

MARVIN J. SOUTHARD, D.S.W.

Director

SHEILA A. SHIMA

Chief Deputy Director

RODERICK SHANER, M.D.

Medical Director



BOARD OF SUPERVISORS

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DEPARTMENT OF MENTAL HEALTH

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

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

<http://dmh.lacounty.gov>

May 3, 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:

**APPROVAL TO RENEW 38 DEPARTMENT OF MENTAL HEALTH  
LEGAL ENTITY AGREEMENTS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute the renewal of 38 Department of Mental Health (DMH) Legal Entity (LE) Agreements as listed in Attachment I and substantially similar to the Agreement format in Attachment II, with Maximum Contract Amounts (MCA) totaling \$143,473,900 for each Fiscal Year (FY) 2007-08, 2008-09, and 2009-10, for the provision of continuous, uninterrupted mental health services to severely and persistently mentally ill adults, seriously emotionally disturbed (SED) children, adolescents, and their families throughout the County of Los Angeles. The total contract costs of \$143,473,900 are fully funded by State revenues (38%), Federal revenues (43%), Intrafund Transfers (4%), and net County cost (NCC) and/or Realignment funds (15%), that are included in the FY 2007-08 Proposed Budget as detailed in the Fiscal Impact/Financing section.

The term of 33 LE Agreements will be effective July 1, 2007, through June 30, 2008, with a provision for two (2) automatic one-year renewal periods. The term of five (5) LE Agreements with Institution for Mental Disease (IMD) contractors will be effective July 1, 2007, through June 30, 2008, with a provision for one (1) automatic one-year renewal period.

2. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to these LE Agreements, provided that: 1) the County's total payments to a contractor under each Agreement for each applicable FY shall not exceed an increase of 20 percent from the applicable

*"To Enrich Lives Through Effective And Caring Service"*

Board approved MCA or per diem rates; 2) any such 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 MCA, provided that any amendments which reduce programs or services will be consistent with the principles agreed to in DMH's stakeholders' process and will reflect DMH's FY 2007-08 Adopted Budget approved by your Board; 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**

Board approval is required because these 38 LE Agreements will expire on June 30, 2007, and the renewal of these agreements is required to continue the provision of services without interruption to severely and persistently mentally ill adults and SED children, adolescents, and their families.

#### **Implementation of Strategic Plan Goals**

The recommended Board actions are consistent with the principles of the Countywide Strategic Plan's Programmatic Goals No. 5, "Children and Families' Well-Being," and No. 7, "Health and Mental Health." Renewing these agreements will allow for continuous and uninterrupted mental health services to existing mental health clients throughout Los Angeles County and for the collaborative partnership between government and community agencies.

#### **FISCAL IMPACT/FINANCING**

There is no increase in NCC.

The MCA for each LE Agreement is shown in Attachment I. For FY 2007-08, the MCAs totaling \$143,473,900 for these 38 LE Agreements will be funded by the following revenue sources that are included in the FY 2007-08 Proposed Budget:

1) State revenues	\$53,867,928
2) Federal revenues	\$62,168,180
3) Intrafund transfers	\$ 5,471,558
4) NCC/Realignment funds	\$21,966,234

For FYs 2008-09 and 2009-10, funding will be requested during DMH's annual budget process. The MCAs for FYs 2007-08, 2008-09, and 2009-10, that are shown in Attachment I, may be subject to change because of anticipated budgetary factors which may impact the funding that is given to the County by the State and/or the federal government on an annual basis.

The LE Agreements include provisions that permit the County to reduce the MCAs or terminate the agreements, whichever is applicable under the terms of the agreements, if, as a result of the adoption of the County and State budgets, funding for these agreements is reduced.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The LE Agreements with Short-Doyle/Medi-Cal mental health services contractors provide for a broad range of mental health services to severely and persistently mentally ill adults, SED children, adolescents, and their families, pursuant to the California Welfare and Institutions Code (WIC), Division 5, Part 2, Chapter 1, Section 5602. These mental health services include, but are not limited to, diagnosis, evaluation, treatment, day care, respite care, living arrangements, community skill training, information, referral, consultation, and community services.

The attached 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 agreements, evaluate programs to ensure that quality services are being provided to clients, and ensure that Agreement provisions and Departmental policies are being followed.

Attachment I lists the 38 LE Agreement renewals for FYs 2007-08, 2008-09, and 2009-10 specifying the contractors, Supervisorial Districts, Agreement terms, and MCAs per FY for each Agreement.

Attachment II is the revised LE Agreement format.

The Honorable Board of Supervisors  
May 3, 2007  
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Attachment III details the Los Angeles County Community Business Enterprise (LAC/CBE) Program, Firm/Organization Information – Contract Listing with Minority/Women-Owned Firms.

### **CONTRACTING PROCESS**

All of the 38 LE Contractors have existing agreements with DMH, which expire on June 30, 2007, and are being renewed because of the continuing need for their services. As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure the contractors' compliance with all contract terms and performance standards.

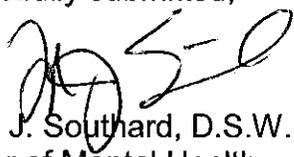
### **IMPACT ON CURRENT SERVICES**

The renewal of these 38 LE Agreements will allow for continued and uninterrupted mental health services to existing mental health clients throughout Los Angeles County. Without Board approval, essential mental health services will be curtailed and inaccessible to communities.

**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 Department of Mental Health 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 (3)

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

**COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH**  
**Contracts Development and Administration Division**

ATTACHMENT I

**CONTRACT RENEWALS FOR FYs 2007-2008, 2008-2009, AND 2009-2010**  
**LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS**

Item No.	Contractor Legal Entity (LE) No.	Sup. Dist. (HQ)	Agreement Term	Maximum Contract Amount (MCA)		
				FY 2007-2008	FY 2008-2009	FY 2009-2010
1	AMADA Enterprises, Inc. dba View Heights Convalescent Hospital 12619 South Avalon Boulevard Los Angeles, CA 90061 LEGAL ENTITY (LE) # 00324	2	2 Years	++	++	N/A
2	Catholic Healthcare West dba California Hospital Medical Center 1401 S. Grand Avenue, Leavey Hall #304 Los Angeles, CA 90015 LEGAL ENTITY (LE) # 01285	1	3 Years	\$932,600	\$932,600	\$932,600
3	Cedars-Sinai Medical Center 8730 Alden Drive - Thaliens, Room W104 Los Angeles, CA 90048 LEGAL ENTITY (LE) # 00178	3	3 Years	\$1,237,400	\$1,237,400	\$1,237,400
4	Child and Family Guidance Center 9650 Zelzah Avenue Northridge, CA 91325-2003 LEGAL ENTITY (LE) # 00207	3	3 Years	\$19,293,500	\$19,293,500	\$19,293,500
5	The Children's Center of the Antelope Valley 45111 Fern Avenue Lancaster, CA 93534 LEGAL ENTITY (LE) # 01066	5	3 Years	\$1,242,900	\$1,242,900	\$1,242,900
6	Community Care Center, Inc. 2335 South Mountain Avenue Duarte, CA 91010 LEGAL ENTITY (LE) # 00311	5	2 Years	++	++	N/A
7	Community Family Guidance Center 10929 South Street, Suite 208B Cerritos, CA 90703 LEGAL ENTITY (LE) # 00181	4	3 Years	\$4,241,600	\$4,241,600	\$4,241,600
8	Counseling4Kids 601 S. Glenoaks Boulevard, Suite 200 Burbank, CA 91502 LEGAL ENTITY (LE) # 00694	5	3 Years	\$3,998,100	\$3,998,100	\$3,998,100
9	David & Margaret Home, Inc. 1350 Third Street La Verne, CA 91750 LEGAL ENTITY (LE) # 01227	5	3 Years	\$1,504,100	\$1,504,100	\$1,504,100
10	Dubnoff Center for Child Development and Educational Therapy 10526 Dubnoff Way North Hollywood, CA 91606 LEGAL ENTITY (LE) # 00184	3	3 Years	\$2,226,000	\$2,226,000	\$2,226,000
11	El Centro del Pueblo, Inc. 1157 Lemoyne Street Los Angeles, CA 90026 LEGAL ENTITY (LE) # 01250	1	3 Years	\$600,000	\$600,000	\$600,000
12	Emotional Health Association dba SHARE! The Self Help and Recovery Exchange 5521 Grosvenor Boulevard Los Angeles, CA 90066 LEGAL ENTITY (LE) # 01311	2	3 Years	\$411,600	\$411,600	\$411,600

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Contracts Development and Administration Division**

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Item No.	Contractor Legal Entity (LE) No.	Sup. Dist. (HQ)	Agreement Term	Maximum Contract Amount (MCA)		
				FY 2007-2008	FY 2008-2009	FY 2009-2010
13	FH & HF Torrance I, LLC c/o Health Quality Management Group dba Sunnyside Rehabilitation and Nursing Center and Sunnyside Retirement Center 18757 Burbank Boulevard, Suite 130 Tarzana, CA 91356 LEGAL ENTITY (LE) # 00993	3	3 Years	\$833,900	\$833,900	\$833,900
14	Filipino-American Service Group, Inc. 135 N. Parkview Street Los Angeles, CA 90026 LEGAL ENTITY (LE) # 00302	1	3 Years	\$57,400	\$57,400	\$57,400
15	The Guidance Center 4335 Atlantic Boulevard Long Beach, CA 90807 LEGAL ENTITY (LE) # 00191	4	3 Years	\$9,261,600	\$9,261,600	\$9,261,600
16	Hamburger Home dba Aviva Family and Children's Services dba Aviva Center 7120 Franklin Avenue Hollywood, CA 90046 LEGAL ENTITY (LE) # 00174	3	3 Years	\$5,803,700	\$5,803,700	\$5,803,700
17	Heritage Clinic and The Community Assistance Program For Seniors 447 N. El Molino Avenue Pasadena, CA 91101 LEGAL ENTITY (LE) # 00965	5	3 Years	\$537,900	\$537,900	\$537,900
18	Hillview Mental Health Center, Inc. 12450 Van Nuys Boulevard Pacoima, CA 91331-1352 LEGAL ENTITY (LE) # 00194	3	3 Years	\$8,825,000	\$8,825,000	\$8,825,000
19	The Institute for the Redesign of Learning dba Almansor Center 1137 Huntington Drive, Suite B South Pasadena, CA 91030 LEGAL ENTITY (LE) # 00171	5	3 Years	\$6,995,000	\$6,995,000	\$6,995,000
20	Landmark Medical Services, Inc. 2030 North Garey Avenue Pomona, CA 91767 LEGAL ENTITY (LE) # 00313	1	2 Years	++	++	N/A
21	LeRoy Haynes Center for Children and Family Services, Inc. 233 West Baseline Road* La Verne, CA 91750 LEGAL ENTITY (LE) # 00697	5	3 Years	\$2,453,800	\$2,453,800	\$2,453,800
22	Los Angeles Unified School District 333 S. Beaudry Avenue, 18th Floor Los Angeles, CA 90017 LEGAL ENTITY (LE) # 00315	1	3 Years	\$2,266,800	\$2,266,800	\$2,266,800
23	Maryvale 7600 E. Graves Avenue Rosemead, CA 91770 LEGAL ENTITY (LE) # 01034	1	3 Years	\$2,366,000	\$2,366,000	\$2,366,000

**COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH**  
**Contracts Development and Administration Division**

ATTACHMENT I

**CONTRACT RENEWALS FOR FYS 2007-2008, 2008-2009, AND 2009-2010**  
**LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS**

Item No.	Contractor Legal Entity (LE) No.	Sup. Dist. (HQ)	Agreement Term	Maximum Contract Amount (MCA)		
				FY 2007-2008	FY 2008-2009	FY 2009-2010
24	McKinley Children's Center, Inc. 762 W. Cypress Street San Dimas, CA 91773 LEGAL ENTITY (LE) # 00971	5	3 Years	\$2,814,600	\$2,814,600	\$2,814,600
25	National Mental Health Association of Greater Los Angeles 100 West Broadway, Suite 5010 Long Beach, CA 90802 LEGAL ENTITY (LE) # 00200	4	3 Years	\$13,061,400	\$13,061,400	\$13,061,400
26	Pacific Asian Counseling Services (formerly WRAP Family Services) 8616 La Tijera Boulevard, Suite 200 Los Angeles, CA 90045 LEGAL ENTITY (LE) # 00579	4	3 Years	\$2,139,600	\$2,139,600	\$2,139,600
27	Pasadena Unified School District 325 South Oak Knoll Avenue Pasadena, CA 91101 LEGAL ENTITY (LE) # 01228	5	3 Years	\$1,597,700	\$1,597,700	\$1,597,700
28	Pediatric & Family Medical Center dba Eisner Pediatric & Family Medical Center 1500 South Olive Street Los Angeles, CA 90015 LEGAL ENTITY (LE) # 00711	1	3 Years	\$548,100	\$548,100	\$548,100
29	PROTOTYPES, Centers for Innovation in Health, Mental Health and Social Services 5601 W. Slauson Avenue, Suite 200 Culver City, CA 90230 LEGAL ENTITY (LE) # 00838	2	3 Years	\$5,225,300	\$5,225,300	\$5,225,300
30	Providence Community Services, LLC (formerly Aspen Community Services) 12750 Center Court Drive, Suite 380 Cerritos, CA 90703 LEGAL ENTITY (LE) # 00801	4	3 Years	\$2,933,400	\$2,933,400	\$2,933,400
31	San Fernando Valley Community Mental Health Center, Inc. 6931 Van Nuys Boulevard, 3rd Floor Van Nuys, CA 91405 LEGAL ENTITY (LE) # 00208	3	3 Years	\$25,878,100	\$25,878,100	\$25,878,100
32	San Gabriel Valley Convalescent Hospital 260 East Brown Street, Suite 315 Birmingham, MI 48009 LEGAL ENTITY (LE) # 00308	N/A	2 Years	++	++	N/A
33	South Bay Children's Health Center Association, Inc. 410 S. Camino Real Redondo Beach, CA 90277 LEGAL ENTITY (LE) # 00213	4	3 Years	\$778,900	\$778,900	\$778,900
34	South Central Health and Rehabilitation Program (also known as SCHARP) 2610 Industry Way, Suite A Lynwood, CA 90262 LEGAL ENTITY (LE) # 00506	2	3 Years	\$6,165,500	\$6,165,500	\$6,165,500

**COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH**  
**Contracts Development and Administration Division**

ATTACHMENT I

**CONTRACT RENEWALS FOR FYS 2007-2008, 2008-2009, AND 2009-2010**  
**LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS**

Item No.	Contractor Legal Entity (LE) No.	Sup. Dist. (HQ)	Agreement Term	Maximum Contract Amount (MCA)		
				FY 2007-2008	FY 2008-2009	FY 2009-2010
35	SunBridge Meadowbrook Rehabilitation Center dba Meadowbrook Manor (formerly Meadowbrook Rehabilitation Center) 3951 East Boulevard Los Angeles, CA 90066 LEGAL ENTITY (LE) # 00314	2	2 Years	++	++	N/A
36	The Village Family Services 6736 Laurel Canyon Boulevard, Suite 200 North Hollywood, CA 91606 LEGAL ENTITY (LE) # 01224	3	3 Years	\$1,131,500	\$1,131,500	\$1,131,500
37	VIP Community Mental Health Center, Inc. (also known as VIP CMHC) 1721 Griffin Avenue Los Angeles, CA 90031 LEGAL ENTITY (LE) # 01044	1	3 Years	\$5,858,800	\$5,858,800	\$5,858,800
38	Watts Labor Community Action Committee - WLCAC (also known as WLCAC) 10950 S. Central Avenue Los Angeles, CA 90059 LEGAL ENTITY (LE) # 00310	2	3 Years	\$252,100	\$252,100	\$252,100
<b>TOTAL:</b>				<u>\$143,473,900</u>	<u>\$143,473,900</u>	<u>\$143,473,900</u>

\* Correspondence will be sent to mailing address (P. O. Box).

++ Institutions for Mental Disease (IMD) contracts do not have a Maximum Contract Amount, as services are purchased on an as needed basis and are limited to DMH's appropriation budgeted for IMD beds.

DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

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CONTRACTOR:

\_\_\_\_\_

\_\_\_\_\_ Contract Number

Business Address:

\_\_\_\_\_

\_\_\_\_\_ Reference Number(s)

\_\_\_\_\_

\_\_\_\_\_ Legal Entity Number

Provider Number(s) \_\_\_\_\_

Contractor Headquarters' Supervisorial District \_\_\_\_\_

Mental Health Service Area(s) \_\_\_\_\_ OR Countywide \_\_\_\_\_

**=====*Below This Line For Official CDAD Use Only*=====**

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## ATTACHMENTS

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4	<b>ATTACHMENT II</b> FINANCIAL EXHIBIT A (FINANCIAL PROVISIONS)
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12	<b>ATTACHMENT IX</b> CHARITABLE CONTRIBUTIONS CERTIFICATION
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LEGAL ENTITY AGREEMENT FY07-08 04/17/07

1                    DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

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3  
4                    THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
5 by and between the County of Los Angeles (hereafter "County"), and \_\_\_\_\_

6 \_\_\_\_\_  
7 \_\_\_\_\_ (hereafter "Contractor") with the following business address at \_\_\_\_\_  
8 \_\_\_\_\_  
9 \_\_\_\_\_.

10                    WHEREAS, County desires to provide to those persons in Los Angeles County  
11 who qualify therefor certain mental health services contemplated and authorized by the  
12 Bronzan-McCorquodale Act, California Welfare and Institutions Code (WIC) Section 5600  
13 et seq.; and

14                    WHEREAS, County desires through the County's Request for Statement of  
15 Qualification (RFSQ) process to provide to those persons in Los Angeles County who  
16 qualify therefor certain mental health services contemplated and authorized by the Mental  
17 Health Service Act (MHSA) adopted by the California electorate on November 2, 2004;  
18 and

19                    WHEREAS, Contractor is equipped, staffed, and prepared to provide these  
20 services as described in this Agreement; and

21                    WHEREAS, County believes it is in the best interest of the people of the County of  
22 Los Angeles to provide these services by contract; and

23                    WHEREAS, these services shall be provided by Contractor in accordance with all  
24 applicable Federal, State and local laws, required licenses, ordinances, rules, Regulations,  
25 manuals, guidelines, and directives, which may include, but are not necessarily limited to,  
26 the following: Bronzan-McCorquodale Act, California Welfare and Institutions Code  
27 Section 5600 et seq., including, but not limited to, Sections 5600.2, 5600.3, 5600.4,  
28 5600.9, 5602, 5608, 5651, 5670, 5670.5, 5671, 5671.5, 5672, 5705, 5709, 5710, 5716,  
29 5719, 5721, 5722, 5751.2, and 5900 et seq.; Medi-Cal Act, California Welfare and  
30 Institutions Code Section 14000 et seq., including, but not limited to, Section 14132.44;

1 California Welfare and Institutions Code Section 15600 et seq., including Section 15630;  
2 California Welfare and Institutions Code Section 17601 et seq.; California Work  
3 Opportunities and Responsibilities to Kids Act, California Welfare and Institutions Code  
4 Section 11200 et seq.; California Government Code Sections 26227 and 53703; Title XIX  
5 of the Social Security Act, 42 United States Code Section 1396 et seq.; Part B of Title XIX  
6 of the Public Health Service Act, 42 United States Code Section 300x et seq.; Title XXI of  
7 the Social Security Act; California Penal Code (PC) Section 11164 et seq.; Title 9 and Title  
8 22, including, but not limited to, Sections 51516, 70001, 71001, 72001 et seq., and 72443  
9 et seq. of the California Code of Regulations; State Department of Mental Health's  
10 (SDMH) Cost Reporting/Data Collection Manual (CR/DC); Los Angeles County DMH  
11 Organizational Provider's Manual for Specialty Mental Health Services under the  
12 Rehabilitation Option and Targeted Case Management Services; State Department of  
13 Mental Health's Cost and Financial Reporting System Instruction Manual; Federal Office of  
14 Management and Budget Circular A-122 (Cost principles for non-profit organizations);  
15 Federal Office of Management and Budget Circular A-133 (Audits of States, local  
16 governments, and non-profit organizations); Auditor-Controller Contract Accounting and  
17 Administration Handbook; policies and procedures developed by County; State's Medicaid  
18 Plan; and policies and procedures which have been documented in the form of Policy  
19 Letters issued by State Department of Mental Health; and/or for State Department of  
20 Health Services; and

21 WHEREAS, this Agreement is authorized by WIC Section 5600 et seq., California  
22 Government Code Sections 23004, 26227 and 53703, and otherwise.

23 NOW, THEREFORE, Contractor and County agree as follows:

24 **PREAMBLE**

25 For over a decade, the County has collaborated with its community partners to  
26 enhance the capacity of the health and human services system to improve the lives of  
27 children and families. These efforts require, as a fundamental expectation, that the  
28 County's contracting partners share the County and community's commitment to provide  
29 health and human services that support achievement of the County's vision, goals, values,  
30 and adopted outcomes. Key to these efforts is the integration of service delivery systems

1 and the adoption of the Customer Service and Satisfaction Standards.

2 The County of Los Angeles' Vision is to improve the quality of life in the County by  
3 providing responsive, efficient, and high quality public services that promote the self-  
4 sufficiency, well-being and prosperity of individuals, families, businesses and communities.  
5 This philosophy of teamwork and collaboration is anchored in the shared values of:

- 6
- Responsiveness
  - Professionalism
  - Accountability
  - Compassion
  - Integrity
  - Commitment
  - A Can-Do Attitude
  - Respect for Diversity

7

8 These shared values are encompassed in the County Mission to enrich lives  
9 through effective and caring service and the County Strategic Plan's eight goals: 1)  
10 Service Excellence; 2) Workforce Excellence; 3) Organizational Effectiveness; 4) Fiscal  
11 Responsibility; 5) Children and Families' Well-Being; 6) Community Services; 7) Health  
12 and Mental Health; and 8) Public Safety. Improving the well-being of children and families  
13 requires coordination, collaboration, and integration of services across functional and  
14 jurisdictional boundaries, by and between County departments/agencies, and community  
15 and contracting partners.

16 The basic conditions that represent the well-being we seek for all children and  
17 families in Los Angeles County are delineated in the following five outcomes, adopted by  
18 the Board of Supervisors in January 1993.

- 19
- Good Health;
  - 20 • Economic Well-Being;
  - 21 • Safety and Survival;
  - 22 • Emotional and Social Well-Being; and
  - 23 • Education and Workforce Readiness.

24 Recognizing no single strategy - in isolation - can achieve the County's outcomes of  
25 well-being for children and families, consensus has emerged among County and  
26 community leaders that making substantial improvements in integrating the County's  
27 health and human services system is necessary to significantly move toward achieving  
28 these outcomes. The County has also established the following values and goals for  
29 guiding this effort to integrate the health and human services delivery system:

- 1       ✓ Families are treated with respect in every encounter they have with the health,  
2       educational, and social services systems.
- 3       ✓ Families can easily access a broad range of services to address their needs,  
4       build on their strengths, and achieve their goals.
- 5       ✓ There is no "wrong door": wherever a family enters the system is the right  
6       place.
- 7       ✓ Families receive services tailored to their unique situations and needs.
- 8       ✓ Service providers and advocates involve families in the process of determining  
9       service plans, and proactively provide families with coordinated and  
10      comprehensive information, services, and resources.
- 11      ✓ The County service system is flexible, able to respond to service demands for  
12      both the Countywide population and specific population groups.
- 13      ✓ The County service system acts to strengthen communities, recognizing that  
14      just as individuals live in families, families live in communities.
- 15      ✓ In supporting families and communities, County agencies work seamlessly with  
16      public and private service providers, community-based organizations, and  
17      other community partners.
- 18      ✓ County agencies and their partners work together seamlessly to demonstrate  
19      substantial progress towards making the system more strength-based, family-  
20      focused, culturally-competent, accessible, user-friendly, responsive, cohesive,  
21      efficient, professional, and accountable.
- 22      ✓ County agencies and their partners focus on administrative and operational  
23      enhancements to optimize the sharing of information, resources, and best  
24      practices while also protecting the privacy rights of families.
- 25      ✓ County agencies and their partners pursue multi-disciplinary service delivery, a  
26      single service plan, staff development opportunities, infrastructure  
27      enhancements, customer service and satisfaction evaluation, and revenue  
28      maximization.
- 29      ✓ County agencies and their partners create incentives to reinforce the direction  
30      toward service integration and a seamless service delivery system.

- 1           ✓ The County human service system embraces a commitment to the disciplined  
2           pursuit of results accountability across systems. Specifically, any strategy  
3           designed to improve the County human services system for children and  
4           families should ultimately be judged by whether it helps achieve the County's  
5           five outcomes for children and families: good health, economic well-being,  
6           safety and survival, emotional and social well-being, and education and  
7           workforce readiness.

8           The County, its clients, contracting partners, and the community will continue to  
9           work together to develop ways to make County services more accessible, customer  
10          friendly, better integrated, and outcome-focused. Several departments have identified  
11          shared themes in their strategic plans for achieving these goals including: making an effort  
12          to become more consumer/client-focused; valuing community partnerships and  
13          collaborations; emphasizing values and integrity; and using a strengths-based and multi-  
14          disciplinary team approach. County departments are also working to provide the Board of  
15          Supervisors and the community with a better understanding of how resources are being  
16          utilized, how well services are being provided, and what are the results of the services: is  
17          anyone better off?

18          The County of Los Angeles health and human service departments and their  
19          partners are working together to achieve the following ***Customer Service And***  
20          ***Satisfaction Standards*** in support of improving outcomes for children and families.

21          *Personal Service Delivery*

22          The service delivery team – staff and volunteers – will treat customers and each  
23          other with courtesy, dignity, and respect.

- 24          • Introduce themselves by name  
25          • Listen carefully and patiently to customers  
26          • Be responsive to cultural and linguistic needs  
27          • Explain procedures clearly  
28          • Build on the strengths of families and communities

29          *Service Access*

30          Service providers will work proactively to facilitate customer access to services.

- 31          • Provide services as promptly as possible  
32          • Provide clear directions and service information

- 1 • Outreach to the community and promote available services
- 2 • Involve families in service plan development
- 3 • Follow-up to ensure appropriate delivery of services

4 Service Environment

5 Service providers will deliver services in a clean, safe, and welcoming environment,  
6 which supports the effective delivery of services.

- 7 • Ensure a safe environment
- 8 • Ensure a professional atmosphere
- 9 • Display vision, mission, and values statements
- 10 • Provide a clean and comfortable waiting area
- 11 • Ensure privacy
- 12 • Post complaint and appeals procedures

13 The basis for all County health and human services contracts is the provision of the  
14 highest level of quality services that support improved outcomes for children and families.  
15 The County and its contracting partners must work together and share a commitment to  
16 achieve a common vision, goals, outcomes, and standards for providing services.

17 1. TERM:

18 A. Initial Period: The Initial Period of this Agreement shall commence on \_\_\_\_\_  
19 \_\_\_\_\_ and shall continue in full force and effect through \_\_\_\_\_.

20 B. Automatic Renewal Period(s): After the Initial Period, this Agreement shall  
21 be automatically renewed two additional periods without further action by the parties  
22 hereto unless either party desires to terminate this Agreement at the end of either the  
23 Initial Period or First Automatic Renewal Period and gives written notice to the other party  
24 not less than 30 calendar days prior to the end of the Initial Period or at the end of the First  
25 Automatic Renewal Period, as applicable.

26 (1) First Automatic Renewal Period: If this Agreement is automatically  
27 renewed, the First Automatic Renewal Period shall commence on \_\_\_\_\_ and  
28 shall continue in full force and effect through \_\_\_\_\_.

29 (2) Second Automatic Renewal Period: If this Agreement is automatically  
30 renewed, the Second Automatic Renewal Period shall commence on \_\_\_\_\_  
31 and shall continue in full force and effect through \_\_\_\_\_.

32 C. Termination:

33 (1) This Agreement may be terminated by either party at any time without

1 cause by giving at least 30 calendar days prior written notice to the other party.

2 (2) This Agreement may be terminated by County immediately:

3 (a) If County determines that:

4 i. Any Federal, State, and/or County funds are not  
5 available for this Agreement or any portion thereof; or

6 ii. Contractor has failed to initiate delivery of services  
7 within 30 calendar days of the commencement date of this Agreement; or

8 iii. Contractor has failed to comply with any of the  
9 provisions of Paragraphs 17 (NONDISCRIMINATION IN SERVICES), 18  
10 (NONDISCRIMINATION IN EMPLOYMENT), 20 (INDEMNIFICATION AND  
11 INSURANCE), 21 (WARRANTY AGAINST CONTINGENT FEES), 22 (CONFLICT OF  
12 INTEREST), 27 (DELEGATION AND ASSIGNMENT), 28 (SUBCONTRACTING), 33  
13 (CHILD SUPPORT COMPLIANCE PROGRAM), 47 (CERTIFICATION OF DRUG-FREE  
14 WORK PLACE), and/or 53 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A  
15 FEDERALLY FUNDED PROGRAM); or

16 (b) In accordance with Paragraphs 34 (TERMINATION FOR  
17 INSOLVENCY), 35 (TERMINATION FOR DEFAULT), 36 (TERMINATION FOR  
18 IMPROPER CONSIDERATION), and/or 48 (COUNTY LOBBYISTS).

19 (3) This Agreement shall terminate as of June 30 of the last Fiscal Year  
20 for which funds for this Agreement were appropriated by County as provided in Paragraph  
21 5 (COUNTY'S OBLIGATION FOR CURRENT AND FUTURE FISCAL YEARS).

22 (4) In the event that this Agreement is terminated, then:

23 (a) On or after the date of the written notice of termination,  
24 County, in its sole discretion, may stop all payments to Contractor hereunder until  
25 preliminary settlement based on the Annual Cost Report. Contractor shall prepare an  
26 Annual Cost Report, including a statement of expenses and revenues, which shall be  
27 submitted pursuant to Attachment II, Financial Exhibit A (FINANCIAL PROVISIONS),  
28 Paragraph L (Annual Cost Reports), within 75 calendar days of the date of termination.  
29 Such preliminary settlement shall not exceed the Maximum Monthly Payment (see  
30 Attachment II, Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D (Billing and

1 Payment Procedures and Limitations), Subparagraph (6) (Maximum Monthly and Year-to-  
2 Date and Other Payment Limitations) multiplied by the actual number of months or portion  
3 thereof during which this Agreement was in effect during the particular Fiscal Year; and

4 (b) Upon issuance of any notice of termination, Contractor shall  
5 make immediate and appropriate plans to transfer or refer all patients/clients receiving  
6 services under this Agreement to other agencies for continuing services in accordance  
7 with the patient's/client's needs. Such plans shall be subject to prior written approval of  
8 Director or his designee, except that in specific cases, as determined by Contractor, where  
9 an immediate patient/client transfer or referral is indicated, Contractor may make an  
10 immediate transfer or referral. If Contractor terminates this Agreement, all costs related to  
11 all such transfers or referrals as well as all costs related to all continuing services shall not  
12 be a charge to this Agreement nor reimbursable in any way under this Agreement; and

13 (c) If Contractor is in possession of any equipment, furniture,  
14 removable fixtures, materials, or supplies owned by County as provided in Paragraph 44  
15 (PURCHASES), the same shall be immediately returned to County.

