
500 West Temple Street
Los Angeles, California 90012

If to University:

Vice Provost, Administration
UCLA School of Medicine
10833 Le Conte Avenue
Los Angeles, California 90095

with a copy to:

UCLA Healthcare
Office of Legal Affairs
924 Westwood Boulevard, Suite 740
Los Angeles, California 90095

or at such other place or places as may from time to time be specified in a notice similarly given. Each Party shall at all times keep the other Party notified of its current address and shall promptly notify the other Party of any change of address.

11.2 Confidentiality

Notwithstanding any other provision of this Agreement, University and DMH shall maintain the confidentiality of all records and information, including, but not limited to, claims, billings, University reports, audit reports, DMH records, client records and information, and MIS records, in accordance with California Welfare and Institutions Code sections 5328 through 5330, inclusive, and all other applicable federal, state, and County laws, ordinances, rules, regulations, manuals, guidelines, and directives (including Department policy and Medical Staff rules and regulations), relating to confidentiality. University and DMH shall require all its officers, employees, agents, independent contractors and others providing services hereunder to

acknowledge, in writing, understanding of, and agreement to fully comply with, all such confidentiality provisions. Each party shall indemnify and hold harmless the other party, its officers, employees, and agents, from and against any and all loss, damage, liability, and expense arising from any unlawful disclosure of such records and information by the disclosing party, its officers, employees, or agents. All obligations and responsibilities under this Agreement shall be subject to this paragraph, except as may be otherwise required by law.

The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulations. The parties agree to take all necessary and reasonable actions to comply with the requirements of the law and regulations and agree to hold harmless and indemnify the other for failure to do so. To the extent that the law or regulations now or in the future require joint implementation, the parties agree to reasonably cooperate in the development of such (for example, by the development of a "Business Associate" amendment to this Agreement).

11.3 Nondiscrimination in Services

Neither party shall discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, marital status, sexual orientation, or physical or mental disability, in accordance with requirements of federal and state law and County policy. Each party shall use reasonable efforts to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national origin, ancestry, sex, age, marital status, sexual orientation, or physical or mental disability.

11.3.1 Complaint Procedures

University shall establish and maintain written complaint procedures under which any person applying for or receiving any services under this Agreement may seek resolution from University of a complaint with respect to any alleged discrimination in the rendering of services by University's personnel. Such procedures shall also include a provision whereby any such person, who is dissatisfied with University's resolution of the matter, shall be referred by University to Director for the purpose of presenting his complaint of the alleged discrimination. Such complaint procedures shall also indicate that if such person is not satisfied with DMH's resolution or decision with respect to the complaint of alleged discrimination, such person may appeal the matter to the State, if appropriate.

11.3.2 Admissions Policy

If direct services (for example, 24-hour services, case management services, day services, and outpatient services) are provided hereunder, University shall have admission policies which are in accordance with the California Code of Regulations Title 9, sections 526 and 527, and which shall be in writing and available to the public. University shall not employ discriminatory practices in the admission of any person, assignment of accommodations, or otherwise. Any time any person applies for services under this Agreement, such person shall be advised by University of the complaint procedures described in section 11.3.1 ("Complaint Procedures"). A copy of such complaint procedures shall be posted by University in a conspicuous place, available and open to the public, in each of University's facilities where services are provided under this Agreement.

11.4 Nondiscrimination in Employment

11.4.1 Nondiscrimination

Parties certify and agree that their policy is that all persons employed by the party, its affiliates, subsidiaries or holding companies are and shall be treated equally by it without

regard to, and shall not be discriminated against because of, race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, physical or mental disability, or political affiliation in compliance with all anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended.

11.4.2 Employment Status

Parties shall make every effort to ensure that it employs qualified applicants, and treats employees during employment, without regard to race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, physical or mental disability, or political affiliation; nor shall the parties discriminate against such applicants or employees because of such characteristics. Parties must be in compliance with all applicable anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended. Such action shall include the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

11.4.3 Vendors

The parties shall not discriminate against any subcontractor, bidder, or vendor on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, physical or mental disability, or political affiliation as required by all applicable anti-discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended.

11.4.4 Verification

Each party shall allow representatives of the other party access to its employment records during regular business hours to verify compliance with the provisions of this section when so requested by the other party. Prior to any such inspection, A party receiving such a request may remove personal employee information from such records, which is protected under the privacy laws of the State of California. To the extent any such information may enter into the possession of the other party during such an inspection, the inspecting party hereby promises to protect same from disclosure to third parties.

11.4.5 Breach

Violation of any provisions under this section shall constitute an Event of Termination for Cause (as defined in section 7.4); provided that determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that University has violated State or Federal anti-discrimination laws or regulations shall constitute an Event of Immediate Termination (as defined in section 7.4).

11.5 Staff Performance While Under the Influence

University shall use its reasonable efforts to ensure that none of its personnel shall perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic or other substance that might impair his or her physical or mental performance.

11.6 University Performance During Disaster or Civil Unrest

University recognizes that health care facilities maintained by DMH, including shelters and relief facilities operated by DMH during a disaster, provide care essential to the population of the communities they serve and that these services are of particular importance at the time of a natural disaster or other similar event, or at the time of a riot, insurrection or civil unrest. Notwithstanding any other provision of this Agreement, University shall continue to provide services at DMH Facilities and, if requested to do so by Director, shall also provide services at DMH-operated shelters and relief facilities during any natural disaster or other similar event, riot, insurrection or civil unrest, so long as such performance remains physically possible and does not subject University employees, agents and representatives to unreasonable threat to personal safety. Failure to comply with this requirement shall be considered an Event of Termination for Cause (as defined in section 7.4). To the extent that services are required in excess of those otherwise anticipated under this Agreement, DMH shall pay University for actual damages and the costs of replacement services at rates to be determined by DMH pursuant to applicable ordinances. Parties shall work together to develop a plan for the provision of services in the event of a disaster or civil unrest.

11.7 Licenses, Permits, Registrations and Certificates

University and DMH, respectively, shall obtain and maintain during the term of this Agreement all appropriate licenses, permits, registrations and certificates as required by law for the provision of their respective services hereunder. University shall require that all its personnel, including all its independent contractors, who perform services hereunder shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance hereunder. Copies of all such licenses, permits, registrations and certifications as required by law shall be made available to DMH or University, respectively, upon request.

11.8 Unlawful Solicitation

University shall inform and require all of its officers, employees and agents, including all its independent contractors, providing services hereunder to acknowledge in writing their understanding of and agreement to comply with the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of the Business and Professions Code of the State of California (that is, the State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall make reasonable efforts to ensure that there is no violation of said provisions by its officers, employees, agents and independent contractors. University agrees that if a patient requests assistance in obtaining the services of any attorney, it shall make reasonable efforts to refer the patient to the attorney referral services of all those bar associations within the County of Los Angeles or the appropriate County agency that have such a service.

A copy of such written notice and acknowledgement shall be retained by University for purposes of inspection and audit and made available to DMH upon written request.

11.9 Conflict of Interest

No DMH officer or employee whose position in DMH enables him or her to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such officer or employee shall be knowingly employed in any capacity by University herein, or have any other direct or indirect financial interest in this Agreement.

No officer, employee, agent, or independent contractor of University who may financially benefit from the provision of services hereunder shall in any way participate in DMH's approval process for the award of this Agreement or any competing agreement, or ongoing evaluation of such

services, under this Agreement or any competing agreement, or in any way attempt to unlawfully influence DMH's approval or ongoing evaluation of such services.

University shall comply with all applicable conflict of interest laws now in effect or hereafter to be enacted during the term of this Agreement. University warrants that it is not now aware of any facts that create a conflict of interest. If University hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make a full written disclosure of such facts to DMH. Full written disclosure shall include identification of all persons involved and a complete description of all relevant circumstances.

11.10 Covenant Against Contingent Fees

11.10.1 Covenant

University warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by University for the purpose of securing business.

11.10.2 Remedy

Breach or violation of this warranty shall constitute an Event of Termination for Cause (as defined in section 7.4). In addition to the remedies provided in section 7.4, DMH in its sole discretion shall be permitted to deduct from payments made under this Agreement, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

11.11 Delegation and Assignment by Contractor

A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to this Agreement, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims which Contractor may have against County.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue

the same remedies against Contractor as it could pursue in the event of default by Contractor.

11.12 Subcontracting

DMH and University agree that there will be no subcontracting for the term of the Agreement.

