

**COUNTY OF LOS ANGELES**

MARVIN J. SOUTHARD, D.S.W.  
Director  
ROBIN KAY, Ph.D.  
Chief Deputy Director  
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Medical Director



BOARD OF SUPERVISORS  
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**DEPARTMENT OF MENTAL HEALTH**

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

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

November 09, 2010

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

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

15 November 3, 2010

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL TO ENTER INTO A SOLE SOURCE AGREEMENT WITH SOUTHERN CALIFORNIA  
ALCOHOL AND DRUG PROGRAMS, INC., DBA AWAKENINGS  
(SUPERVISORIAL DISTRICT 4)  
(3 VOTES)**

**SUBJECT**

Request approval of a sole source agreement with Southern California Alcohol and Drug Programs, Inc., dba Awakenings to provide mental health treatment services for hearing impaired, mentally ill individuals.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign and execute a new Legal Entity (LE) agreement, substantially similar to Attachment I, with Southern California Alcohol and Drug Programs, Inc., (SCADP) dba Awakenings to provide residential mental health treatment services for hearing impaired individuals who are ready for discharge from Institutions for Mental Disease (IMDs), effective upon Board approval through June 30, 2013. The annual Maximum Contract Amount (MCA) of \$200,000 will be funded by County General Funds (CGF) in the amount of \$92,738, American Recovery and Reinvestment Act (ARRA) funds in the amount of \$17,262, and Federal Financial Participation (FFP) Medi-Cal revenue in the amount of \$90,000.
2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to the LE agreement with SCADP and establish as a new MCA, the aggregate of the original agreement and all amendments, provided that: 1) the County's total payments to the contractor for each fiscal year do not exceed an increase of 20 percent from the last Board approved

MCA; 2) any such increase will be used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval by County Counsel and the Chief Executive Officer (CEO), or their designees, is obtained prior to any such amendment; 5) County and contractor may by written amendment reduce programs or services without reference to the 20 percent limitation and revise the applicable MCA; and 6) the Director will notify your Board of agreement changes in writing within 30 days after execution of each amendment.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended actions will allow the Department of Mental Health (DMH) to enter into a sole source agreement with SCADP to provide residential mental health treatment services for hearing impaired individuals who are ready to be discharged from IMDs. Presently, significant barriers exist for deaf/hard of hearing persons receiving mental health treatment primarily due to the lack of service access. Due to the personal nature of mental health treatment, the use of American Sign Language (ASL) interpreters is not the best method of service delivery for persons who are deaf/hard of hearing. Optimal mental health services for the deaf/hard of hearing mental health clients require clinicians that are fluent in ASL and understand the deaf culture.

There are a number of Los Angeles County residents who are deaf/hard of hearing in IMDs who are there only because Los Angeles County lacks clinicians who can communicate in ASL. It would be inappropriate to place these individuals in facilities where they could not communicate with staff or receive treatment for their mental illnesses.

Due to the acute shortage of providers of residential mental health supportive services to mentally ill individuals who are deaf/hard of hearing, it is necessary to contract with SCADP on a sole source basis. SCADP is uniquely qualified to provide these services because it has provided similar services in Los Angeles County for 22 years and is the only residential treatment program for hearing impaired persons in California. SCADP established the Awakenings residential treatment program in 1988 to serve deaf/hard of hearing individuals. The facility provides addiction treatment, mental health treatment, and transitional and permanent housing, with all services provided in ASL.

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

The recommended actions support the County's Strategic Plan Goal 4, Health and Mental Health.

### **FISCAL IMPACT/FINANCING**

There is no net County cost.

The annual MCA of \$200,000 for this agreement is funded with CGF in the amount of \$92,738, ARRA funds in the amount of \$17,262, and FFP Medi-Cal revenue in the amount of \$90,000 for Fiscal Years (FYs) 2010-11 through 2012-13. For FY 2010-11, contractor will use \$20,000 of the MCA for one-time costs to cover expenses related to furniture, computers, and hiring and recruiting. In the subsequent FYs, the contractor will allocate \$20,000 of each year's MCA to be used only for client supportive services not expenses. Sufficient appropriation is included in DMH's FY 2010-11 Adopted Budget for this agreement. Funding for future FYs will be requested through DMH's annual

budget process.

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

Before 2004, Los Angeles County residents who were seriously mentally ill and were hearing impaired received treatment in State hospitals. These individuals could not be discharged to lower levels of care in Los Angeles County such as the IMDs because staff in IMDs was unable to communicate using ASL. In 2004, DMH contracted with Sierra Vista, a locked IMD facility in San Bernardino County, for beds to address the need for specialized services for individuals with hearing impairments. In 2008, DMH, in collaboration with Braswell Enterprises, Inc., implemented an IMD program with ASL capacity at Laurel Park in Pomona – an unlocked facility.

Currently, five individuals placed at Laurel Park ASL program are clinically ready to be discharged to a community-based residential mental health treatment program and DMH plans to place them at SCADP. While Laurel Park is an IMD that provides a higher level of care in a long-term residential setting for these consumers, it does not provide transitional or permanent supportive housing, and is not a Medi-Cal certified facility. SCADP is the only provider of community-based residential mental health treatment program with a transitional or permanent supportive housing for hearing impaired individuals, which is also certified to bill Medi-Cal. Services provided by SCADP will include: assessment; individual and group treatment for both mental illness and substance abuse; crisis intervention; case management; medication support; peer education and support groups; and transitional and permanent housing.

The outpatient clinic will be located at 11500 Paramount Boulevard, Downey, CA 90241 in Service Area 7, Supervisorial District 4.

The attached agreement format has been approved as to form by County Counsel. The CEO has reviewed the proposed actions. Clinical and administrative staff of DMH will administer and monitor the agreement, evaluate programs to ensure that quality services are being provided to clients, and ensure that agreement provisions and departmental policies are followed.

### **CONTRACTING PROCESS**

In compliance with the County's contracting policy requirements for sole source contracts, DMH notified your Board on May 28, 2010, of its intent to negotiate a sole source agreement with SCADP (Attachment II), the only agency capable of providing residential mental health supportive services to hearing impaired individuals within the Los Angeles County. SCADP has extensive experience in providing supportive housing programs that include fully trained ASL staff, substance abuse services and mental health treatment for persons with hearing impairments.

Attached is the required Sole Source Contract Checklist (Attachment III), identifying and justifying the need for a sole source contract renewal, that has been approved by the CEO.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of these actions will enable DMH to provide needed community-based residential mental health treatment services to deaf/hard of hearing persons currently residing in IMDs who are ready for discharge to lower levels of care.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "MJ Southard". The signature is written in a cursive, flowing style.

MARVIN J. SOUTHARD, D.S.W.  
Director

MJS:TB:MM:RK

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Chairperson, Mental Health Commission

DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

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CONTRACTOR:

\_\_\_\_\_  
\_\_\_\_\_

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

Business Address:

\_\_\_\_\_  
\_\_\_\_\_

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

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

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

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

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

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

DISTRIBUTION

(Please type in the applicable name for each)

Deputy Director \_\_\_\_\_ Lead Manager \_\_\_\_\_

K: S \_\_\_\_\_ --or-- U \_\_\_\_\_

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- ATTACHMENT I** DEFINITIONS
- ATTACHMENT II** FINANCIAL EXHIBIT A (FINANCIAL PROVISIONS)
- ATTACHMENT III** FINANCIAL SUMMARY(IES) FY \_\_\_\_\_ FY \_\_\_\_\_ FY \_\_\_\_\_
- ATTACHMENT IV** SERVICE DELIVERY SITE EXHIBIT(S)
- ATTACHMENT V** SERVICE EXHIBIT(S)
- ATTACHMENT VI** ATTESTATION REGARDING FEDERALLY FUNDED PROGRAM
- ATTACHMENT VII** SAFELY SURRENDERED BABY LAW FACT SHEET  
(In English and Spanish)
- ATTACHMENT VIII** CROSSWALK FACT SHEET
- ATTACHMENT IX** CHARITABLE CONTRIBUTIONS CERTIFICATION
- ATTACHMENT X** PERFORMANCE STANDARDS AND OUTCOME MEASURES

LEGAL ENTITY AGREEMENT FY 10-11 4/7/2010



1                    DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

2  
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 therefore 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 therefore certain mental health services contemplated and authorized by the  
17 Mental Health Service Act (MHSA) adopted by the California electorate on November 2,  
18 2004; 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; 45 Code of Federal Regulations Parts 160  
10 and 164 and California Welfare and Institutions Code Section 5328 et seq.; State  
11 Department of Mental Health's (SDMH) Cost Reporting/Data Collection Manual (CR/DC);  
12 Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health  
13 Services under the Rehabilitation Option and Targeted Case Management Services; State  
14 Department of Mental Health's Cost and Financial Reporting System Instruction Manual;  
15 Federal Office of Management and Budget Circular A-122 (Cost principles for non-profit  
16 organizations); Federal Office of Management and Budget Circular A-133 (Audits of  
17 states, local governments, and non-profit organizations); Auditor-Controller Contract  
18 Accounting and Administration Handbook; policies and procedures developed by County;  
19 State's Medicaid Plan; and policies and procedures which have been documented in the  
20 form of Policy Letters issued by State Department of Mental Health; and/or for State  
21 Department of Health Services; and

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

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

25 **PREAMBLE**

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

1 and adopted outcomes. Key to these efforts is the integration of service delivery systems  
2 and the adoption of the Customer Service and Satisfaction Standards.

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

- 7
- |                   |                         |
|-------------------|-------------------------|
| ➤ Responsiveness  | ➤ Integrity             |
| ➤ Professionalism | ➤ Commitment            |
| ➤ Accountability  | ➤ A Can-Do Attitude     |
| ➤ Compassion      | ➤ Respect for Diversity |

8

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

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

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

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

1 guiding this effort to integrate the health and human services delivery system:

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

1 toward service integration and a seamless service delivery system.

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

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

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

22 Personal Service Delivery

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

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

30 Service Access

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

- 32 • Provide services as promptly as possible

- Provide clear directions and service information
- Outreach to the community and promote available services
- Involve families in service plan development
- Follow-up to ensure appropriate delivery of services

Service Environment

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

- Ensure a safe environment
- Ensure a professional atmosphere
- Display vision, mission, and values statements
- Provide a clean and comfortable waiting area
- Ensure privacy
- Post complaint and appeals procedures

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

1. TERM:

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

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

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

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

/

1 2. TERMINATION WITHOUT CAUSE: This Agreement may be terminated by either  
2 party at any time without cause by giving at least 30 calendar days prior written notice to  
3 the other party.

4 3. IMMEDIATE TERMINATION BY COUNTY:

5 A. In addition to any other provisions for termination provided in this  
6 Agreement, this Agreement may be terminated by County immediately if County  
7 determines that:

8 (1) Contractor has failed to initiate delivery of services within 30 calendar  
9 days of the commencement date of this Agreement; or

10 (2) Contractor has failed to comply with any of the provisions of  
11 Paragraphs 18 (NONDISCRIMINATION IN SERVICES), 19 (NONDISCRIMINATION IN  
12 EMPLOYMENT), 21 (INDEMNIFICATION AND INSURANCE), 22 (WARRANTY  
13 AGAINST CONTINGENT FEES), 23 (CONFLICT OF INTEREST), 28 (DELEGATION  
14 AND ASSIGNMENT), 29 (SUBCONTRACTING), 34 (CHILD SUPPORT COMPLIANCE  
15 PROGRAM), 48 (CERTIFICATION OF DRUG-FREE WORK PLACE), 54  
16 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED  
17 PROGRAM) and/or 63 (CONTRACTOR'S WARRANTY OF COMPLIANCE WITH  
18 COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM); or

19 (3) In accordance with Paragraphs 35 (TERMINATION FOR  
20 INSOLVENCY), 36 (TERMINATION FOR DEFAULT), 37 (TERMINATION FOR  
21 IMPROPER CONSIDERATION), 49 (COUNTY LOBBYISTS), and/or 64 (TERMINATION  
22 FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S  
23 DEFAULTED PROPERTY TAX REDUCTION PROGRAM).

24 B. In the event that this Agreement is terminated, then:

25 (1) On or after the date of the written notice of termination, County, in its  
26 sole discretion, may stop all payments to Contractor hereunder until preliminary settlement  
27 based on the Annual Cost Report. Contractor shall prepare an Annual Cost Report in  
28 accordance with the terms of the Financial Exhibit A.

29 (2) Upon issuance of any notice of termination, Contractor shall make  
30 immediate and appropriate plans to transfer or refer all patients/clients receiving services

1 under this Agreement to other agencies for continuing services in accordance with the  
2 patient's/client's needs. Such plans shall be subject to prior written approval of Director or  
3 his designee, except that in specific cases, as determined by Contractor, where an  
4 immediate patient/client transfer or referral is indicated, Contractor may make an  
5 immediate transfer or referral. If Contractor terminates this Agreement, all costs related to  
6 all such transfers or referrals as well as all costs related to all continuing services shall not  
7 be a charge to this Agreement nor reimbursable in any way under this Agreement; and

8 (3) If Contractor is in possession of any equipment, furniture, removable  
9 fixtures, materials, or supplies owned by County as provided in Paragraph 45  
10 (PURCHASES), the same shall be immediately returned to County.

11 (4) Any termination of this Agreement by County shall be approved by  
12 County's Board of Supervisors.

13 C. Six Months Notification of Agreement Expiration: Contractor shall notify  
14 County when this Agreement is within six (6) months of expiration. Contractor shall send  
15 such notice to those persons and addresses which are set forth in Paragraph 65  
16 (NOTICES).

17 4. ADMINISTRATION: The Director of Mental Health (Director) shall have the  
18 authority to administer this Agreement on behalf of the County. All references to the  
19 actions or decisions to be made by the County in this Agreement shall be made by the  
20 Director unless otherwise expressly provided.

21 A. The Director may designate one of more persons to act as his/her designee  
22 for the purposes of administering this Agreement. Therefore "Director" shall mean  
23 "Director and/or his/her designee."

24 B. Contractor shall designate in writing a Contract Manager who shall function  
25 as liaison with County regarding Contractor's performance hereunder.

26 5. DESCRIPTION OF SERVICES/ACTIVITIES: Contractor shall provide those mental  
27 health services identified on the Financial Summary and Service Exhibit(s) of this  
28 Agreement and as described in the Contractor's Negotiation Package for this Agreement,  
29 as approved in writing by Director. The quality of services provided by Contractor shall be  
30 the same regardless of the patient's/client's ability to pay or source of payment.



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

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

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

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

19 If, during Contractor's provision of services under this Agreement, there is any need  
20 for substantial deviation from the services as described in Contractor's Negotiation  
21 Package for this Agreement, as approved in writing by Director, then Contractor shall  
22 submit a written request to Director for written approval before any such substantial  
23 deviation may occur. A 30% variance of actual services from those projected and shown  
24 by Contractor in the Negotiation Package will be considered a substantial deviation in  
25 service delivery.

26 Contractors shall not be eligible to provide mental health services claimable under the  
27 Mental Health Services Act (MHSA) unless Contractor has been found to be eligible to  
28 provide mental health services as follows: (1) Contractor has submitted to the County a  
29 Statement of Qualifications (SOQ) in response to County's Request For Statement of  
30 Qualifications (RFSQ) for the provision of such services; Contractors has met the

1 minimum qualifications listed in the RFSQ and has been selected for recommendation for  
2 placement on a MHSA Master Agreement eligibility list; and Contractor has demonstrated  
3 experience and training in its specialized field and has been selected to provide MHSA  
4 services pursuant to a Request for Services, or (2) Contractor intends to transform a  
5 portion of its services to MHSA services, Contractor has submitted an abbreviated  
6 negotiation package outlining the planned transformation and County has approved  
7 Contractor to provide MHSA services through the transformation process. Placement on  
8 the Master Agreement eligibility list does not guarantee that Contractor will be selected to  
9 provide mental health services claimable as MHSA services. In order to provide mental  
10 health services claimable as MHSA services, a provider must have been selected to  
11 provide MHSA services pursuant to a Request for Services or be approved by the County  
12 to provide MHSA service through the transformation process.

13 6. FINANCIAL PROVISIONS: In consideration of services and/or activities provided  
14 by Contractor, County shall reimburse Contractor in the amount and manner described in  
15 Attachment II, Financial Exhibit A (FINANCIAL PROVISIONS) attached thereto and by this  
16 reference incorporated herein.

17 7. PRIOR AGREEMENT(S) SUPERSEDED:

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

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

19 \_\_\_\_\_  
20 The parties agree that the provisions of such prior Agreement(s), and all Amendments  
21 thereto, shall be entirely superseded as of \_\_\_\_\_, \_\_\_\_\_, by the provisions of  
22 this Agreement.

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

27 C. Notwithstanding any other provision of this Agreement or the Agreement(s)  
28 described in Subparagraph 7.A, the total reimbursement by County to Contractor under all  
29 these Agreements for Fiscal Year \_\_\_\_\_ shall not exceed \_\_\_\_\_

1 \_\_\_\_\_  
2 DOLLARS (\$\_\_\_\_\_); and for Fiscal Year \_\_\_\_\_ shall not exceed \_\_\_\_\_  
3 \_\_\_\_\_  
4 DOLLARS (\$\_\_\_\_\_); and for Fiscal Year \_\_\_\_\_ shall not exceed \_\_\_\_\_  
5 \_\_\_\_\_  
6 DOLLARS (\$\_\_\_\_\_).