16 (5) Any termination of this Agreement by County shall be approved by  
17 County's Board of Supervisors.

18 D. Suspension of Payments: Payments to Contractor under this Agreement  
19 shall be suspended if Director, for good cause, determines that Contractor is in default  
20 under any of the provisions of this Agreement. Except in cases of alleged fraud or similar  
21 intentional wrongdoing, at least 30 calendar days notice of such suspension shall be  
22 provided to Contractor, including a statement of the reason(s) for such suspension.  
23 Thereafter, Contractor may, within 15 calendar days, request reconsideration of the  
24 Director's decision. Payments shall not be withheld pending the results of the  
25 reconsideration process.

26 E. Six Months Notification of Agreement Expiration: Contractor shall notify  
27 County when this Agreement is within six (6) months of expiration. Contractor shall send  
28 such notice to those persons and addresses which are set forth in Paragraph 61  
29 (NOTICES).

30 /

1 2. ADMINISTRATION: Director or his designee shall have the authority to administer  
2 this Agreement on behalf of County. Contractor shall designate in writing a Contract  
3 Manager who shall function as liaison with County regarding Contractor's performance  
4 hereunder.

5 3. DESCRIPTION OF SERVICES/ACTIVITIES: Contractor shall provide mental  
6 health services in the form as identified on the Financial Summary(ies) and Service  
7 Exhibit(s) and in the Program Description of Contractor's Negotiation Package for this  
8 Agreement as approved in writing by Director or his designee, including any addenda  
9 thereto as approved in writing by Director or his designee. Services provided by  
10 Contractor shall be the same regardless of the patient's/client's ability to pay or source of  
11 payment.

12 Contractor shall be responsible for delivering services to new clients to the extent  
13 that funding is provided by County. Where Contractor determines that services to new  
14 clients can no longer be delivered, Contractor shall provide 30 calendar days prior notice  
15 to County. Contractor shall also thereafter make referrals of new clients to County or other  
16 appropriate agencies.

17 Contractor shall not be required to provide the notice in the preceding paragraph  
18 when County reduces funding to Contractor, either at the beginning or during the fiscal  
19 year. In addition, when County cuts the funding for a particular program provided by  
20 Contractor, Contractor shall not be responsible for continuing services for those clients  
21 linked to that funding. Contractor shall also thereafter make referrals of those clients to  
22 County or other appropriate agencies.

23 Contractor may provide activities claimable as Title XIX Medi-Cal Administrative  
24 Activities pursuant to WIC Section 14132.44. The administrative activities which may be  
25 claimable as Title XIX Medi-Cal Administrative Activities are shown on the Financial  
26 Summary and are described in the policies and procedures provided by SDMH and/or  
27 SDHS.

28 Contractor may provide mental health services claimable as Early and Periodic  
29 Screening, Diagnosis, and Treatment (EPSDT) services.

30 If, during Contractor's provision of services under this Agreement, there is any need

1 for substantial deviation from the services as described in Contractor's Negotiation  
2 Package for this Agreement, as approved in writing by Director or his designee, including  
3 any addenda thereto as approved in writing by Director or his designee, then Contractor  
4 shall submit a written request to Director or his designee for written approval before any  
5 such substantial deviation may occur. A 30% variance of actual services from those  
6 projected and shown by Contractor in the Negotiation Package will be considered a  
7 substantial deviation in service delivery. The following language applies only to  
8 *Contractors found eligible to provide mental health services claimable under the Mental*  
9 *Health Services Act (MHSA):* Contractor has been found to be eligible to provide mental  
10 health services claimable as MHSA services. Contractor has demonstrated experience  
11 and training in its specialized field and has submitted to the County a Statement of  
12 Qualifications (SOQ) in response to County's RFSQ for the provision of such services, and  
13 Contractor has met the minimum qualifications listed in the RFSQ and has been selected  
14 for recommendation for placement on a MHSA Master Agreement eligibility list.  
15 Placement on the Master Agreement eligibility list does not guarantee that Contractor will  
16 be selected to provide mental health services claimable as MHSA services. In order to  
17 provide mental health services claimable as MHSA services, a provider must have been  
18 selected to provide MHSA services pursuant to a Request for Services.

19 4. FINANCIAL PROVISIONS: In consideration of services and/or activities provided  
20 by Contractor, County shall reimburse Contractor in the amount and manner described in  
21 Attachment II, Financial Exhibit A (FINANCIAL PROVISIONS) attached thereto and by this  
22 reference incorporated herein.

23 5. COUNTY'S OBLIGATION FOR CURRENT AND FUTURE FISCAL YEARS:  
24 Notwithstanding any other provision of this Agreement, this Agreement shall not be  
25 effective and binding upon the parties unless and until County's Board of Supervisors  
26 appropriates funds for purposes hereof in County's Budget for County's current Fiscal  
27 Year. Further, County shall not be obligated for Contractor's performance hereunder or by  
28 any provision of this Agreement during any of County's future Fiscal Years unless and until  
29 County's Board of Supervisors appropriates funds for purposes hereof in County's Budget  
30 for each such future Fiscal Year. In the event that funds are not appropriated for this

1 Agreement, then this Agreement shall terminate as of June 30 of the last Fiscal Year for  
2 which funds were appropriated.

3 6. PRIOR AGREEMENT(S) SUPERSEDED:

4 A. Reference is made to the certain document(s) entitled:

<u>TITLE</u>	<u>COUNTY AGREEMENT NUMBER</u>	<u>DATE OF EXECUTION</u>
_____	_____	_____

5  
6 The parties agree that the provisions of such prior Agreement(s), and all Amendments  
7 thereto, shall be entirely superseded as of \_\_\_\_\_, \_\_\_\_\_, by the provisions of  
8 this Agreement.

9 B. The parties further agree that all payments made by County to Contractor  
10 under any such prior Agreement(s) for services rendered thereunder on and after \_\_\_\_\_  
11 \_\_\_\_\_, \_\_\_\_\_, shall be applied to and considered against all applicable Federal, State,  
12 and/or County funds provided hereunder.

13 C. Notwithstanding any other provision of this Agreement or the Agreement(s)  
14 described in Subparagraph 6.A, the total reimbursement by County to Contractor under all  
15 these Agreements for Fiscal Year \_\_\_\_\_ shall not exceed \_\_\_\_\_  
16 \_\_\_\_\_  
17 DOLLARS (\$\_\_\_\_\_); and for Fiscal Year \_\_\_\_\_ shall not exceed \_\_\_\_\_  
18 \_\_\_\_\_  
19 DOLLARS (\$\_\_\_\_\_); and for Fiscal Year \_\_\_\_\_ shall not exceed \_\_\_\_\_  
20 \_\_\_\_\_  
21 DOLLARS (\$\_\_\_\_\_).

22 The supersession of this Agreement is not intended to supersede ongoing  
23 programs and/or special provisions (such as, deeds, leases, rentals, or space use) which  
24 are implemented by special amendments with Contractors. Such ongoing programs and  
25 special provisions set forth in special amendments can only be affected by a written  
26 contract amendment that refers specifically to the provisions set forth in the Amendment.

27 For information on amendment(s) for special provisions for such ongoing programs  
28 and/or special services, see Exhibit(s) \_\_\_\_\_. (If applicable, this attachment  
29 has been included under the Table of Contents in the Attachments Section.)

1 7. STAFFING: Contractor shall operate throughout the term of this Agreement with  
2 staff, including, but not limited to, professional staff, that approximates the type and  
3 number as indicated in Contractor's Negotiation Package for this Agreement, as approved  
4 in writing by Director or his designee, including any addenda thereto as approved in writing  
5 by Director or his designee and as required by WIC and CCR. Such staff shall be qualified  
6 and shall possess all appropriate licenses in accordance with WIC Section 5603 and all  
7 other applicable requirements of the California Business and Professions Code, WIC,  
8 CCR, CR/DC Manual, Los Angeles County DMH Organizational Provider's Manual for  
9 Specialty Mental Health Services under the Rehabilitation Option and Targeted Case  
10 Management Services, SDMH Policy Letters, and function within the scope of practice as  
11 dictated by licensing boards/bodies. If vacancies occur in any of Contractor's staff that  
12 would reduce Contractor's ability to perform any services under the Agreement, Contractor  
13 shall promptly notify Director or his designee of such vacancies. During the term of this  
14 Agreement, Contractor shall have available and shall provide upon request to authorized  
15 representatives of County, a list of all persons by name, title, professional degree, and  
16 experience, who are providing any services under this Agreement.

17 8. STAFF TRAINING AND SUPERVISION: Contractor shall institute and maintain an  
18 in-service training program of treatment review and case conferences in which all its  
19 professional, para-professional, intern, student and clinical volunteer personnel shall  
20 participate. Contractor shall institute and maintain appropriate supervision of all persons  
21 providing services under this Agreement with particular emphasis on the supervision of  
22 para-professionals, interns, students, and clinical volunteers in accordance with  
23 Departmental clinical supervision policy. Contractor shall be responsible for the provision  
24 of federal mandatory training for all staff at the time of employment and for subsequent  
25 updates as required by Federal and State law including but not limited to HIPAA and  
26 Sexual Harassment and for the training of all appropriate staff on the Los Angeles County  
27 DMH Organizational Provider's Manual for Specialty Mental Health Services under the  
28 Rehabilitation Option and Targeted Case Management Services, CR/DC Manual (as  
29 applicable), and other State and County policies and procedures as well as on any other  
30 matters that County may reasonably require.

1 Contractor shall document and make available upon request by the Federal, State  
2 and/or County the type and number of hours of training provided to Contractor's officers,  
3 employees, agents, and subcontractors as required by State or Federal law.

4 9. PROGRAM SUPERVISION, MONITORING AND REVIEW:

5 A. Pursuant to WIC Section 5608 and CCR Title 9, Section 521, all services  
6 hereunder shall be provided by Contractor under the general supervision of Director or his  
7 designee. Director or his designee shall have the right to monitor and specify the kind,  
8 quality, appropriateness, timeliness, amount of services, and the criteria for determining  
9 the persons to be served. Upon receipt of any contract monitoring report pertaining to  
10 services/activities under this Agreement, Contractor shall respond in writing to the  
11 particular DMH Contract Monitor within the time specified in the contract monitoring report  
12 either acknowledging the reported deficiencies or presenting contrary evidence, and, in  
13 addition, submitting a plan for immediate correction of all deficiencies. In the event of a  
14 State audit of this Agreement, if State auditors disagree with County's written instructions  
15 to Contractor in its performance of this Agreement, and if such disagreement results in a  
16 State disallowance of any of Contractor's costs hereunder, then County shall be liable for  
17 Contractor's disallowed costs as determined by State.

18 B. To assure compliance with this Agreement and for any other reasonable  
19 purpose relating to performance of this Agreement, and subject to the provisions of  
20 State and Federal law, authorized County, State, and/or Federal representatives and  
21 designees shall have the right to enter Contractor's premises (including all other places  
22 where duties under this Agreement are being performed), with or without notice, to:  
23 inspect, monitor and/or audit Contractor's facilities, programs and procedures, or to  
24 otherwise evaluate the work performed or being performed; review and copy any records  
25 and supporting documentation pertaining to the performance of this Agreement; and  
26 elicit information regarding the performance of this Agreement or any related work. The  
27 representatives and designees of such agencies may examine, audit and copy such  
28 records at the site at which they are located. Contractor shall provide access to facilities  
29 and shall cooperate and assist County, State, and/or Federal representatives and  
30 designees in the performance of their duties. Unless otherwise agreed upon in writing,

1 Contractor must provide specified data upon request by County, State, and/or Federal  
2 representatives and designees within ten (10) State business days for monitoring  
3 purposes.

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

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

17 11. COUNTY'S QUALITY ASSURANCE PLAN: The County or its agent will evaluate  
18 Contractor's performance under this Agreement on not less than an annual basis. Such  
19 evaluation will include assessing Contractor's compliance with all contract terms and  
20 performance standards. Contractor deficiencies which County determines are severe or  
21 continuing and that may place performance of the Agreement in jeopardy if not corrected  
22 will be reported to the Board of Supervisors. The report will include  
23 improvement/corrective action measures taken by the County and Contractor. If  
24 improvement does not occur consistent with the corrective action measures, County may  
25 terminate this Agreement or impose other financial deductions as specified in this  
26 Agreement.

27 12. RECORDS AND AUDITS:

28 A. Records:

29 (1) Direct Services and Indirect Services Records: Contractor shall  
30 maintain a record of all direct services and indirect services rendered by all the various

1 professional, para-professional, intern, student, volunteer and other personnel to fully  
2 document all services provided under this Agreement and in sufficient detail to permit an  
3 evaluation and audit of such services. All such records shall be retained, maintained, and  
4 made immediately available for inspection, program review, and/or audit by authorized  
5 representatives and designees of County, State, and/or Federal governments during the  
6 term of this Agreement and during the applicable period of records retention. Such access  
7 shall include regular and special reports from Contractor. In the event any records are  
8 located outside Los Angeles County, Contractor shall pay County for all travel, per diem,  
9 and other costs incurred by County for any inspection, program review, and/or audit at  
10 such other location. In addition to the requirements in this Paragraph 12, Contractor shall  
11 comply with any additional patient/client record requirements described in the Service  
12 Exhibit(s) and shall adequately document the delivery of all services described in the  
13 Service Exhibit(s).

14 (a) Patient/Client Records (Direct Services): Contractor shall  
15 maintain treatment and other records of all direct services (i.e., 24-hour services, day  
16 services, targeted case management, mental health services, medication support, and  
17 crisis intervention) in accordance with all applicable County, State and Federal  
18 requirements on each individual patient/client which shall include, but not be limited to,  
19 patient/client identification number, patient/client face sheet, all data elements required by  
20 the County's information system, consent for treatment form, initial evaluation form,  
21 treatment plan, progress notes and discharge summary. All patient/client records shall be  
22 maintained by Contractor at a location in Los Angeles County for a minimum period of  
23 seven (7) years following discharge of the patient/client or termination of services (except  
24 that the records of unemancipated minors shall be kept at least one year after such minor  
25 has reached the age of 18 years and in any case not less than seven (7) years), or until  
26 County, State and/or Federal audit findings applicable to such services are fully resolved,  
27 whichever is later. During such retention period, all such records shall be immediately  
28 available and open during County's normal business hours to authorized representatives  
29 and designees of County, State, and/or Federal governments for purposes of inspection,  
30 program review, and/or audit.

1 (b) Case Management Support Services and Outreach Services

2 Records (Indirect Services): Contractor shall maintain accurate and complete program  
3 records of all indirect services (i.e., all services other than direct services) in accordance  
4 with all applicable County, State and Federal requirements. All program records shall be  
5 maintained by Contractor at a location in Los Angeles County for a minimum period of  
6 seven years following the expiration or termination of this Agreement, or until County,  
7 State and/or Federal audit findings applicable to such services are fully resolved,  
8 whichever is later. During such retention period, all such records shall be immediately  
9 available and open during normal business hours to authorized representatives and  
10 designees of County, State, and/or Federal governments for purposes of inspection and/or  
11 audit.

12 (2) Financial Records: Contractor shall prepare and maintain, on a  
13 current basis, accurate and complete financial records of its activities and operations  
14 relating to this Agreement in accordance with generally accepted accounting principles,  
15 with the procedures set out in the State Department of Mental Health's Cost and Financial  
16 Reporting System (CFRS) Instruction Manual, and with all guidelines, standards, and  
17 procedures which shall be furnished to Contractor by County upon request. Minimum  
18 standards for accounting principles are set forth in County's Auditor-Controller's Contract  
19 Accounting and Administration Handbook which shall be furnished to Contractor by  
20 County upon request. The above financial records shall include, but are not limited to:

21 (a) Books of original entry and a general ledger.

22 (b) Reports, studies, statistical surveys or other information  
23 Contractor used to identify and allocate indirect costs among Contractor's various modes  
24 of service. "Indirect costs" shall mean those costs as described by the guidelines,  
25 standards, and procedures which may be provided by County in writing to Contractor, the  
26 Centers for Medicare and Medicaid Provider Reimbursement Manual, and the Federal  
27 Office of Management and Budget Circular A-122 (Cost principles for non-profit  
28 organizations).

29 (c) Bronzan-McCorquodale/County statistics and total facility  
30 statistics (e.g., patient days, visits) which can be identified by type of service pursuant to

1 any policies and procedures which may be provided by County in writing to Contractor.

2 (d) A listing of all County remittances received.

3 (e) Patient/client financial folders clearly documenting:

4 i. Contractor's determination of patient's/client's eligibility  
5 for Medi-Cal, medical insurance and any other third party payer coverage; and

6 ii. Contractor's reasonable efforts to collect charges from  
7 the patient/client, his responsible relatives, and any other third party payer.

8 (f) Individual patient/client ledger cards indicating the type and  
9 amount of charges incurred and payments by source and service type.

10 (g) Employment records.

11 (3) The entries in all of the above financial records must be readily  
12 traceable to applicable source documentation (e.g., remittance invoices, vendor invoices,  
13 employee timecards signed by employee and countersigned by supervisor in ink,  
14 subsidiary ledgers and journals, appointment logs, patient ledger cards, etc.). Any  
15 apportionment of costs shall be made in accordance with the requirements of the State  
16 Department of Mental Health Cost and Financial Reporting System (CFRS) Instruction  
17 Manual, the Federal Centers for Medicare and Medicaid Provider Reimbursement Manual  
18 Parts 1 and 2 (Publications #15-1 and #15-2), and Los Angeles County DMH  
19 Organizational Provider's Manual for Specialty Mental Health Services under the  
20 Rehabilitation Option and Targeted Case Management Services. All such records shall be  
21 maintained by Contractor at a location in Los Angeles County for a minimum period of  
22 seven (7) years following the expiration or termination of the Agreement, or until County,  
23 State and/or Federal audit findings are fully resolved, whichever is later. During such  
24 retention period, all such records shall be immediately available and open during County's  
25 normal business hours to authorized representatives and designees of County, State,  
26 and/or Federal governments for purposes of inspection, program review, and/or audit.  
27 Such access shall include access to individuals with knowledge of financial records and  
28 Contractor's outside auditors, and regular and special reports from Contractor. In the  
29 event any records are located outside Los Angeles County, Contractor shall pay County  
30 for all travel, per diem, and other costs incurred by County for any inspection or audit at

1 such other location.

2 (4) Preservation of Records: If, following termination of this Agreement,  
3 Contractor's facility(ies) is (are) closed or if majority ownership of Contractor changes, then  
4 within forty-eight hours thereafter, Director of SDMH and Director or his designee shall be  
5 notified thereof by Contractor in writing of all arrangements made by Contractor for  
6 preservation of all the patient/client, financial, and other records referred to in this  
7 Paragraph 12.

8 B. Audits:

9 (1) Contractor shall provide County and its authorized representatives  
10 access to and the right to examine, audit, excerpt, copy, or transcribe, any pertinent  
11 transaction, activity, time cards, or any other records relating to this Agreement.

12 (2) County may, in its sole discretion, perform periodic fiscal and/or  
13 program review(s) of Contractor's records that relate to this Agreement. If County  
14 determines that the results of any such reviews indicate the need for corrective action,  
15 Contractor shall within 30 calendar days after receiving the findings of the fiscal and/or  
16 program review, either (a) submit a corrective plan of action to DMH, or (b) request a  
17 review by the Director. If Contractor requests a review by the Director within the 30  
18 calendar days, and if a corrective plan of action is then required, Contractor shall have 30  
19 calendar days to submit its corrective plan of action.

20 (3) Audit Reports: In the event that any audit of any or all aspects of this  
21 Agreement is conducted of Contractor by any Federal or State auditor, or by any auditor or  
22 accountant employed by Contractor or otherwise, then Contractor shall file a copy of such  
23 audit report(s) with DMH's Contracts Development and Administration Division within 30  
24 calendar days of Contractor's receipt thereof, unless otherwise provided by applicable  
25 Federal or State law or under this Agreement. Contractor shall promptly notify County of  
26 any request for access to information related to this Agreement by any other governmental  
27 agency.

28 (4) State Department of Mental Health Access to Records: Contractor  
29 agrees that for a period of seven (7) years or until final audit is completed, which ever  
30 occurs later, following the furnishing of services under this Agreement, Contractor shall

1 maintain and make available to the State Department of Mental Health, the Secretary of  
2 the United States Department of Health and Human Services or the Controller General of  
3 the United States, and any other authorized Federal and State agencies, or to any of their  
4 duly authorized representatives, the contracts, books, documents and records of  
5 Contractor which are necessary to verify the nature and extent of the cost of services  
6 hereunder. Furthermore, if Contractor carries out any of the services provided hereunder  
7 through any subcontract with a value or cost of TEN THOUSAND DOLLARS (\$10,000) or  
8 more over a 12-month period with a related organization (as that term is defined under  
9 Federal law), Contractor agrees that each such subcontract shall provide for such access  
10 to the subcontract, books, documents and records of the subcontractor as provided in  
11 Paragraph 9 and in this Paragraph 12.

12 (5) Federal Access to Records: Grant-funded programs require audits  
13 and compliance with Federal guidelines pursuant to Circular A-133 issued by the Federal  
14 Office of Management and Budgets (OMB), If, and to the extent that, Section 1861(v)(1)(I)  
15 of the Social Security Act (42 United States Code Section 1395x(v)(1)(I)) is applicable,  
16 Contractor agrees that for a period of seven (7) years following the furnishing of services  
17 under this Agreement, Contractor shall maintain and make available to the Secretary of  
18 the United States Department of Health and Human Services or the Controller General of  
19 the United States, or to any of their duly authorized representatives, the contracts, books,  
20 documents and records of Contractor which are necessary to verify the nature and extent  
21 of the cost of services hereunder. Furthermore, if Contractor carries out any of the  
22 services provided hereunder through any subcontract with a value or cost of TEN  
23 THOUSAND DOLLARS (\$10,000) or more over a 12-month period with a related  
24 organization (as that term is defined under Federal law), Contractor agrees that each such  
25 subcontract shall provide for such access to the subcontract, books, documents and  
26 records of the subcontractor as provided in Paragraph 9 and in this Paragraph 12.

27 13. REPORTS:

28 A. Contractor shall make reports as required by Director or his designee or by  
29 State regarding Contractor's activities and operations as they relate to Contractor's  
30 performance of this Agreement. In no event may County require such reports unless it

1 has provided Contractor with at least 30 calendar days' prior written notification. County  
2 shall provide Contractor with a written explanation of the procedures for reporting the  
3 required information.

4 B. Income Tax Withholding: Upon Director's or his designee's request,  
5 Contractor shall provide County with certain documents relating to Contractor's income tax  
6 returns and employee income tax withholding. These documents shall include, but are not  
7 limited to:

8 (1) A copy of Contractor's Federal and State quarterly income tax  
9 withholding returns (i.e., Federal Form 941 and/or State Form DE-3 or their equivalents).

10 (2) A copy of a receipt for, or other proof of payment of, each employee's  
11 Federal and State income tax withholding, whether such payments are made on a monthly  
12 or quarterly basis.

13 C. County Information System:

14 (1) Contractor shall submit all required data to the County's Information  
15 System, as required by Director or his designee. Contractor shall report to County, all  
16 program, patient/client, staff, and other data and information about Contractor's services,  
17 within the specified time periods as required by County Chief Information Office's Training  
18 Manuals, IS Bulletins, and Reports Reference Guide and any other County requirements;  
19 in no event, no later than 40 calendar days after the close of each fiscal year in which the  
20 services were provided.

21 (2) Notwithstanding any other provision of this Agreement, only units of  
22 service submitted by Contractor into the County's claims processing information system  
23 shall be counted as delivered units of service. All units of service generated during the  
24 Start-Up Period, if any, shall be submitted by Contractor into the County's claims  
25 processing information system.

26 (3) Notwithstanding any other provision of this Agreement, the only units  
27 of service which shall be considered legitimate and reimbursable at Annual Cost Report  
28 adjustment and settlement time or otherwise shall be those units of service as submitted  
29 by Contractor into the County's claims processing information system.

30 (4) Contractor shall train its staff in the operation, procedures, policies,

1 and all related use, of the County's information system as required by County. County  
2 shall train Contractor's designated trainer in the operation, procedures, policies, and all  
3 related use of the County's information system.

4 14. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records and  
5 information, including, but not limited to, claims, County records, patient/client records and  
6 information, and County information system records, in accordance with WIC Sections  
7 5328 through 5330, inclusive, and all other applicable County, State, and Federal laws,  
8 ordinances, rules, regulations, manuals, guidelines, and directives, relating to  
9 confidentiality. Contractor shall require all its officers, employees, and agents providing  
10 services hereunder to acknowledge, in writing, understanding of, and agreement to fully  
11 comply with, all such confidentiality provisions. Contractor shall indemnify and hold  
12 harmless County, its officers, employees, and agents, from and against any and all loss,  
13 damage, liability, and expense arising from any disclosure of such records and information  
14 by Contractor, its officers, employees, or agents.

15 15. PATIENTS'/CLIENTS' RIGHTS: Contractor shall comply with all applicable  
16 patients'/clients' rights provisions, including, but not limited to, WIC Section 5325 et seq.,  
17 CCR Title 9, Section 850 et seq., and CCR Title 22. Further, Contractor shall comply with  
18 all patients'/clients' rights policies provided by County. County Patients' Rights Advocates  
19 shall be given access by Contractor to all patients'/clients, patients'/clients' records, and  
20 Contractor's personnel in order to monitor Contractor's compliance with all applicable  
21 statutes, regulations, manuals and policies.

22 16. REPORTING OF PATIENT/CLIENT ABUSE AND RELATED PERSONNEL  
23 REQUIREMENTS:

24 A. Elders and Dependent Adults Abuse: Contractor, and all persons employed  
25 or subcontracted by Contractor, shall comply with WIC Section 15600 et seq. and shall  
26 report all known or suspected instances of physical abuse of elders and dependent adults  
27 under the care of Contractor either to an appropriate County adult protective services  
28 agency or to a local law enforcement agency, as mandated by WIC Sections 15630, and  
29 permitted by 15631 and 15632. Contractor and all persons employed or subcontracted by  
30 Contractor, shall make the report on such abuse, and shall submit all required information,

1 in accordance with WIC Sections 15630, 15633 and 15633.5.

2 B. Minor Children Abuse: Contractor and all persons employed or  
3 subcontracted by Contractor, shall comply with California Penal Code (hereafter "PC")  
4 Section 11164 et seq. and shall report all known or suspected instances of child abuse to  
5 an appropriate child protective agency, as mandated by California Penal Code 11164,  
6 11165.8 and 11166. Contractor and all persons employed or subcontracted by  
7 Contractor, shall make the report on such abuse, and shall submit all required information,  
8 in accordance with PC Sections 11166 and 11167.

9 C. Contractor Staff:

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

16 (2) Contractor shall assure that clerical and other nontreatment staff who  
17 are not legally required to directly report suspected cases of abuse, consult with mandated  
18 reporters upon suspecting any abuse.

19 (3) For the safety and welfare of elders, dependent adults, and minor  
20 children, Contractor shall, to the maximum extent permitted by law, ascertain arrest and  
21 conviction records for all current and prospective employees and shall not employ or  
22 continue to employ any person convicted of any crime involving any harm to elders,  
23 dependent adults, or minor children.

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

30 /

1 17. NONDISCRIMINATION IN SERVICES:

2 A. Contractor shall not discriminate in the provision of services hereunder  
3 because of race, religion, national origin, ancestry, sex, age, marital status, or physical or  
4 mental handicap or medical conditions, in accordance with requirements of Federal and  
5 State law. For the purpose of this Paragraph 17, discrimination in the provision of services  
6 may include, but is not limited to, the following: denying any person any service or benefit  
7 or the availability of a facility; providing any service or benefit to any person which is  
8 different, or is provided in a different manner or at a different time, from that provided to  
9 others; subjecting any person to segregation or separate treatment in any matter related to  
10 the receipt of any service; restricting any person in any way in the enjoyment of any  
11 advantage or privilege enjoyed by others receiving any service or benefit; and treating any  
12 person differently from others in determining admission, enrollment quota, eligibility,  
13 membership, or any other requirement or condition which persons must meet in order to  
14 be provided any service or benefit. Contractor shall take affirmative action to ensure that  
15 intended beneficiaries of this Agreement are provided services without regard to ability to  
16 pay or source of payment, race, religion, national origin, ancestry, sex, age, marital status,  
17 or physical or mental handicap, or medical conditions.

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

28 C. If direct services (i.e., 24-hour services, day services, targeted case  
29 management, mental health services, medication support, and crisis intervention) are  
30 provided hereunder, Contractor shall have admission policies which are in accordance

1 with CCR Title 9, Sections 526 and 527, and which shall be in writing and available to the  
2 public. Contractor shall not employ discriminatory practices in the admission of any  
3 person, assignment of accommodations, or otherwise. Any time any person applies for  
4 services under this Agreement, such person shall be advised by Contractor of the  
5 complaint procedures described in the above paragraph. A copy of such complaint  
6 procedures shall be posted by Contractor in a conspicuous place, available and open to  
7 the public, in each of Contractor's facilities where services are provided under this  
8 Agreement.

9 18. NONDISCRIMINATION IN EMPLOYMENT:

10 A. Contractor certifies and agrees that all persons employed by it, its affiliates,  
11 subsidiaries, or holding companies are and will be treated equally by it without regard to, or  
12 because of, race, color, religion, national origin, ancestry, sex, age, marital status,  
13 condition of physical disability (including HIV and AIDS) or mental disability, medical  
14 condition (cancer), denial of family care leave, or political affiliation, and in compliance with  
15 all applicable Federal and State anti-discrimination laws and regulations.

16 B. Contractor shall take affirmative action to ensure that qualified applicants are  
17 employed, and that employees are treated during employment without regard to race,  
18 color, religion, national origin, ancestry, sex, age, marital status, condition of physical  
19 disability (including HIV and AIDS) or mental disability, medical condition (cancer), denial  
20 of family care leave, or political affiliation. Such action shall include, but is not limited to,  
21 the following: employment, upgrading, demotion, transfer, recruitment or recruitment  
22 advertising, layoff or termination, rates of pay or other forms of compensation, and  
23 selection for training, including apprenticeship. Contractor shall not discriminate against or  
24 harass, nor shall it permit harassment of, its employees during employment based upon  
25 race, color, religion, national origin, ancestry, sex, age, marital status, condition of physical  
26 disability (including HIV and AIDS) or mental disability, medical condition (cancer), denial  
27 of family care leave, or political affiliation in compliance with all applicable Federal and  
28 State anti-discrimination laws and regulations. Contractor shall insure that the evaluation  
29 and treatment of its employees and applicants for employment are free from such  
30 discrimination and harassment, and will comply with the provisions of the Fair Employment

1 and Housing Act (Government Code section 12990 et seq.) and the applicable regulations  
2 promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.).

3 C. Contractor shall deal with its subcontractors, bidders, or vendors without  
4 regard to or because of race, color, religion, national origin, ancestry, sex, age, marital  
5 status, condition of physical disability (including HIV and AIDS) or mental disability,  
6 medical condition (cancer), denial of family care leave, or political affiliation. Further,  
7 Contractor shall give written notice of its obligations under this Paragraph 18 to labor  
8 organizations with which it has a collective bargaining or other agreement.