11.13 Compliance with Applicable Law

A. University shall comply with all Federal, including, but not limited to, Title XIX of the Social Security Act, State, and local laws, ordinances, rules, regulations, manuals, guidelines, Americans with Disabilities Act (ADA) standards, and directives applicable to its performance hereunder. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

B. University shall indemnify and hold harmless County from and against any and all liability, damages, costs or expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of University, its officers, employees, or agents, of any such Federal, State or local laws, ordinances, rules, regulations, manuals, guidelines, ADA standards, or directives.

C. University shall maintain in effect an active compliance program in accordance with the recommendations set forth by the Department of Health and Human Services, Office of the Inspector General.

D. Duty to Notify: University agrees to notify County of any and all legal complaints, citations, enforcement proceedings, administrative proceedings, judgments or litigation, known to University, whether civil or criminal initiated against University, its officers, employees, or agents which are likely to have a material effect on the organization's stewardship, financial position and/or ability to perform and deliver services under this contract.

11.14 Authorization Warranty

Both Parties hereby represent and warrant that the person executing this Agreement on behalf of such Party is an authorized agent who has actual authority to bind that Party to each and every term, condition, and obligation set forth in this Agreement and that all requirements of such Party have been fulfilled to provide such actual authority.

11.15 Fair Labor Standards

Each Party shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify the other Party for any violations of this obligation, pursuant to section 10 ("Indemnification").

11.16 Employment Eligibility Verification

Each Party warrants that it fully complies with all Federal statutes and regulations regarding employment of aliens and others, and University warrants that the temporary personnel which it refers to DMH Facilities hereunder, including all independent contractor personnel performing services hereunder, meet the citizenship or alien status requirements contained in Federal statutes and regulations. Each Party shall obtain, from all of its personnel performing services hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Each Party shall retain such documentation for all such personnel for the period prescribed by

law. Each Party shall indemnify the other Party for any violations of this obligation, pursuant to section 10 ("Indemnification").

11.17 Restrictions on Lobbying

If any Federal monies are to be used to pay for University's services under this Agreement, University shall comply with all certifications and disclosure requirements prescribed by Section 319, Public Law 101-121 (31 United States Code section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply with all such certifications and disclosure requirements.

11.18 County Lobbyists

University and each County lobbyist or County lobbying firm, as defined in the County of Los Angeles Code section 2.160.010, retained by University, shall fully comply with the County's Lobbyist Ordinance, County of Los Angeles Code Chapter 2.160. Failure on the part of University or any County lobbyist or County lobbying firm retained by University to fully comply with the County Lobbyist Ordinance shall constitute an Event of Immediate Termination (as set forth in section 7.4).

11.19 Child Support Compliance Program

11.19.1 University's Acknowledgement of County's Commitment to Child Support Enforcement:

The University acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The University understands that it is DMH's policy to encourage all DMH Contractors to voluntarily post the County's "LA's Most Wanted: Delinquent Parent's" poster in a prominent position at the University's place of business. The County's Child Support Services Department will supply the University with the poster to be used.

11.19.2 University's Warranty of Adherence to County's Child Support Compliance Program:

The University acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Purchase Order or Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the University's duty under this Agreement to comply with all applicable provisions of law, the University warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

11.19.3 Certification

As of July 1, 2001, and every three (3) years thereafter, University shall submit to County's Child Support Services Department a completed Principal Owner Information ("POI") Form, incorporated herein by reference, along with certifications in accordance with the provisions of Section 2.200.060 of the County Code, that: (a) the POI Form has been appropriately completed and provided to the County's Child Support Services Department with respect to University's Principal Owners; (b) University has fully complied with all applicable State and Federal reporting requirements relating to employment reporting for its employees; and (c) University has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to maintain compliance. Such certification shall be submitted on the Child Support Compliance Program ("CSCP") Certification, also incorporated herein by reference. Failure of University to submit the CSCP Certification (which includes certification that the POI Form has been submitted to the Child Support Services Department) to the Child Support Services Department shall constitute an Event of Termination for Cause pursuant to Section 7.4.

11.20 Merger and Integration Provision

All exhibits, attachments and addenda to this Agreement are incorporated herein. This Agreement fully expresses all understandings of Parties concerning all matters covered and shall constitute the entire Agreement of the Parties, superceding any prior agreements between the Parties regarding its subject matter. No addition to or alteration of the terms of this Agreement, whether by written or oral understanding of the Parties, their officers, agents or employees, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the Parties.

11.21 Severability

If any provision of this Agreement, including all the exhibits, attachments and addenda hereto, or the application thereof to any person or circumstance, is held to be illegal or invalid, the remainder of the Agreement and the application of such provision to other persons or circumstances shall not be affected, except as otherwise provided in this paragraph. If such invalidation has the effect of materially altering the obligations of either Party, then the Parties shall diligently seek to amend the Agreement to restore the prior balance of obligations. If the Parties are unable to agree on such amendment within forty-five (45) days following notice of the invalidation, then the impaired Party may deem the invalidation an Event of Termination for Cause under section 7.4 without fault or breach by either Party.

11.22 Investigations

Each Party shall cooperate regarding outside investigations of the other Party as reasonably requested by the other Party as it relates to this Agreement. If any government agency undertakes an investigation of a Party, the other Party shall comply with that Party's reasonable request to make available information and records in connection with the investigation. Compliance with this provision by either Party shall not constitute a waiver of the attorney-client privilege.

11.23 No Third Party Beneficiaries

None of the provisions of this Agreement are or shall be construed as for the benefit of or enforceable by any person not a Party to this Agreement.

11.24 Waiver

No waiver, expressed or implied, of any breach of this Agreement, shall constitute a waiver of any right under this Agreement or of any subsequent breach, whether of a similar or dissimilar nature. All of the rights or remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and not alternative, and the exercise of any right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

11.25 Interruption of Service

Except as otherwise provided under section 11.6, either Party shall be excused from any delay or failure in performance hereunder caused by reasons of any occurrence or contingency beyond its reasonable control, including acts of God, acts of war, fire, insurrection, labor disputes, riots, earthquakes, or other acts of nature. The obligations and rights of the other Party so excused shall be extended on a day-to-day basis for the duration of such excusable interruption. In the event the interruption of a Party's services continues for a period in excess of thirty (30) days, then upon ten (10) day's notice the other Party may deem the interruption an Event of Immediate Termination (as set forth in section 7.4), without fault of or breach by either Party.

11.26 Section References

Throughout this Agreement, each section includes any subsection.

11.27 County Obligation for Current and Future Fiscal Years

Notwithstanding any other provision of this Agreement, this Agreement shall not be effective and binding upon the parties unless and until County's Board of Supervisors appropriates funds for purposes hereof in County's Budget for County's current Fiscal Year. Further, County shall not be obligated for University's performance hereunder or by any provision of this Agreement during any of County's future Fiscal Years unless and until County's Board of Supervisors appropriates funds for purposes hereof in County's Budget for each such future Fiscal Year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30th of the last Fiscal Year for which funds were appropriated.

11.28 Patients'/Clients' Rights

University shall comply with all applicable patients'/clients' rights provisions, including, but not limited to, California Welfare and Institutions Code sections 5325 et seq., California Code of Regulations, Title 9, sections 850 et seq., and California Code of Regulations Title 22. Further, University shall comply with all patients'/clients' rights policies provided by DMH. DMH Patients' Rights Advocates shall be given access by University to all patients/clients, patients'/clients' records, and University's personnel in order to monitor University's compliance with all applicable statutes, regulations, manuals and policies.

11.29 Reporting of Patient/Client Abuse and Related Personnel Requirements

11.29.1 Elders and Dependent Adults Abuse

University, and all persons employed or subcontracted by University, shall comply with California Welfare and Institutions Code sections 15630 et seq., and shall report all known or suspected instances of physical abuse of elders and dependent adults under the care of University either to an appropriate County adult protective services agency or to a local law enforcement agency, as mandated by California Welfare and Institutions

Code sections 15630, 15631 and 15632. University, and all persons employed or subcontracted by University, shall make the report on such abuse, and shall submit all required information, in accordance with California Welfare and Institutions Code sections 15630, 15633 and 15633.5.

11.29.2 Minor Children Abuse

University, and all persons employed or subcontracted by University, shall comply with California Penal Code sections 11164 et seq., and shall report all known or suspected instances of child abuse to an appropriate child protective agency, as mandated by California Penal Code sections 11164, 11165.8 and 11166. University, and all persons employed or subcontracted by University, shall make the report on such abuse, and shall submit all required information, in accordance with California Penal Code sections 11166 and 11167.

11.29.3 University Staff

University shall assure that any person who enters into employment as a care custodian of elders, dependent adults or minor children, or who enters into employment as a health or other practitioner, prior to commencing employment, and as a prerequisite to that employment, shall sign a statement on a form provided by University in accordance with the above Code sections to the effect that such person has knowledge of, and will comply with, these code sections.