7 The supersession by this Agreement is not intended to replace ongoing programs  
8 and/or special provisions (such as, deeds, leases, rentals, or space use) which are  
9 implemented by special amendments to the agreement listed in Paragraph 7.A. above  
10 with Contractors. Such ongoing programs and special provisions set forth in special  
11 amendments can only be affected by a written contract amendment that refers specifically  
12 to the provisions set forth in the Amendment.

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

16 8. **STAFFING:** Throughout the term of this Agreement, Contractor shall staff its  
17 operations so that staffing approximates the type and number indicated in Contractor's  
18 Negotiation Package for this Agreement and as required by WIC and CCR.

19 A. Staff providing services under this Agreement shall be qualified and shall  
20 possess all appropriate licenses in accordance with WIC Section 5603 and all other  
21 applicable requirements of the California Business and Professions Code, WIC, CCR,  
22 CR/DC Manual, Los Angeles County DMH Organizational Provider's Manual for Specialty  
23 Mental Health Services under the Rehabilitation Option and Targeted Case Management  
24 Services, SDMH Policy Letters, and shall only function within the scope of practice as  
25 dictated by licensing boards/bodies.

26 B. If, at any time during the term of this Agreement, the Contractor has a  
27 sufficient number of vacant staff positions that would impair its ability to perform any  
28 services under the Agreement, Contractor shall promptly notify Director of such vacancies.

29 C. During the Term of this Agreement, Contractor shall twice per year, by  
30 December 31<sup>st</sup> and June 30<sup>th</sup>, provide County with accurate and complete item control

1 reports identifying all persons providing services under this Agreement. Such report shall  
2 be in the manner and format determined by the County and shall include, but shall not be  
3 limited to, the name, title, professional degree and license of the persons providing  
4 services or performing work under this Agreement. The reports are to be forwarded to the  
5 address(es) and person(s) identified in Paragraph 65 (NOTICES).

6 D. Notwithstanding the above, at all times during the term of this Agreement,  
7 Contractor shall have available and shall provide upon request to authorized  
8 representatives of County, a list of all persons by name, title, professional degree, and  
9 experience, who are providing any services under this Agreement.

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

24 Contractor shall document and make available upon request by the federal, State  
25 and/or County the type and number of hours of training provided to Contractor's officers,  
26 employees, agents, and subcontractors.

27 10. PROGRAM SUPERVISION, MONITORING AND REVIEW:

28 A. Pursuant to WIC Section 5608 and CCR Title 9, Section 521, all services  
29 hereunder shall be provided by Contractor under the general supervision of Director.  
30 Director shall have the right to monitor and specify the kind, quality, appropriateness,

1 timeliness, and amount of services, and the criteria for determining the persons to be  
2 served.

3 B. Upon receipt of any contract monitoring report pertaining to  
4 services/activities under this Agreement, Contractor shall respond in writing to person(s)  
5 identified within the time specified in the contract monitoring report. Contractor shall, in its  
6 written response, either acknowledge the reported deficiencies or present additional  
7 evidence to dispute the findings. In addition, Contractor must submit a plan for immediate  
8 correction of all deficiencies.

9 C. In the event of a State audit of this Agreement, if State auditors disagree  
10 with County's official written instructions to Contractor in its performance of this  
11 Agreement, and if such disagreement results in a State disallowance of any of  
12 Contractor's costs hereunder, then County shall be liable for Contractor's disallowed costs  
13 as determined by State.

14 D. To assure compliance with this Agreement and for any other reasonable  
15 purpose relating to performance of this Agreement, and subject to the provisions of  
16 State and federal law, authorized County, State, and/or federal representatives and  
17 designees shall have the right to enter Contractor's premises (including all other places  
18 where duties under this Agreement are being performed), with or without notice, to:  
19 inspect, monitor and/or audit Contractor's facilities, programs and procedures, or to  
20 otherwise evaluate the work performed or being performed; review and copy any records  
21 and supporting documentation pertaining to the performance of this Agreement; and  
22 elicit information regarding the performance of this Agreement or any related work. The  
23 representatives and designees of such agencies may examine, audit and copy such  
24 records at the site at which they are located. Contractor shall provide access to facilities  
25 and shall cooperate and assist County, State, and/or federal representatives and  
26 designees in the performance of their duties. Unless otherwise agreed upon in writing,  
27 Contractor must provide specified data upon request by County, State, and/or federal  
28 representatives and designees within ten (10) business days.

29 11. PERFORMANCE STANDARDS AND OUTCOME MEASURES: The Contractor  
30 shall comply with all applicable federal, State, and County policies and procedures

1 relating to performance standards and outcome measures, including but not limited to  
2 those performance standards and outcome measures required by specific federal or  
3 State rules for entities receiving their funding, those identified in Attachment X and  
4 performance standards and/or outcome measures provided in the applicable MHSA  
5 Service Exhibits.

6 Performance standards and/or outcome measures will be used as part of the  
7 determination of the effectiveness of the services delivered by Contractor.

8 12. QUALITY MANAGEMENT PROGRAM:

9 A. Contract shall establish and maintain a Quality Management Program.  
10 Contractor's written Quality Management Program shall describe its quality assurance,  
11 quality improvement and utilization review structure, process, decisions, actions and  
12 monitoring, in accordance with the Department's Quality Improvement Program Policy  
13 No. 105.1, to ensure that the quality and appropriateness of care delivered to clients of  
14 the mental health system meets or exceeds the established County, State, and federal  
15 service standards and complies with the standards set by the State Department of  
16 Mental Health through the Medi-Cal Performance Contract.

17 B. The Contractor's Quality Management Program shall be consistent with  
18 Department's Quality Improvement Program Policy No. 105.1 including the Department's  
19 Quality Improvement Work Plan and participation in Service Area Quality Assurance and  
20 Quality Improvement Committee meetings as outlined in Policy No. 105.1.

21 C. The Contractor's Quality Management Program shall be consistent with the  
22 Department's Cultural Competency Plan.

23 D. The Contractor's level of performance under this Agreement shall be  
24 evaluated by the County no less than annually. Failure to meet performance standards  
25 may place Contractor's Agreement in jeopardy; performance deficits that are not  
26 remedied will be reported to the Board of Supervisors. The report shall include  
27 improvement/corrective action measures taken by the County and Contractor. If  
28 improvement does not occur consistent with the corrective action measures, County may  
29 terminate this Agreement or invoke other remedies as specified in this Agreement.

30 /  
31 /

1 13. RECORDS AND AUDITS:

2 A. Records:

3 (1) Direct Services and Indirect Services Records: Contractor shall  
4 maintain a record of all direct services and indirect services rendered by all professional,  
5 para-professional, intern, student, volunteer and other personnel under this Agreement in  
6 sufficient detail to permit an evaluation and audit of such services. All such records shall  
7 be retained, maintained, and made available within three (3) business days for inspection,  
8 review, and/or audit by authorized representatives and designees of County, State, and/or  
9 federal governments during the term of this Agreement and during the applicable period of  
10 records retention. In the event any records are located outside Los Angeles County,  
11 Contractor shall pay County for all travel, per diem, and other costs incurred by County for  
12 any inspection, review, and/or audit at such other location. In addition to the general  
13 requirements in this Paragraph 13, Contractor shall comply with any additional  
14 patient/client record requirements described in the Service Exhibit(s) and shall adequately  
15 document the delivery of all services described in the Service Exhibit(s).

16 (a) Patient/Client Records (Direct Services): Contractor shall  
17 maintain treatment and other records for each individual patient/client of all direct services  
18 (e.g., 24-hour services, day services, targeted case management, mental health services,  
19 medication support, and crisis intervention) in accordance with all applicable County, State  
20 and federal requirements. Treatment and other records shall include, but not be limited to,  
21 patient/client identification number, patient/client face sheet, all data elements required by  
22 the County's claims processing information system, consent for treatment form, initial  
23 evaluation form, treatment plan, progress notes and discharge summary. All patient/client  
24 records shall be maintained by Contractor at a location in Los Angeles County for a  
25 minimum period that is at least equivalent to the later of any of the following:

26 1) Seven (7) years following discharge of the patient/client  
27 or termination of services;

28 2) For un-emancipated minors, one (1) year after such  
29 minor has reached the age of 18 years and in any case not less than seven (7) years;

30 3) Three years after completion of all County, State

1 and/or federal audits; or

2 4) Three (3) years after the conclusion of any audit appeal  
3 and/or when audit findings are fully resolved.

4 During such retention period, all such records shall be available within three (3) business  
5 days and open during County's normal business hours to authorized representatives and  
6 designees of County, State, and/or federal governments for purposes of inspection,  
7 review, and/or audit. Nothing in this paragraph shall limit Contractor's obligation to retain  
8 records for the period described by law.

9 (b) Case Management Support Services, Outreach Services, and  
10 Client Supportive Services Records (Indirect Services): Contractor shall maintain accurate  
11 and complete program records of all indirect services (i.e., all services other than direct  
12 services) in accordance with all applicable County, State and federal requirements. All  
13 program records shall be maintained by Contractor at a location in Los Angeles County for  
14 a minimum period that is at least equivalent to the later of any of the following:

15 1) Seven (7) years following the expiration or earlier  
16 termination of this agreement;

17 2) Three (3) years after completion of all County, State  
18 and/or federal audits; or

19 3) Three (3) years after the conclusion of any audit appeal  
20 and/or when audit findings are fully resolved.

21 During such retention period, all such records shall be available within three (3) business  
22 days and open during County's normal business hours to authorized representatives and  
23 designees of County, State, and/or federal governments for purposes of inspection and/or  
24 audit. Nothing in this paragraph shall limit Contractor's obligation to retain records for the  
25 period described by law.

26 (2) Financial Records: Contractor shall prepare and maintain, on a  
27 current basis, accurate and complete financial records of its activities and operations  
28 relating to this Agreement in accordance with generally accepted accounting principles,  
29 with the procedures set out in the State Department of Mental Health's Cost and Financial  
30 Reporting System (CFRS) Instruction Manual, and with all applicable federal, State and



1 County requirements, guidelines, standards, and procedures. Minimum standards for  
2 accounting principles are set forth in County's Auditor-Controller's Contract Accounting  
3 and Administration Handbook which shall be furnished to Contractor by County upon  
4 request. The above financial records shall include, but are not limited to:

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

6 (b) Reports, studies, statistical surveys or other information  
7 Contractor used to identify and allocate indirect costs. "Indirect costs" shall mean those  
8 costs as described by the guidelines, standards, and procedures which may be provided  
9 by County in writing to Contractor, the Centers for Medicare and Medicaid Provider  
10 Reimbursement Manual, and the Federal Office of Management and Budget Circular A-  
11 122 (Cost principles for non-profit organizations).

12 (c) Bronzan-McCorquodale/County statistics and total facility  
13 utilization information (e.g., patient days, visits) which can be identified by type of service  
14 pursuant to any policies and procedures which may be provided by County in writing to  
15 Contractor.

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

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

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

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

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

24 (g) Employment records.

25 (3) The entries in all of the above financial records must be readily  
26 traceable to applicable source documentation (e.g., remittance invoices, vendor invoices,  
27 employee timecards signed by employee and countersigned by supervisor in ink,  
28 subsidiary ledgers and journals, appointment logs, patient ledger cards, etc.). Any  
29 apportionment of costs shall be made in accordance with the requirements of the State  
30 Department of Mental Health Cost and Financial Reporting System (CFRS) Instruction

1 Manual, the Federal Centers for Medicare and Medicaid Provider Reimbursement Manual  
2 Parts 1 and 2 (Publications #15-1 and #15-2), and Los Angeles County DMH  
3 Organizational Provider's Manual for Specialty Mental Health Services under the  
4 Rehabilitation Option and Targeted Case Management Services. All such records shall be  
5 maintained by Contractor at a location in Los Angeles County for a minimum period that is  
6 at least equivalent to the later of any of the following:

7 1) Seven (7) years following the expiration or earlier  
8 termination of this agreement;

9 2) Three years after completion of all County, State  
10 and/or federal audits; or

11 3) Three (3) years after the conclusion of any audit appeal  
12 and/or when audit findings are fully resolved.

13 During such retention period, all such records shall be available within three (3) business  
14 days and open during County's normal business hours to authorized representatives and  
15 designees of County, State, and/or federal governments for purposes of inspection,  
16 review, and/or audit. Such access shall include access to individuals with knowledge of  
17 financial records and Contractor's outside auditors, and regular and special reports from  
18 Contractor. In the event any records are located outside Los Angeles County, Contractor  
19 shall pay County for all travel, per diem, and other costs incurred by County for any  
20 inspection or audit at such other location.

21 (4) Preservation of Records: If, following termination of this Agreement,  
22 Contractor's facility(ies) is (are) closed or if majority ownership of Contractor changes, then  
23 within forty-eight hours of closure or ownership change, Director of SDMH and Director  
24 shall be notified in writing by Contractor of all arrangements made by Contractor for  
25 preservation of all the patient/client, financial, and other records referred to in this  
26 Paragraph 13.

27 B. Audits:

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

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

9           (3) Audit Reports: In the event that any audit of any or all aspects of this  
10 Agreement is conducted by any federal or State auditor, or by any auditor or accountant  
11 employed by Contractor or otherwise, then Contractor shall file a copy of such audit  
12 report(s) with DMH's Contracts Development and Administration Division within 30  
13 calendar days of Contractor's receipt thereof, unless otherwise provided by applicable  
14 federal or State law or under this Agreement. Contractor shall promptly notify County of  
15 any request for access to information related to this Agreement by any other governmental  
16 agency.

17           (4) State Department of Mental Health Access to Records: Contractor  
18 agrees that for a period of seven (7) years or until final audit is completed, which ever  
19 occurs later, following the furnishing of services under this Agreement, Contractor shall  
20 maintain and make available to the State Department of Mental Health, the Secretary of  
21 the United States Department of Health and Human Services or the Controller General of  
22 the United States, and any other authorized federal and State agencies, or to any of their  
23 duly authorized representatives, the contracts, books, documents and records of  
24 Contractor which are necessary to verify the nature and extent of the cost of services  
25 hereunder. Furthermore, if Contractor carries out any of the services provided hereunder  
26 through any subcontract with a value or cost of TEN THOUSAND DOLLARS (\$10,000) or  
27 more over a 12-month period with a related organization (as that term is defined under  
28 federal law), Contractor agrees that each such subcontract shall provide for such access  
29 to the subcontract, books, documents and records of the subcontractor as provided in  
30 Paragraph 10 and in this Paragraph 13.

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

16 14. REPORTS:

17           A. Contractor shall make reports as required by Director or by State regarding  
18 Contractor's activities and operations as they relate to Contractor's performance of this  
19 Agreement. In no event may County require such reports unless it has provided  
20 Contractor with at least 30 calendar days' prior written notification. County shall provide  
21 Contractor with a written explanation of the procedures for reporting the required  
22 information.

23           B. Income Tax Withholding: Upon Director's request, Contractor shall provide  
24 County with certain documents relating to Contractor's income tax returns and employee  
25 income tax withholding. These documents shall include, but are not limited to:

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

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

1 C. County Claims Processing Information System:

2 (1) Contractor shall submit all required data to the County's Claims  
3 Processing Information System, as required by Director. Contractor shall report to County  
4 all program, patient/client, staff, and other data and information about Contractor's  
5 services, within the specified time periods as required by DMH Chief Information Office's  
6 Training Manuals, IS Bulletins, and Reports Reference Guide and any other County  
7 requirements but in no event, later than 40 calendar days after the close of each fiscal  
8 year in which the services were provided.

9 (2) Notwithstanding any other provision of this Agreement, only units of  
10 service submitted by Contractor into the County's claims processing information system  
11 shall be counted as delivered units of service.

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

16 (4) Contractor shall train its staff in the operation, procedures, policies,  
17 and all related use, of the County's claims processing information system as required by  
18 County. County shall train Contractor's designated trainer in the operation, procedures,  
19 policies, and all related use of the County's information system.

20 15. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records and  
21 information, including, but not limited to, claims, County records, patient/client records and  
22 information, and County claims processing information system records, in accordance with  
23 WIC Sections 5328 through 5330, inclusive, and all other applicable County, State, and  
24 federal laws, ordinances, rules, regulations, manuals, guidelines, and directives, relating to  
25 confidentiality and privacy. Contractor shall require all its officers, employees, and agents  
26 providing services hereunder to acknowledge, in writing, understanding of, and agreement  
27 to fully comply with, all such confidentiality and privacy provisions. Contractor shall  
28 indemnify and hold harmless County, its officers, employees, and agents, from and  
29 against any and all loss, damage, liability, and expense arising from any disclosure of such  
30 records and information by Contractor, its officers, employees, or agents.

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

8 17. REPORTING OF PATIENT/CLIENT ABUSE AND RELATED PERSONNEL  
9 REQUIREMENTS:

10 A. Elders and Dependent Adults Abuse: Contractor, and all persons employed  
11 or subcontracted by Contractor, shall comply with WIC Section 15600 et seq. and shall  
12 report all known or suspected instances of physical abuse of elders and dependent adults  
13 under the care of Contractor either to an appropriate County adult protective services  
14 agency or to a local law enforcement agency, as mandated by WIC Sections 15630, and  
15 permitted by Sections 15631 and 15632. Contractor and all persons employed or  
16 subcontracted by Contractor shall make the report on such abuse, and shall submit all  
17 required information, in accordance with WIC Sections 15630, 15633 and 15633.5.

18 B. Minor Children Abuse: Contractor and all persons employed or  
19 subcontracted by Contractor, shall comply with California Penal Code Section 11164 et  
20 seq. and shall report all known or suspected instances of child abuse to an appropriate  
21 child protective agency, as mandated by California Penal Code Sections 11164, 11165.8  
22 and 11166. Contractor and all persons employed or subcontracted by Contractor, shall  
23 make the report on such abuse, and shall submit all required information, in accordance  
24 with California Penal Code Sections 11166 and 11167.