9 D. Contractor shall allow County representatives access to its employment  
10 records during regular business hours to verify compliance with the provisions of this  
11 Paragraph 18 when so requested by Director.

12 E. If County finds that any of the above provisions has been violated, the same  
13 shall constitute a material breach of this Agreement upon which County may immediately  
14 terminate or suspend this Agreement. While County reserves the right to determine  
15 independently that the anti-discrimination provisions of this Agreement have been violated,  
16 in addition, a determination by the California Fair Employment Practices Commission or  
17 the Federal Equal Employment Opportunity Commission that Contractor has violated State  
18 or Federal anti-discrimination laws or regulations shall constitute a finding by County that  
19 Contractor has violated the anti-discrimination provisions of this Agreement.

20 F. In the event that Contractor violates any of the anti-discrimination provisions  
21 of this Paragraph 18, County shall be entitled, at its option, to the sum of FIVE HUNDRED  
22 DOLLARS (\$500) pursuant to California Civil Code Section 1671 as liquidated damages in  
23 lieu of terminating or suspending this Agreement.

24 19. FAIR LABOR STANDARDS: Contractor shall comply with all applicable provisions  
25 of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless  
26 County, its officers, employees, and agents, from any and all liability, including, but not  
27 limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys'  
28 fees arising under any wage and hour law, including, but not limited to, the Federal Fair  
29 Labor Standards Act, for services performed by Contractor's employees for which County  
30 may be found jointly or solely liable.

1 20. INDEMNIFICATION AND INSURANCE:

2 A. Indemnification: Contractor shall indemnify, defend and hold harmless  
3 County, and its Special Districts, elected and appointed officers, employees, and agents  
4 from and against any and all liability, including but not limited to demands, claims, actions,  
5 fees, costs, and expenses (including attorney and expert witness fees), arising from or  
6 connected with Contractor's acts and/or omissions arising from and/or relating to this  
7 Agreement.

8 B. General Insurance Requirements: Without limiting Contractor's  
9 indemnification of County and during the term of this Agreement, Contractor shall provide  
10 and maintain, and shall require all of its subcontractors to maintain, the following programs  
11 of insurance specified in this Agreement. Such insurance shall be primary to and not  
12 contributing with any other insurance or self-insurance programs maintained by County,  
13 and such coverage shall be provided and maintained at Contractor's own expense.

14 1) Evidence of Insurance: Certificate(s) or other evidence of coverage  
15 satisfactory to County shall be delivered to *Department of Mental Health, 550 South*  
16 *Vermont Avenue, Contracts Development and Administration Division, 5<sup>th</sup> Floor, Los*  
17 *Angeles, CA, 90020*, prior to commencing services under this Agreement. Such  
18 certificates or other evidence shall:

19 (a) Specifically identify this Agreement.

20 (b) Clearly evidence all coverages required in this Agreement.

21 (c) Contain the express condition that County is to be given  
22 written notice by mail at least 30 days in advance of cancellation for all policies evidenced  
23 on the certificate of insurance.

24 (d) Include copies of the additional insured endorsement to the  
25 commercial general liability policy, adding the County of Los Angeles, its Special Districts,  
26 its officials, officers and employees as insureds for all activities arising from this  
27 Agreement.

28 (e) Identify any deductibles or self-insured retentions for County's  
29 approval. The County retains the right to require Contractor to reduce or eliminate such  
30 deductibles or self-insured retentions as they apply to County, or, require Contractor to

1 provide a bond guaranteeing payment of all such retained losses and related costs,  
2 including, but not limited to, expenses or fees, or both, related to investigations, claims  
3 administrations, and legal defense. Such bond shall be executed by a corporate surety  
4 licensed to transact business in the State of California.

5 2) Insurer Financial Ratings: Insurance is to be provided by an  
6 insurance company acceptable to the County with an A.M. Best rating of not less than  
7 A:VII, unless otherwise approved by County.

8 3) Failure to Maintain Coverage: Failure by Contractor to maintain the  
9 required insurance, or to provide evidence of insurance coverage acceptable to County,  
10 shall constitute a material breach of the contract upon which County may immediately  
11 terminate or suspend this Agreement. County, at its sole option, may obtain damages  
12 from Contractor resulting from said breach. Alternatively, County may purchase such  
13 required insurance coverage, and without further notice to Contractor, County may deduct  
14 from sums due to Contractor any premium costs advanced by County for such insurance.

15 4) Notification of Incidents, Claims or Suits: Contractor shall report to  
16 County:

17 (a) Any accident or incident relating to services performed under  
18 this Agreement which involves injury or property damage which may result in the filing of a  
19 claim or lawsuit against Contractor and/or County. Such report shall be made in writing  
20 within 24 hours of occurrence.

21 (b) Any third party claim or lawsuit filed against Contractor arising  
22 from or related to services performed by Contractor under this Agreement.

23 (c) Any injury to a Contractor employee which occurs on County  
24 property. This report shall be submitted on a County "Non-employee Injury Report" to the  
25 County contract manager.

26 (d) Any loss, disappearance, destruction, misuse, or theft of any  
27 kind whatsoever of County property, monies or securities entrusted to Contractor under  
28 the terms of this Agreement.

29 5) Compensation for County Costs: In the event that Contractor fails to  
30 comply with any of the indemnification or insurance requirements of this Agreement, and

1 such failure to comply results in any costs to County, Contractor shall pay full  
2 compensation for all costs incurred by County.

3 6) Insurance Coverage Requirements for Subcontractors: Contractor  
4 shall ensure any and all sub-contractors performing services under this Agreement meet  
5 the insurance requirements of this Agreement by either:

6 (a) Contractor providing evidence of insurance covering the  
7 activities of sub-contractors, or

8 (b) Contractor providing evidence submitted by sub-contractors  
9 evidencing that sub-contractors maintain the required insurance coverage. County retains  
10 the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

11 C. Insurance Coverage Requirements:

12 1) General Liability: Insurance (written on ISO policy form CG 00 01 or  
13 its equivalent) with limits of not less than the following:

14 General Aggregate: Two Million Dollars (\$2,000,000)

15 Products/Completed

16 Operations Aggregate: One Million Dollars (\$1,000,000)

17 Personal and Advertising

18 Injury: One Million Dollars (\$1,000,000)

19 Each Occurrence: One Million Dollars (\$1,000,000)

20 2) Automobile Liability: Insurance (written on ISO policy form CA 00 01  
21 or its equivalent) with a limit of liability of not less than One Million Dollars (\$1,000,000) for  
22 each accident. Such insurance shall include coverage for all "owned", "hired" and "non-  
23 owned" vehicles, or coverage for "any auto".

24 3) Workers Compensation and Employers' Liability: Insurance providing  
25 workers compensation benefits, as required by the Labor Code of the State of California or  
26 by any other state, and for which Contractor is responsible. If Contractor's employees will  
27 be engaged in maritime employment, coverage shall provide workers compensation  
28 benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act,  
29 Jones Act or any other Federal law for which Contractor is responsible. In all cases, the  
30 above insurance also shall include Employers' Liability coverage with limits of not less than

1 the following:

2 Each Accident: One Million Dollars (\$1,000,000)

3 Disease – policy limit: One Million Dollars (\$1,000,000)

4 Disease – each employee: One Million Dollars (\$1,000,000)

5 4) Professional Liability: Insurance covering liability arising from any  
6 error, omission, negligent or wrongful act of the Contractor, its officers or employees with  
7 limits of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million  
8 Dollars (\$3,000,000) aggregate. The coverage also shall provide an extended two-year  
9 reporting period commencing upon termination or cancellation of this Agreement.

10 5) Property Coverage: Such insurance shall be endorsed naming the  
11 County of Los Angeles as loss payee, provide deductibles of no greater than 5% of the  
12 property value, and shall include:

13 Real Property and All Other Personal Property: – Special form (all-  
14 risk) coverage for the full replacement value of County-owned or leased property.

15 21. WARRANTY AGAINST CONTINGENT FEES: Contractor warrants that no person  
16 or selling agency has been employed or retained to solicit or secure this Agreement upon  
17 any agreement or understanding for any commission, percentage, brokerage, or  
18 contingent fee, excepting bona fide employees or bona fide established commercial or  
19 selling agencies maintained by Contractor for the purpose of securing business. For  
20 Contractor's breach or violation of this warranty, County may, in its sole discretion, deduct  
21 from the Agreement price or consideration, or otherwise recover, the full amount of such  
22 commission, percentage, brokerage, or contingent fee.

23 22. CONFLICT OF INTEREST:

24 A. No County employee whose position in County enables such employee to  
25 influence the award or administration of this Agreement or any competing agreement, and  
26 no spouse or economic dependent of such employee, shall be employed in any capacity  
27 by Contractor or have any direct or indirect financial interest in this Agreement. No officer  
28 or employee of Contractor who may financially benefit from the provision of services  
29 hereunder shall in any way participate in County's approval, or ongoing evaluation, of such  
30 services, or in any way attempt to unlawfully influence County's approval or ongoing

1 evaluation of such services.

2 B. Contractor shall comply with all conflict of interest laws, ordinances and  
3 regulations now in effect or hereafter to be enacted during the term of this Agreement.  
4 Contractor warrants that it is not now aware of any facts which create a conflict of interest.  
5 If Contractor hereafter becomes aware of any facts which might reasonably be expected to  
6 create a conflict of interest, it shall immediately make full written disclosure of such facts to  
7 County. Full written disclosure shall include, without limitation, identification of all persons  
8 implicated and complete description of all relevant circumstances.

9 23. UNLAWFUL SOLICITATION: Contractor shall require all of its employees to  
10 acknowledge, in writing, understanding of and agreement to comply with the provisions of  
11 Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of California Business  
12 and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a  
13 runner or capper for attorneys) and shall take positive and affirmative steps in its  
14 performance hereunder to insure that there is no violation of such provisions by its  
15 employees. Contractor shall utilize the attorney referral service of all those bar  
16 associations within the County of Los Angeles that have such a service.

17 24. INDEPENDENT STATUS OF CONTRACTOR:

18 A. This Agreement is by and between County and Contractor and is not  
19 intended, and shall not be construed, to create the relationship of agent, servant,  
20 employee, partnership, joint venture, or association, as between County and Contractor.  
21 The employees and agents of one party shall not be, or be construed to be, the  
22 employees or agents of the other party for any purpose whatsoever.

23 B. Contractor shall be solely liable and responsible for providing to, or on behalf  
24 of, all persons performing work pursuant to this Agreement all compensation and benefits.  
25 County shall have no liability or responsibility for the payment of any salaries, wages,  
26 unemployment benefits, disability benefits, Federal, State, or local taxes, or other  
27 compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.

28 C. Contractor understands and agrees that all persons performing services  
29 pursuant to this Agreement are, for purposes of workers' compensation liability, the sole  
30 employees of Contractor and not employees of County. Contractor shall be solely liable

1 and responsible for furnishing any and all workers' compensation benefits to any person  
2 as a result of any injuries arising from or connected with any services performed by or on  
3 behalf of Contractor pursuant to this Agreement.

4 D. Contractor shall obtain and maintain on file an executed Contractor  
5 Employee Acknowledgment of Employer, in the form as contained in Contractor's  
6 Negotiation Package for this Agreement, for each of its employees performing services  
7 under this Agreement. Such Acknowledgments shall be executed by each such employee  
8 on or immediately after the commencement date of this Agreement but in no event later  
9 than the date such employee first performs services under this Agreement.

10 25. CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR  
11 LAYOFF OR FORMER COUNTY EMPLOYEES ON A REEMPLOYMENT LIST: Should  
12 Contractor require additional or replacement personnel after the effective date of this  
13 Agreement to perform the services set forth herein, Contractor shall give first consideration  
14 for such employment openings to qualified permanent County employees who are  
15 targeted for layoff or qualified former County employees who are on a reemployment list  
16 during the term of this Agreement.

17 26. CONSIDERATION FOR HIRING GREATER AVENUES FOR INDEPENDENCE  
18 (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS  
19 FOR EMPLOYMENT: Should Contractor require additional or replacement personnel  
20 after the effective date of this Agreement, Contractor shall give consideration for any such  
21 employment openings to participants in the County's Department of Public Social Services'  
22 Greater Avenues for Independence (GAIN) Program or General Relief Opportunities for  
23 Work (GROW) Program who meet Contractor's minimum qualifications for the open  
24 position. The County will refer GAIN/GROW participants, by job category, to the  
25 Contractor.

26 In the event that both laid-off County employees and GAIN/GROW participants are  
27 available for hiring, County employees shall be given priority.

28 27. DELEGATION AND ASSIGNMENT BY CONTRACTOR:

29 A. Contractor shall not assign its rights or delegate its duties under this  
30 Agreement, or both, whether in whole or in part, without the prior written consent of

1 County, in its discretion, and any attempted assignment or delegation without such  
2 consent shall be null and void. For purposes of this paragraph, County consent shall  
3 require a written amendment to this Agreement, which is formally approved and executed  
4 by the parties. Any payments by County to any approved delegate or assignee on any  
5 claim under this Agreement shall be deductible, at County's sole discretion, against the  
6 claims which Contractor may have against County.

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

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

23 28. SUBCONTRACTING:

24 A. No performance of this Agreement, or any portion thereof, shall be  
25 subcontracted by Contractor without the prior written consent of County as provided in this  
26 Paragraph 28. Any attempt by Contractor to subcontract any performance, obligation, or  
27 responsibility under this Agreement, without the prior written consent of County, shall be  
28 null and void and shall constitute a material breach of this Agreement. Notwithstanding  
29 any other provision of this Agreement, in the event of any such breach by Contractor, this  
30 Agreement may be terminated forthwith by County. Notwithstanding any other provision of

1 this Agreement, the parties do not in any way intend that any person or entity shall acquire  
2 any rights as a third party beneficiary of this Agreement.

3 B. If Contractor desires to subcontract any portion of its performance,  
4 obligations, or responsibilities under this Agreement, Contractor shall make a written  
5 request to County for written approval to enter into the particular subcontract. Contractor's  
6 request to County shall include:

7 (1) The reasons for the particular subcontract.

8 (2) A detailed description of the services to be provided by the  
9 subcontract.

10 (3) Identification of the proposed subcontractor and an explanation of  
11 why and how the proposed subcontractor was selected, including the degree of  
12 competition involved.

13 (4) A description of the proposed subcontract amount and manner of  
14 compensation, together with Contractor's cost or price analysis thereof.

15 (5) A copy of the proposed subcontract which shall contain the following  
16 provision:

17 "This contract is a subcontract under the terms of the prime contract with the  
18 County of Los Angeles and shall be subject to all of the provisions of such  
19 prime contract."

20 (6) A copy of the proposed subcontract, if in excess of \$10,000 and  
21 utilizes public funds, shall also contain the following provision:

22 "The contracting parties shall be subject to the examination and audit of the  
23 State Auditor, pursuant to the California Government Code, Section  
24 8546.7 for a period of seven (7) years from the end of the Fiscal Year in  
25 which such services were provided or until final resolution of any audits,  
26 whichever occurs later."

27 Further, the Contractor will also be subject to the examination and  
28 audit of the State Auditor, pursuant to the Government Code, Section 8546.7, for a period  
29 of seven (7) years from the end of the Fiscal Year in which such services were provided or  
30 until final resolution of any audits, which ever occurs later.

1 (7) Any other information and/or certifications requested by County.

2 C. County shall review Contractor's request to subcontract and shall determine,  
3 in its sole discretion, whether or not to consent to such request on a case-by-case basis.

4 D. Contractor shall indemnify and hold harmless County, its officers,  
5 employees, and agents, from and against any and all liability, damages, costs, and  
6 expenses, including, but not limited to, defense costs and legal fees, arising from or  
7 related to Contractor's use of any subcontractor, including any officers, employees, or  
8 agents of any subcontractor, in the same manner as required for Contractor, its officers,  
9 employees, and agents, under this Agreement.

10 E. Notwithstanding any County consent to any subcontracting, Contractor shall  
11 remain fully liable and responsible for any and all performance required of it under this  
12 Agreement, and no subcontract shall bind or purport to bind County. Further, County  
13 approval of any subcontract shall not be construed to limit in any way Contractor's  
14 performance, obligations, or responsibilities, to County, nor shall such approval limit in any  
15 way any of County's rights or remedies contained in this Agreement. Additionally, County  
16 approval of any subcontract shall not be construed in any way to constitute the  
17 determination of the allowability or appropriateness of any cost or payment under this  
18 Agreement.

19 F. In the event that County consents to any subcontracting, such consent shall  
20 be subject to County's right to give prior and continuing approval of any and all  
21 subcontractor personnel providing services under such subcontract. Contractor shall  
22 assure that any subcontractor personnel not approved by County shall be immediately  
23 removed from the provision of any services under the particular subcontract or that other  
24 action is taken as requested by County. County shall not be liable or responsible in any  
25 way to Contractor, to any subcontractor, or to any officers, employees, or agents of  
26 Contractor or any subcontractor, for any liability, damages, costs or expenses arising from  
27 or related to County's exercise of such right.

28 G. In the event that County consents to any subcontracting, such consent shall  
29 be subject to County's right to terminate, in whole or in part, any subcontract at any time  
30 upon written notice to Contractor when such action is deemed by County to be in its best

1 interest. County shall not be liable or responsible in any way to Contractor, to any  
2 subcontractor, or to any officers, employees, or agents of Contractor or any subcontractor,  
3 for any liability, damages, costs, or expenses arising from or related to County's exercise  
4 of such right.

5 H. In the event that County consents to any subcontracting, each and all of the  
6 provisions of this Agreement and any amendment thereto shall extend to, be binding  
7 upon, and inure to the benefit of, the successors or administrators of the respective  
8 parties.

9 I. In the event that County consents to any subcontracting, such consent shall  
10 apply to each particular subcontract only and shall not be, or be construed to be, a waiver  
11 of this Paragraph 28 or a blanket consent to any further subcontracting.

12 J. In the event that County consents to any subcontracting, Contractor shall be  
13 solely liable and responsible for any and all payments and/or other compensation to all  
14 subcontractors and their officers, employees, and agents. County shall have no liability or  
15 responsibility whatsoever for any payment and/or other compensation for any  
16 subcontractors or their officers, employees, and agents.

17 K. Contractor shall deliver to the Chief of DMH's Contracts Development and  
18 Administration Division a fully executed copy of each subcontract entered into by  
19 Contractor pursuant to this Paragraph 28, on or immediately after the effective date of the  
20 subcontract but in no event later than the date any services are performed under the  
21 subcontract.

22 L. In the event that County consents to any subcontracting, Contractor shall  
23 obtain and maintain on file an executed Subcontractor Employee Acknowledgment of  
24 Employer, in the form as contained in Contractor's Negotiation Package for the  
25 Agreement, for each of the subcontractor's employees performing services under the  
26 subcontract. Such Acknowledgments shall be obtained and maintained on file and made  
27 available upon request on or immediately after the commencement date of the particular  
28 subcontract but in no event later than the date such employee first performs any services  
29 under the subcontract.

30 M. County shall have no liability or responsibility whatsoever for any payment or

1 other compensation for any subcontractor or its officers, employees, and agents.

2 N. Director or his designee is hereby authorized to act for and on behalf of  
3 County pursuant to this Paragraph 28, including, but not limited to, consenting to any  
4 subcontracting.

5 29. GOVERNING LAW, JURISDICTION AND VENUE: This Agreement shall be  
6 governed by, and construed in accordance with, the laws of the State of California.  
7 Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of  
8 California for all purposes regarding this Agreement and further agrees and consents that  
9 venue of any action brought hereunder shall be exclusively in the County of Los Angeles,  
10 California. Further, this Agreement shall be governed by, and construed in accordance  
11 with, all laws, regulations, and contractual obligations of County under its agreement with  
12 the State.

13 30. COMPLIANCE WITH APPLICABLE LAW:

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

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

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

27 D. Duty to Notify: Contractor agrees to notify County of any and all legal  
28 complaints, citations, enforcement proceedings, administrative proceedings, judgments or  
29 litigation, known to Contractor, whether civil or criminal initiated against Contractor, its  
30 officers, employees, or agents which are likely to have a material effect on the

1 organization's stewardship, financial position and/or ability to perform and deliver services  
2 under this contract.

3 31. THIRD PARTY BENEFICIARIES: Notwithstanding any other provision of this  
4 Agreement, the parties do not in any way intend that any person or entity shall acquire any  
5 rights as a third party beneficiary of this Agreement.

6 32. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND  
7 CERTIFICATES:

8 A. Contractor shall obtain and maintain in effect during the term of this  
9 Agreement, all licenses, permits, registrations, accreditations, and certificates (including,  
10 but not limited to, certification as a Short-Doyle/Medi-Cal provider if Title XIX  
11 Short-Doyle/Medi-Cal services are provided hereunder), as required by all Federal, State,  
12 and local laws, ordinances, rules, regulations, manuals, guidelines, and directives, which  
13 are applicable to Contractor's facility(ies) and services under this Agreement. Contractor  
14 shall further ensure that all of its officers, employees, and agents, who perform services  
15 hereunder, shall obtain and maintain in effect during the term of this Agreement all  
16 licenses, permits, registrations, accreditations, and certificates which are applicable to their  
17 performance hereunder. A copy of each such license, permit, registration, accreditation,  
18 and certificate (including, but not limited to, certification as a Short-Doyle/Medi-Cal provider  
19 if Title XIX Short-Doyle/Medi-Cal services are provided hereunder) as required by all  
20 applicable Federal, State, and local laws, ordinances, rules, regulations, manuals,  
21 guidelines and directives shall be provided, in duplicate, to DMH's Contracts Development  
22 and Administration Division.

23 B. If Contractor is a participant in the Short-Doyle/Medi-Cal program, Contractor  
24 shall keep fully informed of all current Short-Doyle/Medi-Cal Policy Letters, including, but  
25 not limited to, procedures for maintaining Medi-Cal certification of all its facilities.

26 33. CHILD SUPPORT COMPLIANCE PROGRAM:

27 A. Contractor's Warranty of Adherence to County's Child Support Compliance  
28 Program: Contractor acknowledges that County has established a goal of ensuring that all  
29 individuals who benefit financially from County through contract are in compliance with  
30 their court-ordered child, family, and spousal support obligations in order to mitigate the

1 economic burden otherwise imposed upon County and its taxpayers.

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

12 B. Termination for Breach of Warranty to Maintain Compliance with County's  
13 Child Support Compliance Program: Failure of Contractor to maintain compliance with the  
14 requirements set forth in Subparagraph A (Contractor's Warranty of Adherence to  
15 County's Child Support Compliance Program) shall constitute default under this  
16 Agreement. Without limiting the rights and remedies available to County under any other  
17 provision of this Agreement, failure of Contractor to cure such default within 90 calendar  
18 days of written notice shall be grounds upon which County may terminate this Agreement  
19 pursuant to Paragraph 35 (TERMINATION FOR DEFAULT) and pursue debarment of  
20 Contractor, pursuant to County Code Chapter 2.202.

21 34. TERMINATION FOR INSOLVENCY:

22 A. County may terminate this Agreement immediately in the event of the  
23 occurrence of any of the following:

24 (1) Insolvency of Contractor. Contractor shall be deemed to be insolvent  
25 if it has ceased to pay its debts for at least 60 days in the ordinary course of business or  
26 cannot pay its debts as they become due, whether or not a petition has been filed under  
27 the Federal Bankruptcy Code and whether or not Contractor is insolvent within the  
28 meaning of the Federal Bankruptcy Code.

29 (2) The filing of a voluntary or involuntary petition regarding Contractor  
30 under the Federal Bankruptcy Code.

1 (3) The appointment of a Receiver or Trustee for Contractor.

2 (4) The execution by Contractor of a general assignment for the benefit  
3 of creditors.

4 B. The rights and remedies of County provided in this Paragraph 34 shall not  
5 be exclusive and are in addition to any other rights and remedies provided by law or under  
6 this Agreement.

7 35. TERMINATION FOR DEFAULT:

8 A. County may, by written notice of default to Contractor, terminate this  
9 Agreement immediately in any one of the following circumstances:

10 (1) If, as determined in the sole judgment of County, Contractor fails to  
11 perform any services within the times specified in this Agreement or any extension thereof  
12 as County may authorize in writing; or

13 (2) If, as determined in the sole judgment of County, Contractor fails to  
14 perform and/or comply with any of the other provisions of this Agreement or so fails to  
15 make progress as to endanger performance of this Agreement in accordance with its  
16 terms, and in either of these two circumstances, does not cure such failure within a period  
17 of five days (or such longer period as County may authorize in writing) after receipt of  
18 notice from County specifying such failure.

19 B. In the event that County terminates this Agreement as provided in  
20 Subparagraph A, County may procure, upon such terms and in such manner as County  
21 may deem appropriate, services similar to those so terminated, and Contractor shall be  
22 liable to County for any reasonable excess costs incurred by County, as determined by  
23 County, for such similar services.

24 C. The rights and remedies of County provided in this Paragraph 35 shall not  
25 be exclusive and are in addition to any other rights and remedies provided by law or under  
26 this Agreement.

27 36. TERMINATION FOR IMPROPER CONSIDERATION: County may, by written  
28 notice to Contractor, immediately terminate the right of Contractor to proceed under this  
29 Agreement if it is found that consideration, in any form, was offered or given by Contractor,  
30 either directly or through an intermediary, to any County officer, employee or agent with

1 the intent of securing the Agreement or securing favorable treatment with respect to the  
2 award, amendment or extension of the Agreement or the making of any determinations  
3 with respect to the Contractor's performance pursuant to the Agreement. In the event of  
4 such termination, County shall be entitled to pursue the same remedies against Contractor  
5 as it could pursue in the event of default by the Contractor.

6 Contractor shall immediately report any attempt by a County officer or employee to  
7 solicit such improper consideration. The report shall be made either to the County  
8 manager charged with the supervision of the employee or to the County Auditor-  
9 Controller's Employee Fraud Hotline at (800) 544-6861.

10 Among other items, such improper consideration may take the form of cash,  
11 discounts, service, the provision of travel or entertainment, or tangible gifts.

12 37. SEVERABILITY: If any provision of this Agreement or the application thereof to  
13 any person or circumstance is held invalid, the remainder of this Agreement and the  
14 application of such provision to other persons or circumstances shall not be affected  
15 thereby.

16 38. CAPTIONS AND PARAGRAPH HEADINGS: Captions and paragraph headings  
17 used in this Agreement are for convenience only and are not a part of this Agreement and  
18 shall not be used in construing this Agreement.

19 39. ALTERATION OF TERMS: No addition to, or alteration of, the terms of the body of  
20 this Agreement, or the Financial Summary or Service Exhibit(s) hereto, whether by written  
21 or oral understanding of the parties, their officers, employees or agents, shall be valid and  
22 effective unless made in the form of a written amendment to this Agreement which is  
23 formally approved and executed by the parties in the same manner as this Agreement.

24 40. ENTIRE AGREEMENT: The body of this Agreement, all attachments, Financial  
25 Exhibit A (Financial Provisions), Financial Summary(ies), Fiscal Years \_\_\_\_\_

26 \_\_\_\_\_ Service Delivery Site Exhibit, and Service Exhibit(s) \_\_\_\_\_

27 \_\_\_\_\_, attached hereto and incorporated herein by  
28 reference, and Contractor's Negotiation Package for this Agreement, as approved in  
29 writing by Director, including any addenda thereto as approved in writing by Director, which  
30 are hereby incorporated herein by reference but not attached, shall constitute the

1 complete and exclusive statement of understanding between the parties which  
2 supersedes all previous agreements, written or oral, and all other communications  
3 between the parties relating to the subject matter of this Agreement. In the event of any  
4 conflict or inconsistency in the definition or interpretation of any word, responsibility, or  
5 schedule, or the contents or description of any service or other work, or otherwise,  
6 between the body of this Agreement and the other referenced documents, or between  
7 such other documents, such conflict or inconsistency shall be resolved by giving  
8 precedence first to the body of this Agreement and its definitions and then to such other  
9 documents according to the following priority:

- 10 A. Financial Exhibit A (Financial Provisions)
- 11 B. Financial Summary(ies)
- 12 C. Service Delivery Site Exhibit
- 13 D. Service Exhibit(s)
- 14 E. Contractor's Negotiation Package.

15 41. WAIVER: No waiver by County of any breach of any provision of this Agreement  
16 shall constitute a waiver of any other breach of such provision. Failure of County to  
17 enforce at any time, or from time to time, any provision of this Agreement shall not be  
18 construed as a waiver thereof. The rights and remedies set forth in this Paragraph 41  
19 shall not be exclusive and are in addition to any other rights and remedies provided by law  
20 or under this Agreement.

21 42. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully  
22 complies with all Federal statutes and regulations regarding employment of aliens and  
23 others and that all its employees performing services hereunder meet the citizenship or  
24 alien status requirements set forth in Federal statutes and regulations. Contractor shall  
25 obtain, from all covered employees performing services hereunder, all verification and  
26 other documentation of employment eligibility status required by Federal statutes and  
27 regulations as they currently exist and as they may be hereafter amended. Contractor  
28 shall retain all such documentation for the period prescribed by law. Contractor shall  
29 indemnify, defend, and hold harmless County, its officers and employees from and against  
30 any employer sanctions and any other liability which may be assessed against Contractor

1 or County in connection with any alleged violation of any Federal statutes or regulations  
2 pertaining to the eligibility for employment of persons performing services under this  
3 Agreement.

4 43. PUBLIC ANNOUNCEMENTS AND LITERATURE: In public announcements and  
5 literature distributed by Contractor for the purpose of apprising patients/clients and the  
6 general public of the nature of its treatment services, Contractor shall clearly indicate that  
7 the services which it provides under this Agreement are funded by the County of Los  
8 Angeles.

9 44. PURCHASES:

10 A. Purchase Practices: Contractor shall fully comply with all Federal, State and  
11 County laws, ordinances, rules, regulations, manuals, guidelines, and directives, in  
12 acquiring all furniture, fixtures, equipment, materials, and supplies. Such items shall be  
13 acquired at the lowest possible price or cost if funding is provided for such purposes  
14 hereunder.

15 B. Proprietary Interest of County: In accordance with all applicable Federal,  
16 State and County laws, ordinances, rules, regulations, manuals, guidelines and directives,  
17 County shall retain all proprietary interest, except the use during the term of this  
18 Agreement, in all furniture, fixtures, equipment, materials, and supplies, purchased or  
19 obtained by Contractor using any County funds. Upon the expiration or termination of this  
20 Agreement, the discontinuance of the business of Contractor, the failure of Contractor to  
21 comply with any of the provisions of this Agreement, the bankruptcy of Contractor or its  
22 giving an assignment for the benefit of creditors, or the failure of Contractor to satisfy any  
23 judgment against it within 30 calendar days of filing, County shall have the right to take  
24 immediate possession of all such furniture, removable fixtures, equipment, materials, and  
25 supplies, without any claim for reimbursement whatsoever on the part of Contractor.  
26 County, in conjunction with Contractor, shall attach identifying labels on all such property  
27 indicating the proprietary interest of County.