University shall assure that clerical and other nontreatment staff who are not legally required to directly report suspected cases of abuse, consult with mandated reporters upon suspecting any abuse.

For the safety and welfare of elders, dependent adults, and minor children, University shall, to the maximum extent permitted by law, ascertain arrest and conviction records for all current and prospective employees and shall not employ or continue to employ any person convicted of any crime involving any harm to elders, dependent adults, or minor children.

University shall not employ or continue to employ, or shall take other appropriate action to fully protect all persons receiving services under this Agreement concerning, any person whom University knows, or reasonably suspects, has committed any acts which are inimical to the health, morals, welfare, or safety of elders, dependent adults or minor children, or which otherwise make it inappropriate for such person to be employed by University.

11.30 Certification of Drug-Free Workplace

University certifies and agrees that University and its employees shall comply with DMH's policy of maintaining a drug-free work place. University and its employees shall not manufacture, distribute, dispense, possess, or use any controlled substances as defined in 21 United States Code section 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at any of University's facilities or work sites or DMH's facilities or work sites. If University or any of its employees is convicted of or pleads nolo contendere to any criminal drug statute violation occurring at any such facility or work site, then University, within five (5) days thereafter, shall notify Director in writing.

11.31 Governing Law, Jurisdiction, and Venue

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. University agrees and consents to the exclusive jurisdiction of the courts of the State of

California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California. Further, this Agreement shall be governed by, and construed in accordance with, all laws, regulations, and contractual obligations of DMH under its agreement with the State.

11.32 Captions and Section Headings

Captions and section headings used in this Agreement are for convenience only and are not a part of this Agreement and shall not be used in construing this Agreement.

11.33 Alteration of Terms

No addition to, or alteration of, the terms of the body of this Agreement, or the Financial Exhibit column(s) which are identified on the Financial Summary or Service Exhibit(s) hereto, whether by written or oral understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties in the same manner as this Agreement.

The County's Board of Supervisors or Chief Administrative Officer or designee may require the addition and/or change of certain terms and conditions in the Agreement during the term of this Agreement. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Administrative Officer. To implement such orders, an Amendment to the Agreement shall be prepared and executed by the Contractor and by the Director of Mental Health.

11.34 Notice to Employees Regarding the Federal Earned Income Credit

University shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

11.35 Use of Recycled-Content Products

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the University agrees to use recycled-content paper to the maximum extent possible on the Project.

11.36 Public Announcements and Literature

In public announcements and literature distributed by University for the purpose of apprising patients/clients and the general public of the nature of its treatment services, University shall clearly indicate that the County of Los Angeles funds the services provided under this Agreement.

11.37 Compliance with Jury Service Program

11.37.1 Jury Service Program

This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

11.37.2 Written Employee Jury Service Policy

Unless University has demonstrated to the DMH's satisfaction either that University is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that University qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), University shall have and adhere to a written policy that provides that its Employees shall receive from the University, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the University or that the University deduct from the Employee's regular pay the fees received for jury service.

For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has an Agreement with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County Agreements or subcontracts. "Employee" means any California resident who is a full-time employee of University. "Full-time" means 40 hours or more worked per week or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) University has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If University uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract Agreement and a copy of the Jury Service Program shall be attached to the Agreement.

If University is not required to comply with the Jury Service Program when the Agreement commences, University shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and University shall immediately notify DMH if University at any time either comes within the Jury Service Program's definition of "Contractor" or if University no longer qualifies for an exception to the Program. In either event, University shall immediately implement a written policy consistent with the Jury Service Program. DMH may also require, at any time during the Agreement and at its sole discretion, that University demonstrate to DMH's satisfaction that University either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that University continues to qualify for an exception to the Program.

University's violation of this section of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar University from the award of future County Agreements for a period of time consistent with the seriousness of the breach.

11.38 Health Insurance Portability and Accountability Act

The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("HIPAA"). University understands and agrees that, as a provider of medical treatment services, it is a "covered entity" under HIPAA and, as such, has obligations with respect to the confidentiality, privacy, and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.

The parties acknowledge their separate and independent obligations with respect to HIPAA, and that such obligations relate to *transactions and code sets*, *privacy*, and *security*. University understands and agrees that it is separately and independently responsible for compliance with HIPAA in all these areas and that County has not undertaken any responsibility for compliance on

University's behalf. University has not relied, and will not in any way rely, on County for legal advice or other representations with respect to University's obligations under HIPAA, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

University and County understand and agree that each is independently responsible for HIPAA compliance and agree to take all necessary and reasonable actions to comply with the requirements of HIPAA law and implementing regulations related to Transactions and Code Sets, Privacy, and Security. Each party further agrees to indemnify and hold harmless the other party (including their officers, employees and agents), for its failure to comply with HIPAA.

11.39 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in **Attachment I** of this Agreement and is also available on the Internet at **www.babysafela.org** for printing purposes.

11.40 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

11.41 University's Exclusion From Participation in a Federally Funded Program

University hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, and that University will notify Director within thirty (30) calendar days in writing of: (1) any event that would require University or a staff member's mandatory exclusion from participation in a Federally funded health care program; and (2) any exclusionary action taken by any agency of the Federal government against University or one or more staff members barring it or the staff members from participation in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

There are a variety of different reasons why an individual or entity may be excluded from participating in a Federally funded health care program. Sometimes, the exclusion is mandatory and in other cases the Office of the Inspector General (OIG) has the discretion not to exclude.

The mandatory bases of exclusion include: (1) felony convictions for program related crimes, including fraud or false claims, or for offenses related to the dispensing or use of controlled substances, or (2) convictions related to patient abuse.

Permissive exclusions may be based on: (1) conviction of a misdemeanor related to fraud or financial misconduct involving a government program: (2) obstructing an investigation; (3) failing to provide access to documents or premises as required by federal healthcare program officials; (4) conviction of a misdemeanor related to controlled substances; (5) failing to disclose information about the entity itself, its subcontractors or its significant business transactions; (6) loss of a state license to practice a healthcare profession; (7) default on a student loan given in connection with education in a health profession; (8) charging excessive amounts to Federally

funded health care program or furnishing services of poor quality or which are substantially in excess of the needs of the patients; (9) paying a kickback or submitting a false or fraudulent claim. Persons controlling or managing excluded entities who knew of the conduct leading to the exclusion can themselves be excluded, and entities which are owned and controlled by excluded individuals can also be excluded.

University shall indemnify and hold DMH harmless against any and all loss or damage DMH may suffer arising from any Federal exclusion of University or its staff members from such participation in a Federally funded health care program. University shall provide the certification set forth in Attachment II as part of its obligation under this Paragraph 11.41.

Failure by University to meet the requirements of this Paragraph 11.41 shall constitute a material breach of Agreement upon which DMH may immediately terminate or suspend this Agreement.

11.42 Contractor Responsibility and Debarment:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other Agreements which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Agreements the Contractor may have with the County.

C. The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of an Agreement with the County or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the County or any other public entity.

D. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interest of the County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

I. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

J. These terms shall also apply to subcontractors of County Contractors.

11.43 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions (45 C.F.R. PART 76):

The Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors or other principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of its subcontractors or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

11.44 Contractor's Charitable Activities Compliance:

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the certification in Attachment IX, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to

protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202)."

11.45 Performance Standards And Outcome Measures

The Contractor shall comply with all applicable Federal, State, and County policies and procedures relating to performance standards and outcome measures. This is applicable whenever specific Federal or State funding, which has policies or procedures for performance standards and/or outcome measures has been included as part of the Contractor's contract and shall apply for all County policies, procedures, or departmental bulletins approved by the Director or his designee for performance standards and/or outcome measures. County will notify Contractor whenever County policies or procedures are to apply to this contract provision (e.g., AB 2034 grant) at least, where feasible, 30 calendar days prior to implementation.

These Federal, State or County performance standards and/or outcome measures will be used as part of the determination of the effectiveness of the services delivered by the Contractor.

12 ACCEPTANCE

IN WITNESS WHEREOF, the Board has caused this Agreement to be subscribed in its behalf by Director, and University has caused this Agreement to be subscribed in its behalf by its duly authorized officer as of the day, month, and year first above written.

COUNTY OF LOS ANGELES

By

_____

Director of Mental Health

REGENTS OF THE UNIVERSITY OF CALIFORNIA

By

_____

J. Thomas Rosenthal, M.D.
Printed Name

Director, Vice Provost
Title

(affix corporate seal here)

APPROVED AS TO FORM BY
OFFICE OF THE COUNTY COUNSEL
STEPHANIE FARRELL
County Counsel

By

_____

Principal Deputy, County Counsel

APPROVED AS TO CONTRACT ADMINISTRATION BY
DEPARTMENT OF MENTAL HEALTH

By

_____

Chief, Contracts Development and Administration Division

13 DEFINITIONS

13.1 Academic and Medical Teaching Services

Those services provided by University pursuant to this Agreement, as set forth in section 2.1 ("Academic and Medical Teaching Services").