25 C. Contractor Staff:

26 (1) Contractor shall assure that any person who enters into employment  
27 as a care custodian of elders, dependent adults or minor children, or who enters into  
28 employment as a health or other practitioner, prior to commencing employment, and as a  
29 prerequisite to that employment, shall sign on a form provided by Contractor in  
30 accordance with the above code sections a statement to the effect that such person has

1 knowledge of, and will comply with, these code sections.

2 (2) Contractor shall assure that clerical and other non-treatment staff who  
3 are not legally required to report suspected cases of abuse, consult with mandated  
4 reporters upon suspecting any abuse.

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

10 (4) Contractor shall not employ or continue to employ any person whom  
11 Contractor knows, or reasonably suspects, has committed any acts which are inimical to  
12 the health, morals, welfare, or safety of elders, dependent adults or minor children, or  
13 which otherwise make it inappropriate for such person to be employed by Contractor.

14 18. NONDISCRIMINATION IN SERVICES:

15 A. Contractor shall not discriminate in the provision of services hereunder  
16 because of race, religion, national origin, ancestry, gender, age, marital status, sexual  
17 orientation and/or physical or mental handicap or medical conditions (except to the extent  
18 clinically appropriate), in accordance with requirements of federal and State law. For the  
19 purpose of this Paragraph 18, discrimination in the provision of services may include, but  
20 is not limited to, the following: denying any person any service or benefit or the availability  
21 of a facility; providing any service or benefit to any person which is different or is provided  
22 in a different manner or at a different time from that provided to others; subjecting any  
23 person to segregation or separate treatment in any matter related to the receipt of any  
24 service; restricting any person in any way in the enjoyment of any advantage or privilege  
25 enjoyed by others receiving any service or benefit; and treating any person differently from  
26 others in determining admission, enrollment, eligibility, membership, or any other  
27 requirement or condition which persons must meet in order to be provided any service or  
28 benefit. Contractor shall take affirmative steps to ensure that those persons who qualify  
29 for services under this Agreement are provided services without regard to ability to pay or  
30 source of payment, race, religion, national origin, ancestry, gender, age, marital status,

1 sexual orientation and/or physical or mental handicap, or medical conditions.

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

12 C. If direct services (e.g., 24-hour services, day services, targeted case  
13 management, mental health services, medication support, and crisis intervention) are  
14 provided hereunder, Contractor shall have admission policies which are in accordance  
15 with CCR Title 9, Sections 526 and 527, and which shall be in writing and available to the  
16 public. Contractor shall not employ discriminatory practices in the admission of any  
17 person, assignment of accommodations, or otherwise. Any time any person applies for  
18 services under this Agreement, such person shall be advised by Contractor of the  
19 complaint procedures described in the above paragraph. A copy of such complaint  
20 procedures shall be posted by Contractor in each of Contractor's facilities where services  
21 are provided under this Agreement in a conspicuous place, available and open to the  
22 public.

23 19. NONDISCRIMINATION IN EMPLOYMENT:

24 A. Contractor certifies and agrees that all persons employed by it, its affiliates,  
25 subsidiaries, or holding companies are and will be treated equally by it without regard to, or  
26 because of, race, color, religion, national origin, ancestry, gender, age, marital status,  
27 sexual orientation, condition of physical disability (including HIV and AIDS) or mental  
28 disability, medical condition (e.g., cancer), denial of family care leave, or political affiliation,  
29 and in compliance with all applicable federal and State anti-discrimination laws and  
30 regulations. The applicable regulations of the Fair Employment and Housing Commission



1 implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of  
2 Title 2 of the California Code of Regulations, are incorporated into this Agreement by  
3 reference and made a part hereof as if set forth in full. Contractor and its subcontractors  
4 shall give written notice of their obligations under this clause to labor organizations with  
5 which they have a collective bargaining or other agreement.

6 B. Contractor shall take affirmative steps to ensure that qualified applicants are  
7 employed, and that employees are treated during employment without regard to race,  
8 color, religion, national origin, ancestry, gender, age, marital status, sexual orientation,  
9 condition of physical disability (including HIV and AIDS) or mental disability, medical  
10 condition (e.g., cancer), denial of family care leave, or political affiliation. Such treatment  
11 shall include, but is not limited to, the following actions: employment, promotion,  
12 demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of  
13 pay or other forms of compensation, selection for training, including apprenticeship, and  
14 granting or denying family care leave. Contractor shall not discriminate against or harass,  
15 nor shall it permit harassment of, its employees during employment based upon race,  
16 color, religion, national origin, ancestry, gender, age, marital status, sexual orientation,  
17 condition of physical disability (including HIV and AIDS) or mental disability, medical  
18 condition (e.g., cancer), denial of family care leave, or political affiliation in compliance with  
19 all applicable federal and State anti-discrimination laws and regulations. Contractor shall  
20 insure that the evaluation and treatment of its employees and applicants for employment  
21 are free from such discrimination and harassment, and will comply with the provisions of  
22 the Fair Employment and Housing Act (Government Code section 12990 et seq.) and the  
23 applicable regulations promulgated thereunder (California Code of Regulations, Title 2,  
24 Section 7285.0 et seq.).

25 C. Contractor shall deal with its subcontractors, bidders, or vendors without  
26 regard to or because of race, color, religion, national origin, ancestry, gender, age, marital  
27 status, sexual orientation, condition of physical disability (including HIV and AIDS) or  
28 mental disability, medical condition (e.g., cancer), denial of family care leave, or political  
29 affiliation. Further, Contractor shall give written notice of its obligations under this  
30 Paragraph 19 to labor organizations with which it has a collective bargaining or other

1 agreement.

2 D. Contractor shall allow County representatives access to its employment  
3 records during regular business hours to verify compliance with the provisions of this  
4 Paragraph 19 when so requested by Director.

5 E. If County finds that any of the above provisions has been violated, the same  
6 shall constitute a material breach of this Agreement upon which County may immediately  
7 terminate or suspend this Agreement. The County reserves the right to determine  
8 independently that the anti-discrimination provisions of this Agreement have been violated.  
9 In addition, a determination by the California Fair Employment Practices Commission or  
10 the Federal Equal Employment Opportunity Commission that Contractor has violated State  
11 or federal anti-discrimination laws or regulations shall constitute a finding by County that  
12 Contractor has violated the anti-discrimination provisions of this Agreement.

13 F. In the event that Contractor violates any of the anti-discrimination provisions  
14 of this Paragraph 19, County shall be entitled, at its option, to the sum of FIVE HUNDRED  
15 DOLLARS (\$500) pursuant to California Civil Code Section 1671 as liquidated damages in  
16 lieu of terminating or suspending this Agreement.

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

24 21. INDEMNIFICATION AND INSURANCE:

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

1           B.     General Provisions for all Insurance Coverage: Without limiting Contractor's  
2 indemnification of County, and in the performance of this Agreement and until all of its  
3 obligations pursuant to this Agreement have been met, Contractor shall provide and  
4 maintain at its own expense insurance coverage satisfying the requirements specified in  
5 Subparagraphs B. and C. of this Paragraph 21. These minimum insurance coverage  
6 terms, types and limits (the "Required Insurance") also are in addition to and separate  
7 from any other contractual obligation imposed upon Contractor pursuant to this  
8 Agreement. The County in no way warrants that the Required Insurance is sufficient to  
9 protect the Contractor for liabilities which may arise from or relate to this Agreement.

10           1)     Evidence of Coverage and Notice to County

11                   (a)     Certificate(s) of insurance coverage (Certificate) satisfactory to  
12 County, and a copy of an Additional Insured endorsement confirming County and its  
13 Agents (defined below) has been given Insured status under the Contractor's General  
14 Liability policy, shall be delivered to County at the address shown below and provided prior  
15 to commencing services under this Agreement.

16                   (b)     Renewal Certificates shall be provided to County not less than  
17 10 days prior to Contractor's policy expiration dates. The County reserves the right to  
18 obtain complete, certified copies of any required Contractor and/or Subcontractor  
19 insurance policies at any time.

20                   (c)     Certificates shall identify all Required Insurance coverage  
21 types and limits specified herein, reference this Agreement by name or number, and be  
22 signed by an authorized representative of the insurer(s). The Insured party named on the  
23 Certificate shall match the name of the Contractor identified as the contracting party in this  
24 Agreement. Certificates shall provide the full name of each insurer providing coverage, its  
25 NAIC (National Association of Insurance Commissioners) identification number, its  
26 financial rating, the amounts of any policy deductibles or self-insured retentions exceeding  
27 fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.

28                   (d)     Neither the County's failure to obtain, nor the County's receipt  
29 of, or failure to object to a non-complying insurance certificate or endorsement, or any  
30 other insurance documentation or information provided by the Contractor, its insurance

1 broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required  
2 Insurance provisions.

3 Certificates and copies of any required endorsements shall be sent  
4 to:

5 **Los Angeles County - Department of Mental Health**  
6 **Contracts Development and Administration Division**  
7 **550 S. Vermont Ave., 5<sup>th</sup> Floor**  
8 **Los Angeles, CA 90020**

9 Contractor also shall promptly report to County any injury or property damage  
10 accident or incident, including any injury to a Contractor employee occurring on County  
11 property, and any loss, disappearance, destruction, misuse, or theft of County property,  
12 monies or securities entrusted to Contractor. Contractor also shall promptly notify  
13 County of any third party claim or suit filed against Contractor or any of its Sub-  
14 Contractors which arises from or relates to this Agreement, and could result in the filing  
15 of a claim or lawsuit against Contractor and/or County.

16 2) Additional Insured Status and Scope of Coverage

17 The County of Los Angeles, its Special Districts, Elected Officials,  
18 Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be  
19 provided additional insured status under Contractor's General Liability policy with respect  
20 to liability arising out of Contractor's ongoing and completed operations performed on  
21 behalf of the County. County and its Agents additional insured status shall apply with  
22 respect to liability and defense of suits arising out of the Contractor's acts or omissions,  
23 whether such liability is attributable to the Contractor or to the County. The full policy limits  
24 and scope of protection also shall apply to the County and its Agents as an additional  
25 insured, even if they exceed the County's minimum Required Insurance specifications  
26 herein. Use of an automatic additional insured endorsement form is acceptable providing it  
27 satisfies the Required Insurance provisions herein.

28 3) Cancellation of Insurance

29 Except in the case of cancellation for non-payment of premium,  
30 Contractor's insurance policies shall provide, and Certificates shall specify, that County  
31 shall receive not less than thirty (30) days advance written notice by mail of any

1 cancellation of the Required Insurance. Ten (10) days prior notice may be given to County  
2 in event of cancellation for non-payment of premium.

3 4) Failure to Maintain Insurance

4 Contractor's failure to maintain or to provide acceptable evidence  
5 that it maintains the Required Insurance shall constitute a material breach of the  
6 Agreement, upon which County immediately may withhold payments due to Contractor,  
7 and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain  
8 damages from Contractor resulting from said breach.

9 5) Insurer Financial Ratings

10 Coverage shall be placed with insurers acceptable to the County  
11 with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

12 6) Contractor's Insurance Shall Be Primary

13 Contractor's insurance policies, with respect to any claims related to  
14 this Agreement, shall be primary with respect to all other sources of coverage available to  
15 Contractor. Any County maintained insurance or self-insurance coverage shall be in  
16 excess of and not contribute to any Contractor coverage.

17 7) Waivers of Subrogation

18 To the fullest extent permitted by law, the Contractor hereby waives  
19 its rights and its insurer(s)' rights of recovery against County under all the Required  
20 Insurance for any loss arising from or relating to this Agreement. The Contractor shall  
21 require its insurers to execute any waiver of subrogation endorsements which may be  
22 necessary to effect such waiver.

23 8) Subcontractor Insurance Coverage Requirements

24 Contractor shall include all Subcontractors as insureds under  
25 Contractor's own policies, or shall provide County with each Subcontractor's separate  
26 evidence of insurance coverage. Contractor shall be responsible for verifying each  
27 Subcontractor complies with the Required Insurance provisions herein, and shall require  
28 that each Subcontractor name the County and Contractor as additional insureds on the  
29 Subcontractor's General Liability policy. Contractor shall obtain County's prior review and  
30 approval of any Subcontractor request for modification of the Required Insurance.

1                   9)     Deductibles and Self-Insured Retentions (SIRs)

2                   Contractor's policies shall not obligate the County to pay any portion  
3 of any Contractor deductible or SIR. The County retains the right to require Contractor  
4 to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide  
5 a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all  
6 related claims investigation, administration and defense expenses. Such bond shall be  
7 executed by a corporate surety licensed to transact business in the State of California.

8                   10)    Claims Made Coverage

9                   If any part of the Required Insurance is written on a claims made  
10 basis, any policy retroactive date shall precede the effective date of this Agreement.  
11 Contractor understands and agrees it shall maintain such coverage for a period of not less  
12 than three (3) years following Agreement expiration, termination or cancellation.

13                  11)    Application of Excess Liability Coverage

14                  Contractors may use a combination of primary, and excess insurance  
15 policies which provide coverage as broad as ("follow form" over) the underlying primary  
16 policies, to satisfy the Required Insurance provisions.

17                  12)    Separation of Insureds

18                  All liability policies shall provide cross-liability coverage as would be  
19 afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds  
20 provision with no insured versus insured exclusions or limitations.

21                  13)    Alternative Risk Financing Programs

22                  The County reserves the right to review, and then approve,  
23 Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling  
24 arrangements and captive insurance to satisfy the Required Insurance provisions. The  
25 County and its Agents shall be designated as an Additional Covered Party under any  
26 approved program.

27                  14)    County Review and Approval of Insurance Requirements

28                  The County reserves the right to review and adjust the Required  
29 Insurance provisions, conditioned upon County's determination of changes in risk  
30 exposures.

1 C. Insurance Coverage

2 1) Commercial General Liability insurance (providing scope of coverage  
3 equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional  
4 insured, with limits of not less than:

5 General Aggregate: \$2 million

6 Products/Completed Operations Aggregate: \$1 million

7 Personal and Advertising Injury: \$1 million

8 Each Occurrence: \$1 million

9 2) Automobile Liability insurance (providing scope of coverage  
10 equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily  
11 injury and property damage, in combined or equivalent split limits, for each single  
12 accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant  
13 to this Agreement, including owned, leased, hired, and/or non-owned autos, as each  
14 may be applicable.

15 3) Workers Compensation and Employers' Liability insurance or  
16 qualified self-insurance satisfying statutory requirements, which includes Employers'  
17 Liability coverage with limits of not less than \$1 million per accident. If Contractor will  
18 provide leased employees, or, is an employee leasing or temporary staffing firm or a  
19 professional employer organization (PEO), coverage also shall include an Alternate  
20 Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00  
21 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall  
22 be modified to provide that County will receive not less than thirty (30) days advance  
23 written notice of cancellation of this coverage provision. If applicable to Contractor's  
24 operations, coverage also shall be arranged to satisfy the requirements of any federal  
25 workers or workmen's compensation law or any federal occupational disease law.

26 4) Unique Insurance Coverage

27 (a) Sexual Misconduct Liability

28 Insurance covering actual or alleged claims for sexual  
29 misconduct and/or molestation with limits of not less than \$2 million per claim and \$2  
30 million aggregate, and claims for negligent employment, investigation, supervision, training

1 or retention of, or failure to report to proper authorities, a person(s) who committed any act  
2 of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

3 (b) Professional Liability/Errors and Omissions

4 Insurance covering Contractor's liability arising from or related  
5 to this Contract, with limits of not less than \$1 million per claim and \$3 million aggregate.  
6 Further, Contractor understands and agrees it shall maintain such coverage for a period of  
7 not less than three (3) years following this Agreement's expiration, termination or  
8 cancellation.

9 (c) Property Coverage

10 Contractors given exclusive use of County owned or leased  
11 property shall carry property coverage at least as broad as that provided by the ISO  
12 special causes of loss (ISO policy form CP 10 30) form. The County and its Agents shall  
13 be named as an Additional Insured and Loss Payee on Contractor's insurance as its  
14 interests may appear. Automobiles and mobile equipment shall be insured for their actual  
15 cash value. Real property and all other personal property shall be insured for their full  
16 replacement value.

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

25 23. CONFLICT OF INTEREST:

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



1 hereunder shall in any way participate in County's approval, or ongoing evaluation, of such  
2 services, or in any way attempt to unlawfully influence County's approval or ongoing  
3 evaluation of such services.

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

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

19 25. INDEPENDENT STATUS OF CONTRACTOR:

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

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

30 C. Contractor understands and agrees that all persons performing services

1 pursuant to this Agreement are, for purposes of workers' compensation liability, the sole  
2 employees of Contractor and not employees of County. Contractor shall be solely liable  
3 and responsible for furnishing any and all workers' compensation benefits to any person  
4 as a result of any injuries arising from or connected with any services performed by or on  
5 behalf of Contractor pursuant to this Agreement.

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

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

19 27. CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR  
20 GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR  
21 EMPLOYMENT: Should contractor require additional or replacement personnel after the  
22 effective date of this agreement, contractor shall give consideration for any such  
23 employment openings to participants in the County's Department of Public Social Services'  
24 Greater Avenues for Independence (GAIN) Program or General Relief Opportunities for  
25 Work (GROW) Program who meet contractor's minimum qualifications for the open  
26 position. If contractor decides to pursue consideration of GAIN/GROW participants for  
27 hiring, Contractor shall provide information regarding job openings and job requirements to  
28 Department of Public Social Services' GAIN/GROW staff at  
29 GAINGROW@dpss.lacounty.gov. County will refer GAIN/GROW participants, by job  
30 category, to contractor.