28 C. Inventory Records, Controls and Reports: Contractor shall maintain  
29 accurate and complete inventory records and controls for all furniture, fixtures, equipment,  
30 materials, and supplies, purchased or obtained using any County funds. Within 90

1 calendar days following the execution of this Agreement, Contractor shall provide Director  
2 with an accurate and complete inventory report of all furniture, fixtures, equipment,  
3 materials, and supplies, purchased or obtained using any County funds. The inventory  
4 report shall be prepared by Contractor on a form or forms designated by Director, certified  
5 and signed by an authorized officer of Contractor, and one copy thereof shall be delivered  
6 to County within 30 calendar days of any change in the inventory. Within five business  
7 days after the expiration or termination of the Agreement, Contractor shall submit to  
8 County six copies of the same inventory report updated to the expiration or termination  
9 date of the Agreement, certified and signed by an authorized officer of Contractor, based  
10 on a physical count of all items of furniture, fixtures, equipment, materials, and supplies, as  
11 of such expiration or termination date.

12 D. Protection of Property in Contractor's Custody: Contractor shall maintain  
13 vigilance and take all reasonable precautions, to protect all furniture, fixtures, equipment,  
14 materials, and supplies, purchased or obtained using any County funds, against any  
15 damage or loss by fire, burglary, theft, disappearance, vandalism or misuse. In the event  
16 of any burglary, theft, disappearance, or vandalism of any item of furniture, fixtures,  
17 equipment, materials, and supplies, Contractor shall immediately notify the police and  
18 make a written report thereof, including a report of the results of any investigation which  
19 may be made. In the event of any damage or loss of any item of furniture, fixtures,  
20 equipment, materials, and supplies, from any cause, Contractor shall immediately send  
21 Director a detailed, written report. Contractor shall contact DMH's Administrative Services  
22 Division for instructions for disposition of any such property which is worn out or unusable.

23 E. Disposition of Property in Contractor's Custody: Upon the termination of the  
24 funding of any program covered by this Agreement, or upon the expiration or termination  
25 of this Agreement, or at any other time that County may request, Contractor shall: (1)  
26 provide access to and render all necessary assistance for physical removal by County or  
27 its authorized representatives of any or all furniture, fixtures, equipment, materials, and  
28 supplies, purchased or obtained using any County funds, in the same condition as such  
29 property was received by Contractor, reasonable wear and tear excepted, or (2) at  
30 Director's option, deliver any or all items of such property to a location designated by

1 Director. Any disposition, settlement or adjustment connected with such property shall be  
2 in accordance with all applicable Federal, State and County laws, ordinances, rules,  
3 regulations, manuals, guidelines and directives.

4 45. AUTHORIZATION WARRANTY: Contractor represents and warrants that the  
5 person executing this Agreement for Contractor is an authorized agent who has actual  
6 authority to bind Contractor to each and every term, condition, and obligation of this  
7 Agreement and that all requirements of Contractor have been fulfilled to provide such  
8 actual authority.

9 46. RESTRICTIONS ON LOBBYING: If any Federal funds are to be used to pay for  
10 any of Contractor's services under this Agreement, Contractor shall fully comply with all  
11 certification and disclosure requirements prescribed by Section 319 of Public Law 101-121  
12 (31 United States Code Section 1352) and any implementing regulations, and shall ensure  
13 that each of its subcontractors receiving funds under this Agreement also fully complies  
14 with all such certification and disclosure requirements.

15 47. CERTIFICATION OF DRUG-FREE WORK PLACE: Contractor certifies and  
16 agrees that Contractor and its employees shall comply with DMH's policy of maintaining a  
17 drug-free work place. Contractor and its employees shall not manufacture, distribute,  
18 dispense, possess, or use any controlled substances as defined in 21 United States Code  
19 Section 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines,  
20 at any of Contractor's facilities or work sites or County's facilities or work sites. If  
21 Contractor or any of its employees is convicted of or pleads nolo contendere to any  
22 criminal drug statute violation occurring at any such facility or work site, then Contractor,  
23 within five (5) days thereafter, shall notify Director in writing.

24 48. COUNTY LOBBYISTS: Contractor and each County lobbyist or County lobbying  
25 firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor,  
26 shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter  
27 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm  
28 retained by Contractor to fully comply with County's Lobbyist Ordinance shall constitute a  
29 material breach of this Agreement upon which County may immediately terminate or  
30 suspend this Agreement.

1 49. MAINTENANCE STANDARDS FOR SERVICE DELIVERY SITES: Contractor  
2 shall assure that all locations where services are provided under this Agreement are  
3 operated at all times in accordance with all County community standards with regard to  
4 property maintenance and repair, graffiti abatement, refuse removal, fire safety,  
5 landscaping, and in full compliance with all applicable local laws, ordinances, and  
6 regulations relating to the property. County's periodic monitoring visits to Contractor's  
7 facility(ies) shall include a review of compliance with this Paragraph 49.

8 50. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME  
9 CREDIT: Contractor shall notify its employees, and shall require each subcontractor to  
10 notify its employees, that they may be eligible for the Federal Earned Income Credit under  
11 the Federal income tax laws. Such notice shall be provided in accordance with the  
12 requirements set forth in Internal Revenue Service Notice 1015.

13 51. USE OF RECYCLED-CONTENT PAPER PRODUCTS: Consistent with the Board  
14 of Supervisors' policy to reduce the amount of solid waste deposited at the County  
15 landfills, the Contractor agrees to use recycled-content paper to the maximum extent  
16 possible on the Project.

17 52. CONTRACTOR RESPONSIBILITY AND DEBARMENT: The following  
18 requirements set forth in the County's Non-Responsibility and Debarment Ordinance (Title  
19 2, Chapter 2.202 of the County Code) are effective for this Agreement, except to the  
20 extent applicable State and/or Federal laws are inconsistent with the terms of the  
21 Ordinance.

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

26 B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of  
27 the County Code, if the County acquires information concerning the performance of the  
28 Contractor on this or other Agreements which indicates that the Contractor is not  
29 responsible, the County may, in addition to other remedies provided in the Agreement,  
30 debar the Contractor from bidding or proposing on, or being awarded, and/or performing

1 work on County Agreements for a specified period of time, which generally will not exceed  
2 five years but may exceed five years or be permanent if warranted by the circumstances,  
3 and terminate any or all existing Agreements the Contractor may have with the County.

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

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

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

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

30 G If a Contractor has been debarred for a period longer than five (5) years, that

1 Contractor may, after the debarment has been in effect for at least five (5) years, submit a  
2 written request for review of the debarment determination to reduce the period of  
3 debarment or terminate the debarment. The County may, in its discretion, reduce the  
4 period of debarment or terminate the debarment if it finds that the Contractor has  
5 adequately demonstrated one or more of the following: (1) elimination of the grounds for  
6 which the debarment was imposed; (2) a bona fide change in ownership or management;  
7 (3) material evidence discovered after debarment was imposed; or (4) any other reason  
8 that is in the best interests of the County.

9 H. The Contractor Hearing Board will consider a request for review of a  
10 debarment determination only where (1) the Contractor has been debarred for a period  
11 longer than five (5) years; (2) the debarment has been in effect for at least five (5) years;  
12 and (3) the request is in writing, states one or more of the grounds for reduction of the  
13 debarment period or termination of the debarment, and includes supporting  
14 documentation. Upon receiving an appropriate request, the Contractor Hearing Board will  
15 provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board  
16 shall conduct a hearing where evidence on the proposed reduction of debarment period or  
17 termination of debarment is presented. This hearing shall be conducted and the request  
18 for review decided by the Contractor Hearing Board pursuant to the same procedures as  
19 for a debarment hearing.

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

26 I. These terms shall also apply to subcontractors of County Contractors.

27 **53. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY**  
28 **FUNDED PROGRAM:** Contractor hereby warrants that neither it nor any of its staff  
29 members is restricted or excluded from providing services under any health care program  
30 funded by the Federal government, directly or indirectly, in whole or in part, and that

1 Contractor will notify Director within 30 calendar days in writing of: (1) any event that would  
2 require Contractor or a staff member's mandatory exclusion from participation in a  
3 Federally funded health care program; and (2) any exclusionary action taken by any  
4 agency of the Federal government against Contractor or one or more staff members  
5 barring it or the staff members from participation in a Federally funded health care  
6 program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

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

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

14 Permissive exclusions may be based on: (1) conviction of a misdemeanor related to  
15 fraud or financial misconduct involving a government program; (2) obstructing an  
16 investigation; (3) failing to provide access to documents or premises as required by federal  
17 health care program officials; (4) conviction of a misdemeanor related to controlled  
18 substances; (5) failing to disclose information about the entity itself, its subcontractors or  
19 its significant business transactions; (6) loss of a state license to practice a health care  
20 profession; (7) default on a student loan given in connection with education in a health  
21 profession; (8) charging excessive amounts to a Federally funded health care program or  
22 furnishing services of poor quality or which are substantially in excess of the needs of the  
23 patients; (9) paying a kickback or submitting a false or fraudulent claim. Persons  
24 controlling or managing excluded entities who knew of the conduct leading to the exclusion  
25 can themselves be excluded, and entities which are owned and controlled by excluded  
26 individuals can also be excluded.

27 Contractor shall indemnify and hold County harmless against any and all loss or  
28 damage County may suffer arising from any Federal exclusion of Contractor or its staff  
29 members from such participation in a Federally funded health care program. Contractor  
30 shall provide the certification set forth in Attachment VI as part of its obligation under this

1 Paragraph 53.

2 Failure by Contractor to meet the requirements of this Paragraph 53 shall constitute  
3 a material breach of Agreement upon which County may immediately terminate or  
4 suspend this Agreement.

5 54. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT:

6 A. The parties acknowledge the existence of the Health Insurance Portability  
7 and Accountability Act of 1996 and its implementing regulations ("HIPAA"). Contractor  
8 understands and agrees that it is a "Covered Entity" under HIPAA and, as such, has  
9 obligations with respect to the confidentiality, privacy, and security of patients' medical  
10 information, and must take certain steps to preserve the confidentiality of this information,  
11 both internally and externally, including the training of staff and the establishment of proper  
12 procedures for the release of such information, including the use of appropriate consents  
13 and authorizations specified under HIPAA.

14 B. The parties acknowledge their separate and independent obligations with  
15 respect to HIPAA, and that such obligations relate to *transactions and code sets, privacy,*  
16 *and security.* Contractor understands and agrees that it is separately and independently  
17 responsible for compliance with HIPAA in all these areas and that County has not  
18 undertaken any responsibility for compliance on Contractor's behalf. Contractor has not  
19 relied, and will not in any way rely, on County for legal advice or other representations with  
20 respect to Contractor's obligations under HIPAA, but will independently seek its own  
21 counsel and take the necessary measures to comply with the law and its implementing  
22 regulations.

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

29 D. Contractor and County understand and agree that HIPAA has imposed  
30 additional requirements in regards to changes in DMH's County's information system.

1           (1) County desires to clarify County's information system terminology  
2 under this Agreement as it relates to HIPAA, and, accordingly, has set forth in Attachment  
3 VIII (Crosswalk Fact Sheet) a "crosswalk" of technical terms, definitions and language to  
4 be used with this Agreement.

5           (2) County desires to clarify other HIPAA-related changes set forth in the  
6 DMH Provider Manual and which are incorporated herein by reference as though fully set  
7 forth.

8           (a) County has added to the DMH Provider Manual a Guide to  
9 Procedure Codes, which includes a "crosswalk" of DMH activity codes to Current  
10 Procedural Terminology (CPT) and Health Care Procedure Coding System (HCPCS)  
11 codes.

12           (b) County has added to the DMH Provider Manual an Electronic  
13 Data Interchange Fact Sheet which includes information about the applicable HIPAA  
14 transactions that can be processed in the County's claims processing information system.  
15 Effective January 2009 Electronic Data Interchange (EDI) will be the only acceptable  
16 method by which Contractor or its Subcontractor(s) may submit HIPAA-compliant  
17 transactions.

18           (c) County has added to the DMH Provider Manual a Trading  
19 Partner Agent Authorization Agreement which includes the Contractor's authorization to its  
20 Subcontractor(s) to submit HIPAA-compliant transactions on behalf of Contractor.

21           E. Contractor understands that County operates an informational website  
22 <http://dmh.lacounty.info/hipaa/index.html> related to the services under this Agreement  
23 and the parties' HIPAA obligations, and agrees to undertake reasonable efforts to utilize  
24 said website to obtain updates, other information, and forms to assist Contractor in its  
25 performance.

26           F. Contractor understands and agrees that if it uses the services of an Agent in  
27 any capacity in order to receive, transmit, store or otherwise process Data or Data  
28 Transmissions or perform related activities, the Contractor shall be fully liable to DMH or  
29 for any acts, failures or omissions of the Agent in providing said services as though they  
30 were the Contractor's own acts, failures, or omissions.

1 G. Contractor further understands and agrees that the terms and conditions of  
2 the current Trading Partner Agreement (TPA) set forth in the DMH Provider Manual shall  
3 apply to this Agreement and that said Terms and Conditions are incorporated by reference  
4 as though fully set forth herein.

5 55. COMPLIANCE WITH JURY SERVICE PROGRAM:

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

9 B. Written Employee Jury Service Policy:

10 (1) Unless Contractor has demonstrated to the County's satisfaction  
11 either that Contractor is not a "Contractor" as defined under the Jury Service Program  
12 (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the  
13 Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and  
14 adhere to a written policy that provides that its Employees shall receive from the  
15 Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury  
16 service. The policy may provide that Employees deposit any fees received for such jury  
17 service with the Contractor or that the Contractor deduct from the Employee's regular pay  
18 the fees received for jury service.

19 (2) For purposes of this Section, "Contractor" means a person,  
20 partnership, corporation or other entity which has an Agreement with the County or a  
21 subcontract with a County Contractor and has received or will receive an aggregate sum of  
22 \$50,000 or more in any 12-month period under one or more County Agreements or  
23 subcontracts. "Employee" means any California resident who is a full-time employee of  
24 Contractor. "Full-time" means 40 hours or more worked per week or a lesser number of  
25 hours if: 1) the lesser number is a recognized industry standard as determined by the  
26 County, or 2) Contractor has a long-standing practice that defines the lesser number of  
27 hours as full-time. Full-time employees providing short-term, temporary services of 90  
28 days or less within a 12-month period are not considered full-time for purposes of the Jury  
29 Service Program. If Contractor uses any subcontractor to perform services for the County  
30 under the Agreement, the subcontractor shall also be subject to the provisions of this

1 Section. The provisions of this Section shall be inserted into any such subcontract  
2 Agreement and a copy of the Jury Service Program shall be attached to the Agreement.

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

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

18 56. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY  
19 LAW: The Contractor shall notify and provide to its employees, and shall require each  
20 subcontractor to notify and provide to its employees, a fact sheet regarding the Safely  
21 Surrendered Baby Law, its implementation in Los Angeles County, and where and how to  
22 safely surrender a baby.

23 The fact sheet is set forth in Attachment VII of this Agreement and is also available on the  
24 Internet at [www.babysafela.org](http://www.babysafela.org) for printing purposes.

25 57. CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO  
26 THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the  
27 County places a high priority on the implementation of the Safely Surrendered Baby Law.  
28 The Contractor understands that it is the County's policy to encourage all County  
29 Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a  
30 prominent position at the Contractor's place of business. The Contractor will also

1 encourage its subcontractors, if any, to post this poster in a prominent position in the  
2 subcontractor's place of business. The County's Department of Children and Family  
3 Services will supply the Contractor with the poster to be used.

4 58. COMPLIANCE WITH THE COUNTY'S LIVING WAGE PROGRAM:

5 (LANGUAGE APPLIES ONLY TO PROP A LIVING WAGE CONTRACTS)

6 A. Living Wage Program: This Contract is subject to the provisions of the  
7 County's ordinance entitled Living Wage Program as codified in Sections 2.201.010  
8 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as *Exhibit*  
9 *K* and incorporated by reference into and made a part of this Contract.

10 B. Payment of Living Wage Rates:

11 (1) Unless the Contractor has demonstrated to the County's satisfaction  
12 either that the Contractor is not an "Employer" as defined under the Program (Section  
13 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the  
14 Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its  
15 Employees no less than the applicable hourly living wage rate, as set forth immediately  
16 below, for the Employees' services provided to the County under the Contract:

17 i. Not less than \$9.46 per hour if, in addition to the per-hour  
18 wage, the Contractor contributes less than \$1.14 per hour towards the provision of bona  
19 fide health care benefits for its Employees and any dependents; or

20 ii. Not less than \$8.32 per hour if, in addition to the per-hour  
21 wage, the Contractor contributes at least \$1.14 per hour towards the provision of bona fide  
22 health care benefits for its Employees and any dependents. The Contractor will be  
23 deemed to have contributed \$1.14 per hour towards the provision of bona fide health care  
24 benefits if the benefits are provided through the County Department of Health Services  
25 Community Health Plan. If, at any time during the Contract, the Contractor contributes  
26 less than \$1.14 per hour towards the provision of bona fide health care benefits, the  
27 Contractor shall be required to pay its Employees the higher hourly living wage rate.

28 (2) For purposes of this Sub-paragraph, "Contractor" includes any  
29 subcontractor engaged by the Contractor to perform services for the County under the  
30 Contract. If the Contractor uses any subcontractor to perform services for the County

1 under the Contract, the subcontractor shall be subject to the provisions of this Sub-  
2 paragraph. The provisions of this Sub-paragraph shall be inserted into any such  
3 subcontract Contract and a copy of the Living Wage Program shall be attached to the  
4 Contract. "Employee" means any individual who is an employee of the Contractor under  
5 the laws of California, and who is providing full-time services to the Contractor, some or all  
6 of which are provided to the County under the Contract. "Full-time" means a minimum of  
7 40 hours worked per week, or a lesser number of hours, if the lesser number is a  
8 recognized industry standard and is approved as such by the County; however, fewer than  
9 35 hours worked per week will not, in any event, be considered full-time.

10 (3) If the Contractor is required to pay a living wage when the Contract  
11 commences, the Contractor shall continue to pay a living wage for the entire term of the  
12 Contract, including any option period.

13 (4) If the Contractor is not required to pay a living wage when the  
14 Contract commences, the Contractor shall have a continuing obligation to review the  
15 applicability of its "exemption status" from the living wage requirement. The Contractor  
16 shall immediately notify the County if the Contractor at any time either comes within the  
17 Living Wage Program's definition of "Employer" or if the Contractor no longer qualifies for  
18 an exception to the Living Wage Program. In either event, the Contractor shall  
19 immediately be required to commence paying the living wage and shall be obligated to pay  
20 the living wage for the remaining term of the Contract, including any option period. The  
21 County may also require, at any time during the Contract and at its sole discretion, that the  
22 Contractor demonstrate to the County's satisfaction that the Contractor either continues to  
23 remain outside of the Living Wage Program's definition of "Employer" and/or that the  
24 Contractor continues to qualify for an exception to the Living Wage Program. Unless the  
25 Contractor satisfies this requirement within the time frame permitted by the County, the  
26 Contractor shall immediately be required to pay the living wage for the remaining term of  
27 the Contract, including any option period.

28 C. Contractor's Submittal of Certified Monitoring Reports: The Contractor shall  
29 submit to the County certified monitoring reports at a frequency instructed by the County.  
30 The certified monitoring reports shall list all of the Contractor's Employees during the

1 reporting period. The certified monitoring reports shall also verify the number of hours  
2 worked, the hourly wage rate paid, and the amount paid by the Contractor for health  
3 benefits, if any, for each of its Employees. The certified monitoring reports shall also state  
4 the name and identification number of the Contractor's current health care benefits plan,  
5 and the Contractor's portion of the premiums paid as well as the portion paid by each  
6 Employee. All certified monitoring reports shall be submitted on forms provided by the  
7 County (*Exhibit L and Exhibit M*), or other form approved by the County which contains the  
8 above information. The County reserves the right to request any additional information it  
9 may deem necessary. If the County requests additional information, the Contractor shall  
10 promptly provide such information. The Contractor, through one of its officers, shall certify  
11 under penalty of perjury that the information contained in each certified monitoring report is  
12 true and accurate.

13 D. Contractor's Ongoing Obligation to Report Labor Law/Payroll Violations and  
14 Claims: During the term of the Contract, if the Contractor becomes aware of any labor  
15 law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any  
16 alleged labor law/payroll violation (including but not limited to any violation or claim  
17 pertaining to wages, hours and working conditions such as minimum wage, prevailing  
18 wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful  
19 employment discrimination), the Contractor shall immediately inform the County of any  
20 pertinent facts known by the Contractor regarding same. This disclosure obligation is not  
21 limited to any labor law/payroll violation or claim arising out of the Contractor's contract  
22 with the County, but instead applies to any labor law/payroll violation or claim arising out of  
23 any of the Contractor's operations in California.

24 E. County Auditing of Contractor Records: Upon a minimum of twenty-four (24)  
25 hours' written notice, the County may audit, at the Contractor's place of business, any of  
26 the Contractor's records pertaining to the Contract, including all documents and  
27 information relating to the certified monitoring reports. The Contractor is required to  
28 maintain all such records in California until the expiration of four years from the date of  
29 final payment under the Contract. Authorized agents of the County shall have access to all  
30 such records during normal business hours for the entire period that records are to be

1 maintained.

2 F. Notifications to Employees: The Contractor shall place County-provided  
3 living wage posters at each of the Contractor's places of business and locations where  
4 Contractor's Employees are working. The Contractor shall also distribute County-provided  
5 notices to each of its Employees at least once per year. The Contractor shall translate into  
6 Spanish and any other language spoken by a significant number of Employees the posters  
7 and handouts.

8 G. Enforcement and Remedies: If the Contractor fails to comply with the  
9 requirements of this Sub-paragraph, the County shall have the rights and remedies  
10 described in this Sub-paragraph in addition to any rights and remedies provided by law or  
11 equity.

12 (1) Remedies For Submission of Late or Incomplete Certified Monitoring  
13 Reports: If the Contractor submits a certified monitoring report to the County after the date  
14 it is due or if the report submitted does not contain all of the required information or is  
15 inaccurate or is not properly certified, any such deficiency shall constitute a breach of the  
16 Contract. In the event of any such breach, the County may, in its sole discretion, exercise  
17 any or all of the following rights/remedies:

18 (a) Withholding of Payment: If the Contractor fails to submit  
19 accurate, complete, timely and properly certified monitoring reports, the County may  
20 withhold from payment to the Contractor up to the full amount of any invoice that would  
21 otherwise be due, until Contractor has satisfied the concerns of the County, which may  
22 include required submittal of revised certified monitoring reports or additional supporting  
23 documentation.

24 (b) Liquidated Damages: It is mutually understood and agreed  
25 that the Contractor's failure to submit an accurate, complete, timely and properly certified  
26 monitoring report will result in damages being sustained by the County. It is also  
27 understood and agreed that the nature and amount of the damages will be extremely  
28 difficult and impractical to fix; that the liquidated damages set forth herein are the nearest  
29 and most exact measure of damages for such breach that can be fixed at this time; and  
30 that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's

1 breach. Therefore, in the event that a certified monitoring report is deficient, including but  
2 not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County  
3 may, in its sole discretion, assess against the Contractor liquidated damages in the  
4 amount of \$100 per monitoring report for each day until the County has been provided with  
5 a properly prepared, complete and certified monitoring report. The County may deduct  
6 any assessed liquidated damages from any payments otherwise due the Contractor.

7 (c) Termination: The Contractor's continued failure to submit  
8 accurate, complete, timely and properly certified monitoring reports may constitute a  
9 material breach of the Contract. In the event of such material breach, the County  
10 may, in its sole discretion, terminate the Contract.

11 (2) Remedies for Payment of Less Than the Required Living Wage: If  
12 the Contractor fails to pay any Employee at least the applicable hourly living wage rate,  
13 such deficiency shall constitute a breach of the Contract. In the event of any such breach,  
14 the County may, in its sole discretion, exercise any or all of the following rights/remedies:

15 (a) Withholding Payment: If the Contractor fails to pay one or  
16 more of its Employees at least the applicable hourly living wage rate, the County may  
17 withhold from any payment otherwise due the Contractor the aggregate difference  
18 between the living wage amounts the Contractor was required to pay its Employees for a  
19 given pay period and the amount actually paid to the employees for that pay period. The  
20 County may withhold said amount until the Contractor has satisfied the County that any  
21 underpayment has been cured, which may include required submittal of revised certified  
22 monitoring reports or additional supporting documentation.

23 (b) Liquidated Damages: It is mutually understood and agreed  
24 that the Contractor's failure to pay any of its Employees at least the applicable hourly living  
25 wage rate will result in damages being sustained by the County. It is also understood and  
26 agreed that the nature and amount of the damages will be extremely difficult and  
27 impractical to fix; that the liquidated damages set forth herein are the nearest and most  
28 exact measure of damages for such breach that can be fixed at this time; and that the  
29 liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach.  
30 Therefore, it is agreed that the County may, in its sole discretion, assess against the

1 Contractor liquidated damages of \$50 per Employee per day for each and every instance  
2 of an underpayment to an Employee. The County may deduct any assessed liquidated  
3 damages from any payments otherwise due the Contractor.

4 (c) Termination: The Contractor's continued failure to pay any of  
5 its Employees the applicable hourly living wage rate may constitute a material breach of  
6 the Contract. In the event of such material breach, the County may, in its sole discretion,  
7 terminate the Contract.

8 (3) Debarment: In the event the Contractor breaches a requirement of  
9 this Sub-paragraph, the County may, in its sole discretion, bar the Contractor from the  
10 award of future County contracts for a period of time consistent with the seriousness of the  
11 breach, not to exceed three years.

12 H. Use of Full-Time Employees: The Contractor shall assign and use full-time  
13 Employees of the Contractor to provide services under the Contract unless the Contractor  
14 can demonstrate to the satisfaction of the County that it is necessary to use non-full-time  
15 Employees based on staffing efficiency or County requirements for the work to be  
16 performed under the Contract. It is understood and agreed that the Contractor shall not,  
17 under any circumstance, use non-full-time Employees for services provided under the  
18 Contract unless and until the County has provided written authorization for the use of  
19 same. The Contractor submitted with its proposal a full-time Employee staffing plan. If the  
20 Contractor changes its full-time Employee staffing plan, the Contractor shall immediately  
21 provide a copy of the new staffing plan to the County.

22 I. Contractor Retaliation Prohibited: The Contractor and/or its Employees  
23 shall not take any adverse action which would result in the loss of any benefit of  
24 employment, any contract benefit, or any statutory benefit for any Employee, person or  
25 entity who has reported a violation of the Living Wage Program to the County or to any  
26 other public or private agency, entity or person. A violation of the provisions of this Sub-  
27 paragraph may constitute a material breach of the Contract. In the event of such  
28 material breach, the County may, in its sole discretion, terminate the Contract.

29 J. Contractor Standards: During the term of the Contract, the Contractor shall  
30 maintain business stability, integrity in employee relations and the financial ability to pay a

1 living wage to its employees. If requested to do so by the County, the Contractor shall  
2 demonstrate to the satisfaction of the County that the Contractor is complying with this  
3 requirement.

4 K. Employee Retention Rights:

5 *(Note: This Sub-paragraph applies only if the contract involves the*  
6 *provision of services that were previously provided by a Contractor under a predecessor*  
7 *Proposition A contract or a predecessor cafeteria services contract, which predecessor*  
8 *contract was terminated by the County prior to its expiration.)*

9 (1) Contractor shall offer employment to all retention employees who  
10 are qualified for such jobs. A "retention employee" is an individual:

11 (a) Who is not an exempt employee under the minimum wage  
12 and maximum hour exemptions defined in the federal Fair Labor Standards Act; and

13 (b) Who has been employed by a Contractor under a  
14 predecessor Proposition A contract or a predecessor cafeteria services contract with the  
15 County for at least six (6) months prior to the date of this new Contract, which  
16 predecessor contract was terminated by the County prior to its expiration; and

17 (c) Who is or will be terminated from his or her employment as a  
18 result of the County entering into this new contract.

19 (2) Contractor is not required to hire a retention employee who:

20 (a) Has been convicted of a crime related to the job or his or her  
21 performance; or

22 (b) Fails to meet any other County requirement for employees of  
23 a Contractor.

24 (3) Contractor shall not terminate a retention employee for the first 90  
25 days of employment under the contract, except for cause. Thereafter, Contractor may  
26 retain a retention employee on the same terms and conditions as Contractor's other  
27 employees.

28 L. Neutrality in Labor Relations: The Contractor shall not use any  
29 consideration received under the Contract to hinder, or to further, organization of, or  
30 collective bargaining activities by or on behalf of the Contractor's employees, except that

1 this restriction shall not apply to any expenditure made in the course of good faith  
2 collective bargaining, or to any expenditure pursuant to obligations incurred under a bona  
3 fide collective bargaining Contract, or which would otherwise be permitted under the  
4 provisions of the National Labor Relations Act.

5 59. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY  
6 AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (45

7 C.F.R. PART 76): The Contractor hereby acknowledges that the County is prohibited from  
8 contracting with and making sub-awards to parties that are suspended, debarred,  
9 ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded  
10 from securing federally funded contracts. By executing this Agreement, Contractor  
11 certifies that neither it nor any of its owners, officers, partners, directors or other principals  
12 is currently suspended, debarred, ineligible, or excluded from securing federally funded  
13 contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge,  
14 none of its subcontractors, at any tier, or any owner, officer, partner, director or other  
15 principal of any subcontractor is currently suspended, debarred, ineligible, or excluded  
16 from securing federally funded contracts. Contractor shall immediately notify County in  
17 writing, during the term of this Agreement, should it or any of its subcontractors or any  
18 principals of either be suspended, debarred, ineligible, or excluded from securing federally  
19 funded contracts. Failure of Contractor to comply with this provision shall constitute a  
20 material breach of this Agreement upon which the County may immediately terminate or  
21 suspend this Agreement.

22 60. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE:

23 The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates  
24 entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004"  
25 (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring  
26 Contractors to complete the certification in Attachment IX, the County seeks to ensure that  
27 all County contractors which receive or raise charitable contributions comply with California  
28 law in order to protect the County and its taxpayers. A Contractor which receives or raises  
29 charitable contributions without complying with its obligations under California law commits  
30 a material breach subjecting it to either contract termination or debarment proceedings or

1 both. (County Code Chapter 2.202)

2 61. NOTICES: All notices or demands required or permitted to be given under this  
3 Agreement shall be in writing and shall be delivered with signed receipt or mailed by first  
4 class, registered or certified mail, postage pre-paid, addressed to the parties at the  
5 following addresses and to the attention of the persons named. Director shall have the  
6 authority to execute all notices or demands which are required or permitted by County  
7 under this Agreement. Addresses and persons to be notified may be changed by either  
8 party by giving ten (10) days prior written notice thereof to the other party.

9 For the County, please use the following contact information:

10 County of Los Angeles - Department of Mental Health  
11 Contracts Development and Administration Division  
12 550 South Vermont Ave., 5th Floor  
13 Los Angeles, CA 90020  
14 Attention: Chief of Contracts

15 For the Contractor, please use the following contact information:

16 \_\_\_\_\_  
17 \_\_\_\_\_  
18 \_\_\_\_\_  
19 \_\_\_\_\_

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1 IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles  
2 has caused this Agreement to be subscribed by its Chairman and the seal of said Board to  
3 be hereto affixed and attested to by the Executive Officer thereof, and Contractor has  
4 caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day,  
5 month and year first above written.