13.2 Academic and Medical Teaching Services Program

Academic and Medical Teaching Services Programs shall refer to the addenda listed or adopted under section 2.1 ("Academic and Medical Teaching Services").

13.3 ACGME

The Accreditation Council on Graduate Medical Education, which is the accrediting body for graduate medical education programs, or any successor organization. References to the RRC shall mean the Residency Review Committees within the ACGME.

13.4 Addendum

Any addendum to this Agreement, as amended annually or otherwise.

13.5 Agreement

This Affiliation Agreement made between the County of Los Angeles and the Regents of the University of California on behalf of the UCLA School of Medicine and the UCLA Neuropsychiatric Institute and Hospital, including all Exhibits and Addenda, as may be amended from time to time.

13.6 CGF

County General Funds.

13.7 Contract Year

July 1 through June 30 of any year for which this Agreement is in effect.

13.8 Cost Reimbursement

The arrangement for the provision of mental health services based on the reasonable actual and allowable costs of services provided under this Agreement, less all fees paid by or on behalf of patients/clients and all other revenue, interest and return resulting from the same services.

13.9 County

The County of Los Angeles, including as appropriate its departments, facilities and officials.

13.10 CPT

Physicians Current Procedural Terminology as referenced in the American Medical Association standard edition publication.

13.11 CR

Cost reimbursement; the arrangement for the provision of mental health services based on the reasonable actual and allowable costs of services provided under this Agreement, less all fees paid by or on behalf of patients/clients and all other revenue, interest and return resulting from the same services;

13.12 CR/DC Manual

SDMH's Cost Reporting/Data Collection Manual.

13.13 Department of Mental Health or DMH

The County of Los Angeles Department of Mental Health.

13.14 DMH Academic Administrator

The person who is appointed by DMH Director and responsible for overseeing the Academic and Medical Teaching Services at DMH facilities, pursuant to section 5.1.2; and will also serve as the DMH Administrator.

13.15 DMH Administrator

The individual appointed by the DMH Director who is primarily responsible for overseeing the provision of all services provided under this Agreement.

13.16 DMH Facilities

Those community-based or forensic mental health facilities owned, controlled or operated by Los Angeles County Department of Mental Health, as listed in addenda listed or adopted under section 2.1 ("Academic and Medical Teaching Services"), to which University Personnel may be assigned.

13.17 DMH Personnel

Employees of DMH working in DMH Facilities.

13.18 DMH Policies

All applicable Federal, State and local laws, required licenses, ordinances, rules, regulations, manuals, guidelines, and directives, which may include, but are not necessarily limited to, the following: Bronzan-McCorquodale Act, California Welfare and Institutions Code sections 5600 et seq., including, but not limited to, sections 5600.2, 5600.3, 5600.4, 5600.9, 5602, 5608, 5651, 5670, 5670.5, 5671, 5671.5, 5672, 5705, 5709, 5710, 5716, 5719, 5721, 5722, 5751.2, and 5900 et seq.; Medi-Cal Act, California Welfare and Institutions Code section 14000 et seq., including, but not limited to, section 14132.44; California Welfare and Institutions Code section 17601 et

seq.; California Work Opportunities and Responsibilities to Kids Act, California Welfare and Institutions Code section 11200 et seq.; California Government Code sections 26227 and 53703; Title XIX of the Social Security Act, 42 United States Code section 1396 et seq.; Title IV of the Social Security Act, Part B of Title XIX of the Public Health Service Act, 42 United States Code section 300x et seq.; California Penal Code section 11164 et seq.; California Code of Regulations Titles 9 and 22, including, but not limited to, sections 51516, 70001, 71001, 72001 et seq., and 72443 et seq.; State Department of Mental Health's Cost Reporting/Data Collection Manual; State Department of Mental Health's Short-Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management; State Department of Mental Health's Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual; policies and procedures developed by County; State's Medicaid Plan; and policies and procedures which have been documented in the form of Policy Letters issued by State Department of Mental Health; and/or for State Department of Health Services.

13.19 DMH Training Program

Accredited residency or other medical education, or independent health profession or technician training programs sponsored by DMH, of which some portion of the training takes place at DMH Facilities and whose trainees are employed by DMH.

13.20 DMH Director

The Director of the County of Los Angeles Department of Mental Health.

13.21 EOB

Explanation of Balance for Title XIX Short-Doyle/Medi-Cal services which is the State Department of Health Services adjudicated claim data and Explanation of Benefits for Medicare which is the Federal designated Fiscal Intermediary's adjudicated Medicare claim data.

13.22 EPSDT

The Early and Periodic Screening, Diagnosis and Treatment program which is a requirement of the Medicaid program to provide comprehensive health care. EPSDT funds consist of fifty percent Title XIX FFP finds, and fifty percent State funds. Such State funds are specifically designated for this program.

13.23 Exhibits

Any exhibits to this Agreement, as may be amended from time to time.

13.24 Faculty

Individuals holding academic appointments at University.

13.25 Fellow

A physician or psychologist who is obtaining additional post-doctoral training.

13.26 FFP

Federal Financial Participation for Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities as authorized by Title XIX of the Social Security Act, 42 United States Code section 1396 et seq.

13.27 Geographic Area Manager

The designated DMH manager of a specified geographic area who, under this Agreement, is responsible for the local administration of mental health services provided in his/her geographic area.

13.28 Hospital

The UCLA Neuropsychiatric Hospital, including all inpatient departments and outpatient clinics.

13.29 Housestaff

DMH Housestaff or University Housestaff, as appropriate.

13.30 JCAHO

The Joint Commission on Accreditation of Healthcare Organizations, which is the accrediting body for health care facilities, or any successor organization.

13.31 JMHO Committee

The Joint Mental Health Operations Committee established pursuant to section 5.2 of this Agreement.

13.32 LCME

Liaison Committee on Medical Education, which is the accrediting body for undergraduate medical education programs, or any successor organization.

13.33 Medical Staff

The Medical Staff of DMH Facilities.

13.34 Medical Student

A graduate student enrolled in a school of medicine or other health sciences, who is not licensed to practice such health science.

13.35 Mental Health Services

Mental Health Services are services provided under section 2.2 ("Mental Health Services"). Specifically, these services may include (but are not limited to) activities claimable as Title XIX Medi-Cal Administrative Activities pursuant to California Welfare and Institutions Code section 14132.44, and services claimable as EPSDT services. These services may not include, for

purposes of this Affiliation Agreement, services claimable as Title IV-A Emergency Assistance services.

13.36 Mental Health Services Programs

Mental Health Services Programs shall apply to all programs listed or adopted as addenda under section 2.2 ("Mental Health Services").

13.37 MIS

DMH's Management Information System which includes RGMS as one subsystem.

13.38 Negotiated Rate

The total amount of reimbursement, including all revenue, interest and return, which is allowable for delivery of a SFC unit as defined by Director and which is shown on the Financial Summary. An NR is the gross rate of reimbursement which is generally determined by dividing Contractor's gross program cost of delivering a particular SFC by the number of such SFC units to be delivered. All fees paid by or on behalf of patients/clients and all other revenue, interest and return resulting from the same service shall be deducted from the cost of providing the mental health services covered by the Negotiated Rate. A portion of the State-approved NR, which in some cases may be higher than the contracted NR, may be retained by DMH as DMH's share of reimbursement from SDMH.

13.39 NR

Negotiated Rate.

13.40 Party or Parties

DMH or University, or both, as appropriate.

13.41 PATH

Federal Projects for Assistance in Transition from Homelessness grant funds.

13.42 RGMS

DMH's Revenue Generation Management system which is included as a substation in MIS.

13.43 RO/TCM Manual

SDMH's Short Doyle/Medi-Cal Manual for the Rehabilitation Opetion and Targeted Case Management.

13.44 SAMHSA

Federal Substance Abuse and Mental Health Services Administration block grant funds.

13.45 SDMH

The State of California Department of Mental Health.

13.46 DSS

The State of California Department of Social Services.

13.47 Section 1115 Waiver

The Medicaid demonstration project undertaken by DMH pursuant to a waiver by the Health Care Financing Administration of certain requirements of Title 19 of the federal Social Security Act, granted pursuant to Section 1115 of that Act.