1 Note: In the event that both laid-off County employees and GAIN/GROW participants are  
2 available for hiring, County employees shall be given first priority.

3 28. DELEGATION AND ASSIGNMENT BY CONTRACTOR:

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

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

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

28 29. SUBCONTRACTING:

29 A. No performance of this Agreement, or any portion thereof, shall be  
30 subcontracted by Contractor without the prior written consent of County as provided in this

1 Paragraph 29. Any attempt by Contractor to subcontract any performance, obligation, or  
2 responsibility under this Agreement, without the prior written consent of County, shall be  
3 null and void and shall constitute a material breach of this Agreement. Notwithstanding  
4 any other provision of this Agreement, in the event of any such breach by Contractor, this  
5 Agreement may be terminated forthwith by County. Notwithstanding any other provision of  
6 this Agreement, the parties do not in any way intend that any person or entity shall acquire  
7 any rights as a third party beneficiary of this Agreement.

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

12 (1) The reasons for the particular subcontract.

13 (2) A detailed description of the services to be provided by the  
14 subcontract.

15 (3) Identification of the proposed subcontractor and an explanation of  
16 why and how the proposed subcontractor was selected, including the degree of  
17 competition involved.

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

20 (5) A copy of the proposed subcontract which shall contain the following  
21 provision:

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

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

27 "The contracting parties shall be subject to the examination and audit of the  
28 State Auditor, pursuant to the California Government Code, Section  
29 8546.7 for a period of seven (7) years from the end of the Fiscal Year in  
30 which such services were provided or until final resolution of any audits,

1           whichever occurs later.”

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

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

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

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

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

24           F.    In the event that County consents to any subcontracting, such consent shall  
25 be subject to County’s right to give prior and continuing approval of any and all  
26 subcontractor personnel providing services under such subcontract. Contractor shall  
27 assure that any subcontractor personnel not approved by County shall be immediately  
28 removed from the provision of any services under the particular subcontract or that other  
29 action is taken as requested by County. County shall not be liable or responsible in any  
30 way to Contractor, to any subcontractor, or to any officers, employees, or agents of

1 Contractor or any subcontractor, for any liability, damages, costs or expenses arising from  
2 or related to County's exercise of such right.

3 G. In the event that County consents to any subcontracting, such consent shall  
4 be subject to County's right to terminate, in whole or in part, any subcontract at any time  
5 upon written notice to Contractor when such action is deemed by County to be in its best  
6 interest. County shall not be liable or responsible in any way to Contractor, to any  
7 subcontractor, or to any officers, employees, or agents of Contractor or any subcontractor,  
8 for any liability, damages, costs, or expenses arising from or related to County's exercise  
9 of such right.

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

14 I. In the event that County consents to any subcontracting, such consent shall  
15 apply to each particular subcontract only and shall not be, or be construed to be, a waiver  
16 of this Paragraph 29 or a blanket consent to any further subcontracting.

17 J. In the event that County consents to any subcontracting, Contractor shall be  
18 solely liable and responsible for any and all payments and/or other compensation to all  
19 subcontractors and their officers, employees, and agents. County shall have no liability or  
20 responsibility whatsoever for any payment and/or other compensation for any  
21 subcontractors or their officers, employees, and agents.

22 K. Contractor shall deliver to the Chief of DMH's Contracts Development and  
23 Administration Division a fully executed copy of each subcontract entered into by  
24 Contractor pursuant to this Paragraph 29, on or immediately after the effective date of the  
25 subcontract but in no event later than the date any services are performed under the  
26 subcontract.

27 L. In the event that County consents to any subcontracting, Contractor shall  
28 obtain and maintain on file an executed Subcontractor Employee Acknowledgment of  
29 Employer, in the form as contained in Contractor's Negotiation Package for the  
30 Agreement, for each of the subcontractor's employees performing services under the

1 subcontract. Such Acknowledgments shall be obtained and maintained on file and made  
2 available upon request on or immediately after the commencement date of the particular  
3 subcontract but in no event later than the date such employee first performs any services  
4 under the subcontract.

5 M. County shall have no liability or responsibility whatsoever for any payment or  
6 other compensation for any subcontractor or its officers, employees, and agents.

7 N. Director or his designee is hereby authorized to act for and on behalf of  
8 County pursuant to this Paragraph 29, including, but not limited to, consenting to any  
9 subcontracting.

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

18 31. COMPLIANCE WITH APPLICABLE LAW:

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

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

29 C. Contractor shall maintain in effect an active compliance program in  
30 accordance with the recommendations set forth by the Department of Health and Human

1 Services, Office of the Inspector General.

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

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

11 33. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND  
12 CERTIFICATES:

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

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



1 34. CHILD SUPPORT COMPLIANCE PROGRAM:

2 A. Contractor's Warranty of Adherence to County's Child Support Compliance  
3 Program: Contractor acknowledges that County has established a goal of ensuring that all  
4 individuals who benefit financially from County through contract are in compliance with  
5 their court-ordered child, family, and spousal support obligations in order to mitigate the  
6 economic burden otherwise imposed upon County and its taxpayers.

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

17 B. Termination for Breach of Warranty to Maintain Compliance with County's  
18 Child Support Compliance Program: Failure of Contractor to maintain compliance with the  
19 requirements set forth in Subparagraph A (Contractor's Warranty of Adherence to  
20 County's Child Support Compliance Program) shall constitute default under this  
21 Agreement. Without limiting the rights and remedies available to County under any other  
22 provision of this Agreement, failure of Contractor to cure such default within 90 calendar  
23 days of written notice shall be grounds upon which County may terminate this Agreement  
24 pursuant to Paragraph 36 (TERMINATION FOR DEFAULT) and pursue debarment of  
25 Contractor, pursuant to County Code Chapter 2.202.

26 35. TERMINATION FOR INSOLVENCY:

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

29 (1) Insolvency of Contractor. Contractor shall be deemed to be insolvent  
30 if it has ceased to pay its debts for at least 60 days in the ordinary course of business or

1 cannot pay its debts as they become due, whether or not a petition has been filed under  
2 the Federal Bankruptcy Code and whether or not Contractor is insolvent within the  
3 meaning of the Federal Bankruptcy Code.

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

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

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

9 B. The rights and remedies of County provided in this Paragraph 35 shall not  
10 be exclusive and are in addition to any other rights and remedies provided by law or under  
11 this Agreement.

12 36. TERMINATION FOR DEFAULT:

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

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

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

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

29 C. The rights and remedies of County provided in this Paragraph 36 shall not  
30 be exclusive and are in addition to any other rights and remedies provided by law or under

1 this Agreement.

2 37. TERMINATION FOR IMPROPER CONSIDERATION: County may, by written  
3 notice to Contractor, immediately terminate the right of Contractor to proceed under this  
4 Agreement if it is found that consideration, in any form, was offered or given by Contractor,  
5 either directly or through an intermediary, to any County officer, employee or agent with  
6 the intent of securing the Agreement or securing favorable treatment with respect to the  
7 award, amendment or extension of the Agreement or the making of any determinations  
8 with respect to the Contractor's performance pursuant to the Agreement. In the event of  
9 such termination, County shall be entitled to pursue the same remedies against Contractor  
10 as it could pursue in the event of default by the Contractor.

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

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

17 38. SEVERABILITY: If any provision of this Agreement or the application thereof to  
18 any person or circumstance is held invalid, the remainder of this Agreement and the  
19 application of such provision to other persons or circumstances shall not be affected  
20 thereby.

21 39. CAPTIONS AND PARAGRAPH HEADINGS: Captions and paragraph headings  
22 used in this Agreement are for convenience only and are not a part of this Agreement and  
23 shall not be used in construing this Agreement.

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

29 41. ENTIRE AGREEMENT: The body of this Agreement, all attachments, Financial  
30 Exhibit A (Financial Provisions), Financial Summary(ies), Fiscal Years

1 \_\_\_\_\_ Service Delivery Site Exhibit, and Service Exhibit(s) \_\_\_\_\_  
2 \_\_\_\_\_, attached hereto and incorporated herein by  
3 reference, and Contractor's Negotiation Package for this Agreement, as approved in  
4 writing by Director, including any addenda thereto as approved in writing by Director, which  
5 are hereby incorporated herein by reference but not attached, shall constitute the  
6 complete and exclusive statement of understanding between the parties which  
7 supersedes all previous agreements, written or oral, and all other communications  
8 between the parties relating to the subject matter of this Agreement. In the event of any  
9 conflict or inconsistency in the definition or interpretation of any word, responsibility, or  
10 schedule, or the contents or description of any service or other work, or otherwise,  
11 between the body of this Agreement and the other referenced documents, or between  
12 such other documents, such conflict or inconsistency shall be resolved by giving  
13 precedence first to the body of this Agreement and its definitions and then to such other  
14 documents according to the following priority:

- 15 A. Financial Exhibit A (Financial Provisions)
- 16 B. Financial Summary(ies)
- 17 C. Service Delivery Site Exhibit
- 18 D. Service Exhibit(s)
- 19 E. Contractor's Negotiation Package.

20 42. WAIVER: No waiver by County of any breach of any provision of this Agreement  
21 shall constitute a waiver of any other breach of such provision. Failure of County to  
22 enforce at any time, or from time to time, any provision of this Agreement shall not be  
23 construed as a waiver thereof. The rights and remedies set forth in this Paragraph 42  
24 shall not be exclusive and are in addition to any other rights and remedies provided by law  
25 or under this Agreement.

26 43. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully  
27 complies with all federal statutes and regulations regarding employment of aliens and  
28 others and that all its employees performing services hereunder meet the citizenship or  
29 alien status requirements set forth in federal statutes and regulations. Contractor shall  
30 obtain, from all covered employees performing services hereunder, all verification and

1 other documentation of employment eligibility status required by federal statutes and  
2 regulations as they currently exist and as they may be hereafter amended. Contractor  
3 shall retain all such documentation for the period prescribed by law. Contractor shall  
4 indemnify, defend, and hold harmless County, its officers and employees from and against  
5 any employer sanctions and any other liability which may be assessed against Contractor  
6 or County in connection with any alleged violation of any federal statutes or regulations  
7 pertaining to the eligibility for employment of persons performing services under this  
8 Agreement.

9 44. PUBLIC ANNOUNCEMENTS AND LITERATURE: In public announcements and  
10 literature distributed by Contractor for the purpose of apprising patients/clients and the  
11 general public of the nature of its treatment services, Contractor shall clearly indicate that  
12 the services which it provides under this Agreement are funded by the County of Los  
13 Angeles.

14 45. PURCHASES:

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

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

1 County, in conjunction with Contractor, shall attach identifying labels on all such property  
2 indicating the proprietary interest of County.

3 C. Inventory Records, Controls and Reports: Contractor shall maintain  
4 accurate and complete inventory records and controls for all furniture, fixtures, equipment,  
5 materials, and supplies, purchased or obtained using any County funds. Within 90  
6 calendar days following the execution of this Agreement, Contractor shall provide Director  
7 with an accurate and complete inventory report of all furniture, fixtures, equipment,  
8 materials, and supplies, purchased or obtained using any County funds. The inventory  
9 report shall be prepared by Contractor on a form or forms designated by Director, certified  
10 and signed by an authorized officer of Contractor, and one copy thereof shall be delivered  
11 to County within 30 calendar days of any change in the inventory. Within five business  
12 days after the expiration or termination of the Agreement, Contractor shall submit to  
13 County six copies of the same inventory report updated to the expiration or termination  
14 date of the Agreement, certified and signed by an authorized officer of Contractor, based  
15 on a physical count of all items of furniture, fixtures, equipment, materials, and supplies, as  
16 of such expiration or termination date.

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

28 E. Disposition of Property in Contractor's Custody: Upon the termination of the  
29 funding of any program covered by this Agreement, or upon the expiration or termination  
30 of this Agreement, or at any other time that County may request, Contractor shall:

1 (1) provide access to and render all necessary assistance for physical removal by County  
2 or its authorized representatives of any or all furniture, fixtures, equipment, materials, and  
3 supplies, purchased or obtained using any County funds, in the same condition as such  
4 property was received by Contractor, reasonable wear and tear excepted, or (2) at  
5 Director's option, deliver any or all items of such property to a location designated by  
6 Director. Any disposition, settlement or adjustment connected with such property shall be  
7 in accordance with all applicable federal, State and County laws, ordinances, rules,  
8 regulations, manuals, guidelines and directives.

9 46. AUTHORIZATION WARRANTY: Contractor represents and warrants that the  
10 person executing this Agreement for Contractor is an authorized agent who has actual  
11 authority to bind Contractor to each and every term, condition, and obligation of this  
12 Agreement and that all requirements of Contractor have been fulfilled to provide such  
13 actual authority.

14 47. RESTRICTIONS ON LOBBYING: If any federal funds are to be used to pay for any  
15 of Contractor's services under this Agreement, Contractor shall fully comply with all  
16 certification and disclosure requirements prescribed by Section 319 of Public Law 101-121  
17 (31 United States Code Section 1352) and any implementing regulations, and shall ensure  
18 that each of its subcontractors receiving funds under this Agreement also fully complies  
19 with all such certification and disclosure requirements.

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

29 49. COUNTY LOBBYISTS: Contractor and each County lobbyist or County lobbying  
30 firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor,

1 shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter  
2 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm  
3 retained by Contractor to fully comply with County's Lobbyist Ordinance shall constitute a  
4 material breach of this Agreement upon which County may immediately terminate or  
5 suspend this Agreement.

6 50. MAINTENANCE STANDARDS FOR SERVICE DELIVERY SITES: Contractor  
7 shall assure that all locations where services are provided under this Agreement are  
8 operated at all times in accordance with all County community standards with regard to  
9 property maintenance and repair, graffiti abatement, refuse removal, fire safety,  
10 landscaping, and in full compliance with all applicable local laws, ordinances, and  
11 regulations relating to the property. County's periodic monitoring visits to Contractor's  
12 facility(ies) shall include a review of compliance with this Paragraph 50.

13 51. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME  
14 CREDIT: Contractor shall notify its employees, and shall require each subcontractor to  
15 notify its employees, that they may be eligible for the Federal Earned Income Credit under  
16 the federal income tax laws. Such notice shall be provided in accordance with the  
17 requirements set forth in Internal Revenue Service Notice 1015.

18 52. USE OF RECYCLED-CONTENT PAPER PRODUCTS: Consistent with the Board  
19 of Supervisors' policy to reduce the amount of solid waste deposited at the County  
20 landfills, the Contractor agrees to use recycled-content paper to the maximum extent  
21 possible on the Project.

22 53. CONTRACTOR RESPONSIBILITY AND DEBARMENT: The following  
23 requirements set forth in the County's Non-Responsibility and Debarment Ordinance (Title  
24 2, Chapter 2.202 of the County Code) are effective for this Agreement, except to the  
25 extent applicable State and/or federal laws are inconsistent with the terms of the  
26 Ordinance.

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



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

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

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

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

30           F.     After consideration of any objections, or if no objections are submitted, a

1 record of the hearing, the proposed decision and any other recommendation of the  
2 Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of  
3 Supervisors shall have the right to modify, deny or adopt the proposed decision and  
4 recommendation of the Hearing Board.

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

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

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

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

2 54. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY  
3 FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff  
4 members is restricted, excluded or suspended from providing services under any health  
5 care program funded by the federal government, directly or indirectly, in whole or in part,  
6 and that Contractor will notify Director within 30 calendar days in writing of: (1) any event  
7 that would require Contractor or a staff member's mandatory exclusion or suspension from  
8 participation in a federally funded health care program; and (2) any exclusionary or  
9 suspension action taken by any agency of the federal or State governments against  
10 Contractor or one or more staff members barring it or the staff members from participation  
11 in a federally funded health care program, whether such bar is direct or indirect, or whether  
12 such bar is in whole or in part. This warranty and notice requirements apply equally to  
13 suspensions from the Medi-Cal program as well as any other federally funded health care  
14 programs including but not limited to Medicare and Healthy Families.

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

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

22 Permissive exclusions may be based on: (1) conviction of a misdemeanor related to  
23 fraud or financial misconduct involving a government program; (2) obstructing an  
24 investigation; (3) failing to provide access to documents or premises as required by federal  
25 health care program officials; (4) conviction of a misdemeanor related to controlled  
26 substances; (5) failing to disclose information about the entity itself, its subcontractors or  
27 its significant business transactions; (6) loss of a State license to practice a health care  
28 profession; (7) default on a student loan given in connection with education in a health  
29 profession; (8) charging excessive amounts to a federally funded health care program or  
30 furnishing services of poor quality or which are substantially in excess of the needs of the

1 patients; (9) paying a kickback or submitting a false or fraudulent claim. Persons  
2 controlling or managing excluded entities who knew of the conduct leading to the exclusion  
3 can themselves be excluded, and entities which are owned and controlled by excluded  
4 individuals can also be excluded.

5 Mandatory exclusions under State law from Medi-Cal are similar but also include  
6 convictions of a misdemeanor for fraud or abuse involving the Medi-Cal program or a  
7 Medi-Cal beneficiary.

8 Contractor shall indemnify and hold County harmless against any and all loss or  
9 damage County may suffer arising from any federal or State exclusion or suspension of  
10 Contractor or its staff members from such participation in a federally funded health care  
11 program. Contractor shall provide the certification set forth in Attachment VI as part of its  
12 obligation under this Paragraph 54.

13 Failure by Contractor to meet the requirements of this Paragraph 54 shall constitute  
14 a material breach of Agreement upon which County may immediately terminate or  
15 suspend this Agreement.