6  
7 ATTEST:

COUNTY OF LOS ANGELES

8 SACHI HAMAI, Executive  
9 Officer-Board of Supervisors  
10 of the County of Los Angeles

11 By \_\_\_\_\_  
12 Chairman, Board of Supervisors

13 By \_\_\_\_\_  
14 Deputy

15  
16  
17  
18 APPROVED AS TO FORM:  
19 OFFICE OF THE COUNTY COUNSEL

20 \_\_\_\_\_  
CONTRACTOR

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22  
23 By \_\_\_\_\_  
24 Deputy County Counsel

25 By \_\_\_\_\_

26 Name \_\_\_\_\_

27 Title \_\_\_\_\_  
28 (AFFIX CORPORATE SEAL HERE)

29  
30 APPROVED AS TO CONTRACT  
31 ADMINISTRATION:  
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33 DEPARTMENT OF MENTAL HEALTH

34  
35  
36  
37 By \_\_\_\_\_  
38 Chief, Contracts Development  
39 and Administration Division

1 IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles  
2 has caused this Agreement to be subscribed by County's Director of Mental Health or his  
3 designee, and Contractor has caused this Agreement to be subscribed in its behalf by its  
4 duly authorized officer, the day, month, and year first above written.

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6  
7 COUNTY OF LOS ANGELES

8 APPROVED AS TO FORM:  
9 OFFICE OF THE COUNTY COUNSEL

10  
11  
12  
13  
14 By \_\_\_\_\_  
15 Deputy County Counsel

By \_\_\_\_\_  
MARVIN J. SOUTHARD, D.S.W.  
Director of Mental Health

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20 \_\_\_\_\_  
21 CONTRACTOR  
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23 By \_\_\_\_\_  
24  
25 Name \_\_\_\_\_  
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27 Title \_\_\_\_\_  
28 (AFFIX CORPORATE SEAL HERE)  
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32 APPROVED AS TO CONTRACT  
33 ADMINISTRATION:  
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35 DEPARTMENT OF MENTAL HEALTH

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38 By \_\_\_\_\_  
39 Chief, Contracts Development  
40 and Administration Division

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43 LEGAL ENTITY AGREEMENT FY07-08 04/17/07

1 IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles  
2 has caused this Agreement to be subscribed by County's Director of Mental Health or his  
3 designee, and Contractor has caused this Agreement to be subscribed in its behalf by its  
4 duly authorized officer, the day, month, and year first above written.

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8 COUNTY OF LOS ANGELES  
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11 By \_\_\_\_\_  
12 MARVIN J. SOUTHARD, D.S.W.  
13 Director of Mental Health  
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17 \_\_\_\_\_  
18 CONTRACTOR

19 By \_\_\_\_\_

20 Name \_\_\_\_\_

21  
22 Title \_\_\_\_\_  
23 (AFFIX CORPORATE SEAL HERE)  
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28

29 APPROVED AS TO FORM:  
30 OFFICE OF THE COUNTY COUNSEL  
31

32 APPROVED AS TO CONTRACT  
33 ADMINISTRATION:  
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35 DEPARTMENT OF MENTAL HEALTH  
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39 By \_\_\_\_\_  
40 Chief, Contracts Development  
41 and Administration Division  
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**DEFINITIONS**

The following terms, as used in this Agreement, shall have the following meanings:

- A. "CCR" means the California Code of Regulations;
- B. "CGF" means County General Funds;
- C. "CalWORKs" means California Work Opportunities and Responsibilities to Kids Act, which under California Welfare and Institutions Code Section 11200 et seq. provides for mental health supportive services to eligible welfare recipients. CalWORKs funding consists of both Federal and State funds;
- D. "Cash Flow Advance" means County General Funds (CGF) furnished by County to Contractor for cash flow purposes in expectation of Contractor repayment pending Contractor's rendering and billing of eligible services/activities;
- E. "Cost Reimbursement" or "CR" means 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;
- F. "County's Claims Processing Information System" means the current system employed by the Department of Mental Health to submit and process claims.
- G. "CPT" means Physicians' Current Procedural Terminology as referenced in the American Medical Association standard edition publication;
- H. "CR/DC Manual" means SDMH's Cost Reporting/Data Collection Manual;
- I. "Day(s)" means calendar day(s) unless otherwise specified;
- J. "DCFS" means County Department of Children and Family Services;
- K. "Director" means County's Director of Mental Health or his authorized designee;
- L. "DMH" means County's Department of Mental Health;
- M. "DPSS" means County's Department of Public Social Services;
- N. "EOB" means '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;

## DEFINITIONS CONTINUED

- O. "EPSDT" means the Early and Periodic Screening, Diagnosis, and Treatment program, which is a requirement of the Medicaid program to provide comprehensive health care. Such State funds are specifically designated for this program;
- P. "Established Maximum Allowable Rate" means the Short-Doyle/Medi-Cal maximum reimbursement for a specific SFC unit as established by SDMH;
- Q. "FFP" means 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.;
- R. "Fiscal Intermediary" means County acting on behalf of the Contractor and the Federally designated agency in regard to and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities;
- S. "Fiscal Year" means County's Fiscal Year which commences July 1 and ends the following June 30;
- T. "Gross Program Budget" is the sum total of the Net Program Budget and all "Third Party Revenues" shown in the Financial Summary;
- U. "GROW" means General Relief Opportunities for Work;
- V. "Healthy Families" ("HF") means the federally subsidized health insurance program administered by the State of California for the provision of comprehensive health services (including medical, dental and vision care) to children ages birth through 19th birthday from low income families;
- W. "Healthy Families Procedures Manual" ("HF Procedures Manual") means DMH's Healthy Families Procedures Manual for providers. The HF Procedure Manual contains the formal requirements, policies and procedures governing Healthy Families and is incorporated into this Agreement by reference. Contractor hereby acknowledges receipt of the HF Procedures Manual upon execution of this Agreement;
- X. "IMD" means Institutions for Mental Disease. Hospitals, nursing facilities or other institutions of more than 16 beds that are primarily engaged in providing

## DEFINITIONS CONTINUED

- diagnosis, treatment or care of persons with mental disease, including medical attention, nursing care and related services;
- Y. "Legal Entity" means the legal organization structure under California law;
- Z. "Master Agreement List" means a list of contractors who have submitted a Statement of Qualifications (SOQ) in response to County's Request for Statement of Qualifications (RFSQ), and have met the minimum qualifications listed in the RFSQ, and who have an executed Master Agreement;
- AA. "Maximum Contract Amount" is the sum total of all "Allocations" shown in the Financial Summary; except that the "Maximum Contract Amount" shall not include "Third Party Revenue" shown in the Financial Summary;
- BB. "Mental Health Services Act" ("MHSA"), adopted by the California electorate on November 2, 2004 creates a new permanent revenue source, administered by the State Department of Mental Health (SDMH), for the transformation and expanded delivery of mental health services provided by State and County agencies and requires the development of integrated plans for prevention, innovation, and system of care services;
- CC. "Member" or Title XXI Healthy Families Program Member ("HFPM") means an enrollee in any Healthy Families Health Plan through Healthy Families;
- DD. "MHRC" means Mental Health Rehabilitation Centers certified by the State Department of Mental Health;
- EE. "MRMIB" means the State of California Managed Risk Medical Insurance Board, the administrator of Healthy Families for the State of California;
- FF. "Negotiated Rate" or "NR" means 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

## DEFINITIONS CONTINUED

- 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 County as County's share of reimbursement from SDMH;
- GG. "Net Program Budget" is equal to the Maximum Contract Amount which is the sum total of all "Allocations" and "Pass Through" amounts shown in the Financial Summary. Unless otherwise provided in this Agreement, or separately agreed to in writing between the parties, it is the intent of the parties that the Net Program Budget shall be equal to the Maximum Contract Amount;
- HH. "Organizational Provider's Manual" is the Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services;
- II. "PATH" means Projects for Assistance in Transition from Homelessness Federal grant funds;
- JJ. "PHF" means a Psychiatric Health Facility. A health facility licensed by the State Department of Mental Health, that provides 24 hour acute inpatient care on either a voluntary or involuntary basis to mentally ill persons. This care shall include, but not be limited to, the following basic services: psychiatry, clinical psychology, psychiatric nursing, social work, rehabilitation, drug administration, and appropriate food services for those persons whose physical health needs can be met in an affiliated hospital or in outpatient settings;
- KK. "Request for Services" ("RFS") is a second solicitation process to Contractors on a pre-qualified Master Agreement that requests specific and detailed services as defined in a Statement of Work at a time when such services are needed;
- LL. "Request for Statement of Qualifications" ("RFSQ") means a solicitation based on establishing a pool of qualified vendors/contractors to provider services through a Master Agreement;
- MM. "SAMHSA" means Substance Abuse and Mental Health Services Administration Federal block grant funds;

## DEFINITIONS CONTINUED

- NN. "SDHS" means State Department of Health Services;
- OO. "SDMH" means State Department of Mental Health;
- PP. "SDSS" means State Department of Social Services;
- QQ. "SFC" means Service Function Code, as defined by Director, for a particular type of mental health service, and/or Title XIX Medi-Cal administrative claiming activity;
- RR. "SNF-STP" mean Skilled Nursing Facility licensed by the State Department of Health Services, with an added Special Treatment Program certified by the State Department of Mental Health;
- SS. "State" means the State of California;
- TT. "Statement of Qualifications" ("SOQ") means a contractor's response to an RFSQ;
- UU. "Statement of Work" ("SOW") means a written description of services desired by County for a specific Work Order;
- VV. "Title IV" means Title IV of the Social Security Act, 42 United States Code Section 601 et seq.;
- WW. "Title XIX" means Title XIX of the Social Security Act, 42 United States Code Section 1396 et seq.;
- XX. "Title XXI" means Title XXI of the Social Security Act, 42 United States Code Section 1396 et seq.;
- YY. "UMDAP" means SDMH's Uniform Method of Determining Ability to Pay; and
- ZZ. "WIC" means the California Welfare and Institutions Code.

**FINANCIAL EXHIBIT A  
(FINANCIAL PROVISIONS)**

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1 FINANCIAL EXHIBIT A  
2 (FINANCIAL PROVISIONS)

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40 CONTRACTOR CLAIMS CERTIFICATION FOR TITLE XIX SHORT-  
41 DOYLE MEDI-CAL AND TITLE XXI HEALTHY FAMILIES  
42 REIMBURSEMENTS

1 FINANCIAL EXHIBIT A

2  
3 FINANCIAL PROVISIONS: REIMBURSEMENT BUSINESS RULES, METHODOLOGIES  
4 AND LIMITATIONS

5  
6 **A. GENERAL:** This Agreement provides that County shall pay Contractor  
7 monthly, in arrears, for reimbursement of expenditures as provided for in this Financial  
8 Exhibit A (FINANCIAL PROVISIONS) (Attachment II to the Department of Mental Health  
9 (DMH) Legal Entity Agreement) and as shown in the Financial Summary(ies)  
10 (Attachment III to the DMH Legal Entity Agreement).

11 (1) The Contractor shall comply with requirements necessary for  
12 reimbursement as established by Federal, State and local statutes, laws, ordinances,  
13 rules, regulations, manuals, policies, guidelines and directives.

14 (2) The State Schedule of Maximum Allowances (SMAs) in effect during  
15 the Initial Period, the First Automatic Renewal Period, or the Second Automatic Renewal  
16 Period, shall be applicable to this Agreement when adopted by the State.

17 (3) Contractor shall inform County when 75 percent (75%) of the  
18 Maximum Contract Amount has been incurred based upon Contractor's own billing  
19 records. Contractor shall send such notice to those persons and addresses which are set  
20 forth in the DMH Legal Entity Agreement, Paragraph 61 (NOTICES).

21 (4) The maximum reimbursement under this Agreement, except as  
22 provided in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph F (Shift of  
23 County General Funds), is in no event more than the Maximum Contract Amount,  
24 including any Agreement amendments with a Maximum Contract Amount increase for the  
25 applicable fiscal year, specified for each County, State and/or Federal payer/fund source  
26 shown in the Financial Summary(ies) (Attachment III) during the Initial Period, First  
27 Automatic Renewal Period and the Second Automatic Renewal Period respectively of this  
28 Agreement.

29 (5) Under no circumstances can the total Maximum Contract Amount for  
30 any of the periods specified in this Financial Exhibit A (FINANCIAL PROVISIONS),  
31 Paragraphs B (Reimbursement for Initial Period) and C (Reimbursement if Agreement is

1 Automatically Renewed) of this Agreement be increased or decreased without a properly  
2 executed amendment, except as provided for in this Financial Exhibit A (FINANCIAL  
3 PROVISIONS), Paragraph F (Shift of County General Funds).

4 (6) The Maximum Contract Amount for each period of this Agreement  
5 includes Cash Flow Advance which is repayable by Contractor through cash and/or  
6 appropriate services/activities and/or actual allowable costs incurred under this  
7 Agreement.

8 **B. REIMBURSEMENT FOR INITIAL PERIOD:** The Maximum Contract  
9 Amount for the Initial Period of this Agreement as described in Paragraph 1 (TERM) shall  
10 not exceed \_\_\_\_\_  
11 \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) and shall  
12 consist of County, State, and/or Federal funds as shown on the Financial Summary.

13 **C. REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED:**  
14 (1) Reimbursement For First Automatic Renewal Period: The Maximum  
15 Contract Amount for the First Automatic Renewal Period of this Agreement as described in  
16 Paragraph 1 (TERM) shall not exceed \_\_\_\_\_  
17 \_\_\_\_\_  
18 \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) and shall consist of  
19 County, State, and/or Federal funds as shown on the Financial Summary.

20 (2) Reimbursement For Second Automatic Renewal Period: The  
21 Maximum Contract Amount for the Second Automatic Renewal Period of this Agreement  
22 as described in Paragraph 1 (TERM) shall not exceed \_\_\_\_\_  
23 \_\_\_\_\_  
24 \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) and shall consist of  
25 County, State, and/or Federal funds as shown on the Financial Summary.

26 **D. BILLING AND PAYMENT PROCEDURES AND LIMITATIONS:**  
27 (1) County payments for Contractor's performance hereunder are:  
28 (a) Provisional until the completion of the audit settlement as  
29 specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph N (Audits,  
30 Audit Appeals and Post-Audit Short-Doyle/Medi-Cal Final Settlement) because such  
31 payments are subject to future County, State and/or Federal adjustments. State and/or

1 County adjustments to provisional payments to Contractor may result based upon  
2 County's claim processing information system data, Medi-Cal Administrative Activities  
3 (MAA) data base information, State adjudicated Medi-Cal and Healthy Families  
4 Explanation of Benefits (EOB) claims files, contractual limitations of this Agreement,  
5 annual cost report, application of various County, State and/or Federal reimbursement  
6 limitations, and/or County, State or Federal audits, all of which take precedence over  
7 monthly claim reimbursements.

8 (b) To be made by County using the business rules as shown in  
9 this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D (Billing and Payment  
10 Procedures and Limitations); Paragraph F (Shift of County General Funds); and in the  
11 Financial Summary(ies) – The Rate Summary (Attachment III) for each of the respective  
12 County, State and/or Federal funding sources(s).

13 (c) Restricted to the services/activities identified in the Financial  
14 Summary(ies) – The Rate Summary (Attachment III).

15 (d) Applied at the Legal Entity level for each respective payer/fund  
16 source specified in the Financial Summary(ies) (Attachment III).

17 (2) Submission of Bills: In general, unless otherwise agreed to by County  
18 and with the exception of this Paragraph D (Billing and Payment Procedures and  
19 Limitations), Subparagraph (7) (Claims Submission Timeline Requirements), claims for  
20 services, including Short-Doyle/Medi-Cal (SD/MC) and Healthy Families, are to be entered  
21 into the County's claims processing information system within 30 calendar days of the end  
22 of the month in which mental health services are delivered, although late claims may be  
23 submitted as needed in accordance with State and federal regulations. In special  
24 circumstances, such as Client Supportive Services, a manual claim may be necessary, in  
25 which case the Contractor is to submit the claim within 30 calendar days of the end of the  
26 month in which the eligible expense was incurred and in the form and content specified by  
27 County.

28 (a) Contractor shall notify County of any delay in meeting the 30  
29 calendar day submission period in the event Contractor is not able to make timely data  
30 entry into the County's claims processing information system due to no fault on the part of  
31 Contractor. Such Contractor notification must include a description of the problem that the

1 Contractor is having with the County claims processing information system. Notification  
2 shall be pursuant to the Legal Entity Agreement, Paragraph 61 (NOTICES), and such  
3 notification shall also be made by Contractor to the DMH Chief Information Office Bureau's  
4 Help Desk.

5 (b) The County will notify Contractor in writing within 30 calendar  
6 days of any County issue(s) which will prevent the entry by Contractor of claiming  
7 information into the County claims processing information system, and County will waive  
8 the requirement of this Paragraph D (Billing and Payment Procedures and Limitations),  
9 Subparagraph (2) (Submission of Bills) in the event of any such County issue(s). Once  
10 County has resolved its issue(s), Contractor shall enter billing information into the County's  
11 claims processing information system within 30 calendar days of County's resolution date  
12 unless otherwise agreed to by County and Contractor.

13 (3) After Director's or his designee's review and approval of the monthly  
14 claim(s), Contractor shall receive from County provisional payment of Contractor's claimed  
15 amount subjected to the business rules in this Paragraph D (Billing and Payment  
16 Procedures and Limitations).

17 (4) Reimbursement Methodologies: County agrees to reimburse  
18 Contractor during the term of this Agreement based on the following less all fees paid by  
19 or on behalf of patients/clients receiving services/activities hereunder and all other  
20 revenue, interest and return resulting from services/activities and/or funds paid by County  
21 to Contractor hereunder, unless otherwise specified in this Agreement.

22 (a) Cost Reimbursement (CR): The provisional reimbursement  
23 shall be based upon the Contractor's actual costs of mental health services/activities  
24 entered into the County's claims processing information system, State approved Medi-Cal  
25 Explanation of Benefits (EOB) claims file(s), manual claims if specified by County, and  
26 County's analysis of the claim's reasonableness subject to the limitations specified in this  
27 Financial Exhibit A (FINANCIAL PROVISIONS).

28 i. Reasonable, necessary and proper actual costs are  
29 allowable subject to the limitations specified in this Agreement. The Centers for Medicare  
30 and Medicaid Services' Publications #15-1 and #15-2, "The Provider Reimbursement  
31 Manual Parts 1 and 2" is to be used to determine eligible costs for federal funds

1 reimbursements. For non-federal funds, allowable costs shall be governed by State law,  
2 regulations and/or policy, or by County ordinance or policy.

3 ii. Additionally, reimbursement for Medi-Cal funded cost  
4 reimbursed services entered into the County's claims processing information system are  
5 limited to the lowest of:

6 1. The Contractor's published charge(s) to the  
7 general public; unless the Contractor is a Nominal Charge Provider. This federal  
8 published charges rule is applicable only for outpatient, rehabilitative, case management  
9 and 24-hour services.

10 2. The Contractor's actual costs.

11 3. The State's Schedule of Maximum Allowances  
12 (SMA).

13 4. The Maximum Contract Amount (MCA) of this  
14 Agreement.

15 (b) Negotiated Rate Reimbursement (NR):

16 i. County's reimbursement of Contractor's claim(s) shall  
17 be based upon:

18 1. The mental health services/activities claimed by  
19 Contractor by means of Contractor's entry of such services/activities into the County's  
20 claims processing information system;

21 2. State adjudicated approved Short-Doyle/Medi-  
22 Cal Explanation of Benefits (EOB) claims files; and

23 3. Pending State approval of the negotiated rates  
24 for Short-Doyle/Medi-Cal, the Contractor's provisional negotiated rate for each procedure  
25 as specified in the Financial Summary(ies) (Attachment III), and the State's approved  
26 negotiated rates upon receipt by County of the State's negotiated rates approval notice.

27 ii. A negotiated rate is the payment for services delivered  
28 on a per unit of service basis. Allowable costs are negotiated between the County and the  
29 Contractor, under the statutory and policy guidelines of the State, to arrive at a negotiated  
30 rate per unit of service. If federal funds are included in the reimbursement of negotiated  
31 rate services, federal requirements must also be followed in the determination of the

1 negotiated rate(s).

2                   iii. Negotiation rates for services funded with County funds  
3 only shall be established using the provisions specified in Exhibit A (FINANCIAL  
4 PROVISIONS), Paragraph E. (Establishing Provisional Cost Reimbursement Rates and  
5 Negotiation Rates), Subparagraph (2) (Establishing Provisional Cost Reimbursement  
6 Rates).

7                   iv. Negotiated rates for Short-Doyle/Medi-Cal funded  
8 services shall be established using the State's Short-Doyle/Medi-Cal Rate Establishment  
9 Process for the Fiscal Year for which such negotiated rates would be applicable.

10                   v. Pursuant to California Welfare and Institutions Code  
11 (WIC) Section 5716, negotiated rates for Short-Doyle/Medi-Cal services must be approved  
12 by the SDMH. A negotiated rate for Short-Doyle/Medi-Cal services shall be effective only  
13 upon SDMH approval and only for the period of time specified by SDMH.

14                   vi. Negotiated rates for County funds only services must  
15 be approved in writing by the County.

16                   vii. If for any period during the term of this Agreement for  
17 which there is no approved SDMH negotiated rate(s); or for which there is no approved  
18 County negotiated rate(s) for County funds only services, reimbursement, as specified by  
19 WIC Section 5716, shall be based on actual costs, subject to the limitations specified in  
20 this Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (4)  
21 (Reimbursement Methodologies), (a) ii. (Cost Reimbursement).

22                   viii. Additionally, reimbursement for Medi-Cal funded  
23 negotiated rate reimbursed services entered into the County's claim processing system  
24 are limited to the lowest of the following:

25                                   1. The Contractor's published charge(s) to the general  
26 public; unless the Contractor is a Nominal Charge Provider. This federal published  
27 charges rule is applicable only for the outpatient, rehabilitative, case management and 24-  
28 hour services.

29                                   2. The Contractor's negotiated rates, based on historic  
30 costs, and approved by the State, or by the County if the service is not a Short-  
31 Doyle/Medi-Cal covered service that requires State rate approval.

1 3. The State's Schedule of Maximum Allowances  
2 (SMA).

3 4. The Maximum Contract Amount (MCA) of this  
4 Agreement.

5 (c) IMDs: Manual claims submitted by Contractor to the County in  
6 the format specified by County. Pursuant to Section 5902(e) of the Welfare and  
7 Institutions Code (WIC), Institutions for Mental Diseases (IMD) which are licensed as  
8 Skilled Nursing Facilities (SNF) by SDHS are to be reimbursed for basic services at the  
9 rate(s) established by SDHS for SNF, in addition to the rate established for a Special  
10 Treatment Plan (STP). Accordingly, the IMD reimbursement consists of a basic SNF rate  
11 and a STP rate, or a Mental Health Rehabilitation Center (MHRC) rate. Contractor's  
12 manual IMD monthly claim to County shall be for those patient days that have been  
13 approved in writing by County and shall be separately itemized by each patient day.

14 (d) Medi-Cal Administrative Activities (MAA): Contractor is to  
15 claim reimbursement for MAA through the County's MAA data base system by entering  
16 the appropriate eligible MAA provided and the actual time incurred rendering the MAA.  
17 Reimbursement to Contractor for MAA billings is made on a quarterly basis and upon  
18 actual State approval and payment of MAA claims. Contractor must be approved by the  
19 State to participate in and to claim reimbursement for MAA.

20 (e) Organizational Providers under the Medi-Cal Specialty Mental  
21 Health Services:

22 i. The County will make reimbursement based upon State  
23 approved Medi-Cal claims, the maximum number of allowable visits stipulated in the  
24 Organizational Provider's Manual for Specialty Mental Health Services under the  
25 Rehabilitation Option and Targeted Case Management Services, and not to exceed the  
26 rate(s) shown in the Provisional Rate Schedule(s) as published and periodically revised as  
27 supplements to the Los Angeles County DMH Medi-Cal Specialty Mental health Services  
28 Provider Manual.

29 ii. The State will impose the reimbursement limits  
30 specified in this Paragraph D (Billing and Payment Procedures and Limitations),  
31 Subparagraph (4) (Reimbursement Methodologies), (b) viii. (Negotiated Rate

1 Reimbursement (NR)).

2                                   iii.       The County will at the time of settlement, as specified in  
3 this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph N (Audits, Audit Appeals  
4 and Post-Audit Short-Doyle/Medi-Cal Final Settlement), hold Contractor harmless for the  
5 difference between the County reimbursement rate(s) specified in the schedule referenced  
6 in this Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (4)  
7 (Reimbursement Methodologies), (e) i. (Organizational Providers under the Medi-Cal  
8 Specialty Mental Health Services) and the amount allowed by the State subsequent to the  
9 application of the reimbursement limits specified in this Paragraph D (Billing and Payment  
10 Procedures and Limitations), Subparagraph (4) (Reimbursement Methodologies), (b) viii  
11 (Negotiated Rate Reimbursement). However, in no event will County be responsible for  
12 any State disallowances resulting from unlawful or inappropriate billings on the part of  
13 Contractor.

14                                   (5)       Special Claiming Conditions:

15                                   (a)       Mental Health Services Act (MHSA):       The execution of  
16 Amendments issued under the MHSA Request for Statement of Qualifications (RFSQ)  
17 does not guarantee a Contractor any amount of funding. Contractor shall not be entitled  
18 to any payment of MHSA funds by County under this Agreement except pursuant to validly  
19 executed and satisfactorily performed Work Orders or Amendments completed in  
20 accordance with County issued MHSA Request for Services (RFS) that includes a specific  
21 and detailed Statement(s) of Work. Nothing herein is intended nor shall be construed as  
22 creating any exclusive arrangement with Contractor. This Agreement shall not restrict  
23 County from acquiring similar, equal or like MHSA goods and/or services from other  
24 entities or sources.

25                                   (b)       AB 3632 Services Utilizing Medi-Cal, Individuals with  
26 Disabilities Education Act (IDEA), AB 3632 State General Funds, AB 3632 SB 90 State  
27 General Funds and/or County General Funds:

28                                   i.       This Agreement's Maximum Contract Amount may  
29 include IDEA, State SB 90 (mandates) State General Funds, categorical State General  
30 Funds for AB 3632 services, and/or County General Funds for AB 3632 services all of  
31 which are restricted for AB 3632 reimbursements. Such funds shall be paid by County to

1 Contractor solely in County's capacity as the AB 3632 claim intermediary between the  
2 Contractor and the State and are solely restricted to AB 3632 services.

3 ii. The CGF, if any, allocated on the Financial  
4 Summary(ies) (Attachment III) for AB 3632 services is designated solely for AB 3632  
5 services and no CGF in this category shall be transferred to any other category on said  
6 Financial Summary(ies) (Attachment III).

7 iii. In the event AB 3632 services are rendered to a Medi-  
8 Cal beneficiary federal IDEA funds are not eligible for use as local match to draw down  
9 federal financial participation (FFP) funds. The only funds available in this Agreement's  
10 Maximum Contract Amount as the local match share of the Medi-Cal AB 3632  
11 expenditures are State SB 90 (mandates) State General Funds, categorical State General  
12 Funds for AB 3632, EPSDT – State General Funds and County General Funds.

13 iv. County shall make all instructions issued by the State  
14 for SB 90 claiming available to Contractor.

15 v. Notwithstanding any other provision of this Agreement,  
16 in the event that Contractor provides AB 3632 services reimbursable under the State's SB  
17 90 mandate claim process, Contractor shall be paid by County from SB 90 funds upon  
18 receipt from the State. In the event that SB 90 funds are not available to pay SB 90 claims  
19 or that State denies any or all of the SB 90 claims submitted by County on behalf of  
20 Contractor, Contractor shall indemnify and hold harmless County for any and all liability for  
21 payment of any or all of the denied SB 90 claims or for the unavailability of SB 90 funds to  
22 pay for SB 90 claims. Contractor shall be solely liable and responsible for all data and  
23 information submitted by Contractor to County in support of all claims for SB 90 funds  
24 submitted by County as the fiscal intermediary.

25 (c) Supportive and Therapeutic Options Program (STOP) Funds:

26 STOP funds may not be used as local match for any State or Federal programs.  
27 Notwithstanding any other provision of this Agreement, in the event that Contractor  
28 provides STOP services reimbursable under the State's STOP claim process, Contractor  
29 shall be paid by County from STOP funds upon receipt from the State. In the event that  
30 STOP funds are not available to pay STOP claims or that State denies any or all of the  
31 STOP claims submitted by County on behalf of Contractor, Contractor understands and

1 agrees that County is not responsible for any substantive payment obligation and,  
2 accordingly, Contractor shall not seek any payment from County and shall indemnify and  
3 hold harmless County for any and all liability for payment of any or all of the denied STOP  
4 claims or for the unavailability of STOP funds to pay for STOP claims.

5 (6) Maximum Monthly and Year-to-Date and Other Payment Limitations:

6 (a) The County's monthly payment(s) to Contractor shall be made  
7 in a manner that ensures variations in service/activity levels from month-to-month are  
8 recognized. Accordingly, an overage in actual services/activities from the Maximum  
9 Monthly Payment amount in one month can be applied to offset any underage in actual  
10 services/activities in another month(s).

11 i. Example: The Agreement term is July 1 to June 30 (12  
12 months); the fiscal year's Maximum Contract Amount (MCA) is \$120,000; and the  
13 payment is for November of the same fiscal year which is the fifth month. The cumulative  
14 monthly year-to-date payments will be \$50,000 which is calculated by the \$120,000 MCA  
15 divided by 12 (the total number of months in the Agreement Term for the specific fiscal  
16 year) multiplied by 5 (July 1 through November 30 of the fiscal year is 5 months).  
17 Therefore, the total maximum County payments limitation to Contractor for the entire 5  
18 month period is \$50,000.

19 (b) All monthly claims shall be subject to adjustment based upon  
20 the County's claims processing information system reports, remittance advices and  
21 Explanation of Benefits (EOB) data, and/or Contractor's annual Cost Report which shall  
22 supersede and take precedence over all claims.

23 (c) Director or his designee may, in his discretion, at any time,  
24 make adjustments to any of Contractor's monthly claims as necessary to ensure that  
25 Contractor shall not be paid by County a sum in excess of the amount due to Contractor  
26 under the terms and conditions of this Agreement. Director or his designee shall provide  
27 Contractor with at least 30 calendar days written notice of his intention to make such  
28 payment adjustments, including the reason(s) for his intended action. Thereafter,  
29 Contractor may, within 15 calendar days, request reconsideration of the County's decision.

30 Contractor may request in writing, and shall receive if requested, County's computations  
31 for determining any adjustment (s), including any amount(s) withheld, to Contractor's

1 monthly claim.