13.48 Session

Sessions are periods of time where specified University personnel provide Academic and Medical Teaching services at DMH Facilities. The specific services, as well as the qualifications of University personnel required to perform these services, are defined in the individual addenda listed or adopted under section 2.1.

13.49 SFC

Service Function Code, as defined by Director, for a particular type of mental health service, and/or Title XIX Medi-Cal administrative claiming activity.

13.50 Training Program

A DMH Training Program or a University Training Program.

13.51 UMDAP

SDMH's Uniform Method of Determining Ability to Pay.

13.52 University

The University of California at Los Angeles or any of its Health Sciences Schools as appropriate to the context.

13.53 University Academic Administrator

Chair of the Department of Psychiatry and Biobehavioral Sciences, University of California at Los Angeles, who is responsible for overseeing the Academic and Medical Teaching Services at DMH facilities, pursuant to section 3.2.1 of this Agreement; and may also serve as the University Administrator.

13.54 University Administrator

The individual appointed by the University who is primarily responsible for overseeing the provision of all services provided under this Agreement.

13.55 University Housestaff

Residents and post-graduate physicians enrolled in University Training Programs and employed by University.

13.56 University Personnel

Full or part-time employees of University, and any other persons provided by University to perform services under this Agreement who are under University control or supervision (for example, University's Health Sciences Students and any Faculty who are not employed by DMH).

13.57 University Training Program

An accredited residency or other medical education, independent health profession or pharmacy programs sponsored by University, of which some portion of the training takes place at DMH Facilities and whose trainees are employed or sponsored by University

13.58 Contractor

Contractor refers to the University as described in 13.53.

Addendum A

Countywide Academic and Medical Teaching Services Program

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AI INTRODUCTION

University and DMH agree that this Addendum A shall be adopted under Section 2.1 ("Academic and Medical Teaching Services") of the Agreement of **July 1st, 2006**, between University and DMH. University and DMH further agree that this Addendum A shall be subject to all of the provisions of the Agreement governing Academic and Medical Teaching Services, except where otherwise specified in this Addendum A.

A2 DESCRIPTION OF SERVICES

A2.1 Countywide Academic and Medical Teaching Services Program

University shall assign UCLA Department of Psychiatry and Biobehavioral Sciences faculty members ("University Faculty") to provide Academic and Medical Teaching Services in DMH Facilities to DMH personnel.

These services shall be measured and provided in terms of "sessions." The scheduling, content, and location of these sessions shall be described in Sections A2.2 and A2.3.

A2.2 Scheduling and Content of Sessions

The scheduling and content of sessions under this Section shall be developed by the Joint Mental Health Operations Committee ("Committee"). The Committee may delegate responsibility for creating initial scheduling and content to a subcommittee. However, any final session schedule or content must be approved by the full Committee, as required by Section 5.1.1.4.3 of the main Agreement.

The Committee shall develop scheduling and content to implement the following objectives:

a) Developing a comprehensive programmatic approach to evaluate, improve, and expand programs offered to clients in DMH Facilities;

b) Providing DMH physicians, other DMH mental health professionals, and non university public sector mental health providers with training in the state-of-the-art knowledge regarding mental illness, psychopharmacology, and novel approaches to interventions and rehabilitation;

c) Increasing the collaboration between the University and the DMH facilities in establishing quality and outcome procedures to ensure continuous quality improvement in services provided;

d) Improving the ability of DMH to educate and hire qualified physicians and allied mental health professionals through the participation of trainees in public sector training programs;

e) Ensuring the development of personnel and protocols necessary for the establishment of a seamless system of care spanning inpatient and outpatient public and private sector settings;

f) Promoting a diversified and professionally stimulating environment within the community mental health program that ensures improvements in staff recruitment and retention;

g) Enhancing the training opportunities for all UCLA clinical interns and psychiatry residents within the field of community mental health and non university public sector settings; and

h) Including DMH Facilities within the research framework of the University, through the UCLA Neuropsychiatric Institute and Hospital.

In developing the scheduling and content of these sessions, the Committee shall also specifically set forth and describe the forms in which these services shall be provided, taking into account the specific needs of individual DMH Facilities. These forms include, but are not necessarily limited to, the following:

a) Presentations;

b) Seminars;

c) Round table discussion groups;

d) One-on-one tutorials;

e) Case consultations and conferences;

f) Participation in staff meetings;

g) Observation and evaluation of mental health services delivery and client interaction; and

h) Consultations on facility-specific issues.

As set forth in Section 5.1.1.4.3 of the main Affiliation Agreement, the final schedule approved by the Committee shall describe in detail the form by which services will be provided, who shall participate, the anticipated time, date, location, and duration of each session, as well as the specific topics to be covered.

A2.3 Location of Sessions

As provided in Section A2.2, the Committee shall jointly develop a schedule for the provision of Countywide Academic and Medical Teaching Services sessions by University Faculty. The Committee shall schedule these sessions among the following DMH Facilities in a manner to best achieve the goals expressed in Section A2.2, as well as the needs of the individual facilities:

Antelope Valley Mental Health Center
Arcadia Mental Health Center
Augustus F. Hawkins Mental Health Center
Coastal Asian Mental Health Center
Compton Mental Health Center
Downtown Mental Health Center
Edmund D. Edelman Westside Mental Health Center
Forensic Mental Health Services
Hollywood Mental Health Center
Jail Mental Health Services
Long Beach Mental Health Center
Northeast Mental Health Center
Palmdale Mental Health Center
Rio Hondo Mental Health Center
Roybal Family Mental Health Centers
San Antonio Mental Health Center
San Fernando Mental Health Center
San Pedro Mental Health Center
Santa Clarita Mental Health Center
South Bay Mental Health Center
Valley Coordinated Children's Mental Health Services
West Central Mental Health Center
West Valley Mental Health Center

A2.4 Additional Academic, Medical Teaching Services, Program Evaluation and Research Focusing on Improving Services for Underserved Populations and Geographic Areas with a Substantial Component in conjunction with the National Institute of Mental Health (NIMH)

University shall provide for additional consultation, training, and academic supervision in support of an initiative that will focus on the development of innovative approaches and to identify barriers to access to quality mental health services, particularly for focal populations and geographic areas that have been underserved. This initiative will include research and program evaluation developed in partnership with NIMH, DMH and University. Research and program evaluation shall include, but not be limited to evidence-based, short-term treatment approaches; family treatment approaches; peer to peer approaches; community linkage of incarcerated mentally ill, supportive housing alternatives, changing the culture of care to a recovery model, that includes co-occurring substance abuse, as well as mental and/or physical health disorders. Funding of jointly developed proposals and research will be through the NIMH granting mechanisms.

The administration and development of this initiative will be the responsibility of and coordinated by the DMH Academic Administrator who will also serve as the

DMH – NIMH Initiative Project Manager. Additional academic and medical teaching services, program evaluation and adjunctive support in underserved geographic areas may also be provided through the Drew University or other affiliated academic programs as determined by the DMH Academic Administrator. Due to the specialized nature of these services, these services shall not be subject to the planning, content, scheduling, and certification provisions set forth in Section 3.1.2 ("Nature and Scope of Academic and Medical Teaching Services") of the Agreement and its subsections. Furthermore, the Joint Mental Health Operations Committee shall not conduct any strategic planning, session content and scheduling, or claim resolution activities, as may be called for in Section 5.1.1 ("Joint Mental Health Operations Committee") or its subsections, regarding services provided under this Addendum, Section A2.4.

A2.5 Additional Academic and Medical Teaching Services for the Harbor-UCLA Medical Center and Metropolitan State Hospital, through Harbor-UCLA Medical Center

University, through the Harbor-UCLA Medical Center, shall provide for additional consultation, training, and academic supervision for the inpatient and outpatient programs at Harbor-UCLA Medical Center and for the adult and children's programs at Metropolitan State Hospital. These services shall include, but not be limited to, clinical psychological testing, evaluation, and therapy services provided by clinical psychology interns and fellows as part of their training programs, and teaching and training of psychiatry interns, residents and facility staff in the areas of psychiatric emergency, crisis, and general adult/child outpatient and inpatient services. In addition, faculty from Harbor-UCLA Medical will provide training and consultation to the communities served, including mental health service providers, clients, and family members. Due to the specialized nature of these services, these services shall not be subject to the planning, content, scheduling, and certification provisions set forth in Section 3.1.2 ("Nature and Scope of Academic and Medical Teaching Services") of the Agreement and its subsections. Furthermore, the Joint Mental Health Operations Committee shall not conduct any strategic planning, session content and scheduling, or claim resolution activities, as may be called for in Section 5.1.1 ("Joint Mental Health Operations Committee") or its subsections, regarding services provided under this Addendum, Section A2.4.