16 55. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT:

17 A. The parties acknowledge the existence of the Health Insurance Portability  
18 and Accountability Act of 1996, its implementing regulations ("HIPAA"), and subtitle D,  
19 Privacy, of the Health Information Technology for Economic and Clinical Health Act  
20 ("HITECH"). Contractor understands and agrees that it is a "Covered Entity" under HIPAA  
21 and, as such, has obligations with respect to the confidentiality, privacy, and security of  
22 patients' medical information, and must take certain steps to preserve the confidentiality of  
23 this information, both internally and externally, including the training of staff and the  
24 establishment of proper procedures for the release of such information, including the use  
25 of appropriate consents and authorizations specified under HIPAA.

26 B. The parties acknowledge their separate and independent obligations with  
27 respect to HIPAA and HITECH, and that such obligations relate to *transactions and code*  
28 *sets, privacy, and security*. Contractor understands and agrees that it is separately and  
29 independently responsible for compliance with HIPAA and HITECH in all these areas and  
30 that County has not undertaken any responsibility for compliance on Contractor's behalf.

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

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

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

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

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

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

24 (b) County has added to the DMH Provider Manual an Electronic Data Interchange  
25 Fact Sheet which includes information about the applicable HIPAA transactions that can  
26 be processed in the County's claims processing information system. Contractor  
27 acknowledges that County intends to transition to an environment under the Integrated  
28 Behavioral Health Information System (IBHIS) in which clinical, administrative, and  
29 financial information, including claims, will be exchanged between DMH and contract  
30 providers exclusively electronically. County shall notify Contractor as soon as possible

1 of the date by which County anticipates that Contractor will be required to use specific  
2 standards-based electronic transactions, such as Electronic Data Interchange. County  
3 shall notify Contractor of the specific date by which Contractor shall in fact be required  
4 to use specific standards-based electronic transactions, such as Electronic Data  
5 Interchange; County shall notify Contractor no less than 180 days prior to the effective  
6 date. Contractor agrees to comply with the specific standards-based electronic  
7 transactions specified by County as of the effective date specified by County.

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

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

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

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

25 56. COMPLIANCE WITH JURY SERVICE PROGRAM:

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

29 B. Written Employee Jury Service Policy:

30 (1) Unless Contractor has demonstrated to the County's satisfaction

1 either that Contractor is not a "Contractor" as defined under the Jury Service Program  
2 (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the  
3 Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and  
4 adhere to a written policy that provides that its Employees shall receive from the  
5 Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury  
6 service. The policy may provide that Employees deposit any fees received for such jury  
7 service with the Contractor or that the Contractor deduct from the Employee's regular pay  
8 the fees received for jury service.

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

23 (3) If Contractor is not required to comply with the Jury Service Program when  
24 the Agreement commences, Contractor shall have a continuing obligation to review the  
25 applicability of its "exception status" from the Jury Service Program, and Contractor shall  
26 immediately notify County if Contractor at any time either comes within the Jury Service  
27 Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to  
28 the Program. In either event, Contractor shall immediately implement a written policy  
29 consistent with the Jury Service Program. The County may also require, at any time  
30 during the Agreement and at its sole discretion, that Contractor demonstrate to the

1 County's satisfaction that Contractor either continues to remain outside of the Jury Service  
2 Program's definition of "Contractor" and/or that Contractor continues to qualify for an  
3 exception to the Program.

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

8 57. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY  
9 LAW: The Contractor shall notify and provide to its employees, and shall require each  
10 subcontractor to notify and provide to its employees, a fact sheet regarding the Safely  
11 Surrendered Baby Law, its implementation in Los Angeles County, and where and how to  
12 safely surrender a baby.

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

15 58. CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO  
16 THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the  
17 County places a high priority on the implementation of the Safely Surrendered Baby Law.  
18 The Contractor understands that it is the County's policy to encourage all County  
19 Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a  
20 prominent position at the Contractor's place of business. The Contractor will also  
21 encourage its subcontractors, if any, to post this poster in a prominent position in the  
22 subcontractor's place of business. The County's Department of Children and Family  
23 Services will supply the Contractor with the poster to be used.

24 59. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY  
25 AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (45  
26 C.F.R. PART 76): The Contractor hereby acknowledges that the County is prohibited from  
27 contracting with and making sub-awards to parties that are suspended, debarred,  
28 ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded  
29 from securing federally funded contracts. By executing this Agreement, Contractor  
30 certifies that neither it nor any of its owners, officers, partners, directors or other principals



1 is currently suspended, debarred, ineligible, or excluded from securing federally funded  
2 contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge,  
3 none of its subcontractors, at any tier, or any owner, officer, partner, director or other  
4 principal of any subcontractor is currently suspended, debarred, ineligible, or excluded  
5 from securing federally funded contracts. Contractor shall immediately notify County in  
6 writing, during the term of this Agreement, should it or any of its subcontractors or any  
7 principals of either be suspended, debarred, ineligible, or excluded from securing federally  
8 funded contracts. Failure of Contractor to comply with this provision shall constitute a  
9 material breach of this Agreement upon which the County may immediately terminate or  
10 suspend this Agreement.

11 **60. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE:**

12 The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates  
13 entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004"  
14 (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring  
15 Contractors to complete the certification in Attachment IX, the County seeks to ensure that  
16 all County contractors which receive or raise charitable contributions comply with California  
17 law in order to protect the County and its taxpayers. A Contractor which receives or raises  
18 charitable contributions without complying with its obligations under California law commits  
19 a material breach subjecting it to either contract termination or debarment proceedings or  
20 both. (County Code Chapter 2.202)

21 **61. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:** This  
22 Contract is subject to all provisions of the County's ordinance entitled Local Business  
23 Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County  
24 Code. Specifically, Contractor shall pay particular attention to the following provisions in  
25 Chapter 2.204:

26 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain,  
27 retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or  
28 attempting to obtain or retain certification as a Local Small Business Enterprise.

29 Contractor shall not willfully and knowingly make a false statement with the intent to  
30 defraud, whether by affidavit, report, or other representation, to a County official or

1 employee for the purpose of influencing the certification or denial of certification of any  
2 entity as a Local Small Business Enterprise.

3 If Contractor has obtained certification as a Local Small Business Enterprise by  
4 reason of having furnished incorrect supporting information or by reason of having  
5 withheld information, and which knew, or should have known, the information furnished  
6 was incorrect or the information withheld was relevant to its request for certification, and  
7 which by reason of such certification has been awarded this contract to which it would not  
8 otherwise have been entitled, shall:

9 1. Pay to the County any difference between the Contract amount and what the  
10 County's costs would have been if the contract had been properly awarded;

11 2. In addition to the amount described in subdivision (1), be assessed a penalty  
12 in an amount of not more than 10 percent (10%) of the amount of the contract; and

13 3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County  
14 Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

15 The above penalties shall also apply to any Contractor that has previously obtained proper  
16 certification, however, as a result of a change in their status would no longer be eligible for  
17 certification, and fails to notify the State and the Office of Affirmative Action Compliance of  
18 this information prior to responding to a solicitation or accepting a contract award.

19 62. FORCE MAJEURE:

20 A. Neither party shall be liable for such party's failure to perform its obligations  
21 under and in accordance with this Contract, if such failure arises out of fires, floods,  
22 epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than  
23 a lockout by such party or any of such party's subcontractors), freight embargoes, or other  
24 similar events to those described above, but in every such case the failure to perform must  
25 be totally beyond the control and without any fault or negligence of such party (such  
26 events are referred to in this sub-paragraph as "force majeure events").

27 B. Notwithstanding the foregoing, a default by a subcontractor of Contractor  
28 shall not constitute a force majeure event, unless such default arises out of causes  
29 beyond the control of both Contractor and such subcontractor, and without any fault or  
30 negligence of either of them. In such case, Contractor shall not be liable for failure to

1 perform, unless the goods or services to be furnished by the subcontractor were  
2 obtainable from other sources in sufficient time to permit Contractor to meet its obligations  
3 under this agreement. As used in this sub-paragraph, the term "subcontractor" and  
4 "subcontractors" mean subcontractors at any tier.

5 C. In the event Contractor's failure to perform arises out of a force majeure  
6 event, Contractor agrees to use commercially reasonable best efforts to obtain goods or  
7 services from other sources, if applicable, and to otherwise mitigate the damages and  
8 reduce the delay caused by such force majeure event.

9 63. CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S  
10 DEFAULTED PROPERTY TAX REDUCTION PROGRAM: Contractor acknowledges that  
11 County has established a goal of ensuring that all individuals and businesses that benefit  
12 financially from County through contract are current in paying their property tax obligations  
13 (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed  
14 upon County and its taxpayers. Unless Contractor qualifies for an exemption or exclusion,  
15 Contractor warrants and certifies that to the best of its knowledge it is now in compliance,  
16 and during the term of this contract will maintain compliance, with Los Angeles County  
17 Code Chapter 2.206.

18 64. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE  
19 WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM: Failure of  
20 Contractor to maintain compliance with the requirements set forth in Paragraph 63  
21 (CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED  
22 PROPERTY TAX REDUCTION PROGRAM) shall constitute default under this contract.  
23 Without limiting the rights and remedies available to County under any other provision of  
24 this contract, failure of Contractor to cure such default within 10 days of notice shall be  
25 grounds upon which County may terminate this contract and/or pursue debarment of  
26 Contractor, pursuant to County Code Chapter 2.206.

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

8  
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  
16  
17 For the Contractor, please use the following contact information:

18 \_\_\_\_\_  
19 \_\_\_\_\_  
20 \_\_\_\_\_  
21 \_\_\_\_\_

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

COUNTY OF LOS ANGELES  
  
By \_\_\_\_\_  
Chairman, Board of Supervisors

11  
12  
13 By \_\_\_\_\_  
14 Deputy

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

\_\_\_\_\_  
CONTRACTOR

20  
21  
22  
23 By \_\_\_\_\_  
24 Deputy County Counsel

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

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

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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.

5  
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7  
8 APPROVED AS TO FORM:  
9 OFFICE OF THE COUNTY COUNSEL

COUNTY OF LOS ANGELES

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13  
14 By \_\_\_\_\_  
15 Deputy County Counsel

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

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21 \_\_\_\_\_  
22 CONTRACTOR

23 By \_\_\_\_\_

24 Name \_\_\_\_\_

25 Title \_\_\_\_\_

(AFFIX CORPORATE SEAL HERE)

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32 APPROVED AS TO CONTRACT  
33 ADMINISTRATION:

34 DEPARTMENT OF MENTAL HEALTH

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

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

COUNTY OF LOS ANGELES

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

\_\_\_\_\_  
CONTRACTOR

By \_\_\_\_\_

Name \_\_\_\_\_

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

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT  
ADMINISTRATION:  
DEPARTMENT OF MENTAL HEALTH

By \_\_\_\_\_  
Chief, Contracts Development  
and Administration Division

**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT I**

**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 601et 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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**FINANCIAL EXHIBIT A**  
**FINANCIAL PROVISIONS**

**A. GENERAL**

(1) The County shall pay Contractor in arrears for eligible services provided under this Department of Mental Health (DMH Legal Entity Agreement) and in accordance with the terms of this Financial Exhibit A (FINANCIAL PROVISIONS) (Attachment II to the DMH Legal Entity Agreement) up to the amounts identified for each Funded Program as shown in the Financial Summary (Attachment III to the DMH Legal Entity Agreement) and as otherwise may be limited under this DMH Legal Entity Agreement and the attachments thereto, including but not limited to this Financial Exhibit A and the Financial Summary, collectively known as “the Agreement”.

(a) For the purposes of the Agreement, a “Funded Program” is a set of services paid through a particular funding source identified as a line on the Financial Summary.

(b) For the purposes of the Agreement, the “Program Amount” is the amount shown in each column in the Financial Summary that identifies the beneficiary status of the client (e.g., Medi-Cal/Healthy Families or Non-Medi-Cal/Indigent) for each Funded Program.

(c) For the purposes of this Agreement, “Non-Medi-Cal/Indigent” includes all of the following: Persons with no known outside payer source, persons for whom eligibility for benefits under the State’s Medi-Cal or Healthy Families programs is being determined or established, and persons whose eligibility for the Medi-Cal or Healthy Families programs was unknown at the time that services were rendered.

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

(3) In order to reduce County costs, the Contractor shall comply with all applicable provisions of the Welfare and Institutions Code (WIC) and/or California Code of Regulations related to reimbursement by non-County and non-State sources, including, but not limited to, collecting reimbursement for services from clients (which shall be the same as patient fees established pursuant to WIC Section 5710) and from private or public third-party

1 payers. In addition, Contractor shall ensure that, to the extent a recipient of services under  
2 this Agreement is eligible for coverage under Medicaid or Medicare or any other federal or  
3 State funded program (an eligible beneficiary), services provided to eligible beneficiaries are  
4 properly identified and claimed to the Funded Program responsible for such services to said  
5 eligible beneficiaries.

6 (a) Contractor shall be responsible for delivering services to the extent  
7 that funding is provided by County. To the extent that Contractor does not have funds  
8 allocated in this Agreement for a Funded Program that pays for services to a particular eligible  
9 beneficiary, Contractor shall, at the first opportunity, refer said eligible beneficiary to another  
10 Contractor or County facility, within the same geographic area to the extent feasible, that has  
11 available funds allocated for that Funded Program.

12 (b) To the extent that the County determines Contractor has  
13 improperly claimed services to a particular Program Amount, County may disallow payment of  
14 said services and require Contractor to resubmit said services for payment from the correct  
15 Program Amount, or may make corrective accounting transactions to transfer the payment of  
16 the services to the appropriate Program Amount.

17 (4) The State Schedule of Maximum Allowances (SMA) in effect during the  
18 Initial Period, the First Automatic Renewal Period, or the Second Automatic Renewal Period, or  
19 any part thereof, shall be applicable to this Agreement as of the date adopted by the State.

20 **B. LIMITATIONS ON MAXIMUM REIMBURSEMENT**

21 (1) The total maximum reimbursement that will be paid by County to Contractor  
22 under this Agreement shall be, in no event, more than the Maximum Contract Amount for the  
23 Initial Period, First Automatic Renewal Period and the Second Automatic Renewal Period  
24 respectively of this Agreement.

25 (a) In addition to the general limitation of Paragraph B (1) of this  
26 Financial Exhibit A, in no event shall the maximum reimbursement that will be paid by County to  
27 Contractor under this Agreement for any Program Amount be more than the amount identified  
28 for each Program Amount for each Funded Program, as identified on the Financial Summary  
29 (Attachment III) for the Initial Period, First Automatic Renewal Period and the Second Automatic  
30 Renewal Period respectively of this Agreement. Said amounts shall be referred to as the  
31 "Maximum Program Amount."



1           (2) Contractor shall immediately provide written notice to the County when,  
2 based on the Contractor's own internal records, it has billed for services/activities under this  
3 Agreement in an amount equal to 75 percent (75%) of the total Maximum Contract Amount or 75  
4 percent (75%) of the Maximum Program Amount(s) during the Initial Period, First Automatic  
5 Renewal Period or the Second Automatic Renewal Period of this Agreement.

6           (a) Contractor shall send such notice to those persons and addresses  
7 which are set forth in the DMH Legal Entity Agreement, Paragraph 65 (NOTICES).

8           (b) Failure of Contractor to comply with this Paragraph B (2) will be  
9 considered a breach of this Agreement.

10          (3) Except as otherwise provided in this Agreement, the total Maximum  
11 Contract Amount and/or the Maximum Program Amount(s) for any of the periods specified in this  
12 Financial Exhibit A (FINANCIAL PROVISIONS), Paragraphs C (Reimbursement for Initial  
13 Period) and D (Reimbursement if Agreement is Automatically Renewed) may not be increased  
14 or decreased without a properly executed amendment to this Agreement. The Parties  
15 acknowledge that the actual number of individuals seeking care from Contractor who have  
16 coverage under a particular Funded Program may differ from the estimate number upon which  
17 the Maximum Program Amounts were based and that it may be appropriate to increase  
18 Contractor's responsibility to provide services to some eligible individuals while decreasing its  
19 responsibilities to provide services to other types of eligible individuals. Any such modification in  
20 Contractor's responsibilities, along with commensurate changes in the appropriate Funded  
21 Programs and Maximum Program Amounts, may be accomplished through a formal amendment  
22 completed in advance of the provision of services, except as provided in Subparagraph (4) of  
23 this Paragraph B (Limitations on Maximum Reimbursement).

24          (4) Notwithstanding the requirement in Subparagraph (3) above that changes  
25 in Contractor's responsibilities or Funded Programs or Maximum Program Amounts must be  
26 accomplished through formal amendment and the requirements of Paragraph V (Contractor  
27 Requested Changes), Contractor may request, and County shall grant, a reallocation of up to  
28 fifteen percent (15%) of the aggregate County General Funds (CGF) included in the Financial  
29 Summary between Funded Programs or Maximum Program Amounts, and a commensurate  
30 change in Contractor's responsibilities, so long as the following conditions are met:

1 (a) Contractor's request is made in writing, and indicates the existing  
2 Funded Programs or Maximum Program Amounts which will be affected, and the new Funded  
3 Programs and Maximum Program Amounts to which the reallocation is to be made.