2 (d) If service data are not submitted as required by County, then  
3 payment shall be withheld until County is in receipt of a complete and correct service data  
4 and such service data has been reviewed and approved by Director or his designee.  
5 Director or his designee shall review such submitted service data within 60 calendar days  
6 of receipt. Director or his designee shall provide Contractor within 30 calendar days  
7 written notice of his intention to withhold payment, including the reason(s) for his intended  
8 action and the identification of the incomplete or incorrect service data. Thereafter,  
9 Contractor may, within 15 calendar days, request reconsideration of the County's decision.

10 (e) Director or his designee shall have the option to deny payment  
11 for services when documentation of clinical work does not meet minimum State and  
12 County written standards. Director or his designee shall provide Contractor with at least  
13 30 calendar days written notice of his intention to deny payment, including the reason(s)  
14 for his intended actions. Thereafter, Contractor may, within 15 calendar days, request  
15 reconsideration of the County's decision. Payment to Contractor shall not be withheld  
16 pending the results of the reconsideration process.

17 (7) Claims Submission Timeline Requirements:

18 (a) Six-Month Billing Limit: Unless otherwise determined by State  
19 or federal regulations (e.g. Medi-Medi cross-over), all original (or initial) claims for eligible  
20 individual persons under this Agreement must be received by County within six (6) months  
21 from the date of service to avoid possible payment reduction or denial for late billing.  
22 Original (or initial) claims received after this six month billing limit without an acceptable  
23 delay reason code may be subject to reduction and/or denial by either the State or County.  
24 Exceptions to the six month billing limit can be made for months seven through twelve  
25 following the month in which the services were rendered if the reason for the late billing is  
26 allowed by the California Welfare and Institutions Code (WIC) Section 14115 and the  
27 California Code of Regulation Title 22, section 51008.5.

28 (b) One-Year Billing Limitation: Original (or initial) claims received  
29 by the County after the twelfth (12<sup>th</sup>) month following the date of service will be denied,  
30 unless otherwise authorized by State Welfare and Institutions Code (WIC) Section 14115  
31 or federal regulations.

1           (8)    Claims Certification and Program Integrity: Contractor certifies that all  
2 units of service entered by Contractor into the County's claims processing system and/or  
3 the Medi-Cal Administrative Activities (MAA) data base system and/or claims for actual  
4 costs submitted in hard copy to County for any payer source(s) covered by this Agreement  
5 are true and accurate to the best of Contractor's knowledge. Also, Contractor shall  
6 annually provide the additional certification set forth in the "Contractor Claims Certification  
7 for Title XIX Short-Doyle/Medi-Cal and Title XXI Healthy Families Reimbursements"  
8 (Exhibit A-1 to this Attachment II) that is related to the Contractor's compliance with  
9 specific State and federal statutory and regulatory requirements which are conditions for  
10 the reimbursement of Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative  
11 Activities and/or Title XXI Healthy Families claims.

12           (9)    Suspension of Payment: Payments to Contractor may be suspended  
13 if Director, for good cause, determines that Contractor is in default under any of the  
14 provisions of this Agreement, or if funds are unavailable from the State or other payer for  
15 which County is the fiscal intermediary under this Agreement for payment on Contractor's  
16 claims. Except in cases of alleged fraud or similar intentional wrongdoing, at least 30  
17 calendar days notice of such suspension shall be provided to Contractor, including a  
18 statement of the reason(s) for such suspension. Thereafter, Contractor may, within 15  
19 calendar days, request reconsideration of Director's decision to suspend payment.  
20 Suspension of payment to Contractor shall not take effect pending the results of such  
21 reconsideration process. Director shall immediately notify Contractor upon receiving  
22 notification of unavailability of funds from the State or other payer for which County is the  
23 fiscal intermediary under this Agreement for payment on Contractor's claims.

24           (10) Contractor agrees to hold harmless both the State and beneficiary in  
25 the event County cannot or will not pay for services performed by Contractor pursuant to  
26 this Agreement.

27           (11) No Payment for Services Provided Following Expiration/Termination  
28 of Contract: Contractor shall have no claim against County for payment of any money or  
29 reimbursement, of any kind whatsoever, for any service provided by Contractor after the  
30 expiration or other termination of this Contract. Should Contractor receive any such  
31 payment, it shall immediately notify County and shall immediately repay all such funds to

1 County. Payment by County for services rendered after expiration/termination of this  
2 Contract shall not constitute a waiver of County's right to recover such payment from  
3 Contractor. This provision shall survive the expiration or other termination of this Contract.

4 (12) County shall make payment for approved claims, with the exception  
5 of any claim for which County is the fiscal intermediary, within 30 calendar days of the  
6 receipt of said claim by County subject to the contractual limitations of this Agreement.  
7 County shall make payment of any claim for which County is the fiscal intermediary within  
8 30 calendar days of receiving the approved adjudicated claim files from the responsible  
9 financial party for which County acts as fiscal intermediary subject to the contractual  
10 limitations of this Agreement.

11 **E. ESTABLISHING PROVISIONAL COST REIMBURSEMENT RATES AND**  
12 **NEGOTIATED RATES:** The following procedures are to be adhered to in establishing or  
13 adjusting provisional cost reimbursement rates and negotiation rates for the Initial Period,  
14 the First Automatic Renewal Period and the Second Automatic Renewal Period of this  
15 Agreement.

16 (1) With the exception of Financial Exhibit A (FINANCIAL PROVISIONS),  
17 Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (4)  
18 (Reimbursement Methodologies), (e) iii. (Organizational Providers under the Medi-Cal  
19 Specialty Mental Health Services), in no case will payment under either cost  
20 reimbursement or negotiation rate(s) exceed the State's Schedule of Maximum Allowance  
21 rate(s).

22 (2) Establishing Provisional Cost Reimbursement Rates:

23 (a) Provisional cost reimbursement rate establishment is based on  
24 historical costs.

25 (b) If Contractor has no historical costs experience, provisional  
26 cost reimbursement rates will be based upon the County's approved Negotiation Package  
27 rate data. Historical cost information must be for one full operating year (12 months of  
28 operations). The start-up year is not considered a full operating year.

29 (c) When Contractor has historical cost information for at least  
30 one full operating year (12 months of operation), provisional cost reimbursement service  
31 rates shall be established by using the service rates from the Contractor's most recently

1 filed cost report. The service rates are by service function code range, by legal entity. An  
2 application of the appropriate inflation factors is then made to those cost report rates. The  
3 service rates that result will be considered by County to be the control rates. The inflation  
4 factors to be used are the Medical Component of the Consumer Price Index for inpatient  
5 services and the Home Health Agency Input Price Index (HHAIP) for outpatient services.  
6 For example, the provisional cost reimbursement rates for fiscal year 2007-08 would be  
7 based on the fiscal year 2006-07 filed cost report rates increased by one (1) appropriate  
8 inflation factor, or if the fiscal year 2006-07 cost report was not available, the year fiscal  
9 year 2005-06 filed cost report increased by two (2) appropriate inflation factors.

10 (d) Justification must be provided for proposed provisional cost  
11 reimbursement rates that exceed the control rates as defined by County in Paragraph E  
12 (Establishing Provisional Cost Reimbursement Rates and Negotiated Rates),  
13 Subparagraph (2)(c) (Establishing Provisional Cost Reimbursement Rates). Changes that  
14 may significantly affect the rates are utilization patterns, client profile shifts which impact  
15 cost of service delivery, union contracts, changes in program design, and other  
16 unforeseen documented factors which impact the cost of service delivery. Quantifiable  
17 documentation must be provided by Contractor for County to evaluate such changes.  
18 Such documentation shall minimally include:

19 i. A brief program narrative identifying the changes, since  
20 the most recently filed cost report, that are expected to affect the rates for the current year  
21 and making those proposed cost reimbursement rates exceed the control rates.

22 ii. A budget for the current year identifying the cost items  
23 included in developing the proposed provisional cost reimbursement rates and the  
24 projected units by service function. The budget should be developed from the most recent  
25 costs available projected for the year based upon both past and current trends.

26 iii. A summary page comparing costs and other data by  
27 major categories: (1) Salaries and Employee Benefits; (2) Services and Supplies; and (3)  
28 Occupancy Costs. Compare the summary data for these three categories from the most  
29 recently filed cost report to the current year in both dollars and percentage change.

1                   iv. Detailed data must be provided for each the three  
2 above cost categories that Contractor feels causes the proposed rates to exceed the  
3 control rates.

4                   (e) When a provider of service is being eliminated during the year  
5 in question, the applicable costs and units of service shall be excluded from the calculation  
6 of the Contractor's service rates.

7                   (f) Requested rates that exceed the State's Schedule of  
8 Maximum Allowance (SMA) will be denied.

9                   (g) County shall within 20 business days of County approval of a  
10 requested provisional cost reimbursement rate notify Contractor of such approval, and  
11 update the County's information system's rate table with the approved rate(s).

12                   (h) If Contractor desires any mid-year change in the provisional  
13 cost reimbursement rates, Contractor shall request such change in writing prior to April 1  
14 of the Fiscal Year for which such change would be applicable. Contractor shall submit a  
15 pro forma cost report and such applicable justification information discussed in this  
16 Paragraph E (Establishing Provisional Cost reimbursement Rates and Negotiated Rates),  
17 Subparagraph (2) (d) (Establishing Provisional Cost Reimbursement Rates) if such  
18 proposed mid-year increase in the provisional cost reimbursement service rates is greater  
19 than the control rates referenced in this Paragraph E (Establishing Provisional Cost  
20 Reimbursement Rates and Negotiated Rates), Subparagraph (2)(c) (Establishing  
21 Provisional Cost Reimbursement Rates). However, such changes in the provisional cost  
22 reimbursement rates cannot be applied retroactively to services previously processed  
23 through the County's claims processing information system. The adjustment to actual  
24 costs for such previously processed services will occur at the time of the cost report  
25 settlement as discussed in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph  
26 M (Pre-Audit Final Cost Report Settlement).

27                   (i) Provisional rates for the cost reimbursement methodology are  
28 adjusted, at the time of the settlement specified in this Financial Exhibit A (FINANCIAL  
29 PROVISIONS), Paragraph M (Pre-Audit Final Cost Report Settlement), to actual costs  
30 based on the Contractor's annual cost report which is subject to subsequent adjustment at  
31 the time of audit as described in this Financial Exhibit A (FINANCIAL PROVISIONS),

1 Paragraph N) (Audits, Audit Appeals and Post-Audit Short-Doyle/Medi-Cal Final  
2 Settlement).

3 (j) All rate changes shall be made by an amendment pursuant to  
4 the DMH Legal Entity Agreement Paragraph 39 (ALTERATION OF TERMS).

5 (3) Establishing Negotiated Rates:

6 (a) Negotiation rates for services funded with County funds only  
7 shall be established using the provisions specified in this Paragraph E (Establishing  
8 Provisional Cost Reimbursement Rates and Negotiation Rates), Subparagraph (2)  
9 (Establishing Provisional cost reimbursement rates).

10 (b) Negotiated rates for Short-Doyle/Medi-Cal funded services  
11 shall be established using the State's Short-Doyle/Medi-Cal Rate Establishment Process  
12 for the Fiscal Year for which such negotiated rates would be applicable. If a negotiated  
13 rate for Short-Doyle/Medi-Cal is not approved by the State, reimbursement to Contractor  
14 shall be based on actual costs and subject to the limitations specified in this Financial  
15 Exhibit A (FINANCIAL PROVISIONS), Paragraph D (Billing and Payment Procedures and  
16 Limitations), Subparagraph (4) Reimbursement Methodologies) (a) ii. (Cost  
17 Reimbursement (CR)).

18 (c) Contractor's request to be reimbursed on a negotiated rate  
19 basis and Contractor's proposed negotiated rates and all State required documentation  
20 justifying the negotiated rates must be received by County no later than November 30 of  
21 the Fiscal Year for which such change would be applicable. County shall timely submit  
22 such proposed negotiated rate changes to the State no later than December 31 of the  
23 Fiscal Year for which such change would be applicable.

24 (d) County shall within 20 business days of receiving State  
25 approval of a requested negotiated rate(s) or County approval of a requested negotiated  
26 rate(s) for County funds only service(s) notify Contactor of such approval, and update the  
27 County's claims processing information system's rate table with the approved rate(s).

28 (4) All rate changes shall be made by an amendment pursuant to the  
29 DMH LE Agreement Paragraph 39 (ALTERATION OF TERMS).

30 F. **SHIFT OF COUNTY GENERAL FUNDS:** County and Contractor shall enter  
31 into a good faith negotiation prior to the beginning of the fiscal year regarding the

1 allocation of County General Funds (CGF) for services to the uninsured and those eligible  
2 for benefits programs. Once this allocation has been negotiated, Contractor may shift up  
3 to 15 percent of the CGF in the Agreement between categories in the Financial Summary,  
4 based on actual services delivered, without prior approval of the Department, with the  
5 provision that at settlement CGF will be first used for Match if the amount needed for  
6 Match exceeds the amount projected by Contractor, but in no event shall the amount used  
7 as Match exceed the amount shown on the Financial Summary plus 15 percent of CGF  
8 without prior approval of County. Any such shift of funds shall be in compliance with all  
9 County, State and Federal regulations, and categorical funds given to an agency for a  
10 specific purpose (e.g. CalWORKs, MHSA) must be used for the purpose for which they  
11 have been designated. In addition, any such shift of funds shall not result in any increase  
12 to the MCA, with the exception of FFP and EPSDT-SGF generated using CGF available in  
13 the Agreement, which shall be passed through to the Contractor after Board of  
14 Supervisor's approval based on a Board letter to be filed by the Director no later than 30  
15 calendar days after the Department's reconciliation of State settlement.

16 **G. RESTRICTION TO PROHIBIT THE REDIRECTION OF CONTRACTED**  
17 **FUNDS OTHER THAN COUNTY DEPARTMENT OF MENTAL HEALTH COUNTY**  
18 **GENERAL FUNDS:** With the exception of County Department of Mental Health CGF  
19 which is subject to the provision of Exhibit A (FINANCIAL PROVISIONS), Paragraph F  
20 (Shift of County General Funds), County control of funds shown in the Financial  
21 Summary(ies) (Attachment III) is established in accordance to the requirements and  
22 restrictions imposed by each respective County, State and/or Federal payer/fund source.  
23 Accordingly, no funds shown in the Financial Summary (Attachment III), except County  
24 Department of Mental Health CGF, for any particular payer/fund source may be redirected  
25 to any other payer/fund source.

26 **H. GENERAL ADMINISTRATION REQUIREMENTS FOR TITLE XIX SHORT-**  
27 **DOYLE/MEDI-CAL AND MEDI-CAL ADMINISTRATIVE ACTIVITIES, AND TITLE XXI**  
28 **HEALTHY FAMILIES:**

29 (1) Short-Doyle/Medi-Cal (SD/MC) is California's mental health  
30 designation for federal Title XIX Medicaid. Federal Financial Participation (FFP) funds are  
31 available for mental health expenditures incurred by County when providing eligible

1 services to Medi-Cal beneficiaries and when local match funds are also expended in  
2 rendering those Medi-Cal services. State General Fund (SGF) assistance is also available  
3 as local match for Medi-Cal eligible beneficiaries participating in the Early and Periodic  
4 Screening, Diagnostic, and Treatment (EPSDT) service. EPSDT is Medicaid's (hence  
5 Medi-Cal's) comprehensive and preventive child health program for individuals under the  
6 age of 21. Medi-Cal beneficiaries that are eligible for the EPSDT service are assigned  
7 specific Medi-Cal aid codes which distinguish their EPSDT eligibility status.

8 (2) Medi-Cal Administrative Activities (MAA) is a federal Title XIX  
9 program that permits Federal Financial Participation (FFP) reimbursement for mental  
10 health expenditures when local match funds are also expended for certain activities that  
11 cannot be claimed through the State's current Targeted Case Management (TCM) plan.  
12 These activities include benefits intake, evaluation and assistance, outreach/intensive  
13 informing, crisis evaluation and referral to Medi-Cal for "non-open" cases, Medi-Cal  
14 contract administration, clinical training for Medi-Cal services, and program planning for  
15 Medi-Cal services.

16 (3) Healthy Families (HF) is California's Children's Health Insurance  
17 Program which is the State's designation of the federal Title XXI State Children's Health  
18 Insurance Program. Federal Financial Participation (FFP) funds are available for mental  
19 health services provided by a Contractor to eligible HF beneficiaries when local match  
20 funds are also expended for eligible services.

21 (4) County pays any SD/MC, MAA and/or HF FFP and Medi-Cal EPSDT  
22 -SGF funds to Contractor in County's capacity as the State designated Mental Health  
23 Plan.

24 (5) SD/MC, MAA and HF FFP funds and EPSDT-SGF funds shall be  
25 paid by County to Contractor only:

26 (a) For State adjudicated approved SD/MC, MAA and/or HF  
27 claims less any of such State approved claims that have been voided by Contractor from  
28 the County's claims processing information system.

29 (b) For SD/MC and HF during the time the Contractor is certified  
30 as a Title XIX SD/MC provider.

31 (c) For MAA during the time the Contractor is certified as a Title

1 XIX SD/MC provider and is also approved by the State to participate in the MAA program.

2 (d) To the extent that this Agreement's applicable Maximum  
3 Contract Amount (MCA) has eligible State and/or County local funds which qualify  
4 pursuant to the Code of Federal Regulations as the match funds for the SD/MC, MAA and  
5 HF expenditures, thusly permitting the FFP reimbursement.

6 (e) County will proceed prior to the receipt from the State of the  
7 FFP and EPSDT-SGF funds for State approved adjudicated claims to make provisional  
8 payments using CGF to Contractor as follows:

9 (i) In an amount equal to that of the adjudicated approved  
10 SD/MC and HF claim lines totals and/or State approved MAA claims less any of such  
11 State approved claims that have been voided by Contractor from the County's claims  
12 processing information system.

13 (ii) Such amount is also subject to any State adjustments  
14 pursuant to this Paragraph H, Subparagraph (8) (c).

15 (iii) Such provisional payment using CGF shall not exceed  
16 the limitation for total SD/MC, MAA and/or HF claims specified in this Paragraph H (5) (d).

17 (iv) County recovery of provisional payments using CGF  
18 that are in excess of the State approved claims less any of such claims that have been  
19 voided by Contractor from the County's claims processing system will be made consistent  
20 with this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D, Subparagraph (6)  
21 (b) and (c), and this Paragraph H, Subparagraphs (6), (7) and (16), and Paragraphs M, N  
22 and O.

23 (6) The Maximum Contract Amount (MCA) of this Agreement shall  
24 include FFP and/or EPSDT-SGF solely to assist the County in expeditiously processing  
25 and initially paying Contractor (because of the internal accounting necessity for  
26 appropriation authority) for such claims. This will establish legal authorization by the Board  
27 of Supervisors to make payment of the expenditures for the services/activities identified on  
28 The Rate Summary (Attachment III, Financial Summary(ies), and Service Exhibit(s)) of this  
29 Agreement, pending reimbursement by the State. Each Fiscal Year of the term of this  
30 Agreement, County shall pay to Contractor for State adjudicated approved claims for Title  
31 XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title

1 XXI Healthy Families services only to the extent required by federal laws, regulations,  
2 manuals, guidelines, and directives. With the exception of this Financial Exhibit A  
3 (FINANCIAL PROVISIONS), Paragraph F (Shift of County General Funds) to the extent  
4 Contractor exceeds the FFP and/or EPSDT-SGF amount(s) included in this Agreement,  
5 such excess will be paid by County to Contractor only upon Contract Amendment  
6 approved by the Board of Supervisors, or from an Appropriation Account set up by County  
7 to record the Board's specific authorization to spend EPSDT-SGF and FFP in excess of  
8 the Maximum Contract Amount(s), otherwise such FFP and EPSDT-SGF funds will be  
9 remitted by County back to the State.

10 (7) Contractor understands and agrees that County's actions in  
11 providing assistance in processing claims, as the Mental Health Plan for the State and  
12 Federal governments, and initially paying for FFP and EPSDT-SGF prior to the receipt of  
13 the funds from the State in accordance with the above, is subject to reimbursement from  
14 the State and does not render County in any way responsible for the substantive  
15 obligation to be ultimately fiscally responsible for payment for Contractor's claims for  
16 payment for these Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative  
17 Activities and/or Title XXI Healthy Families services. Contractor's ability to retain the  
18 Title XIX Short-Doyle/Medi-Cal, and/or Medi-Cal Administrative Activities and/or Title XXI  
19 Healthy Families payment for such State approved claimed services and/or activities is  
20 entirely dependent upon compliance with the law and regulations related to same.

21 (8) Each Fiscal Year of the term of this Agreement, the federal and local  
22 match reimbursement for Title XIX Short-Doyle/Medi-Cal and/or Medi-Administrative  
23 Activities, and/or Title XXI Healthy Families services, shall be made as on the basis of the  
24 State's notification to County of the applicable respective federally published Federal  
25 Medical Allowance Percentages (FMAPs) at the time of the date of the service.

26 (a) The FFP and eligible local match funds are part of the  
27 applicable Maximum Contract Amount of this Agreement.

28 (b) Local Match and FFP: The State and other local match funds  
29 that qualify under Federal requirements as the local share of eligible Title XIX Short-  
30 Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families  
31 medical assistance expenditures are identified on the Financial Summary. The Contractor

1 shall provide the local share of the Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal  
2 Administrative Activities, and/or Title XXI Healthy Families medical assistance  
3 expenditures from eligible funds that are part of the applicable Maximum Contract Amount  
4 of this Agreement. The Financial Summary also identifies the amount of eligible local  
5 match public funds that are restricted to be the local share of Medi-Cal, Healthy Families  
6 and MAA expenditures. With the exception of this Financial Exhibit A (FINANCIAL  
7 PROVISIONS), Paragraph F (Shift of County General Funds), the funds identified as local  
8 match cannot be reallocated as either local match funds for another payer and/or to non-  
9 match services/activities authorized under this Agreement unless such redirection is fully  
10 compliant with the terms and conditions of the payer that is the source of the funds and  
11 approved in writing by the County.

12 (c) The eligible EPSDT-SGF and CGF local match funds for  
13 eligible expenditures resulting from services/activities rendered to Short-Doyle/Medi-Cal  
14 beneficiaries participating in the federal EPSDT service are determined in accordance to  
15 the FMAP and the State's distribution of local match State General Funds (EPSDT-SGF).  
16 The State will make its provisional payment to County of EPSDT-SGF local match based  
17 on adjustments for the State's EPSDT baseline, growth and to allow for historical error  
18 between the estimated provisional payment and the settled actual costs. County will make  
19 its payment to Contractor of EPSDT Title XIX Medi-Cal services on an interim basis in an  
20 amount determined by County which shall not be less than 95% of expected final  
21 reimbursement for such services not to exceed the Maximum Contract Amount. To the  
22 extent that this Paragraph H (8) (c) results in County payment to Contractor of less than  
23 100% of the Contractor's approved EPSDT contract amount, County will provide  
24 Contractor with 60 days prior written notice.

25 (9) If Title XIX Short-Doyle/Medi-Cal services, and/or Medi-Cal  
26 Administrative Activities, and/or Title XXI Healthy Families services are provided under this  
27 Agreement, Contractor authorizes County to serve as the Mental Health Plan for State  
28 claiming and reimbursement and to act on Contractor's behalf with SDMH and/or SDHS in  
29 regard to claiming. Contractor shall certify annually in writing that all necessary  
30 documentation exists at the time any such claims for Title XIX Short-Doyle/Medi-Cal  
31 services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families are

1 submitted by Contractor to County.

2 (10) Contractor shall be solely liable and responsible for all service data  
3 and information submitted by Contractor. County shall submit as the Mental Health Plan to  
4 SDMH and/or SDHS Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal  
5 Administrative Activities, and/or Title XXI Healthy Families claims and shall timely make  
6 available to Contractor any subsequent State approvals or denials of such claims.  
7 Contractor shall submit to County all Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal  
8 Administrative Activities, and/or Title XXI Healthy Families claims or other State required  
9 claims data within the time frame(s) prescribed by the State and Federal governments.  
10 County shall have no liability for Contractor's failure to comply with State and Federal time  
11 frames.

12 (11) Notwithstanding any other provision of this Agreement, Contractor  
13 shall hold County harmless from and against any loss to Contractor resulting from any  
14 such State denials caused by Contractor, unresolved EOB claims, and/or any Federal  
15 and/or State audit disallowances caused by Contractor for such Title XIX  
16 Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI  
17 Healthy Families.

18 (12) As the State designated Title XIX Short-Doyle/Medi-Cal and Medi-Cal  
19 Administrative Activities, and Title XXI Healthy Families Mental Health Plan, County shall  
20 submit reimbursement claims to the State in a timely manner only for those  
21 services/activities identified and entered by Contractor into the County claim processing  
22 information system and/or into the Medi-Cal Administrative Activities data base system as  
23 appropriate claims compliant with State and federal requirements. Contractor shall comply  
24 with all written instructions provided by County and/or State to Contractor regarding Title  
25 XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI  
26 Healthy Families claiming and documentation.

27 (13) Contractor shall maintain an audit file documenting all Title XIX  
28 Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI  
29 Healthy Families services, as instructed by County for a period of seven (7) years from the  
30 end of the Fiscal Year in which such services were provided or until final resolution of any  
31 audits, whichever occurs later.

1 (14) County may modify the claiming systems for Title XIX  
2 Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI  
3 Healthy Families, at any time in order to comply with changes in, or interpretations of,  
4 State or Federal laws, rules, regulations, manuals, guidelines, and directives. County shall  
5 notify Contractor in writing of any such modification and the reason, if known, for the  
6 modification and the planned implementation date of the modification within five (5)  
7 business days of County's knowledge of such change.

8 (15) Title XIX Short-Doyle/Medi-Cal Reconciliation Report: Contractor  
9 shall complete and certify, in accordance with State and County instructions, and provide  
10 DMH with two (2) copies of an accurate and complete Title XIX Short-Doyle/Medi-Cal  
11 Reconciliation Report at the legal entity level. If Contractor does not so provide County  
12 with the Title XIX Short-Doyle/Medi-Cal Reconciliation Report by the due date, then  
13 Director or his designee, in his sole discretion, shall determine which State approved  
14 Short-Doyle/Medi-Cal services shall be used by County for completion of the Title XIX  
15 Short-Doyle/Medi-Cal Reconciliation Report. The due date is set by the State and is  
16 approximately 16 months after the close of the fiscal year.

17 (16) Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative  
18 Activities, and/or Title XXI Healthy Families Overpayment Recovery Procedures:  
19 Contractor shall repay to County the amount, if any, paid by County to Contractor for State  
20 approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or  
21 Title XXI Healthy Families services/activities which are subsequently disallowed by the  
22 County, State, and/or Federal governments unless the disallowance was based on written  
23 County guidelines. In no event shall County be liable or responsible to Contractor for any  
24 State approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities,  
25 and/or Title XXI Healthy Families services/activities that are subsequently disallowed by  
26 County, State, and/or Federal governments unless the disallowance was based on written  
27 County guidelines.

28 (17) Amount Negotiated Rates Exceed Actual Costs: Negotiated rate  
29 reimbursements are subject to a partial recovery by State of State General Fund local  
30 match for EPSDT Medi-Cal services and Federal Financial Participation (FFP) if actual  
31 costs are less than the reimbursement under negotiated rates. Additionally, negotiated

1 rate reimbursements are subject to a partial recovery by County for County General Fund  
2 local match used to draw down the FFP, if any, recovered by the State. This partial  
3 recovery is a retrospective cost settlement which shares equally with the Federal, State  
4 and County governments the portion of the negotiated rate reimbursement that exceeds  
5 actual cost in the aggregate by legal entity.

6 (a) The State will use the Short-Doyle/Medi-Cal Cost Report MH  
7 1968 at the time of the process described in this Financial Exhibit A (FINANCIAL  
8 PROVISIONS), Paragraph M (Pre-Audit Final Cost Report Settlement) to identify the  
9 preliminary partial recovery amounts owed back to the Centers for Medicare and Medicaid  
10 Services (CMS) and the State for such recovery of State General Fund local match for  
11 EPSDT Medi-Cal and FFP payments respectively.

12 i. The State requires 25 percent (25%) of the gross FFP  
13 reimbursement amount in excess of actual cost be recaptured for the Federal government  
14 pursuant to the State's Medi-Cal Plan.

15 ii. The County will recapture from Contractor any State  
16 recovery from County of said FFP reimbursement amount in excess of actual costs and  
17 remit the recovery amount to State.

18 iii. The State may also make a partial recovery of State  
19 General Funds used as local match for the FFP reimbursement amount in excess of  
20 actual costs that is recovered by the State, in which case County shall recover such  
21 amount from Contractor and remit the recovery amount to State.

22 (b) The County may make a partial recovery of County General  
23 Funds used as local match for the FFP reimbursement amount in excess of actual costs.  
24 County will use the State's preliminary calculation of FFP to be recovered, as described in  
25 this Subparagraph (17) (a) (Amount Negotiated Rates Exceed Actual Costs), to identify  
26 the preliminary amount of County General Fund (CGF) used as local match for the FFP  
27 that the State will preliminarily recover. This CGF local match amount, if any, will remain  
28 with the Contractor for payment of other Medi-Cal local match needs and/or  
29 uncompensated care subject to this Financial Exhibit A (FINANCIAL PROVISIONS),  
30 Paragraph F (Shift of County General Funds (CGF)) unless an amendment to reduce the  
31 CGF Maximum Contract Amount of this Agreement is made as described in this Financial

1 Exhibit A (FINANCIAL PROVISIONS), Paragraph U (Delegated Authority).

2 (c) The State and the County will adjust as appropriate the FFP,  
3 State General Funds and County General Funds calculated pursuant to this Paragraph H  
4 (General Administration Requirements for Title XIX Short-Doyle/Medi-Cal and Medi-Cal  
5 Administrative Activities, and Title XXI Healthy Families), Subparagraph (17) (a) and (b)  
6 (Amount Negotiated Rates Exceed Actual Costs) to final amounts at the time of the  
7 process described at this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph N  
8 (Audits, Audit Appeals and Post-Audit Short-Doyle/Medi-Cal Final Settlement).

9 (d) The amount recovered will be subtracted from the total  
10 adjudicated approved claims amount before contract limit comparison is applied.

11 I. **GOVERNMENT FUNDING RESTRICTIONS:** This Agreement shall be  
12 subject to any restrictions, limitations, or conditions imposed by State, including, but not  
13 limited to, those contained in State's Budget Act, which may in any way affect the  
14 provisions or funding of this Agreement. This Agreement shall also be subject to any  
15 additional restrictions, limitations, or conditions imposed by the Federal government which  
16 may in any way affect the provisions or funding of this Agreement.

17 J. **PATIENT/CLIENT ELIGIBILITY, UMDAP FEES, THIRD PARTY**  
18 **REVENUES, AND INTEREST:**

19 (1) Contractor shall comply with all County, State, and Federal  
20 requirements and procedures relating to:

21 (a) The determination and collection of patient/client fees for  
22 services hereunder based on UMDAP.

23 (b) The eligibility of patients/clients for Short-Doyle/Medi-Cal,  
24 Medicare, private insurance, or other third party revenue, and the collection, reporting and  
25 deduction of all patient/client and other revenue for patients/clients receiving services  
26 hereunder. Contractor shall pursue and report collection of all patient/client and other  
27 revenue.