Not withstanding the above, services provided under this section must have the prior written approval of a detailed annual budget/spending plan for all covered services and expenditures by the DMH and UCLA Academic Administrator.

A3 FINANCIAL PROVISIONS

A3.1 Countywide Academic and Medical Teaching Services Program

For each year of this Agreement, University shall provide the Academic and Medical Teaching Services described in Section A2.1 according to the levels and rates set forth in the following chart:

Number of Sessions	661
Cost Per Session	$400
Cost for Academic and Medical Teaching Services	$264,400

For purposes of developing and coordinating the Academic and Medical Teaching Services provided under Section A2.1, A2.4, and A2.5 of the Affiliation Agreement, University may devote a portion of the funding for Academic and Medical Teaching Services sessions to program development and coordination activities. The total amount for this function shall not exceed **$70,000** annually. Reimbursement for Countywide Program Development and Coordination Activities shall be paid monthly in arrears by invoice from University to DMH based on University's cost for expenditures, subject to the terms and conditions set forth in the main Affiliation Agreement.

A3.2 Additional Academic, Medical Teaching Services, Program Evaluation, and Research Focusing on Improving Services for Underserved Populations and Geographic Areas with a Substantial Component in conjunction with the NIMH

For the services described in A2.4, DMH shall pay to University an amount not to exceed **$622,375** annually for the term of the Agreement and the collaborative work being done with the NIMH related to special populations. Reimbursement for these services shall be paid monthly in arrears by invoice from University to DMH based on one twelfth of the annual academic service plan and budget, with the written approval of the DMH Academic Administrator and subject to the terms and conditions set forth in the main Agreement.

Reimbursement under this section must have the prior written approval of the DMH Academic Administrator or his/her designee. Resources and funding under this section may be reallocated between identified areas in this section with the prior approval of the DMH Academic Administrator or his/her designee, based on changes in service needs.

A3.3 Additional Academic and Medical Teaching Services for Harbor-UCLA Medical Center and Metropolitan State Hospital through Harbor-UCLA Medical Center

For the services described in A2.5, DMH shall pay to University an amount not to exceed **$561,878** annually for the term of the Agreement for the Harbor-UCLA Medical Center and Metropolitan State Hospital programs. Reimbursement for these services shall be paid monthly in arrears by invoice from University to DMH based on one twelfth of the annual academic service plan and budget, subject to the terms and conditions set forth in the main Agreement. Services to Harbor-UCLA Medical Center and to Metropolitan State Hospital shall be invoiced separately.

A3.4 MCA for Addendum A

The (new) MCA for Addendum A is:

Program	**FY 2006-2007**
Countywide Academic and Medical Teaching Services Program	$264,400
Additional Academic, Medical Teaching Services, Program Evaluation, and Research Focusing on Underserved Populations and Geographic Areas with a Substantial Component in conjunction with the NIMH	$622,375
Additional Academic and Medical Teaching Services for Harbor-UCLA Medical Center and Metropolitan State Hospital	$561,878
Total MCA for Addendum A	**$1,448,653**

A3.5 Administration and Management

In recognition of the collaborative nature of this Affiliation Agreement, University shall contribute, at no cost to DMH, the managerial and administrative activities necessary to implement the program of services described in this Addendum. These activities include participation in the Joint Mental Health Operations Committee as called for in this Addendum and the Agreement.

The parties anticipate that the administrative and managerial efforts required to implement the program will be substantial, due to its novel and innovative nature. In addition, the parties recognize that this program will need to be continually monitored, improved, and refined in order to implement its objectives.

In light of these considerations, University has agreed to commit University personnel to providing, at no cost to DMH, no less than 240 hours per Contract Year to the particular administrative and managerial activities required to implement, monitor, and develop this new program. The parties anticipate that the greater part of these hours will be devoted to the Committee's responsibilities set forth in Sections A2.2 ("Scheduling and Content of Sessions") and A2.3 ("Location of Sessions"). University shall provide adequate documentation, such as meeting minutes, to DMH of these administrative and managerial services.

Minimum Number of Hours for Initial Period	240
Cost to DMH	$0.00

A3.6 Payment Procedures

University and DMH understand and agree that persons providing Academic and Medical Teaching Services under this Agreement are faculty members of the Harbor-UCLA Medical Center - Department of Psychiatry, Charles R. Drew University - Department of Psychiatry, and/or David Geffen School of Medicine at UCLA – Department of Psychiatry and Biobehavioral Sciences or guest lecturers. The parties understand and agree that the University shall be responsible for submitting monthly claim and certification forms and invoices as described in Section 6 under the Affiliation Agreement ("Financial' Provisions") and in this Section A3 for Academic and Medical Teaching Services provided by Harbor-UCLA Medical Center, Charles R. Drew University, and David Geffen School of Medicine at UCLA faculty at DMH designated sites. Upon receipt and approval of invoices from the University, DMH shall directly reimburse each aforementioned practice plan for services set forth in Section A2.2, ("Scheduling and Content of Sessions), A2.4 and A2.5 according to the levels and rates set forth in A3.1 ("Countywide Academic and Medical Teaching Services Program"), and A3.2 and A3.3 (Additional Academic and Medical Teaching Services).

University shall submit invoices to:

DMH ACADEMIC ADMINISTRATOR
COUNTY OF LOS ANGELES- DEPARTMENT OF MENTAL HEALTH
550 SOUTH VERMONT AVENUE, 12TH FLOOR
LOS ANGELES, CALIFORNIA 90020

DMH shall send payment to:

UCLA-NEUROPSYCHIATRIC INSTITUTE
DEPARTMENT OF FINANCE
760 WESTWOOD PLAZA, ROOM B7-35
LOS ANGELES, CALIFORNIA 90024-1759
ATTENTION: ASSISTANT DIRECTOR OF FINANCE

UCLA-HARBOR MEDICAL FOUNDATION, INC.
21840 SOUTH NORMANDIE AVENUE, SUITE 200
TORRANCE, CALIFORNIA 90502
ATTENTION: CHIEF EXECUTIVE OFFICER

CHARLES R. DREW UNIVERSITY
DEPARTMENT OF PSYCHIATRY - HAWKINS BUILDING 1021
1720 EAST 120TH STREET LOS ANGELES, CA 90059
ATTENTION: CHAIRMAN OF PSYCHIATRY & HUMAN BEHAVIOR

Addendum B

Edmund D. Edelman Westside Mental Health Program

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B4 FINANCIAL PROVISIONS 5

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B4.2 MANAGEMENT AND ADMINISTRATION 5

B1 INTRODUCTION

B1.1 General

University and DMH agree that this Addendum B shall be adopted under section 2.1 ("Academic and Medical Teaching Services") of the Affiliation Agreement of July 1st, 2006, between University and DMH. University and DMH further agree that this Addendum B shall be subject to all of the provisions of that Agreement governing Academic and Medical Teaching Services, except where otherwise specified in this Addendum B.

B2 DESCRIPTION OF SERVICES

B2.1 Services

University shall place fifth-year psychiatric fellows and psychiatric residents at Edelman to provide Academic and Medical Teaching Services. These services shall be measured and provided in terms of "sessions," as provided in the main Affiliation Agreement.

B2.2 Content of Sessions

The initial content of sessions for psychiatry fellows and residents shall be developed by University to provide academic training and clinical experience at Edelman as part of the mental health program provided at this site.

In developing the initial content of these sessions, University shall ensure that fellows and residents:

a) Engage Edelman clients in medication evaluation, medication support, and crisis intervention;

b) Participate in multidisciplinary team meetings and case planning discussions with the Edelman staff; and

c) Receive direct supervision by Edelman psychiatrists who hold clinical faculty appointments at UCLA School of Medicine including performance evaluations and oversight of training experience in a community-based, integrated, multidisciplinary team treatment approach.

The initial session content developed by University Faculty shall be subject to review and modification by the Joint Mental Health Operations Committee ("Committee"), as provided in section 5.1.1.5.3 in the main Affiliation Agreement.

B3 ADDITIONAL PROVISIONS

B3.1 Medical Students

University may place medical students, at no cost to DMH, for their outpatient psychiatry rotations at Edelman. County Mental Health Psychiatrists will provide supervision of these students. DMH Director reserves the right to limit the scope of supervision if such supervision interferes with the other duties of County Mental Health Psychiatrists. These students shall be subject to the notification requirements set forth in section 3.1.4 of the Agreement.

B3.2 Edelman Clinical Staff

Edelman clinical staff qualified for faculty appointment may become faculty of UCLA for services provided under this agreement in accordance with County regulations regarding outside employment.