4 (b) The reallocation may only be made to the extent that all of the  
5 following conditions are satisfied:

6 i. The reallocation will not cause Contractor to exceed its  
7 Maximum Contract Amount;

8 ii. The reallocation will not increase County General Funds  
9 required under this Agreement;

10 iii. The reallocation does not result in the Contractor allocating  
11 funds to a Funded Program for which no dollars are originally allocated in the Agreement;

12 iv. Categorical funds (e.g. CalWORKs) are only used for the  
13 purpose for which they have been designated, and the reallocation is consistent with local,  
14 State and federal law; and

15 v. County General Funds are reallocated only within or  
16 between Funded Programs in which County General Funds are utilized to provide services  
17 (i.e., Juvenile Justice Program (STOP); Inpatient/Residential Services; Other Mental Health  
18 Services for Clients under the age of 21; Other Mental Health Services for clients 21 of age or  
19 older; and certain Unique Programs).

20 (c) The reallocation shall only be effective for services provided on or  
21 after the effective date of an administrative amendment memorializing the revisions to the  
22 Funded Programs and Maximum Program Amounts. Such administrative amendment may be  
23 executed by Director under delegated authority from the Board of Supervisors without prior  
24 approval of County Counsel or the Chief Executive Office. By making the written request,  
25 Contractor consents to such administrative amendment, and Contractor's signature is not  
26 required to make the amendment effective.

27 (5) The Maximum Contract Amount for each period of this Agreement includes  
28 Cash Flow Advance which is an advance of funds to be repaid by Contractor through direct  
29 payment of cash and/or through the provision of appropriate services/activities under this  
30 Agreement for the applicable period.

31

1           **C.    REIMBURSEMENT FOR INITIAL PERIOD**

2           (1)    The Maximum Contract Amount for the Initial Period of this Agreement as  
3 described in Paragraph 1 (TERM) of the Legal Entity Agreement shall not exceed \_\_\_\_\_  
4 \_\_\_\_\_  
5 \_\_\_\_\_ DOLLARS (\$) \_\_\_\_\_) and shall consist of Funded  
6 Programs as shown on the Financial Summary.

7           **D.    REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED**

8           (1)    Reimbursement For First Automatic Renewal Period: The Maximum  
9 Contract Amount for the First Automatic Renewal Period of this Agreement as described in  
10 Paragraph 1 (TERM) of the DMH Legal Entity Agreement shall not exceed \_\_\_\_\_  
11 \_\_\_\_\_  
12 \_\_\_\_\_ DOLLARS (\$) \_\_\_\_\_) and shall  
13 consist of Funded Programs as shown on the Financial Summary.

14           (2)    Reimbursement For Second Automatic Renewal Period: The Maximum  
15 Contract Amount for the Second Automatic Renewal Period of this Agreement as described in  
16 Paragraph 1 (TERM) of the DMH Legal Entity Agreement shall not exceed \_\_\_\_\_  
17 \_\_\_\_\_  
18 \_\_\_\_\_ DOLLARS (\$) \_\_\_\_\_) and shall consist of  
19 Funded Programs as shown on the Financial Summary.

20           **E.    REIMBURSEMENT BASIS**

21           (1)    Reimbursement Rates for Mental Health Services: For mental health  
22 services claimed and billed through the County's claims processing information system, and  
23 except as further limited elsewhere in this Agreement, Contractor may elect to request  
24 provisional rates based on either 1) a Cost Reimbursement Methodology or 2) a Negotiated  
25 Rate Methodology. Contractor is prohibited from requesting or utilizing both Cost  
26 Reimbursement and Negotiated Rates under this Agreement, except as may be provided under  
27 Paragraph E (6) of this Financial Exhibit A.

28                   (a)    Contractor shall calculate its requested rates in accordance with the  
29 terms and limitations set forth in County Department of Mental Health Policy "Provisional Rate  
30 Setting."

1 (b) Requested rates for services provided under this Agreement shall be  
2 uniform and will apply to all similar services regardless of Funded Program.

3 (c) Notwithstanding any other provision of this Agreement, in no event  
4 may Contractor request a rate that exceeds the State's Schedule of Maximum Allowances or  
5 request a rate that exceeds Contractor's published charge(s) to the general public except if the  
6 Contractor is a Nominal Charge Provider.

7 (d) All rates are subject to prior review and approval of the County  
8 consistent with the Department of Mental Health Policy "Provisional Rate Setting."

9 (e) Negotiated rates are subject to prior review and approval by the State  
10 pursuant to the Department of Mental Health Policy "Provisional Rate Setting." County shall,  
11 within 20 business days of receiving State approval of a requested negotiated rate(s), notify  
12 Contractor of such approval and update the County's claims processing information system's  
13 rate table with the approved rate(s).

14 (2) Reimbursement Rates for Institutions for Mental Diseases: Pursuant to  
15 Section 5902(e) of the Welfare and Institutions Code (WIC), Institutions for Mental Diseases  
16 (IMD), which are licensed as level two nursing facilities (SNF) by the State Department of Health  
17 Care Services (SDHCS), are reimbursed for basic services at the rate(s) established by SDHCS  
18 for Medi-Cal services provided by level B nursing facilities, in addition to the Medi-Cal rate  
19 established by SDHCS for a Special Treatment Plan (STP). Accordingly, the IMD  
20 reimbursement rate will consist of a basic SNF rate and a STP rate, or a Mental Health  
21 Rehabilitation Center (MHRC) rate established by the County for specialized programming  
22 and/or provision of more intensive mental health services provided to clients at County's request.

23 (3) Reimbursement for Medi-Cal Administrative Activities (MAA):  
24 Reimbursement for MAA shall be based on the direct and indirect costs of actual time spent in  
25 performing MAA services.

26 (4) Reimbursement Rates for Organizational Providers for Medi-Cal Specialty  
27 Mental Health Services: Reimbursement shall be based upon rate(s) shown in the Provisional  
28 Rate Schedule(s) as published and periodically revised as supplements to the Los Angeles  
29 County DMH Medi-Cal Specialty Mental Health Services Provider Manual.

30 (5) Reimbursement of Other Costs and Direct Charges: Certain Funded  
31 Programs may provide for and allow Contractor to submit requests for reimbursement to the

1 County for specific expenses that cannot be claimed through the County's claims processing  
2 information system. These expenses shall be referred to as a "Direct Charge." Such  
3 reimbursement shall be based on actual costs plus an administrative fee, expressed as a  
4 percentage of actual costs, which shall be reviewed and approved in advance by the County.

5 (6) Unique Funded Program: To the extent that Contractor's Agreement  
6 includes a Funded Program which has billing and payment requirements that are not consistent  
7 with the provisions of this Paragraph E (Reimbursement Basis) of Financial Exhibit A, the special  
8 billing and payment requirements shall be set forth in an addendum to this Financial Exhibit A  
9 and signed by Contractor and Director.

10 **F. BILLING PROCEDURES**

11 (1) If Title XIX Short-Doyle/Medi-Cal services, and/or Medi-Cal Administrative  
12 Activities, and/or Title XXI Healthy Families services are provided under this Agreement,  
13 Contractor authorizes County to serve as the Mental Health Plan for State claiming and  
14 reimbursement and to act on Contractor's behalf with the State Department of Mental Health  
15 and the State Department of Health Care Services in regard to claiming.

16 (2) Claims Certification and Program Integrity

17 a) Contractor hereby certifies that all units of service entered by  
18 Contractor into the County's claims processing information system and/or the Medi-Cal  
19 Administrative Activities (MAA) data base system and/or claims for actual costs submitted as  
20 Direct Charges to County for any Funded Program covered by this Agreement are true and  
21 accurate to the best of Contractor's knowledge.

22 (b) Contractor shall annually provide the additional certification set forth  
23 in the "Contractor Claims Certification for Title XIX Short-Doyle/Medi-Cal and Title XXI Healthy  
24 Families Reimbursements" (Exhibit A-1 to this Attachment II) related to the Contractor's  
25 compliance with specific State and Federal statutory and regulatory requirements which are  
26 conditions for the reimbursement of Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal  
27 Administrative Activities and/or Title XXI Healthy Families claims.

28 (3) Mental Health Services: Claims for all mental health services, including  
29 services funded by Title XIX Short-Doyle/Medi-Cal and Title XXI Health Families, shall be  
30 entered into the County's claims processing information system within 30 calendar days of the  
31 end of the month in which services are delivered, except as otherwise provided in this Paragraph

1 F.

2 (a) The County shall extend the period of time specified above as  
3 appropriate, where the delay in the submission of the claims is reasonably justified.

4 (b) With the exception of section F(3)(c) below, Contractor must submit  
5 an initial or original claim within four (4) months after the end of the month in which the services  
6 were rendered, to the extent doing so would not preclude payment from a funding source.

7 (c) The County may, using reasonable discretion, extend the time to  
8 submit claims for services under Title XIX Short-Doyle/Medi-Cal or under Title XXI Health  
9 Families to within ten (10) months after the end of the month in which the services were  
10 rendered where good cause for the delayed submission would be recognized under California  
11 Code of Regulations, Title 22 Section 51008.5.

12 (d) Contractor shall, as soon as practicable, notify County of any delay  
13 in meeting the timeframe for submitting claims specified in this Paragraph F (3) in the event  
14 Contractor is not able to make timely data entry into the County's claims processing information  
15 system due to no fault on the part of Contractor. Such Contractor notification should be  
16 immediate upon Contractor's recognition of the delay and must include a specific description of  
17 the problem that the Contractor is having with the County's claims processing information  
18 system. Notification shall be pursuant to the DMH Legal Entity Agreement, Paragraph 65  
19 (NOTICES), and such notification shall also be made by Contractor to the DMH Chief  
20 Information Office Bureau's Help Desk.

21 (e) The County will notify Contractor in writing as soon as practicable of  
22 any County issue(s) which will prevent the entry by Contractor of claiming information into the  
23 County's claims processing information system, and County will waive the requirement of this  
24 Paragraph F (3) in the event of any such County issue(s). Once County has notified Contractor  
25 that its issues are resolved, Contractor shall enter billing information into the County's claims  
26 processing information system within 30 calendar days of County's notice unless otherwise  
27 agreed to by County and Contractor.

28 i. To the extent that issues identified pursuant to this Paragraph  
29 F 3 (e) requires that Contractor modify its procedures for entering claims into the County's claims  
30 processing information system, Contractor shall consult with County regarding a reasonable time  
31 required to implement such modifications and, upon approval by County, the 30 calendar days

1 required by this Paragraph F (3) (e) shall be extended by the amount of time required to  
2 implement such modifications.

3 (f) County may modify the County's claims processing information  
4 system at any time in order to comply with changes in, or interpretations of, State or Federal  
5 laws, rules, regulations, manuals, guidelines, and directives. County shall notify Contractor in  
6 writing of any such modification and the reason, if known, for the modification and the planned  
7 implementation date of the modification. To the extent that such modifications create a delay in  
8 Contractor submitting claims into the County's claims processing information system for a period  
9 of time, the timelines under this Paragraph F shall be extended by the number of calendar days  
10 that Contractor was unable to submit claims into the County's claims processing information  
11 system.

12 (g) In the event the State or federal government denies any or all claims  
13 submitted by County on behalf of Contractor, County will not be responsible for any payment  
14 obligation and, accordingly, Contractor shall not seek payment from County and shall indemnify  
15 and hold harmless County from any and all liabilities for payment of any or all of those specified  
16 denied claims, except for any claims which are denied due to the fault of the County. Any  
17 controversy or dispute arising from such State or federal denied claims shall be handled by  
18 Contractor in accordance with the applicable State and/or federal administrative appeal process.

19 (4) Institutions for Mental Diseases: If Contractor is an Institution for Mental  
20 Diseases, Contractor shall, no later than the 15<sup>th</sup> of each month, submit an invoice to the County  
21 for patient days approved in writing by the County for the previous month. Said invoice shall be  
22 in a form as specified by the County, and will include an itemized accounting of all charges for  
23 each patient day. Invoices shall be submitted to the persons and at the address identified in  
24 Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

25 (5) Medi-Cal Administrative Activities (MAA): To the extent that MAA is  
26 identified as a Unique Funded Program in the Financial Summary, Contractor shall submit  
27 claims for reimbursement for MAA by entering the eligible MAA services provided and the actual  
28 time incurred rendering the MAA services into the County's MAA data base system within 30  
29 days of rendering the MAA services.

30 (a) County may modify the County's MAA data base system, at any time  
31 in order to comply with changes in, or interpretations of, State or Federal laws, rules, regulations,

1 manuals, guidelines, and directives. County shall notify Contractor in writing prior to  
2 implementing any such modification and the reason, if known, for the modification and the  
3 planned implementation date of the modification.

4 (6) Direct Charges: Contractor shall submit invoices for Direct Charges within  
5 30 calendar days of the end of the month in which the eligible expense was incurred. Such  
6 invoice shall be in the form and include the content specified by County for each Funded  
7 Program. Invoices shall be submitted to the persons and at the address identified in Paragraph  
8 X (Payment and Invoice Notifications) of this Financial Exhibit A.

9 **G. COUNTY PAYMENT FOR SERVICES RENDERED**

10 (1) General: County agrees to reimburse Contractor for services rendered  
11 under Funded Programs during the term of this Agreement based on the provisional rates  
12 agreed to by the County for the Initial Period, First Automatic Renewal Period and Second  
13 Automatic Renewal Period, respectively, subject to all of the rules, regulations and policies  
14 established by the County, State and/or Federal governments regarding payment and  
15 reimbursement of services, and in accordance with the terms of this Agreement.

16 (2) County Payments: After Director's review and approval of the billing or  
17 invoice, County shall provisionally pay Contractor in accordance with the following:

18 (a) County shall make good faith efforts to make payments for services  
19 billed through the County's claims processing information system as soon as possible after  
20 submission and approval, subject to the limitations and conditions specified in this Agreement,  
21 but no later than eight (8) weeks after submission and approval. County shall make available a  
22 schedule of anticipated payment dates for claims submitted by Contractor into the County's  
23 claims processing information system prior to July 1 of each year.

24 (b) Payments for services or Direct Charges billed through invoices shall  
25 be paid no more than 30 days after receipt of a complete and accurate invoice, subject to the  
26 limitations and conditions specified in this Agreement.

27 (c) Payments for MAA will be made on a quarterly basis and will be  
28 based upon actual State approval and State payment to the County of MAA claims. Only  
29 Contractors who have been approved by the State to participate in and to claim reimbursement  
30 for MAA and who have MAA authorized as a Unique Funded Program in their Contract are  
31 permitted to claim MAA.



1           **H.    BILLING AND PAYMENT LIMITATIONS**

2           (1)    Provisional Payments: County payments to Contractor for performance of  
3 eligible services hereunder are provisional until the completion of all settlement activities and  
4 audits, as such payments are subject to future County, State and/or Federal adjustments.  
5 County adjustments to provisional payments to Contractor may be based upon County's claims  
6 processing information system data, Medi-Cal Administrative Activities (MAA) data base  
7 information, State adjudication of Medi-Cal and Healthy Families claims files, contractual  
8 limitations of this Agreement, annual cost report, application of various County, State and/or  
9 Federal reimbursement limitations, application of any County, State and/or Federal policies,  
10 procedures and regulations, and/or County, State or Federal audits, all of which take  
11 precedence over monthly claim reimbursements. County and Contractor acknowledge that the  
12 references in this paragraph represent examples only and are not intended, nor shall be  
13 construed, to represent all of the circumstances or conditions that may result in adjustments to  
14 provisional payments.

15           (2)    Limitations on Payments to Organizational Providers: In addition all other  
16 limitations provided in this Paragraph H (Billing and Payment Limitations), reimbursement to  
17 Organizational Providers also shall be limited by the maximum number of allowable visits  
18 stipulated in the Organizational Provider's Manual for Specialty Mental Health Services under the  
19 Rehabilitation Option and Targeted Case Management Services

20           (3)    Other Limitations for Certain Funded Programs: In addition to all other  
21 limitations provided in this Paragraph H (Billing and Payment Limitations), reimbursement for  
22 services rendered under certain Funded Programs may be further limited by rules, regulations  
23 and procedures applicable only to that Funded Program. Contractor shall be familiar with said  
24 rules, regulations and procedures and submit all claims in accordance therewith.

25           (4)    Adjustment of Claims Based on Other Data and Information: The County  
26 shall have the right to adjust claims based upon data and information that may include, but is not  
27 limited to, County's claims processing information system reports, remittance advices, State  
28 adjudication of Medi-Cal claims, 835 data, and Contractor's annual Cost Report, all of which  
29 shall supersede and take precedence over claims.

30           (5)    Adjustment of Claims for Agreement Compliance: Director, in his sole  
31 discretion and at any time and without prior written notice to Contractor, may take any necessary

1 actions required to ensure that Contractor shall not be paid a sum in excess of the amount due  
2 to the Contractor under the terms and conditions of this Agreement. Such actions may include,  
3 but are not limited to, reimbursing claims submitted through the claims processing information  
4 system at an amount less than that amount that would be calculated using Contractor's  
5 requested rates, denying claims for payment; holding claims for Medi-Cal services from being  
6 forwarded for adjudication by the State; and/or withholding payment of certain claims.

7 (a) Concurrent with any such action, Director shall provide Contractor  
8 with written notice of the County's decision to take such action(s), including the reason(s) for the  
9 action. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the  
10 County's decision. Contractor may request in writing, and shall receive if requested, County's  
11 computations for making a determination that such action was necessary, including any  
12 amount(s) held, denied or reduced.

13 (b) Upon receiving a request for reconsideration from Contractor,  
14 County shall, within 15 calendar days, schedule a meeting with Contractor to consider  
15 Contractor's request to reconsider its action. At said meeting, Contractor may present to the  
16 County information or documentation relevant to the circumstances that led the County to take  
17 such actions and may propose alternative actions.

18 (c) Within 15 calendar days of said meeting, County shall, in writing,  
19 notify Contractor, of its final decision. The decision of the Director will be final.