28 (2) All fees paid by patients/clients receiving services under this  
29 Agreement and all fees paid on behalf of patients/clients receiving services hereunder  
30 shall be utilized by Contractor only for the delivery of mental health service units specified  
31 in this Agreement.

1 (3) Contractor may retain unanticipated revenue, which is not shown in  
2 Contractor's Negotiation Package for this Agreement, for a maximum period of one Fiscal  
3 Year, provided that the unanticipated revenue is utilized for the delivery of mental health  
4 services/activities specified in this Agreement. Contractor shall report the expenditures for  
5 the mental health services/activities funded by this unanticipated revenue in the Annual  
6 Cost Report submitted by Contractor to County.

7 (4) Contractor shall not retain any fees paid by any resources for or on  
8 behalf of Medi-Cal beneficiaries without having those fees deducted from the cost of  
9 providing the mental health services from which the fees were derived.

10 (5) Contractor may retain any interest and/or return which may be  
11 received, earned or collected from any funds paid by County to Contractor, provided that  
12 Contractor shall utilize all such interest and return only for the delivery of mental health  
13 services/activities specified in this Agreement.

14 (6) Failure of Contractor to report in all its monthly claims and in its  
15 Annual Cost Report all fees paid by patients/clients receiving services hereunder, all fees  
16 paid on behalf of patients/clients receiving services hereunder, all fees paid by third parties  
17 on behalf of Medi-Cal beneficiaries receiving services and/or activities hereunder, all  
18 unanticipated revenue not shown in Contractor's Negotiation Package for this Agreement,  
19 and all interest and return on funds paid by County to Contractor, shall result in:

20 (a) Contractor's submission of a revised claim statement showing  
21 all such nonreported revenue.

22 (b) A report by County to SDMH of all such nonreported revenue  
23 including any such unreported revenue paid by any resources for or on behalf of Medi-Cal  
24 beneficiaries.

25 (c) Any appropriate financial adjustment to Contractor's  
26 reimbursement.

27 **K. CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES**  
28 **TO BE RENDERED:**

29 (1) The Maximum Contract Amount for each period of this Agreement  
30 includes Cash Flow Advance which is repayable through cash and/or appropriate  
31 services/activities and/or actual and allowable costs incurred under this Agreement.

1           (2) For each month of each fiscal year of this Agreement, County will  
2 reimburse Contractor based upon the County and/or State and/or Federal government(s)  
3 processing of the reimbursement claims for rendered services/activities submitted by  
4 Contractor to the County subject to claim edits, and future settlements and audit  
5 processes. However, for each month of each fiscal year not to exceed three (3) or five (5)  
6 consecutive months, or portion thereof, as described below, and for such month the  
7 County and/or State and/or Federal government(s) have not made payment, and/or such  
8 payment is less than 1/12<sup>th</sup> of the Maximum Contract Amount, Contractor may request in  
9 writing from County a monthly County General Fund Cash Flow Advance as herein  
10 described.

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

15           (4) Cash Flow Advance is intended to provide cash flow to Contractor  
16 pending Contractor's rendering and billing of eligible services/activities, as identified in  
17 DMH Legal Entity Agreement Paragraph 3 (DESCRIPTION OF SERVICES/ACTIVITIES)  
18 of this Agreement, to the County and/or State and/or Federal government(s), and the  
19 County and/or State and/or Federal government(s) have made payment for such  
20 services/activities. Contractor may request each monthly Cash Flow Advance only for  
21 such services/activities and only when there is no reimbursement from other public or  
22 private sources for such services/activities.

23           (5) No Cash Flow Advance will be given if a Contractor has not been  
24 certified as an eligible Medi-Cal service provider unless otherwise agreed to by County.

25           (6) Cash Flow Advance Request Letter: For each month for which  
26 Contractor is entitled to request and receive Cash Flow Advances (CFA) a request letter  
27 from Contractor must be received by County on or before the 15th of that month in order  
28 to receive a full month's payment (i.e., for the month of July, the request must be received  
29 by July 15). Any CFA request letter received by County from Contractor after the 15th of  
30 the month will only receive a partial CFA payment for that month; the payment will be  
31 prorated for the number of days remaining in that month (i.e., the CFA payment for the

1 month of July will only be for 11 days for a request letter received on July 20th). The  
2 signed request letter must be sent via fax or e-mail (PDF file) to Financial Services Bureau  
3 – Accounting Division, Provider Reimbursement Unit (PRU). PRU staff will determine full  
4 or partial payment amount based on the date the request letter actually arrives at PRU and  
5 not the date on the request letter. There will be no retroactive CFA payments under any  
6 circumstance if the request letter for CFA payments is received after the end of the month  
7 for which a CFA is being requested.

8 (7) Reduction of Cash Flow Advance Amount by Actual Adjudicated  
9 Claims: The Cash Flow Advance amount for any particular month will be reduced by  
10 County payments of actual reimbursement claims received by County from the Contractor.  
11 The County's claims payment process is initiated immediately upon County receipt from  
12 Contractor of a reimbursement claim. If such Contractor reimbursement claim is received  
13 at any time during either the initial three (3) or two (2) additional consecutive months, the  
14 monthly payment to Contractor will include the payment for such actual reimbursement  
15 claim thereby reducing the Cash Flow Advance disbursement amount for that particular  
16 month.

17 (8) Business Rules for the Determination of the Maximum Amount of  
18 the Cash Flow Advance Request:

19 (a) Each month of each fiscal year not to exceed three (3)  
20 consecutive months, or portion thereof, that this Agreement is in effect, Contractor may  
21 request, separately for each month, in writing from County a monthly County General  
22 Fund Cash Flow Advance for any funds which may be part of the Maximum Contract  
23 Amount for such fiscal year as identified on the Financial Summary Page. Contractor shall  
24 specify in their request the amount of the monthly Cash Flow Advance not to exceed  
25 \$\_\_\_\_\_ per month and the total Cash Flow Advance for the three (3) months shall  
26 not exceed \$\_\_\_\_\_. The Cash Flow Advance monthly amount is 1/12<sup>th</sup> of  
27 Maximum Contract Amount as identified on the Financial Summary Page, annualized  
28 Maximum Contract Amount if a partial year.

29 (b) A Contractor providing EPSDT Short-Doyle/Medi-Cal services  
30 as part of this Agreement, may for two (2) additional consecutive months, or portion  
31 thereof, that this Agreement is in effect, request, separately for each month, in writing from

1 County a monthly County General Fund Cash Flow Advance for any EPSDT Title XIX  
2 Medi-Cal funds which may be part of the Maximum Contract Amount for such fiscal year  
3 as shown on the Financial Summary Page. Contractor shall specify in their request the  
4 amount of the monthly Cash Flow Advance not to exceed \$\_\_\_\_\_ per month for  
5 each of the two (2) additional consecutive months and the total Cash Flow Advance for the  
6 two (2) additional consecutive months shall not exceed \$\_\_\_\_\_.

7 (9) Upon receipt of a request, Director or his designee, in his sole  
8 discretion, shall determine whether to approve the Cash Flow Advance request and, if  
9 approved, whether the request is approved in whole or in part. Director or his designee  
10 will notify Contractor within 10 business days if the Cash Flow Advance is not approved  
11 including the reason(s) for non-approval. Thereafter, Contractor may, within 15 calendar  
12 days, request reconsideration of the County's decision.

13 (10) Recovery of Cash Flow Advances: If Contractor has received any  
14 Cash Flow Advance pursuant to this Paragraph K (Cash Flow Advances In Expectation of  
15 Services/Activities To Be Rendered), then recovery from Contractor's monthly claims shall  
16 be made, through cash payment by Contractor and/or County offsets to County  
17 payment(s) of Contractor's approved adjudicated claim(s) as follows:

18 (a) Generally, when Contractor is meeting contractual levels,  
19 County initiates recovery of the CFA balance, if any, for a particular Fiscal Year in July  
20 following the close of such Fiscal Year.

21 (b) County will recover all CFA balances, if any, for a particular  
22 Fiscal Year no later than September 30 following the close of such Fiscal Year.  
23 September 30 is the date by which all or the substantive portion of the Contractor's prior  
24 Fiscal Year's claims should have been received from Contractor and processed by  
25 County.

26 (c) However, should the CFA balance for a particular Fiscal Year  
27 not be fully repaid by Contractor to County by September 30 following the close of such  
28 Fiscal Year, Contractor repayment shall be conducted as specified in this Financial Exhibit  
29 A (FINANCIAL PROVISIONS), Paragraph O (Method of Payments for Amounts Due to  
30 County) unless otherwise agreed to by County.

31 (d) If County at mid-year determines that Contractor's units of

1 service and State FFP and EPSDT-SGF approvals are not going to meet contracted levels  
2 by Fiscal Year End, County will give Contractor 30 calendar days written notice of its intent  
3 to initiate recovery of Cash Flow Advance (CFA) if necessary, including the reason(s) for  
4 the intended actions, to ensure Contractor completes repayment of the Cash Flow  
5 Advance with units of services by the time all, or the substantive portion of the Contractor's  
6 prior Fiscal Year's claims are received by and processed by County no later than  
7 September 30 following the Fiscal Year close. Contractor may, within 15 calendar days of  
8 the receipt of County's written notice, request reconsideration of the County's decision.

9 (12) When Contractor's Cash Flow Advance balance is zero in any fiscal  
10 year of the Term of this Agreement, any County and/or State and/or Federal  
11 government(s) approved Contractor reimbursement claims for eligible services/activities  
12 will be disbursed in accordance with the terms and conditions of this Agreement.

13 (13) Should Contractor request and receive Cash Flow Advance,  
14 Contractor shall exercise cash management of such Cash Flow Advance in a prudent  
15 manner.

16 (14) Cash Flow Advance for IMD, PHF and Mental Health Rehabilitation  
17 Center Contractors Only: The amount of a Cash Flow Advance payment shall be based  
18 on the average daily census for the last two available months of the preceding fiscal year.

19 **L. ANNUAL COST REPORTS:**

20 (1) For each Fiscal Year or portion thereof that this Agreement is in  
21 effect, Contractor shall provide County with two copies of an accurate and complete  
22 annual cost report, with a statement of expenses and revenue.

23 (2) An accurate and complete annual cost report (annual cost report)  
24 shall be defined as a cost report which is completed to the best of the ability of Contractor  
25 and is based on the best available data.

26 (3) The annual cost report will be comprised of a separate set of forms  
27 for the County and State for the Financial Summary within each legal entity.

28 (4) The annual cost report will be due on September 15<sup>th</sup> for the fiscal  
29 year ending on the previous June 30<sup>th</sup> or 75 days following the expiration or termination  
30 date of this Agreement, whichever occurs earlier. Should the due date fall on a weekend,  
31 such report will be due on the following business day.

1 (a) Failure to submit an annual cost report by 30 calendar days  
2 after the applicable due date specified in this Paragraph L (Annual Cost Reports),  
3 Subparagraph (4) above shall constitute a breach of Contract. In such instance that  
4 Contractor does not submit an annual cost report(s) by such 30 calendar days after the  
5 applicable due date specified in Paragraph L (Annual Cost Reports), Subparagraph (4),  
6 then all amounts covered by the outstanding annual cost report(s) and paid by County to  
7 Contractor in the Fiscal Year for which the annual cost report(s) is (are) outstanding shall  
8 be due by Contractor to County. Contractor shall pay County according to the method  
9 described in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph O (Method of  
10 Payments for Amounts Due to County).

11 (b) If Contractor fails to submit an annual cost report(s) by the due  
12 date specified in this Subparagraph (4), and if this Agreement is automatically renewed as  
13 provided in DMH Legal Entity Agreement Paragraph 1 (TERM), then County may opt to  
14 not make any further payments to Contractor under this Agreement until the annual cost  
15 report(s) is (are) submitted. County shall give Contractor at least 15 business days written  
16 notice of its intention to withhold payments hereunder, including the reason(s) for its  
17 intended action. Thereafter, Contractor shall have 15 business days either to correct any  
18 deficiencies, or to request reconsideration of the decision to withhold payment. Payment  
19 to Contractor shall not be withheld pending the correction of deficiencies, or if  
20 reconsideration is requested, pending the results of the reconsideration process.

21 (c) It is mutually understood and agreed that failure of Contractor  
22 to submit an annual cost report(s) by the due date specified in this Subparagraph (4) will  
23 result in damages being sustained by County; that the nature and amount of such  
24 damages will be extremely difficult and impractical to fix; that the liquidated damages set  
25 forth herein are the nearest and most exact measure of damages for such breach that can  
26 be fixed at this time; and that the liquidated damages are not intended as a penalty or  
27 forfeiture for Contractor's breach. Therefore, in the event of Contractor's failure to submit  
28 an annual cost report(s) by the due date specified in this Subparagraph (4), County may,  
29 in its sole discretion, assess liquidated damages in the amount of ONE HUNDRED  
30 DOLLARS (\$100) for each day that the annual cost report(s) is (are) not submitted.  
31 Contractor may request that liquidated damages not be assessed by sending a request to

1 the attention of Director or his designee no later than thirty (30) days prior to the County's  
2 Cost Report filing due date specified in this Subparagraph (4) to allow ample time to  
3 process. Liquidated damages shall be assessed separately on each outstanding annual  
4 cost report. Liquidated damages shall be assessed commencing beginning September  
5 16<sup>th</sup> or on the seventy-sixth day following the expiration or termination date of this  
6 Agreement and shall continue until the outstanding annual cost report(s) is(are) received.

7 (5) Each such annual cost report shall be prepared by Contractor in  
8 accordance with the Centers for Medicare and Medicaid Services' Publications #15-1 and  
9 #15-2, "The Provider Reimbursement Manual Parts 1 and 2", the State's Cost  
10 Reporting/Data Collections (CR/DC) Manual, and for organizational providers in the Mental  
11 Health Specialty Services Mental Health Plan' service provider network, the "Los Angeles  
12 County DMH Organizational Provider's Manual for Specialty Mental Health Services under  
13 the Rehabilitation Option and Targeted Case Management", and any other written  
14 guidelines which shall be provided to Contractor at the Cost Report training, requiring  
15 mandatory attendance by Contractor, to be conducted by County by June 30 of the Fiscal  
16 Year for which the Annual Cost Report is to be prepared. County may, in its sole  
17 discretion, assess liquidated damages in the amount of ONE HUNDRED DOLLARS  
18 (\$100) for Contractor's non-attendance at the Cost Report training.

19 (6) If Contractor fails to correct inaccuracies in annual cost report within  
20 thirty (30) calendar days after receipt of written notification from the Director or his  
21 designee and said inaccuracies result in the loss of reimbursement to the County for  
22 claimable amounts that were paid to Contractor, Contractor must return back to the  
23 County the amount of the loss of reimbursement that the County could have claimed if the  
24 inaccuracy was corrected by Contractor.

25 (7) Contractor shall be solely responsible for any loss incurred by County  
26 due to Contractor's failure to comply with County and State cost report requirements.

27 **M. PRE-AUDIT FINAL COST REPORT SETTLEMENT:** Based on the Annual  
28 Cost Report(s) submitted pursuant to this Financial Exhibit A (FINANCIAL PROVISIONS)  
29 Paragraph L (Annual Cost Reports), at the end of each Fiscal Year or portion thereof that  
30 this Agreement is in effect and Paragraph H (General Administration Requirements for  
31 Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI

1 Healthy Families), Subparagraph (15) (Title XIX Short-Doyle/Medi-Cal Reconciliation  
2 Report), the State and County will perform a pre-audit final cost report settlement. Such  
3 settlement will be subjected to the terms and conditions of this Agreement and any other  
4 applicable State and/or federal statutes, regulations, policies and procedures requirements  
5 pertaining to cost reporting and settlements for Title XIX Short-Doyle/Medi-Cal and Medi-  
6 Cal Administrative Activities, and Title XXI Healthy Families, and other applicable federal  
7 and/or State programs.

8 (1) Reimbursement to Contractor shall not exceed the Maximum  
9 Contract Amount shown in the Financial Summary(ies) (Attachment III) except as provided  
10 for in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph F (Shift of County  
11 General Funds). For purposes of this part, Federal Financial Participation (FFP) for Title  
12 XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI Healthy  
13 Families services/activities will be considered by County in the Legal Entity's aggregate  
14 total when applying the Maximum Contract Amount limitation by payer. However, the FFP  
15 reimbursement by County to Contractor for Title XIX Short-Doyle/Medi-Cal and/or Medi-  
16 Cal Administrative Activities, and/or Title XXI Healthy Families services/activities  
17 respectively shall be limited to the maximum FFP for which there is sufficient CGF/State  
18 local match funds, as required by federal statute and regulation, in the applicable  
19 Maximum Contract Amount. State FFP reimbursement to County for Contractor's State  
20 approved Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title  
21 XXI Healthy Families services/activities that is in excess of the FFP amount for which the  
22 Contractor's Maximum Contract Amount has sufficient CGF/State local match funds will be  
23 handled as specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph H  
24 (General Administrative Requirements for Title XIX Short-Doyle/Medi-Cal and Medi-Cal  
25 Administrative Activities, and Title XXI Healthy Families), Subparagraph (6).

26 (2) County's issuance of its pre-audit cost report settlement findings shall  
27 take place no later than 120 calendar days after the receipt by County from the State of  
28 the State's Final Cost Report Settlement package for a particular fiscal year.

29 (3) In the event that Contractor adjustments based on any of the above  
30 methods indicate an amount due the County, Contractor shall pay County according to the  
31 method described in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph O

1 (Method of Payments for Amounts Due to County).

2 **N. AUDITS, AUDIT APPEALS AND POST-AUDIT SHORT-DOYLE/MEDI-CAL**  
3 **FINAL SETTLEMENT:**

4 (1) At any time during the term of this Agreement or after the expiration  
5 or termination of this Agreement, in accordance with State and federal law including but  
6 not limited to the California Welfare and Institutions Code (WIC) Sections 14170 and  
7 sequence, authorized representatives from the County, State or Federal governments may  
8 conduct an audit of Contractor regarding the mental health services/activities provided  
9 hereunder.

10 (2) Settlement of the audit findings will be conducted according to the  
11 auditing party's procedures in place. In the case of a State Short-Doyle/Medi-Cal (SD/MC)  
12 audit the State and County will perform a post-audit Short-Doyle/Medi-Cal settlement that  
13 is based on State audit findings. Such settlement will take place when the State initiates  
14 its settlement action which customarily is after the issuance of the audit report by the State  
15 and before the State's audit appeal process. However, if the responsible auditing party  
16 stays its collection of any amounts due or payable because of the audit findings, County  
17 will also stay its settlement of the same amounts due or payable until the responsible  
18 auditing party initiates its settlement action with County.

19 (a) County recovery from Contractor of Federal overpayment shall  
20 be made in accordance with all applicable Federal laws, regulations, manuals, guidelines,  
21 and directives.

22 (b) County shall issue an invoice to Contractor for any amount due  
23 County no later than forty (40) calendar days after the State issues an audit report. The  
24 amount on the County invoice is due by Contractor to County thirty (30) calendar days  
25 from the date of the invoice.

26 (3) Contractor may appeal any such audit findings in accordance with the  
27 audit appeal process established by the party performing the audit.

28 (a) For Federal audit exceptions, Federal audit appeal process  
29 shall be followed.

30 (b) Contractor may appeal the State audit findings in conformance  
31 with provisions of Sections 51016 and sequence, Title 22, of the California Code of

1 Regulations. Such appeals must be filed through County. County shall notify Contractor  
2 of State appeal time deadlines upon County's receipt from State of the audit report. The  
3 first level of appeal is the Informal Conference. The second appeal level is the Formal  
4 Hearing should Contractor appeal the Informal Conference appeal finding(s). The Formal  
5 Hearing audit appeal concludes with a Report of Findings which is final.

6 (c) In accordance with the Formal Hearing Report of Findings the  
7 State will proceed to recompute the final settlement of the Short-Doyle/Medi-Cal cost  
8 report for a particular year and settle with the County. The County will perform a post-  
9 audit Short-Doyle/Medi-Cal recomputed final settlement based upon the State's settlement  
10 with the County.

11 (4) Notwithstanding any other provisions of this Agreement, if Contractor  
12 appeals any audit report, the appeal shall not prevent the County from recovering from  
13 Contractor any amount owed by Contractor that the State has recovered from County.

14 (5) Should the auditing party be the County, Contractor will have thirty  
15 (30) calendar days from the date of the audit report within which to file an appeal with  
16 County. County will issue an invoice for any amount due County fifteen calendar days (15)  
17 after County has notified Contractor of the County's audit appeal findings. The amount on  
18 the County invoice is due thirty (30) calendar days from the date of the invoice.

19 (6) Contractor shall pay County according to Paragraph O (Method of  
20 Payments for Amounts Due to County).

21 (7) If the post-contract audit and/or post-audit appeal Formal Hearing  
22 process conducted by County, State, and/or Federal personnel determines that the  
23 County payments to Contractor hereunder are less than the amounts reimbursable  
24 pursuant to this Agreement, then the difference shall be paid by County to Contractor,  
25 provided that in no event shall County's Maximum Contract Amount for the applicable  
26 Fiscal Year, as shown in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraphs  
27 B (Reimbursement for the Initial Period) and C (Reimbursement if Agreement is  
28 Automatically Renewed), be exceeded, except as provided for in this Financial Exhibit A  
29 (FINANCIAL PROVISIONS), Paragraph F (Shift of County General Funds). County will  
30 remit payment to Contractor within thirty (30) calendar days of receiving Board  
31 authorization to make the payment. County will seek such Board authorization within 30

1 calendar days after completion of the post-audit and recomputed final settlement Short-  
2 Doyle/Medi-Cal processes described in this Financial Exhibit A (FINANCIAL  
3 PROVISIONS), Paragraph N (Audits, Audit Appeals and Post-Audit Short-Doyle/Medi-Cal  
4 Final Settlement).

5 **O. METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY:** Within ten  
6 (10) business days after written notification by County to Contractor of any amount due by  
7 Contractor to County, Contractor shall notify County as to which of the following six  
8 payment options Contractor requests be used as the method by which such amount shall  
9 be recovered by County. Any such amount shall be: (1) paid in one cash payment by  
10 Contractor to County, (2) deducted from future claims over a period not to exceed three  
11 months, (3) deducted from any amounts due from County to Contractor whether under this  
12 Agreement or otherwise, (4) paid by cash payment(s) by Contractor to County over a  
13 period not to exceed three months, or (5) a combination of any or all of the above. If  
14 Contractor does not so notify County within such ten days, or if Contractor fails to make  
15 payment of any such amount to County as required, then Director, in his sole discretion,  
16 shall determine which of the above six payment options shall be used by County for  
17 recovery of such amount from Contractor.

18 **P. INTEREST CHARGES ON DELINQUENT PAYMENTS:** If Contractor,  
19 without good cause as determined in the sole judgment of Director, fails to pay County any  
20 amount due to County under this Agreement within 60 calendar days after the due date,  
21 as determined by Director, then Director, in his sole discretion and after written notice to  
22 Contractor, may assess interest charges at a rate equal to County's Pool Rate, as  
23 determined by County's Auditor-Controller, per day on the delinquent amount due  
24 commencing on the sixty-first calendar day after the due date. Contractor shall have an  
25 opportunity to present, to Director, information bearing on the issue of whether there is a  
26 good cause justification for Contractor's failure to pay County within 60 calendar days after  
27 the due date. The interest charges shall be: (1) paid by Contractor to County by cash  
28 payment upon demand and/or (2) at the sole discretion of Director or his designee,  
29 deducted from any amounts due by County to Contractor whether under this Agreement or  
30 otherwise.

31 /

1           **Q.    FINANCIAL SOLVENCY:** Contractor shall maintain adequate provisions  
2 against the risk of insolvency. Such provisions shall minimally meet the solvency/working  
3 capital criteria specified in the DMH's financial responsibility requirements policy.

4           **R.    LIMITATION OF COUNTY'S OBLIGATION DUE TO**  
5 **NONAPPROPRIATION OF FUNDS:** Notwithstanding any other provision of this  
6 Agreement, County shall not be obligated for Contractor's performance hereunder or by  
7 any provision of this Agreement during this or any of County's future fiscal years unless  
8 and until County's Board of Supervisors appropriates funds for this Agreement in County's  
9 Budget for each such fiscal year. Should County, during this or any subsequent fiscal year  
10 impose budgetary restrictions which appropriate less than the amount provided for in this  
11 Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph B (Reimbursement For Initial  
12 Period) and Paragraph C (Reimbursement If Agreement Is Automatically Renewed) of this  
13 Agreement, County shall reduce services under this Agreement consistent with such  
14 imposed budgetary reductions. In the event funds are not appropriated for this  
15 Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for  
16 which funds were appropriated. County shall notify Contractor of any such changes in  
17 allocation of funds at the earliest possible date.

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

28           **T.    CONTRACTOR REQUESTED CHANGES:**

29           (1) If Contractor desires any change in the terms and conditions of this  
30 Agreement, Contractor shall request such change in writing prior to April 1 of the Fiscal  
31 Year, unless otherwise agreed to by County and Contractor, for which the change would

1 be applicable, and all changes shall be made by an amendment pursuant to DMH Legal  
2 Entity Agreement Paragraph 39 (ALTERATION OF TERMS).

3 (2) If Contractor requests to increase or decrease any Maximum Contract  
4 Amount, such request and all reports, data, and other information requested by DMH's  
5 Contracts Development and Administration Division, shall be received by DMH's Contracts  
6 Development and Administration Division for review prior to April 1 of the Fiscal Year in  
7 which the increase or decrease has been requested by Contractor.

8 **U. DELEGATED AUTHORITY:** Notwithstanding any other provision of this  
9 Agreement, County's Department of Mental Health Director may, without further action by  
10 County's Board of Supervisors, prepare and sign amendments to this Agreement during  
11 the remaining term of this Agreement, under the following conditions.

12 (1) County's total payments to Contractor under this Agreement, for each  
13 Fiscal Year of the term of this Agreement, shall not exceed an increase of more than the  
14 Board-approved percentage of the applicable Maximum Contract Amount; and

15 (2) Any such Maximum Contract Amount amendment increase or  
16 amendment change shall only be used for additional services or to reflect program and/or  
17 policy changes that affect this Agreement; and

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

20 (4) Approval of County Counsel and the Chief Administrative Officer or  
21 their designee is obtained prior to any such amendment to this Agreement; and

22 (5) County and Contractor may by written amendment reduce programs  
23 or services and revise the applicable Maximum Contract Amount. The Director or his  
24 designee shall provide 15 business days prior written notice of such funding changes to  
25 Contractor, including any changes in the amount of services to be received by County, to  
26 Contractor, DMH Contracts Development and Administration Division, and to County's  
27 Chief Administrative Officer. Any such change in any applicable Maximum Contract  
28 Amount shall be effected by an administrative amendment to this Agreement by Director  
29 or his designee; and

30 (6) Notwithstanding this Paragraph U (Delegated Authority),  
31 Subparagraph (5), if the County in its sole discretion determines from a review of

1 Contractor's service and billing records that a significant portion of the funds provided for  
2 services under this Agreement will be underutilized in any period of the Agreement term,  
3 then the Director or his designee shall provide 15 business days prior written notification to  
4 Contractor of County's intent to reallocate underutilized funds by the moving of such funds  
5 into another program budget category for the same period on the Financial Summary  
6 (Attachment II) within this Agreement, and/or reallocate such funds into another DMH  
7 Legal Entity Agreement with another contract provider that readily provides for the efficient  
8 use of such funds before the expiration of the same period in this Agreement. This written  
9 notification is to include an explanation of how the County reached the conclusion that  
10 Contractor is underutilizing funds; copies of relevant data, such as but not limited to  
11 County information system reports that County used in making this decision; the nature  
12 and amount of funding changes to Contractor; and any changes in the amount of services  
13 to be received by County.

14 In the event Contractor believes that an adjustment authorized under  
15 this provision is unjustified, Contractor may, within the 15 business day notice period, so  
16 notify the Director or his designee in writing, and request a meeting with County to review  
17 County's documentation that Contractor will be underutilizing a significant portion of its  
18 Maximum Contract Amount. Any such meeting shall be held within 30 calendar days of  
19 the initial written notification. If Contractor fails to meet with County in this period of time,  
20 Contractor is deemed to have waived its opportunity to meet with County and accepts  
21 County recommended changes to its Maximum Contract Amount.

22 If, thereafter, it is still determined that a significant portion of the  
23 Maximum Contract Amount will be underutilized the County shall reallocate such funds, as  
24 provided above. Director or his designee shall provide final prior written notice of such  
25 funding changes to Contractor, including any changes in the amount of services to be  
26 received by County, to Contractor, DMH Contracts Development and Administration  
27 Division, and to County's Chief Administrative Office and the determination of the Director  
28 or his designee will be final. Any such change in any applicable Maximum Contract  
29 Amount shall be effected by an administrative amendment to this Agreement by Director  
30 or his designee. Changes that are based on one-time circumstances will be applicable to  
31 the current contract year only and shall not result in reductions (or increases) of Maximum

1 Contract Amounts in subsequent years, while changes that are based on clearly  
2 documented ongoing historical trends may result in ongoing reductions (or increases) of  
3 Maximum Contract Amounts in subsequent years.

4 The determination by the Director or his designee shall be effective  
5 upon the receipt of such final prior written notice by Contractor and the changes to funding  
6 and services shall be incorporated into this Agreement as of the date of receipt.  
7 Contractor understands and agrees that its Maximum Contract Amount may be reduced  
8 as a result of the adjustments authorized by this provision, and further acknowledges that  
9 County has relied upon this flexibility in establishing the Maximum Contract Amount for this  
10 Agreement. By executing this Agreement, Contractor specifically consents to the  
11 prospective adjustments set forth in this provision.

12 (7) Director shall notify County's Board of Supervisors of all Agreement  
13 changes in writing within 30 calendar days following execution of any such amendment(s).  
14 If the County determines from a review of Contractor's service and billing records that a  
15 significant portion of the funds provided for services under this Agreement shall be  
16 underutilized over the period of the Agreement term, then the Director or his designee  
17 shall provide 15 business days prior written notification to Contractor (as referenced in this  
18 Paragraph U, Subparagraph (5) above) of County's intent to reallocate such funds into  
19 another DMH Legal Entity Agreement before the expiration of this Agreement's term. This  
20 written notification must include both an explanation of how County reached the  
21 conclusion that Contractor is underutilizing funds, and also copies of any relevant data,  
22 such as but not limited to County information system reports that County used in making  
23 this decision.

24 Within the 15 business day notice period, Contractor may request a  
25 meeting with County to review County's documentation that Contractor will be  
26 underutilizing a significant portion of its Maximum Contract Amount. Any such meeting  
27 shall be held within 30 calendar days of the initial written notification. If Contractor fails to  
28 meet with County in this period of time, Contractor is deemed to have waived its  
29 opportunity to meet with County and accepts County recommended changes to its  
30 contract amount.

**COUNTY OF LOS ANGELES DEPARTMENT OF MENTAL HEALTH CONTRACTOR CLAIMS  
CERTIFICATION FOR TITLE XIX SHORT-DOYLE MEDI-CAL and TITLE XXI HEALTHY FAMILIES  
REIMBURSEMENTS**

Legal Entity: \_\_\_\_\_

Legal Entity Number: \_\_\_\_\_

Claims for services/activities with dates of services: July 1, \_\_\_\_\_ through June 30, \_\_\_\_\_.