B4 FINANCIAL PROVISIONS

B4.1 Amount of Services to Be Provided

Each year of this Agreement, University shall provide the Academic and Medical Teaching Services described in section B2.1 ("Services") according to the levels and rates set forth in the following chart:

Positions	*Number of Sessions*	*Session Rate*	*Cost*
Community Psychiatric Fellow(s) (PGY-5)		$0.00	$0.00
Child and Adolescent Psychiatric Fellows		$0.00	$0.00
Community Psychiatric Residents		$0.00	$0.00
TOTAL			$0.00

B4.2 Management and Administration

Each year of this Agreement, University shall contribute, at no cost to DMH and in recognition of the collaborative nature of this Affiliation, the managerial and administrative activities necessary to implement the program of services described in this Addendum. These activities include participation in the Joint Mental Health Operations Committee as called for in this Addendum and this Affiliation Agreement.

Addendum C

Training, Intervention, Education, and Support ("TIES") for Adoption

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C1 INTRODUCTION

C1.1 General

University and DMH agree that this Addendum D shall be adopted under section 2.2 ("Mental Health Services") of the Affiliation Agreement of July 1st, 2006, between University and DMH. University and DMH further agree that this Addendum D shall be subject to all of the provisions of that Agreement governing Mental Health Services, except where otherwise specified in this Addendum D.

C1.2 Conflicting Negotiation Package Terms Superseded by Terms of this Addendum

As provided in section 3.2.1.1 and 4.2.2.1 of the main Affiliation Agreement, terms contained in this Addendum shall supersede conflicting terms in the Negotiation Package submitted by University in connection with this Mental Health Services Program.

C2 DESCRIPTION OF SERVICES

C2.1 Overview

University shall provide Mental Health Services to County through its Training, Intervention, Education, and Services ("TIES") for Adoption Program (the "Program"). The provision of these services is intended to promote successful adoption, growth, and development of children with special needs, including prenatal substance exposure, who are in foster care. The program provides adoptive parents with the training and support they need to facilitate successful adoption of children for whom, historically, it has been difficult to find adoptive homes, and supports the children through the adoption process. Many of these children have had multiple placements primarily due to mental health and behavioral problems that impair their functioning and jeopardize the stability of placements.

The Mental Health Services to be provided by University shall include medication support, case management services, and case management brokerage, to be provided individually or through group counseling. The Mental Health Services shall be provided countywide from the service site located at 1000 Veteran Avenue, Los Angeles, California, 90095-7142 (the "Service Site"), which is located near the UCLA campus.

Depending on the child's presenting problems and the parents' needs, a family may receive one or more of several Mental Health Services through the Program:

a) Record review and consultation;

b) Parent counseling;

c) Child therapy;

d) Psychological assessment of child;

e) Parent support group;

f) Psychiatric evaluation;

g) Pediatric consultation; and

h) Mental health related educational consultation.

University shall assign a coordinator as a case manager for all children (and their foster parents, adoptive parents, and their childrens' social workers) receiving Mental Health Services through the Program.

Depending on each client's needs, the Mental Health Services to be provided by University may include those described in detail in section C3 ("University Responsibilities").

C3 UNIVERSITY RESPONSIBILITIES

C.3.1 Program Services

C3.1.1 Assessment and Evaluation

C3.1.1.1 Record Review and Consultation

When record review and consultation are requested, the appropriate Program staff specialist(s) shall review all available records on the child (for example, psychologist records for psychological evaluations, pediatrician records for medical records, psychiatrist records for psychiatric issues and medication questions, mental health and educational rehabilitation coordinator records for school records and issues related to mental health functioning). In a meeting of all involved staff members, mental health, medical, and educational issues shall be discussed; the need for further information and assessment shall be identified, and recommendations for interventions shall be developed. If the family and child live too far from the Service Site, the Program shall make referrals to professionals or agencies in the home community.

C3.1.1.2 Psychological Assessment and Testing

C3.1.1.2.1 Assessment

A clinical analysis of the child's history, including foster and/or adoptive placement history, and current status of the child's mental, or emotional/behavioral disorder is performed by the appropriate specialists on the Program staff to determine the type(s) of services that will be provided to the child, parent(s), or family.

C3.1.1.2.2 Testing

Some children may receive psychological testing in order to more fully understand their cognitive, behavioral/emotional, and academic functioning, and to assist in diagnosis. They shall be tested by a licensed psychologist or by an unlicensed psychologist or advanced graduate student in clinical psychology (with a master's degree in clinical

psychology) under close supervision by a licensed clinical psychologist. Parents may be asked to fill out questionnaires regarding the child's behavioral functioning and temperament.

C3.1.2 Counseling and Intervention Services

C3.1.2.1 Individual Therapy for Child

Individual play psychotherapy is provided to children between age three (3) and eight (8) to (a) ameliorate symptoms and feelings of grief and loss, (b) cope with previous trauma, abuse, and neglect; (c) deal with impaired self-esteem, (d) process ambivalent feelings about joining a new family; and (e) develop strategies to deal with feelings of anger and help them achieve greater behavioral control.

C3.1.2.2 Collateral Parent Counseling

Collateral parent counseling is offered on a weekly basis and may be short-term or long-term depending upon the severity of the child's mental health needs and issues of the parents. Parents are helped to (a) understand children's behavior and symptoms in the light of their previous experiences and possible traumatic history; (b) develop effective behavior strategies for their child; (c) understand the child's temperament and develop parenting strategies for the child's particular temperamental characteristics; (d) deal with attachment, grief, and loss issues of the child and the family; (e) understand normal child development and developmental stages; and (f) cope with the challenges of being a new parent to a child with special needs. Usually, parent counseling will be provided at the Service Site. Occasionally, however, home visits will be planned, particularly with parents of very young children.

C3.1.2.3 Child Group Psychotherapy

Child psychotherapy groups shall meet concurrently with five (5) of the six (6) parent psychotherapy groups. Group activities shall be conducted that help the children understand the shared experiences of adoption and loss of previous caregivers and relationships. Group leaders shall help children develop social skills and encourage children to verbally express themselves.

C3.1.2.4 Parent Collateral Group Therapy

Collateral group therapy for parents is held once per month for one and a half (1.5) hours.

C3.1.3 Psychological Testing

Cares that present challenging questions about the child's cognitive, academic, behavioral, emotional functioning, and/or diagnosis shall be referred to the Program's Assessment Coordinator by the clinician. The primary clinician (case manager) shall provide basic background information and the current questions/concerns. The background information for cases that are considered for psychological testing are reviewed and appropriate cases are scheduled for psychological testing with a psychologist, unlicensed Ph.D., Psy.D., or advanced graduate student with a master's degree in clinical psychology. Assessment reports are supervised by the Assessment Coordinator.

C3.2 Staffing and Personnel Providing Mental Health Services

C3.2.1 General

University shall provide the Mental Health Services under this Agreement through psychiatrists, pediatricians, psychologists, clinical social workers, mental health rehabilitation specialists, and graduate students in the Ph.D. program in Clinical Psychology at UCLA.

C3.2.2 Unlicensed Psychologists and Social Workers

All unlicensed psychologists and social workers will receive weekly individual and group supervision provided by a licensed staff member.

C3.2.3 Graduate Students

University's graduate students shall serve as psychological assessors, therapists for parents and children, and support group facilitators in providing Mental Health Services under this Agreement. All graduate students shall hold master's degrees in clinical psychology and shall be closely supervised by licensed clinical psychologists. University's supervisors shall ensure that these students provide services commensurate with their experience and level of education.

C3.2.4 Volunteers

Volunteers shall assist Program staff members during children support groups and shall assist the group leaders with group activities. Additionally, volunteers shall attend a quarterly meeting run by a licensed

psychologist. Volunteers will be required to undergo a background/fingerprint check and will sign a Statement of Confidentiality. A licensed staff member shall supervise and provide direction to these students throughout the group.

C3.2.5 Confidentiality

The University shall inform all of its students and volunteers about the confidential nature of the client information obtained during participation in the Program. All students and volunteers shall be required to sign a Statement of Confidentiality form indicating that they understand and agree to maintain the confidentiality of the information with which they will come into contact.

C3.3 Eligibility and Referral to the Program

All children must be covered under the Medi-Cal with EPSDT, have emotional disturbance, and meet Medi-Cal medical necessity criteria in order to be eligible to obtain Mental Health Services through the Program.

C3.3.1 Informing Prospective Parents about the Program

Prospective adoptive parents of the children to be served, may be introduced to the Program and its services during their participation in mandatory adoptive parents training sessions ("MAPP") provided by the County Department of Children and Family Services ("DCFS") for unattached (recruited) families. A Program staff member shall attend the final MAPP meeting and present information about the services that are available through the Program.