20 (6) County Withhold of Payment for Contractor Lapse in Providing Service  
21 Data: If Contractor fails to submit service data as required by County, then the County may, in  
22 its discretion, withhold all or a portion of its payment until County is in receipt of complete and  
23 correct service data and such service data has been reviewed and approved by Director.

24 (a) Prior to withholding payment, Director shall provide Contractor with  
25 at least 30 calendar days written notice of the County's decision to withhold payment, including  
26 the reason(s) for intended action and the identification of the incomplete or incorrect service  
27 data. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the  
28 County's decision.

29 (b) Upon receiving a request for reconsideration from Contractor,  
30 County shall, within 15 calendar days, schedule a meeting with Contractor to consider  
31 Contractor's request to reconsider its action. At said meeting, Contractor may present to the

1 County information or documentation relevant to the circumstances that led the County to take  
2 such actions and may propose a date for submitting the complete and correct data.

3 (c) Within 15 calendar days of said meeting, County shall, in writing,  
4 notify Contractor, of its final decision. The decision of the Director will be final.

5 (d) Upon receipt from the Contractor of revised service data, Director  
6 shall review such revised service data within 60 calendar days of receipt. Upon determination  
7 that such submitted service data is complete and correct, County shall release withheld  
8 payments within 30 days of such determination.

9 (7) County Denial of Payments for Lack of Documentation: Director may deny  
10 payment for services when documentation of clinical work does not meet minimum State and  
11 County written standards.

12 (a) Prior to denying payment, Director shall provide Contractor with at  
13 least 30 calendar days' written notice of the County's decision to deny payment, including the  
14 reason(s) for the intended actions. Thereafter, Contractor may, within 15 calendar days, request  
15 reconsideration of the County's decision.

16 (b) Upon receiving a request for reconsideration from Contractor,  
17 County shall, within 15 calendar days, schedule a meeting with Contractor to consider  
18 Contractor's request to reconsider its action. At said meeting, Contractor may present to the  
19 County information or documentation relevant to the circumstances that led the County to take  
20 such actions and may propose alternative actions.

21 (c) Within 15 calendar days of said meeting, County shall, in writing,  
22 notify Contractor of its final decision. The decision of the Director will be final.

23 (8) County Suspension of Payment for Default: Director may suspend  
24 payments to Contractor, for good cause, if the Director determines that Contractor is in default  
25 under any of the provisions of this Agreement.

26 (a) Except in cases of alleged fraud or similar intentional wrongdoing or  
27 a reasonable good faith determination of impending insolvency, Director shall provide Contractor  
28 with at least 30 calendar days' notice of such suspension, including a statement of the reason(s)  
29 for such suspension. Thereafter, Contractor may, within 15 calendar days, request  
30 reconsideration of Director's decision to suspend payment. Suspension of payment to  
31 Contractor shall not take effect pending the results of such reconsideration process.

1 (b) Upon receiving a request for reconsideration from Contractor,  
2 County shall, within 15 calendar days, schedule a meeting with Contractor to consider  
3 Contractor's request to reconsider its action. At said meeting, Contractor may present to the  
4 County information or documentation relevant to the circumstances that led the County to take  
5 such actions and may propose alternative actions.

6 (c) Within 15 calendar days of said meeting, County shall, in writing,  
7 notify Contractor of its final decision. The decision of the Director will be final.

8 (9) No Payment for Services Rendered Following Expiration/Termination of  
9 Agreement: Contractor shall have no claim against County for payment of any money, or  
10 reimbursement of any kind whatsoever, for any service provided by Contractor after the  
11 expiration or other termination of this Agreement or any part thereof. Should Contractor receive  
12 any such payment, it shall immediately notify County and shall immediately repay all such funds  
13 to County. Payment by County for services rendered after expiration/termination of this  
14 Agreement shall not constitute a waiver of County's right to recover such payment from  
15 Contractor. This provision shall survive the expiration or other termination of this Agreement.

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

19 I. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY  
20 RESTRICTIONS

21 (1) This Agreement shall be subject to any restrictions, limitations, or conditions  
22 imposed by State which may in any way affect the provisions or funding of this Agreement,  
23 including, but not limited to, those contained in State's Budget Act.

24 (2) This Agreement shall also be subject to any additional restrictions,  
25 limitations, or conditions imposed by the Federal government which may in any way affect the  
26 provisions or funding of this Agreement.

27 (3) In the event that the County's Board of Supervisors adopts, in any fiscal  
28 year, a County Budget which provides for reductions in County contracts, the County reserves  
29 the right to unilaterally reduce its payment obligation under this Agreement to implement such  
30 Board reductions for that fiscal year and any subsequent fiscal year during the term of this  
31 Agreement, and the services to be provided by the Contractor under this Agreement shall also

1 be reduced correspondingly. The County's notice to the Contractor regarding said reduction in  
2 payment obligation shall be provided within thirty (30) calendar days of the Board's approval of  
3 such action. Except as set forth above in this Paragraph I (3) and Paragraph J (5), the  
4 Contractor shall continue to provide all of the services set forth in this Agreement.

5 (4) Notwithstanding any other provision of this Agreement, County shall not be  
6 obligated for Contractor's performance hereunder or by any provision of this Agreement during  
7 this or any of County's future fiscal years unless and until County's Board of Supervisors  
8 appropriates funds for this Agreement in County's Budget for each such fiscal year. In the event  
9 funds are not appropriated for this Agreement, then this Agreement shall terminate as of June  
10 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor of any  
11 such non-appropriation of funds at the earliest possible date.

12 **J. CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS**

13 (1) Funds under this Agreement are provided for the delivery of mental health  
14 services to eligible beneficiaries under each of the Funded Programs identified in the Financial  
15 Summary (Attachment III). Each Funded Program has been established in accordance with the  
16 requirements and restrictions imposed by each respective County, State and/or Federal payer  
17 source contributing to the Funded Program.

18 (2) Contractor may not redirect funds from one Funded Program to another  
19 Funded Program, nor redirect funds from one Program Amount to another Program Amount  
20 within a Funded Program, except through a duly executed amendment to this Agreement or as  
21 provided in Paragraph B (4) of the Financial Exhibit A with regard to shift of funds.

22 (3) Contractor may not charge services delivered to an eligible beneficiary  
23 under one Funded Program to another Funded Program unless the recipient is also an eligible  
24 beneficiary under the second Funded Program. When a recipient of services is an eligible  
25 beneficiary under more than one Funded Program, Contractor shall charge the services to the  
26 Funded Program under which the County shall receive maximum reimbursement from non-  
27 County sources, provided that Contractor has available funds under the appropriate Funded  
28 Program.

29 (4) Contractor also shall not charge services delivered to an eligible beneficiary  
30 for Medi-Cal/Healthy Families to the Non-Medi-Cal/Indigent Program Amount except in such  
31 cases where a client's eligibility for benefits is being established or determined. Upon confirming

1 that said client is approved for Medi-Cal/Healthy Families benefits, or in such case that the  
2 County may determine that a service paid originally through the Non-Medi-Cal/Indigent Program  
3 Amount was to a client approved for Medi-Cal/Healthy Families, Contractor shall void the original  
4 claims for services provided on or after the effective date that Medi-Cal/Healthy Family services  
5 became eligible for reimbursement, and resubmit such claims for Medi-Cal/Healthy Families  
6 under the correct Funded Program.

7 (5) Contractor shall be responsible for delivering services to clients to the  
8 extent that funding is provided by the County. Where Contractor determines that services to  
9 clients can no longer be delivered, Contractor shall provide 30 days prior written notice to  
10 County. Contractor shall thereafter refer clients to County or to another appropriate Contractor.

11 (a) Contractor shall not be required to provide the notice required under  
12 this Paragraph J (5) if the County reduces funding to the Contractor under Paragraph I  
13 (Limitation of Payments Based on Funding and Budgetary Restrictions) whether such reductions  
14 occur at the beginning or during a fiscal year. In addition, if County reduces or eliminates  
15 funding for a specific Funded Program, or portion thereof, Contractor shall not be responsible for  
16 continuing services for those clients served by the Funded Program, or portion thereof.

17 **K. COUNTY'S RIGHT TO RE-ALLOCATE UNDERUTILIZED FUNDS**

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

25 (2) Notwithstanding Paragraph K (1), if the County in its sole discretion  
26 determines from a review of Contractor's service and billing records that a significant portion of  
27 the funds provided for services under this Agreement will be underutilized in any period of the  
28 Agreement term, then the Director shall provide 15 business days prior written notification to  
29 Contractor of County's intent to reallocate underutilized funds by the moving of such funds into  
30 another program budget category for the same period on the Financial Summary (Attachment III)  
31 within this Agreement, and/or reallocate such funds into another DMH Legal Entity Agreement

1 with another contract provider that readily provides for the efficient use of such funds before the  
2 expiration of the same period in this Agreement. This written notification is to include an  
3 explanation of how the County reached the conclusion that Contractor is underutilizing funds;  
4 copies of relevant data, such as but not limited to County information system reports that County  
5 used in making this decision; the nature and amount of funding changes to Contractor; and any  
6 changes in the amount of services to be received by County.

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

14 If, thereafter, it is still determined that a significant portion of the Maximum  
15 Contract Amount will be underutilized the County shall reallocate such funds, as provided above.  
16 Director shall provide final prior written notice of such funding changes to Contractor, including  
17 any changes in the amount of services to be received by County, to Contractor, DMH Contracts  
18 Development and Administration Division, and to County's Chief Executive Office and the  
19 determination of the Director will be final. Any such change in any applicable Maximum Contract  
20 Amount shall be effected by an administrative amendment to this Agreement by Director.  
21 Changes that are based on one-time circumstances will be applicable to the current contract  
22 year only and shall not result in reductions (or increases) of Maximum Contract Amounts in  
23 subsequent years, while changes that are based on clearly documented ongoing historical  
24 trends may result in ongoing reductions (or increases) of Maximum Contract Amounts in  
25 subsequent years.

26 The determination by the Director shall be effective upon the receipt of such  
27 final prior written notice by Contractor and the changes to funding and services shall be  
28 incorporated into this Agreement as of the date of receipt. Contractor understands and agrees  
29 that its Maximum Contract Amount may be reduced as a result of the adjustments authorized by  
30 this provision, and further acknowledges that County has relied upon this flexibility in establishing

1 the Maximum Contract Amount for this Agreement. By executing this Agreement, Contractor  
2 specifically consents to the prospective adjustments set forth in this provision.

3 **L. LIMITATION ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF**  
4 **SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES, MEDI-CAL**  
5 **ADMINISTRATIVE ACTIVITIES AND/OR TITLE XXI HEALTHY FAMILIES**

6 (1) If, under this Agreement, Contractor has Funded Programs that include  
7 Title XIX Short-Doyle/Medi-Cal services, Medi-Cal Administrative Activities, and/or Title XXI  
8 Healthy Families services, Contractor shall certify annually, no later than July 10 of each year, in  
9 writing that all necessary documentation will exist at the time any claims for Title XIX Short-  
10 Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy  
11 Families are submitted by Contractor to County.

12 Contractor shall be solely liable and responsible for all service data and  
13 information submitted by Contractor.

14 (2) Contractor acknowledges and agrees that the County, in undertaking the  
15 processing of claims and payment for services rendered under this Agreement for these  
16 Funded Programs, does so as the Mental Health Plan for the State and federal governments.

17 (3) Contractor shall submit to County all Title XIX Short-Doyle/Medi-Cal and/or  
18 Medi-Cal Administrative Activities, and/or Title XXI Healthy Families claims or other State  
19 required claims data within the time frame(s) prescribed by this Agreement to allow the County  
20 to meet the timeframes prescribed by the State and Federal governments. County shall have no  
21 liability for Contractor's failure to comply with the time frames established under this Agreement  
22 and/or State and Federal time frames, except to the extent that such failure was through no fault  
23 of Contractor.

24 (4) County, as the Mental Health Plan, shall submit to the State in a timely  
25 manner claims for Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative  
26 Activities, and/or Title XXI Healthy Families services only for those services/activities identified  
27 and entered into the County's claims processing information system and/or into the Medi-Cal  
28 Administrative Activities data base system, as appropriate, which are compliant with State and  
29 federal requirements. County shall make available to Contractor any subsequent State  
30 approvals or denials of such claims within 30 days of receipt thereof.



1 (5) Contractor acknowledges and agrees that County's final payment for  
2 services and activities claimed by Contractor for Title XIX Short-Doyle/Medi-Cal services and/or  
3 Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services is contingent upon  
4 reimbursement from the State and federal governments and that County's provisional payment  
5 for said services does not render County in any way responsible for payment of, or liable for,  
6 Contractor's claims for payment for these services.

7 (6) Contractor's ability to retain payment for such services and/or activities is  
8 entirely dependent upon Contractor's compliance with all laws and regulations related to  
9 same.

10 (7) Notwithstanding any other provision of this Agreement, Contractor shall  
11 hold County harmless from and against any loss to Contractor resulting from the denial or  
12 disallowance of claims for or any audit disallowances related to said services by the County,  
13 State or federal governments, or other applicable payer source, unless the denial or  
14 disallowance was due to the fault of the County.

15 (8) Contractor shall repay to County the amount paid by County to Contractor  
16 for Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI  
17 Healthy Families services/activities which are subsequently denied or disallowed by the County,  
18 State, and/or Federal governments. In no event shall County be liable or responsible to  
19 Contractor for any State approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal  
20 Administrative Activities, and/or Title XXI Healthy Families services/activities that are  
21 subsequently denied or disallowed by County, State, and/or Federal governments unless the  
22 denial or disallowance was due to the fault of the County.

23 (9) Notwithstanding any other provision of this Agreement, Contractor agrees  
24 that the County may offset future payments to the Contractor and/or demand repayment from  
25 Contractor when amounts are owed to the County pursuant to Subparagraphs (7) and (8) above.  
26 Such demand for repayment and Contractor's repayment shall be in accordance with Paragraph  
27 S (Method of Payments for Amounts Due to County) of this Agreement.

28 (10) Contractor shall comply with all written instructions provided to Contractor  
29 by Director, State or other applicable payer source regarding claiming and documentation.

1 (11) Nothing in this Paragraph L shall be construed to limit Contractor's rights to  
2 appeal State and Federal settlement and/or audit findings in accordance with the applicable  
3 State and Federal regulations.

4 **M. PATIENT/CLIENT ELIGIBILITY, UMDAP FEES, THIRD PARTY REVENUES,**  
5 **AND INTEREST**

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

8 (a) The determination and collection of patient/client fees for services  
9 hereunder based on the Uniform Method of Determining Payment (UMDAP), in accordance with  
10 the State Department of Mental Health guidelines and Welfare and Institutions Code Sections  
11 5709 and 5710.

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

16 (2) All fees paid by patients/clients receiving services under this Agreement  
17 and all fees paid on behalf of patients/clients receiving services hereunder shall be utilized by  
18 Contractor only for the delivery of mental health service/activities specified in this Agreement.

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

25 (4) Contractor shall not retain any fees paid by any sources for, or on behalf of,  
26 Medi-Cal beneficiaries without deducting those fees from the cost of providing those mental  
27 health services for which fees were paid.

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

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

7 (a) Contractor's submission of a revised claim statement showing all  
8 such non-reported revenue.

9 (b) A report by County to SDMH of all such non-reported revenue  
10 including any such unreported revenue paid by any sources for or on behalf of Medi-Cal  
11 beneficiaries.

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

13 **N. CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE**  
14 **RENDERED**

15 (1) The Maximum Contract Amount for each period of this Agreement includes  
16 Cash Flow Advance (CFA) which is an advance of funds to be repaid by Contractor through  
17 direct payment of cash and/or through the provision of appropriate services/activities under this  
18 Agreement during the applicable period.

19 (2) For each month of each period of this Agreement, County will reimburse  
20 Contractor based upon Contractor's submitted claims for rendered services/activities subject to  
21 claim edits, and future settlement and audit processes. However, for each month of the first  
22 three (3) or five (5) months, of the Initial Term, the First Automatic Renewal Period, or the  
23 Second Automatic Renewal Period, Contractor may request in writing from County a monthly  
24 County General Fund Cash Flow Advance as herein described.

25 (3) Cash Flow Advance shall consist of, and shall be payable only from, the  
26 Maximum Contract Amount for the particular fiscal year in which the related services are to be  
27 rendered and upon which the request(s) is (are) based.

28 (4) Cash Flow Advance is intended to provide cash flow to Contractor  
29 pending Contractor's rendering and billing of eligible services/activities, as identified in DMH  
30 Legal Entity Agreement Paragraph 5 (DESCRIPTION OF SERVICES/ACTIVITIES), and  
31 County payment thereof. Contractor may request each monthly Cash Flow Advance only for

1 such services/activities and only to the extent that there is no reimbursement from any public  
2 or private sources for such services/activities.

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

5 (6) Cash Flow Advance Request Letter: For each month for which Contractor  
6 is eligible to request and receive a CFA, Contractor must submit to the County a letter requesting  
7 a CFA and the amount of CFA Contractor is requesting.

8 (a) In order to be eligible to receive a CFA, the letter requesting a CFA  
9 must be received by County on or before the 15th of that month (i.e., for the month of July 2009,  
10 the request must be received by July 15, 2009).

11 i. If the letter requesting CFA is received by the County from the  
12 Contractor after the 15th of the month, Contractor will not be eligible to receive a CFA for that  
13 month.

14 (b) The signed letter requesting a CFA must be sent via mail, fax or  
15 email (PDF file) to the Department of Mental Health Financial Services Bureau – Accounting  
16 Division, Provider Reimbursement Unit (PRU).