I HEREBY CERTIFY under penalty of perjury that I am the official responsible for the administration of the mental health services in and for said claimant; that the amounts for which reimbursement will be claimed for Medi-Cal and Healthy Families services to be rendered during the above indicated fiscal year and to be claimed to the County of Los Angeles Department of Mental Health will be in accordance the terms and conditions of the Legal Entity Agreement; and that to the best of my knowledge and belief each claim will be in all respects true, correct, and in accordance with State and Federal law and regulation. I agree and shall certify under penalty of perjury that all claims for services to be provided to county mental health clients will be provided to the clients by this Legal Entity. The services will be provided in accordance with the client's written treatment plan. This Legal Entity also certifies that all information submitted to the County Department of Mental Health will be accurate and complete. I and this Legal Entity understand that payment of these claims will be from County, State and Federal funds, and any falsification or concealment of a material fact may be prosecuted under Federal and/or State laws. The Legal Entity agrees to keep for a minimum period of as specified in its Legal Entity Agreement with County a printed representation of all records which are necessary to disclose fully the extent of services furnished to the client. The Legal Entity agrees to furnish these records and any information regarding payments claimed for providing the services, on

request, within the State of California, to the County of Los Angeles Department of Mental Health, California Department of Health Services; the Medi-Cal Fraud Unit; California Department of Mental Health; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services, or their duly authorized representatives. Amounts, if any, to be claimed during the above stated period for the Healthy Families program will only be for children between the ages of one (1) year old to their nineteenth (19th) birthday who will be assessed or will be treated for a serious emotional disturbance (SED). The Legal Entity also agrees that services will be offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.

FURTHER, I HEREBY CERTIFY under penalty of perjury to the following: An assessment of the beneficiary will be conducted in compliance with the requirements established in the County's Mental Health Plan (MHP) contract with the California Department of Mental Health (State DMH). The beneficiary will be determined to be eligible to receive Medi-Cal services at the time the services are provided to the beneficiary. The services to be included in the claims during the above indicated period will actually be provided to the beneficiary. Medical necessity will be established for the beneficiary as defined under Title 9, California Code of Regulations, Division 1, Chapter 11, for the service or services to be provided, for the timeframe in which the services will be provided. A client plan will be developed and maintained for the beneficiary that meets all client plan requirements established in the County's MHP contract with the State DMH. For each beneficiary with day rehabilitation, day treatment intensive, or EPSDT supplemental specialty mental health services to be included in the claim during said period, all requirements for payment authorization for day rehabilitation, day treatment intensive, and EPSDT supplemental specialty mental health services will be met, and any reviews for such service or services will be conducted prior to the initial authorization and any re-authorization periods as established in the County's MHP contract with the State DMH.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Executed at \_\_\_\_\_, California

I CERTIFY under penalty of perjury that I am a duly qualified and authorized official of the herein Legal Entity claimant responsible for the examination and settlement of accounts. I further certify that this Legal Entity claimant will provide from the eligible designated funds in the Financial Summary of the Legal Entity Agreement with County, the local share of payment for Short-Doyle/Medi-Cal and/or Healthy Families covered services to be included in the claims to be submitted to County during the above referenced period in order to satisfy matching requirements for federal financial participation pursuant to the Title XIX of the Social Security Act.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Executed at \_\_\_\_\_, California

Please forward the completed form to the Department of Mental Health (DMH):

Los Angeles County – Department of Mental Health  
Attn: Compliance Program Office  
550 S. Vermont Ave.  
Los Angeles, CA 90020

Contractor Name:  
 Legal Entity Number:  
 Agreement Period:  
 Fiscal Year:

DMH Legal Entity Agreement  
 Attachment III  
 The Financial Summary

L I N E #	COLUMNS  DESCRIPTION	1  MAXIMUM CONTRACT ALLOCATION TOTALS	Sum of 2 + 3 + 4 + 5 + 6 = 1			
			2  LOCAL MHP NON MEDI-CAL	3  DCFS STOP SGF 70% County Local 30%	4  MAA and NON-EPSDT MEDI-CAL PROGRAMS FFP 50% County Local 60%	5  EPSDT MEDI-CAL PROGRAM FFP 50% SGF - EPSDT 42.68% County Local 7.32%
			Categorical Restricted CGF	Local Match share for claiming Certified Public Expenditure Categorically Restricted Local Funds** (see footnote)		
1	<b>A. Contractual Limitation By Reasonable Financial Party:</b>					
2	CGF*	\$ -				
3	CGF - Psychiatric Emergency Services (PES) (NCC)	-				
4	CGF - Transitional Residential Program (NCC)	-				
5	SAMHSA, CFDA #93.958	-				
6	SAMHSA - Child Mental Health Initiative, CFDA #93.104	-				
7	SAMHSA - Targeted Capacity Expansion, CFDA #93.243	-				
8	PATH, CFDA #93.150	-				
9	CalWORKs - Flex Fund	-				
10	CalWORKs - Mental Health Services (MHS)	-				
11	CalWORKs - Community Outreach Services (COS)	-				
12	CalWORKs - Families Project - Client Support Services	-				
13	CalWORKs - Families Project - MHS & Targeted Case Management	-				
14	CalWORKs - Families Project - COS	-				
15	DPSS - GROW	-				
16	DCFS AB 2994	-				
17	DCFS Family Preservation	-				
18	DCFS Star View Life Support PHF	-				
19	DCFS Independent Living	-				
20	DCFS STOP (70%)	-				
21	DCFS Medical Hubs	-				
22	DCFS Basic MH Services Enhanced Specialized Foster Care	-				
23	DCFS Intensive In-Home Enhanced Specialized Foster Care	-				
24	Schiff-Cardenas - M.H. Screening, Assessment, and Treatment (MHSAT)	-				
25	Schiff-Cardenas - Multi-Systemic Therapy Program (MST)	-				
26	Sheriff Dept - Mentality III Offender Crime Reduction Program (MIOCR)	-				
27	AB 34/AB 2034	-				
28	ADPA AB 34/AB 2034 Housing	-				
29	DHS-OAPP HIV/AIDS	-				
30	DHS Dual Diagnosis	-				
31	DHS Social Model Recovery	-				
32	DHS LAMP	-				
33	HIV AIDS	-				
34	IDEA (AB 3632 - SEP), CFDA #84.027	-				
35	SB 90 (AB 3632 - SEP)	-				
36	AB3632 - SEP (SB 1807)	-				
37	Mental Health Services Act (MHSA)	-				
38	Mental Health Services Act (MHSA) - Plan I:					
39	A. Child					
40	One Time Cost	-				
41	Client Supportive Services (Flex Funds)	-				
42	Mental Health Services	-				
43	B. TAY					
44	One Time Cost	-				
45	Client Supportive Services (Flex Funds)	-				
46	Mental Health Services	-				
47	C. Adult					
48	One Time Cost	-				
49	Client Flex Funds Supportive Services (Flex Funds)	-				
50	Mental Health Services	-				
51	D. Older Adult					
52	One Time Cost	-				
53	Client Supportive Services (Flex Funds)	-				
54	Mental Health Services	-				

Contractor Name:  
 Legal Entity Number:  
 Agreement Period:  
 Fiscal Year:

DMH Legal Entity Agreement  
 Attachment III  
 The Financial Summary

L I N E #	COLUMNS  DESCRIPTION	1	2	3	Sum of 2+3+4+5+6=1		6	
		MAXIMUM CONTRACT ALLOCATION TOTALS	LOCAL MHP NON MEDI-CAL	DCFS STOP SGF 70% County Local 30%	MAA and NON-EPSDT MEDI-CAL PROGRAMS FFP 50% County Local 50%	EPSDT MEDI-CAL PROGRAM FFP 50% SGF - EPSDT 42.68% County Local 7.32%	HEALTHY FAMILIES FFP 65% County Local 35%	
				Categorical Restricted CGF	Local Match share for claiming Certified Public Expenditure Categorically Restricted Local Funds** (see footnote)			
55	Mental Health Services Act (MHSA) - Plan II							
56	A. Child							
57	Integrated MH/COD Services	-						
58	Family Crisis Services - Respite Care	-						
59	One Time Cost	-						
60	B. TAY							
61	Drop-In Centers	-						
62	Probation Camps	-						
63	One Time Cost	-						
64	C. Adult							
65	Wellness Centers - Non Client run	-						
66	Wellness Centers - Client run	-						
67	IMD Step Down	-						
68	Safe Haven	-						
69	One Time Cost	-						
70	D. Older Adult							
71	Field Capable Clinical Services	-						
72	Older Adult Service Extenders	-						
73	Older Adult Training	-						
74	One Time Cost	-						
75	E. Cross-Cutting							
76	Urgent Care	-						
77	Enriched Residential Services	-						
78	One Time Cost	-						
79	Mental Health Services Act (MHSA) - Plan III	-						
80	Mental Health Services Act (MHSA) - AB 2034 Services	-						
81	Medi-Cal, Healthy Families, or MAA FFP	-						
82	SGF - EPSDT	-						
83	<b>Maximum Contract Amount (A)</b>	\$ -	-					
84	<b>B. Third Party:</b>							
85	Medicare	-						
86	Patient Fees	-						
87	Insurance	-						
88	Other	-						
89	<b>Total Third Party (B)</b>	-						
90	<b>GROSS PROGRAM BUDGET (A+B)</b>	\$ -						

**Footnote**

\* The Department is developing the parameters for authorizing the shift of CGF among the various programs identified in columns 2, 3, 4, 5, and 6. These parameters will be incorporated by a separate contract amendment during the year.

\*\* These Local Funds are restricted in compliance with specific statutory, regulatory, and contractual requirements and obligations that are conditions for Medi-Cal reimbursement of Short-Doyle Medi-Cal claims. California Code of Regulations Title 9, Division 1, Chapter 11, Subchapter 4, Article 1, paragraph 1840.112 MHP Claims Certification and Program Integrity and Federal Code of Regulations, Title 42, Section 438.608.

Revised: 4/4/07

Contractor Name:  
 Legal Entity No.:  
 Agreement Period:  
 Fiscal Year:

MENTAL HEALTH SERVICES	Mode of Service	Service Function Code (SFC) Range	Provisional Rates Negotiated NR	Provisional Rates Cost Reimb. CR	Provider Numbers
<b>24-HOUR SERVICES:</b>					
Hospital Inpatient	05	10 - 18			
Hospital Administrative Day	05	19			
Psychiatric Health Facility (PHF)	05	20 - 29			
SNF Intensive	05	30 - 34			
IMD/STP Basic (No Patch)	Beds 1-59	05	35		
	Beds 60 & over	05	35		
Patch for IMD	05	36 - 39			
Mentally Ill Offenders	Regular	05	36 - 39		
	Indigent	05	36 - 39		
IMD - Like	05	36 - 39			
IMD (w/Patch) Sub-Acute (60 days)	05	38			
Adult Crisis Residential	05	40 - 49			
Residential Other	05	60 - 64			
Adult Residential	05	65 - 79			
Semi - Supervised Living	05	80 - 84			
Independent Living	05	85 - 89			
MH Rehab Centers	05	90 - 94			
<b>5-DAY SERVICES:</b>					
Vocational Services	10	30 - 39			
Socialization	10	40 - 49			
SNF Augmentation	10	60 - 69			
Day Treatment Intensive: Half Day	10	81 - 84			
Day Treatment Intensive: Full Day	10	85 - 89			
Day Rehabilitative: Half Day	10	91 - 94			
Day Rehabilitative: Full Day	10	95 - 99			
<b>OUTPATIENT SERVICES:</b>					
Targeted Case Management Services (TCMS), formerly Case Management Brokerage	15	01 - 09			
Mental Health Services	15	10 - 19/ 30 - 59			
Therapeutic Behavioral Services (TBS)	15	58			
Medication Support	15	60 - 69			
Crisis Intervention	15	70 - 79			
<b>OUTREACH SERVICES:</b>					
Mental Health Promotion	45	10 - 19			
Community Client Services	45	20 - 29			
<b>SUPPORT SERVICES:</b>					
Life Support/Board & Care	60	40 - 49			
Case Management Support	60	60 - 69			
Client Supportive Services (Cost Reimbursement)	60	64			
		70 - 79			
<b>MEDICAL/ADMINISTRATIVE ACTIVITIES (MAA):</b>					
MAA	55	01 - 35			



**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT V**

**SERVICE EXHIBITS**

A duplicate original of the Service Exhibit(s) will be on file in the Department of Mental Health's Contracts Development and Administration Division and is deemed incorporated herein by reference as though fully set forth, and will be made available to interested persons upon request.

<u>DESCRIPTION</u>	<u>CODES</u>
<u>Targeted Case Management Services (Rehab. Option)</u>	<u>104-A</u>
<u>Short-Term Crisis Residential Services (Forensic)</u>	<u>201</u>
<u>Crisis Stabilization Services (Rehab. Option)</u>	<u>202-A</u>
<u>Vocational Services</u>	<u>304-A</u>
<u>Day Rehabilitation Services (Adult) (Rehab. Option)</u>	<u>308-B</u>
<u>Day Rehabilitation Services (Children/Adolescents) (Rehab. Option)</u>	<u>309-B</u>
<u>Day Treatment Intensive Services (Adult) (Rehab. Option)</u>	<u>310-B</u>
<u>Day Treatment Intensive Services (Children/Adolescents) (Rehab. Option)</u>	<u>311-B</u>
<u>Mental Health Services (Rehab. Option)</u>	<u>402</u>
<u>Medication Support Services (Rehab. Option)</u>	<u>403</u>
<u>Crisis Intervention Services (Rehab. Option)</u>	<u>404-A</u>
<u>Mental Health Service Treatment Patch (La Casa)</u>	<u>405</u>
<u>Therapeutic Behavioral Services</u>	<u>406-A</u>
<u>Outreach Services</u>	<u>501-A</u>
<u>Outreach Services (Suicide Prevention Services)</u>	<u>502-A</u>
<u>Intensive Skilled Nursing Facility Services</u>	<u>601</u>
<u>Mental Health Rehabilitation Centers (La Casa Mental Health Rehabilitation Center)</u>	<u>602</u>
<u>Intensive Skilled Nursing Facility Services (La Paz)</u>	<u>603</u>
<u>Intensive Skilled Nursing Facility Services Forensic Treatment</u>	<u>604</u>
<u>Skilled Nursing Facilities (Psychiatric Services)</u>	<u>605</u>
<u>Skilled Nursing Facility – Special Treatment Program Services</u>	
<u>(SNF-STP/Psychiatric Services)</u>	<u>608</u>
<u>Intensive Skilled Nursing Facility Services – Enhanced Treatment Program (ETP)</u>	<u>609</u>
<u>Socialization Services</u>	<u>701-A</u>
<u>Life Support Service</u>	<u>801</u>
<u>Case Management Support Services</u>	<u>802-A</u>
<u>Case Management Support Services (Forensic)</u>	<u>803-A</u>
<u>Case Management Support Services (Children &amp; Youth)</u>	<u>804-A</u>
<u>Life Support Services (Forensic)</u>	<u>805</u>
<u>Independent Living Services</u>	<u>901</u>

**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT V**

1	<u>Local Hospital Services</u>	<u>902</u>	<u>_____</u>
2	<u>Semi-Supervised Living Services</u>	<u>904</u>	<u>_____</u>
3	<u>Adult Residential Treatment Services (Transitional)</u>	<u>912</u>	<u>_____</u>
4	<u>Adult Residential Treatment Services (Long Term)</u>	<u>913</u>	<u>_____</u>
5	<u>Non-Hospital Acute Inpatient Services (La Casa PHF)</u>	<u>914</u>	<u>_____</u>
6	<u>Comprehensive Adult Residential Treatment Services (Bio-Psycho-Social Services)</u>	<u>915</u>	<u>_____</u>
7	<u>Assertive Community Treatment Program (ACT)</u>	<u>921</u>	<u>_____</u>
8	<u>Psychiatric Inpatient Hospital Services</u>	<u>930</u>	<u>_____</u>
9	<u>Primary Linkage and Coordinating Program</u>	<u>1001</u>	<u>_____</u>
10	<u>AB 34 Housing and Personal/Incidental Services</u>	<u>1002</u>	<u>_____</u>
11	<u>Service Provisions (Organizational Provider Only)</u>	<u>1003</u>	<u>_____</u>
12	<u>Consumer Run/Employment Program</u>	<u>1005</u>	<u>_____</u>
13	<u>AB 2034 State Demonstration Program (Housing Expenses)</u>	<u>1008</u>	<u>_____</u>
14	<u>AB 2034 State Demonstration Program (Personal and Incidental Expenses)</u>	<u>1009</u>	<u>_____</u>
15	<u>Client Supportive Services (<b><i>Includes Attachment A Reimbursement Procedures</i></b></u>	<u>1010-A</u>	<u>_____</u>
16	<u><b><i>and Attachment B Monthly Claim for Cost Reimbursement</i></b>)</u>		
17	<u>Mental Health 24-Hour Services Interim Placement Funding for Basic Care Services</u>	<u>1011</u>	<u>_____</u>
18	<u>Mental Health 24-Hour Services Children Under Age 18 Basic Services</u>	<u>1012</u>	<u>_____</u>
19	<u>Supportive Services – Residential Programs (<b><i>Includes Attachment A</i></b></u>	<u>1013</u>	<u>_____</u>
20	<u><b><i>Reimbursement Procedures and Attachment B- (Monthly Claim for</i></b></u>		
21	<u><b><i>Cost Reimbursement)</i></b></u>		
22	<u>Client Supportive Services-Mental Health Services Act Programs (<b><i>Includes</i></b></u>	<u>1014-A</u>	<u>_____</u>
23	<u><b><i>Attachment A - Reimbursement Procedures and Attachment B - (Monthly</i></b></u>		
24	<u><b><i>Claim for Cost Reimbursement)</i></b></u>		
25	<u>Full Service Partnership (FSP)</u>	<u>1015</u>	<u>_____</u>
26	<u>Supportive Services – Intensive Residential Program (<b><i>Includes Attachment A-</i></b></u>	<u>1016</u>	<u>_____</u>
27	<u><b><i>Reimbursement Procedures and Attachment B - (Monthly Claim for</i></b></u>		
28	<u><b><i>Cost Reimbursement)</i></b></u>		
29	<u>One-Time Expenses Associated with Starting a new MHSA Program (<b><i>Includes</i></b></u>	<u>1017</u>	<u>_____</u>
30	<u><b><i>Attachment A-Reimbursement Procedures and Attachment B – Monthly</i></b></u>		
31	<u><b><i>Claim for Cost Reimbursement)</i></b></u>		
32	<u>Client Supportive Services (New Directions) (<b><i>Includes Attachment A</i></b></u>	<u>1018</u>	<u>_____</u>
33	<u><b><i>Reimbursement Procedures and Attachment B Monthly Claim for Coat</i></b></u>		
34	<u><b><i>Reimbursement)</i></b></u>		
35	<u>Family Support Services</u>	<u>1019</u>	<u>_____</u>

DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT V

1	<u>Service Extender Stipend Program Mental Health Services Act Programs</u>	<u>1020</u>	<u>        </u>
2	<u><i>(Includes Attachment A Reimbursement Procedures and Attachment B</i></u>		
3	<u><i>Monthly Claim for Cost Reimbursement)</i></u>		
4	<u>Client Supportive Services Field Capable Clinical Services (FCCS) for Older</u>	<u>1021</u>	<u>        </u>
5	<u>Adults Mental Health Services Act Programs <i>(Includes Attachment A</i></u>		
6	<u><i>Reimbursement Procedures and Attachment B Monthly Claim for Cost</i></u>		
7	<u><i>Reimbursement)</i></u>		

**ATTESTATION REGARDING FEDERALLY FUNDED PROGRAMS**

In accordance with the DMH Legal Entity Agreement's Paragraph 53 (CONTRACTOR'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 Legal Entity Name (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 (Official Name) \_\_\_\_\_  
Please print name

Signature of authorized official \_\_\_\_\_ Date \_\_\_\_\_

**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT VII**

**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.babysafe-la.org](http://www.babysafe-la.org)



State of California  
Gray Davis, Governor

Health and Human Services Agency  
Grantland Johnson, Secretary

Department of Social Services  
Rita Haerz, 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 DIS-5 LA and INFO LINE in 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.

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**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.**

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*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.babysafe-la.org](http://www.babysafe-la.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 Kenz, Directora



Consejo de Supervisores del Condado de Los Angeles

Gloria Molina, Supervisora, Primer Distrito

Yvonne Blathwaite-Burke, Supervisora, Segundo Distrito

Zeljko Slavich, Supervisor, Tercer Distrito

Dan Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovien, Supervisor, Quinto Distrito

Para información también puede llamar al First 5 LA 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 brazaletes y el padre/madre recibirá un brazaletes 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.

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**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.**

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*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.*

**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT VIII**

**CROSSWALK FACT SHEET**

<b>Current Language</b>	<b>New Language</b>
<ul style="list-style-type: none"> <li>○ Health Care Financing Administration (HCFA)</li> </ul>	<ul style="list-style-type: none"> <li>○ Centers for Medicare and Medicaid Services (CMS)</li> </ul>
<ul style="list-style-type: none"> <li>○ Explanation of Balance (EOB)</li> </ul>	<ul style="list-style-type: none"> <li>○ Remittance Advice (RA)</li> </ul>
<ul style="list-style-type: none"> <li>○ Mode of Service and Service Function Code (SFC)</li> <li>○ Activity Code</li> </ul>	<ul style="list-style-type: none"> <li>○ CPT Codes: <u>Current Procedural Terminology</u> published by the American Medical Association is a list of codes representing procedures or services.</li> <li>○ <b>HCPCS Codes (Level II):</b> <u>HCFA and other Common Procedure Coding System (HCPCS)</u> Codes are used and approved by the Centers for Medicare and Medicaid to describe and accurately report procedures and services.</li> </ul> <p><b>A crosswalk of HCPCS and CPT Codes to SFC's is available in legacy files.</b></p> <p><b>UB92:</b> Refers to coding standards designated by HIPAA.</p>
<ul style="list-style-type: none"> <li>○ DSM IV</li> </ul>	<ul style="list-style-type: none"> <li>○ <b>ICD-9 Codes:</b> (<u>International Classification of Diseases</u>), 9<sup>th</sup> Revision Codes, issued and authorized by the Centers for Medicare and Medicaid, to describe and accurately report health related procedures and Diagnoses.</li> </ul>
<ul style="list-style-type: none"> <li>○ Clinical Staff and Discipline Code</li> </ul>	<ul style="list-style-type: none"> <li>○ Rendering Provider and Taxonomy</li> </ul>
<ul style="list-style-type: none"> <li>○ MHMIS or Mental Health Management Information System AND MIS Management Information System</li> </ul>	<ul style="list-style-type: none"> <li>○ IS or Integrated System</li> </ul>
<ul style="list-style-type: none"> <li>○ References to entering data into the MIS</li> </ul>	<ul style="list-style-type: none"> <li>○ Entering data into the IS</li> </ul>
<ul style="list-style-type: none"> <li>○ RGMS</li> </ul>	<ul style="list-style-type: none"> <li>○ IS</li> </ul>

**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT IX**

**CHARITABLE CONTRIBUTIONS CERTIFICATION**

Legal Entity Name

Company Name

Legal Entity Address, City, State Zip

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 (Official Name, Official Title)

Please print

**DMH Agreement Summary**

LEGAL ENTITY NAME: \_\_\_\_\_

Contract No.: \_\_\_\_\_

Legal Entity No.: \_\_\_\_\_

Term of Agreement: \_\_\_\_\_ Contract Expiration: \_\_\_\_\_

Board Adopted Date: \_\_\_\_\_

**LIST OF FUNDING SOURCES**  
(Please check all applicable contract funding.)

1	CGF	
2	CGF - Psychiatric Emergency Services (PES) (NCC)	
3	CGF – Transitional Residential Program (NCC)	
4	SAMHSA, CFDA #93.958	
5	SAMHSA – Child Mental Health Initiative, CFDA #93.104	
6	SAMHSA – Targeted Capacity Expansion, CFDA #93.243	
7	PATH, CFDA #93.150	
8	CalWORKs – Flex Fund	
9	CalWORKs – Mental Health Services (MHS)	
10	CalWORKs – Community Outreach Services (COS)	
11	CalWORKs – Families Project – Client Support Services	
12	CalWORKs – Families Project – MHS & Targeted Case Management	
13	CalWORKs – Families Project - COS	
14	DPSS – GROW	
15	DCFS AB 2994	
16	DCFS Family Preservation	
17	DCFS Star View Life Support PHF	
18	DCFS Independent Living	
19	DCFS STOP (70%)	
20	DCFS Medical Hubs	
21	DCFS Basic MH Services Enhanced Specialized Foster Care	
22	DCFS Intensive In-Home Enhanced Specialized Foster Care	
23	Schiff-Cardenas – M.H. Screening, Assessment, and Treatment (MHSAT)	
24	Schiff-Cardenas – Multi-Systemic Therapy Program (MST)	
25	AB 34/AB 2034	
26	ADPA AB 34/AB 2034 Housing	
27	DHS-OAPP HIV/AIDS	
28	DHS Dual Diagnosis	
29	DHS Social Model Recovery	
30	DHS LAMP	
31	HIV AIDS	

36	MHSA – Plan I - Child – One Time Cost	
37	MHSA – Plan I - Child – Client Supportive Services (Flex Funds)	
38	MHSA – Plan I - Child – Mental Health Services	
39	MHSA – Plan I - TAY – One Time Cost	
40	MHSA – Plan I - TAY – Client Supportive Services (Flex Funds)	
41	MHSA – Plan I - TAY – Mental Health Services	
42	MHSA – Plan I - Adult – One Time Cost	
43	MHSA – Plan I - Adult – Client Flex Funds Supportive Services (Flex Funds)	
44	MHSA – Plan I - Adult – Mental Health Services	
45	MHSA – Plan I - Older Adult – One Time Cost	
46	MHSA – Plan I - Older Adult - Client Supportive Services (Flex Funds)	
47	MHSA – Plan I - Older Adult - Mental Health Services	
48	MHSA – Plan II - Child – Integrated MH/COD Services	
49	MHSA – Plan II – Child - Family Crisis Services – Respite Care	
50	MHSA – Plan II – Child - One Time Cost	
51	MHSA – Plan II – TAY – Drop-In Centers	
52	MHSA – Plan II – TAY – Probation Camps	
53	MHSA – Plan II – TAY – One Time Cost	
54	MHSA – Plan II – Adult – Wellness Centers- Non Client run	
55	MHSA – Plan II – Adult – Wellness Centers- Client run	
56	MHSA – Plan II – Adult - IMD Step Down	
57	MHSA – Plan II – Adult – Safe Haven	
58	MHSA – Plan II – Adult – One time Cost	
59	MHSA – Plan II – Older Adult – Field Capable Clinical Services	
60	MHSA – Plan II – Older Adult – Older Adult Service Esxtenders	
61	MHSA – Plan II – Older Adult – Older Adult Training	
62	MHSA – Plan II – Older Adult – One Time Cost	
63	MHSA – Plan II – Cross-Cutting – Urgent Care	
64	MHSA – Plan II – Cross-Cutting – Enriched Residential Services	
65	MHSA – Plan II – Cross-Cutting – One Time Cost	
66	Mental Health Service Act (MHSA) – Plan III	

**DMH Agreement Summary**

LEGAL ENTITY NAME: \_\_\_\_\_

Contract No.: \_\_\_\_\_

Legal Entity No.: \_\_\_\_\_

Term of Agreement: \_\_\_\_\_ Contract Expiration: \_\_\_\_\_

Board Adopted Date: \_\_\_\_\_

32	IDEA (AB 3632 – SEP), CFDA #84.027	
33	SB 90 (AB 3632 – SEP)	
34	AB3632 – SEP (SB 1807)	
35	Mental Health Services Act (MHSA)	

67	Mental Health Services Act (MHSA) – AB 2034 Services	
68	Medi-Cal, Healthy Families, or MAA FFP	
69	SGF - EPSDT	

**FUNDING SOURCES OF NEW AGREEMENT:**  
See Financial Summary(ies) for details of MCA.

**MAXIMUM CONTRACT AMOUNT (MCA) PER FISCAL YEAR (FY)**

FY	FY	FY
\$	\$	\$

Headquarters' (HQ) Address: \_\_\_\_\_  
\_\_\_\_\_

HQ's Sup. District: \_\_\_\_\_

Service Area(s): \_\_\_\_\_

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

	Contractor/Firm	Firm Status	Black/African American		Hispanic/Latin American		Asian American		White	
			% Men	% Women	% Men	% Women	% Men	% Women	% Men	% Women
1	AMADA Enterprises, Inc.	P	100							
2	Catholic Healthcare West	NP								
3	Cedars-Sinai Medical Center	NP								
4	Child and Family Guidance Center	NP								
5	The Children's Center of the Antelope Valley	NP								
6	Community Care Center, Inc.	P							100	
7	Community Family Guidance Center	NP								
8	Counseling4Kids	NP								
9	David & Margaret Home, Inc.	NP								
10	Dubnoff Center for Child Development and Educational Therapy	NP								
11	El Centro del Pueblo, Inc.	NP								
12	Emotional Health Association	NP								
13	FH & HF Torrance I, LLC c/o Health Quality Management Group	NP								
14	Filipino-American Service Group, Inc.	NP								
15	The Guidance Center	NP								
16	Hamburger Home	NP								
17	Heritage Clinic and The Community Assistance Program For Seniors	NP								
18	Hillview Mental Health Center, Inc.	NP								
19	The Institute for the Redesign of Learning	NP								
20	Landmark Medical Services, Inc.	P							50	50
21	LeRoy Haynes Center for Children and Family Services, Inc.	NP								
22	Los Angeles Unified School District	N/A								
23	Maryvale	NP								
24	McKinley Children's Center, Inc.	NP								
25	National Mental Health Association of Greater Los Angeles	NP								
26	Pacific Asian Counseling Services	NP								

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

	Contractor/Firm	Firm Status	Black/African American		Hispanic/Latin American		Asian American		White	
			% Men	% Women	% Men	% Women	% Men	% Women	% Men	% Women
27	Pasadena Unified School District	N/A								
28	Pediatric & Family Medical Center	NP								
29	PROTOTYPES, Centers for Innovation in Health, Mental Health and Social Services	NP								
30	Providence Community Services, LLC	P								100
31	San Fernando Valley Community Mental Health Center, Inc.	NP								
32	San Gabriel Valley Convalescent Hospital	P							54.5	45.50
33	South Bay Children's Health Center Association, Inc.	NP								
34	South Central Health and Rehabilitation Program	NP								
35	SunBridge Meadowbrook Rehabilitation Center	P							100	
36	The Village Family Services	NP								
37	VIP Community Mental Health Center, Inc.	NP								
38	Watts Labor Community Action Committee - WLCAC	NP								

Firm Status: NP = Non-Profit  
 P = Profit  
 G = Governmental  
 N/A = Not Applicable, as school districts are not owned.

**NOTE:** Non-Profit firms, governmental institutions, and school districts are not owned; hence, the data on percentage of ownership in firm by ethnicity and gender is not required per instructions from the Office of Affirmative Action Compliance.