C3.3.2 Referral and Intake Procedures

After completing the preparation sessions and when they are matched with a child, the family should contact their DCFS Adoptions Division CSW if they wish to access Program services. In other cases, families may elect to request Program services several weeks or months after the child has been placed in their home. The family's CSW or the Program's DCFS liaison shall contact the Program's Intake Coordinator who shall obtain basic demographic information about the family and child, presenting problems and the type(s) of service they are requesting. Intake will be conducted by a University clinician who is either a LCSW or a psychologist (Ph.D. or Psy.D.). The LCSW shall forward background information about the child to the Program with appropriate consent forms to be signed (Declaration in Support of Access to Juvenile Records Form, see California Welfare and Institutions Code section 827). Intake hours are between 9:00 a.m. and 6:00 p.m., Monday through Friday.

Should families contact the Program directly requesting services, they will be referred back to their CSW and the above intake procedure shall be followed.

C3.3.3 Assignment of Cases

The Program's Intake Coordinator and the Assistant Project Director I shall review the information received and assign the case to the appropriate professionals on the University's interdisciplinary team. Usually, cases shall be assigned within a week of first contact with the referring CSW, unless there is a delay in receiving the intake referral and/or background information from DCFS. First contact with the family by phone or in person usually shall occur within one (1) to two (2) weeks after initial contact with the referring CSW.

C3.4 Availability and Scheduling of Mental Health Services

As of the date of execution of this Addendum, there is no waiting list for Mental Health Services through the Program, except for the support groups for children and for parents. In the event that a waiting list becomes necessary, children will be seen in the order in which their families requested services. However, cases will also be prioritized based on the severity of the presenting problem of the child and the level of distress expressed by the prospective adoptive families. Children whose behavior is more disturbed (for example, running away or exhibiting aggressive behavior) or families expressing more concern about the viability of the placement will be moved to the top of the waiting list and will be seen as soon as a mental health professional on the staff has an opening.

C3.5 Discharge

Cases shall be closed when children and their families have met their treatment goals. Treatment goals are related to improvement of the child's social functioning and skills, and reduction of emotional and behavioral symptoms. In addition, treatment goals relate to the successful transition of the child into their new home and working through their grief and loss, as well as the parents' increased confidence and competence in parenting a special needs child.

Discharge planning shall be discussed with the child(ren) and their caregivers and an appropriate termination plan shall be developed and carried through all treatment staff practice within the scope of their license or area of educational background. All written paperwork, including Service Plans, Coordination Plans, and Outcome Measures will be prepared within the timeframe specified by the County.

When a family is discharged from all forms of treatment, they will be advised that they can contact their therapist or the Program Director at a future time if a need

for additional services arises. If necessary, they may be referred to resources in their communities.

C3.6 Agency Discharge/Follow-Up Procedures

Families who receive time-limited services such as record review and consultation or psychological assessment through the Program, need further follow-up, and cannot receive on-going services at the service site because of the site's distance from their home shall be referred to individual practitioners and/or agencies in the family's community. Every effort shall be made to locate practitioners who accept Medi-Cal, when necessary, and to find clinicians who are familiar with the issues facing children in foster care and adoption.

C4 FUNDING AND REIMBURSEMENT

C4.1 County Obligation

By virtue of their involvement with the Department of Children and Family Services Adoption Division, all children served by this Program will have full scope Medi-Cal.

Therefore, the Program will be effectively funded by EPSDT funds and County General Funds. The Maximum Contract Amount for this Program for each Contract Year shall not exceed _____dollars ($_____).

C4.2 County Responsibilities

County's responsibilities under this Addendum are:

a) Serve as fiscal intermediary for EPSDT funds; and

b) Provide funding each Contract Year not to exceed the annual amount of _____ dollars ($_____).

C4.3 Maximum Contract Amount (Adopted Budget)

The Maximum Contract Amount for the Program is $_____ for each Contract Year.

The Program will be effectively funded by EPSDT Growth CGF Match funds in the amount of _____ dollars ($_____), Non EPSDT-FFP CGF Match funds in the amount of _____ dollars ($_____), EPSDT-SGF funds in the amount of _____dollars ($_____), EPSDT-FFP funds in the amount of _____ dollars ($_____), and non EPSDT-FFP funds in the amount of _____ dollars ($_____).

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
AFFILIATION AGREEMENT

SAFELY SURRENDERED BABY LAW FACT SHEET

(IN ENGLISH AND SPANISH)

No shame.
No blame.
No names.

Newborns can be safely given up at any Los Angeles County hospital emergency room or fire station.

In Los Angeles County:
1-877-BABY SAFE
1-877-222-9723
www.babysafela.org

State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director

Los Angeles County Board of Supervisors
Gloria Molina, Supervisor, First District
Yvonne Brathwaite Burke, Supervisor, Second District
Zev Yaroslavsky, Supervisor, Third District
Don Knabe, Supervisor, Fourth District
Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena.
Sin culpa.
Sin peligro.

Los recién nacidos pueden ser entregados en forma segura en la sala de emergencia de cualquier hospital o en un cuartel de bomberos del Condado de Los Angeles.

En el Condado de Los Angeles:
1-877-BABY SAFE
1-877-222-9723
www.babysafela.org

Estado de California
Gray Davis, Gobernador

Agencia de Salud y Servicios Humanos
(Health and Human Services Agency)
Grantland Johnson, Secretario

Departamento de Servicios Sociales
(Department of Social Services)
Rita Saenz, Directora

Consejo de Supervisores del Condado de Los Angeles
Gloria Molina, Supervisora, Primer Distrito
Yvonne Brathwaite Burke, Supervisora, Segundo Distrito
Zev Yaroslavsky, Supervisor, Tercer Distrito
Don Knabe, Supervisor, Cuarto Distrito
Michael D. Antonovich, Supervisor, Quinto Distrito

Esta Iniciativa tambien esta apollada por First 5 LA y INFO LINE de Los Angeles

¿Qué es la Ley de Entrega de Bebés Sin Peligro?

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura, dentro de los tres días del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden empezar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles, al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

En la mayoría de los casos, los padres son los que llevan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entregue a su bebé a un empleado del hospital o de un cuartel de bomberos.

¿Es necesario que el padre/madre diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adonde recurrir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 25 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

Cada recién nacido merece una oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele qué otras opciones tiene.

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.

ATTESTATION REGARDING FEDERALLY FUNDED PROGRAMS

In accordance with your agreement with the County of Los Angeles Department of Mental Health under Paragraph (UNIVERSITY'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM):

I, the undersigned certify that I am not presently excluded from participation in federally funded health care programs, nor is there an investigation presently pending or recently concluded of me which is likely to result in my exclusion from any federally funded health care program, nor am I otherwise likely to be found by a federal or state agency to be ineligible to provide goods or services under the federally funded health care programs.

I further certify as the official responsible for the administration of _____ _____, (hereafter "Contractor") that all of its officers, employees, agents and/or sub-contractors are not presently excluded from participation in any federally funded health care programs, nor is there an investigation presently pending or recently concluded of any such officers, employees, agents and/or sub-contractors which is likely to result in an exclusion from any federally funded health care program, nor are any of its officers, employees, agents and/or sub-contractors otherwise likely to be found by a federal or state agency to be ineligible to provide goods or services under the federally funded health care programs.

I understand and certify that I will notify DMH within thirty (30) calendar days, in writing of:

- Any event that would require Contractor or any of its officers, employees, agents and/or sub-contractors exclusion or suspension under federally funded health care programs, or
- Any suspension or exclusionary action taken by an agency of the federal or state government against Contractor, or one or more of its officers, employees, agents and/or sub-contractors, barring it or its officers, employees, agents and/or sub-contractors from providing goods or services for which federally funded healthcare program payment may be made.

Name of authorized official _____
Please print name

Signature of authorized official _____ Date _____

ATTACHMENT III

CHARITABLE CONTRIBUTIONS CERTIFICATION

_____
Company Name

_____
Address

_____
Internal Revenue Service Employer Identification Number

_____
California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

Check the Certification below that is applicable to your company.

☐ Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

☐ Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.

_____ _____
Signature Date

_____
Name and Title of Signer (please print)

ATTACHMENT B

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH

CONTRACTING WITH MINORITY/WOMEN-OWNED FIRMS PERCENTAGE OF OWNERSHIP IN FIRM

AFFILIATION AGREEMENTS

	Contractor/Firm	Firm Status	Black/African		Hispanic/Latin		Asian American		White	
			% Men	% Women	% Men	% Women	% Men	% Women	% Men	% Women
1	The Regents of the University of California, Los Angeles	*N/A								

Firm Status: NP = Non Profit P= For Profit G=Governmental

N/A = Designated as an academic institution and is contracted for educational training.