17 i. PRU staff will determine whether Contractor is eligible to have  
18 its request considered based on the date the request letter is received by PRU and not the date  
19 on the request letter.

20 (c) Upon receipt of a request, Director, in his sole discretion, shall  
21 determine whether to approve the CFA and, if approved, whether the request is approved in  
22 whole or in part.

23 i. If a CFA is not approved, Director will notify Contractor within  
24 10 business days of the decision, including the reason(s) for non-approval. Thereafter,  
25 Contractor may, within 15 calendar days, request reconsideration of the decision.

26 (7) Reduction of Cash Flow Advance Amount by Actual Adjudicated Claims:  
27 The Cash Flow Advance amount available to Contractor for any particular month will be reduced  
28 by County payments of claims received from Contractor. The County's claims payment process  
29 is initiated immediately upon County receipt from Contractor of a reimbursement claim.

30 /

31 /

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

3 (a) For each of the first three months of each period that this  
4 Agreement is in effect, Contractor may request in writing from County a monthly County General  
5 Fund CFA for any funds which may be part of the Maximum Contract Amount for such period as  
6 identified in the Financial Summary. Contractor shall specify in its request the amount of the  
7 monthly CFA it is requesting, not to exceed \$\_\_\_\_\_per month. The total CFA for the three  
8 (3) months shall not exceed \$\_\_\_\_\_. In no event shall the monthly CFA requested  
9 by Contractor exceed 1/12<sup>th</sup> of Maximum Contract Amount as identified on the Financial  
10 Summary, or 1/12<sup>th</sup> of the annualized Maximum Contract Amount if period includes only a partial  
11 fiscal year.

12 (b) In addition to the amounts in Paragraph N (8) (a) above, if Contractor  
13 provides EPSDT Short-Doyle/Medi-Cal services as part of this Agreement, Contractor may  
14 request in writing from County a monthly County General Fund CFA for any EPSDT Title XIX  
15 Medi-Cal funds that may be part of the Maximum Contract Amount for such fiscal year for two  
16 additional months. Contractor shall specify in its request the amount of the monthly CFA it is  
17 requesting, not to exceed \$\_\_\_\_\_per month for each of the two (2) additional  
18 consecutive months. The total CFA for the two (2) additional consecutive months shall not  
19 exceed \$\_\_\_\_\_.

20 (9) Recovery of Cash Flow Advances: If Contractor has received any CFA  
21 pursuant to this Paragraph N (Cash Flow Advance In Expectation of Services/Activities To Be  
22 Rendered), then recovery from Contractor's monthly claims shall be made through cash  
23 payment made by Contractor to County and/or County offsets to County payment(s) of  
24 Contractor's approved claim(s) as follows:

25 (a) Generally, when Contractor rendering services at a level that would  
26 indicate it will utilize all or a substantial portion of its Maximum Contract Amount, County initiates  
27 recovery of the CFA balance, if any, for a particular Fiscal Year in July following the close of  
28 such Fiscal Year or at such time as payments to Contractor, including the CFA, reach the  
29 Maximum Contract Amount. Such recovery is initiated through the Contractor's rendering and  
30 submitting of appropriate services and activities into the County's claims processing information  
31 system and/or the submission of invoices for direct charges. The determination to begin

1 recovery of CFA balance in July of the following fiscal year, or at such time as payments to  
2 Contractor, including the CFA, reach the Maximum Contract Amount, is based on the  
3 presumption that when a contractor is meeting its contractual levels, then the Contractor will  
4 have rendered sufficient services/activities and entered such services/activities into the County's  
5 claims processing information system by September 30 following the end of the fiscal year.  
6 September 30 is the date by which all or a substantial portion of the Contractor's prior Fiscal  
7 Year's claims should have been received from Contractor and processed by County.

8 (b) If at any time during the Fiscal Year, County determines that  
9 Contractor is not rendering services at a level that would utilize all of its Maximum Contract  
10 Amount, County may initiate recovery of the CFA as specified in Subparagraph (a) above prior to  
11 July 1. If County intends to initiate recovery of the CFA prior to July 1, County will give  
12 Contractor 30 calendar days prior written notice, including the reason(s) for the intended actions,  
13 to ensure Contractor renders and submits sufficient services/activities to have repaid all, or a  
14 substantial portion of the CFA, by September 30 following the Fiscal Year close. Contractor  
15 may, within 15 calendar days of the receipt of County's written notice, request reconsideration of  
16 the County's decision.

17 (c) Should a Contractor have any remaining CFA balance for a  
18 particular Fiscal Year on September 30 following the close of such Fiscal Year, Contractor  
19 repayment of the remaining CFA balance shall be conducted as specified in this Financial  
20 Exhibit A (FINANCIAL PROVISIONS), Paragraph S (Method of Payments for Amounts Due to  
21 County) unless otherwise agreed to by County. County will recover all CFA balances, if any, for  
22 a particular Fiscal Year no later than March 31 following the close of such Fiscal Year.

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

27 (11) Should Contractor request and receive CFA, Contractor shall exercise cash  
28 management of such CFA in a prudent manner.

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

1           **O. ANNUAL COST REPORTS**

2           (1) For each Fiscal Year or portion thereof that this Agreement is in effect,  
3 Contractor shall provide County with two copies of an accurate and complete annual cost report,  
4 with a statement of expenses and revenue, by the due date specified in Paragraph O (4) of this  
5 Financial Exhibit A.

6           (2) An accurate and complete annual cost report (Annual Cost Report) shall be  
7 defined as a cost report which is completed to the best of the ability of Contractor on such forms  
8 or in such formats as specified by the County and consistent with such instructions as the  
9 County may issue and is based on the best available data.

10          (3) The Annual Cost Report will be comprised of a separate set of forms for the  
11 County and State based on the Financial Summary applicable to the Fiscal Year.

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

16                 (a) Failure by Contractor to submit an Annual Cost Report within 30  
17 calendar days after the due date specified in this Paragraph O (Annual Cost Reports),  
18 Subparagraph (4) above, shall constitute a breach of this Agreement.

19                         i. In addition to, and without limiting, any other remedy available  
20 to the County for such breach, County may undertake any or all of the following to remedy such  
21 breach:

22                                 A) In such instance that Contractor does not submit an  
23 annual cost report(s) by such 30 calendar days after the applicable due date specified in  
24 Paragraph O (Annual Cost Reports), Subparagraph (4), then all amounts covered by the  
25 outstanding annual cost report(s) and paid by County to Contractor for the Fiscal Year for which  
26 the annual cost report(s) is (are) outstanding shall be due by Contractor to County. Contractor  
27 shall pay County according to the method described in this Financial Exhibit A (FINANCIAL  
28 PROVISIONS), Paragraph S (Method of Payments for Amounts Due to County). Such payments  
29 shall be submitted to the persons and at the address identified in Paragraph X (Payment and  
30 Invoice Notifications) of this Financial Exhibit A. (B) If this Agreement is automatically  
31 renewed as provided in DMH Legal Entity Agreement Paragraph 1 (TERM), then County may

1 opt to suspend payments to Contractor under this Agreement until the Annual Cost Report(s) is  
2 (are) submitted. County shall give Contractor at least 15 business days written notice of its  
3 intention to suspend payments hereunder, including the reason(s) for its intended action.  
4 Thereafter, Contractor shall have 15 business days either to correct the deficiency, or to request  
5 reconsideration of the decision to suspend payments. Payments to Contractor shall not be  
6 suspended during said 15 business days provided to correct the deficiency or, if reconsideration  
7 is requested, pending the results of the reconsideration process.

8 (b) Failure by the Contractor to submit an Annual Cost Report(s) by the  
9 due date specified in this Subparagraph (4) will result in damages being sustained by the  
10 County. County and Contractor agree that it will be impracticable or extremely difficult to fix the  
11 extent of actual damages resulting from the failure of the Contractor to submit its Annual Cost  
12 Report(s) to the County under this Paragraph. The County and Contractor hereby agree that a  
13 reasonable estimate of said damages is \$100 per day for each day that the Contractor fails to  
14 submit to the County by the due date.

15 i. Liquidated damages shall be assessed separately on each  
16 outstanding Annual Cost Report.

17 ii. Liquidated damages shall be assessed commencing on  
18 September 16<sup>th</sup> or on the seventy-sixth day following the expiration or earlier termination of this  
19 Agreement and shall continue until the outstanding Annual Cost Report(s) is (are) received.

20 iii. Upon written request from the County, Contractor shall, within  
21 30 days, submit to the County payment for said damages. Said Payment shall be submitted to  
22 the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of  
23 this Financial Exhibit A.

24 iv. Contractor may ask that liquidated damages not be assessed  
25 by sending a written request for an extension to submit the Annual Cost Report to the Director  
26 no later than thirty (30) days prior to the due date specified in this Subparagraph (4). The  
27 decision to grant an extension without assessing liquidated damages in accordance with this  
28 Paragraph O (4) (b) shall be at the sole discretion of the Director.

29 (5) Each Annual Cost Report shall be prepared by Contractor in accordance  
30 with the Centers for Medicare and Medicaid Services' Publications #15-1 and #15-2; "The  
31 Provider Reimbursement Manual Parts 1 and 2;" the State's Cost Reporting/Data Collections



1 (CR/DC) Manual; and for organizational providers in the Mental Health Specialty Services Mental  
2 Health Plan' service provider network, the "Los Angeles County DMH Organizational Provider's  
3 Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case  
4 Management;" and any other written guidelines that shall be provided to Contractor at the Cost  
5 Report training, to be conducted by County on or before June 30 of the Fiscal Year for which the  
6 Annual Cost Report is to be prepared.

7 (a) Attendance by Contractor at the County's Cost Report Training is  
8 mandatory.

9 (b) Failure by the Contractor to attend the Cost Report Training shall be  
10 considered a breach of this Agreement that will result in damages being sustained by the  
11 County. County and Contractor agree that it will be impracticable or extremely difficult to fix the  
12 extent of actual damages resulting from the failure of the Contractor to attend the Cost Report  
13 Training. The County and Contractor hereby agree that a reasonable estimate of said damages  
14 is \$100 per occurrence. Therefore, County may, in its sole discretion, assess liquidated  
15 damages in the amount of \$100 for Contractor's non-attendance at the Cost Report Training.  
16 Said Payment shall be submitted to the persons and at the address identified in Paragraph X  
17 (Payment and Invoice Notifications) of this Financial Exhibit A.

18 (6) Upon written notification from the Director that its Annual Cost Report  
19 contains errors or inaccuracies, Contractor shall, within 30 calendar days, correct such errors  
20 and inaccuracies and resubmit its Annual Cost Report.

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

26 i. Upon written notice from the County, Contractor shall have  
27 thirty (30) calendar days to make payment to the County in the amount specified by the County.  
28 Said payment shall be submitted to the persons and at the address identified in Paragraph X  
29 (Payment and Invoice Notifications) of this Financial Exhibit A.

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

1           **P. OTHER REQUIREMENTS FOR CONTRACTORS PROVIDING TITLE XIX**  
2 **SHORT-DOYLE/MEDI-CAL SERVICES, MEDI-CAL ADMINISTRATIVE ACTIVITIES AND/OR**  
3 **TITLE XXI HEALTHY FAMILIES SERVICES**

4           (1) Contractor shall maintain records documenting all Title XIX  
5 Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy  
6 Families services for a period of seven (7) years from the end of the Fiscal Year in which such  
7 services were provided or until three years after final resolution of any audits or appeals,  
8 whichever occurs later.

9           (2) Contractor shall complete and certify, in accordance with State and County  
10 instructions, and provide DMH with two (2) copies of an accurate and complete Title XIX  
11 Short-Doyle/Medi-Cal Reconciliation Report at the legal entity level by the due date set by the  
12 State for the applicable fiscal year. The due date is approximately 16 months after the close of  
13 the fiscal year.

14           (a) Should Contractor fail to provide County with the Title XIX Short-  
15 Doyle/Medi-Cal Reconciliation Report by the due date, then Director, in his sole discretion, shall  
16 determine which State approved Short-Doyle/Medi-Cal services shall be used by County for  
17 completion of the Title XIX Short-Doyle/Medi-Cal Reconciliation Report.

18           (b) Contractor shall hold County harmless from and against any loss to  
19 Contractor resulting from the Contractor's failure to provide County with the Title XIX Short-  
20 Doyle/Medi-Cal Reconciliation Report and County's subsequent determination of which State-  
21 approved Short Doyle/Medi-Cal services to use for completion of the Title XIX Short-Doyle/Medi-  
22 Cal Reconciliation Report for the Contractor.

23           **Q. PRE-AUDIT FINAL COST REPORT SETTLEMENT**

24           (1) Based on the Annual Cost Report(s) submitted pursuant to this Financial  
25 Exhibit A (FINANCIAL PROVISIONS) Paragraph O (Annual Cost Reports), at the end of each  
26 Fiscal Year or portion thereof that this Agreement is in effect, the State and County will perform a  
27 pre-audit final cost report settlement.

28           (2) Such settlement will be subject to the terms and conditions of this  
29 Agreement and any other applicable State and/or federal statutes, regulations, policies,  
30 procedures and/or other requirements pertaining to cost reporting and settlements for Title XIX

1 Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI Healthy Families, and  
2 other applicable federal and/or State programs.

3 (a) Contractors who select the Negotiated Rate Methodology for  
4 reimbursement are subject to a partial recovery of Federal Financial Participation (FFP) and  
5 State General Fund local match for EPSDT Medi-Cal services if actual costs are less than the  
6 reimbursement under negotiated rates. Additionally, negotiated rate reimbursements are subject  
7 to a partial recovery by County for County General Fund local match used to draw down the  
8 FFP, if any, recovered by the State. This partial recovery is a retrospective cost settlement  
9 which shares equally with the Federal, State and County governments the portion of the  
10 negotiated rate reimbursement that exceeds actual cost in the aggregate by legal entity.

11 (3) County shall issue its pre-audit cost report settlement findings no later than  
12 120 calendar days after the receipt by County from the State of the State's Final Cost Report  
13 Settlement package for a particular fiscal year.

14 (a) As part of its pre-audit cost report settlement findings, County shall  
15 identify any amounts due to Contractor by the County or due from the Contractor to the County.

16 (b) Upon issuance of the County's pre-audit cost report settlement  
17 findings, Contractor may, within 30 calendar days, submit a written request to the County for  
18 review of the pre-audit cost report settlement findings.

19 i. Upon receipt by County of the Contractor's written request,  
20 the County shall, within 30 calendar days, meet with the Contractor to review the pre-audit cost  
21 report settlement and to consider any documentation or information presented by the Contractor.  
22 Contractor may waive such meeting and elect to proceed based on written submission at its  
23 sole discretion.

24 ii. Within 30 calendar days of the meeting specified in (i) above,  
25 or if no meeting is requested, within 30 calendar days of the issuance of the County's pre-audit  
26 cost report settlement findings, County shall issue a final pre-audit cost report settlement finding  
27 to the Contractor including confirming or adjusting any amounts due to Contractor by the County  
28 or due from Contractor to the County.

29 (4) In the event that the pre-audit cost report settlement finding indicates that  
30 the Contractor is due payment from the County, County shall make payment to Contractor within  
31 30 calendar days following the expiration of the date to request a review as specified in

1 Subparagraph (3) (b) above or issuance of the final pre-audit cost report settlement finding as  
2 specified in Subparagraph (3) (b) ii. above, whichever is later.

3 (5) In the event that the pre-audit cost report settlement finding indicates that  
4 the Contractor owes payments to the County, Contractor shall make payment to the County in  
5 accordance with the terms of Paragraph S (Method of Payments for Amounts Due to County) of  
6 this Financial Exhibit A (Financial Provisions). Said payment shall be submitted to the persons  
7 and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial  
8 Exhibit A.

9 (6) Regardless of any other provision of this Paragraph Q, reimbursement to  
10 Contractor shall not exceed the Maximum Contract Amount and shall not exceed the Maximum  
11 Program Amount for each Funded Program, as identified on the Financial Summary (Attachment  
12 III).

13 **R. AUDITS, AUDIT APPEALS AND POST-AUDIT SHORT-DOYLE/MEDI-CAL**  
14 **FINAL SETTLEMENT**

15 (1) At any time during the term of this Agreement or after the expiration or  
16 termination of this Agreement, in accordance with State and federal law including but not limited  
17 to the California Welfare and Institutions Code (WIC) Sections 14170 et seq., authorized  
18 representatives from the County, State or federal governments may conduct an audit of  
19 Contractor regarding the services/activities provided under this Agreement.

20 (2) Settlement of audit findings will be conducted according to the auditing  
21 party's procedures in place at the time of the audit.

22 (3) In the case of a State Short-Doyle/Medi-Cal (SD/MC) audit, the State and  
23 County will perform a post-audit Short-Doyle/Medi-Cal settlement based on State audit findings.  
24 Such settlement will take place when the State initiates its settlement action, which customarily is  
25 after the issuance of the audit report by the State and before the State's audit appeal process.

26 (a) If the auditing party stays its collection of any amounts due or  
27 payable because of the audit findings, County will also stay its settlement of the same amounts  
28 due or payable until the responsible auditing party initiates its settlement action with County.

29 (b) County shall follow all applicable Federal laws, regulations manuals,  
30 guidelines and directives in recovering from Contractor any federal over-payment.

1 (c) County shall issue an invoice to Contractor for any amount due  
2 County no later than ninety (90) calendar days after the State issues its settlement letter to the  
3 County. Contractor shall make payment to the County in accordance with the terms of  
4 Paragraph S (Method of Payments for Amounts Due to County) of this Financial Exhibit A  
5 (Financial Provisions). Said payment shall be submitted to the persons and at the address  
6 identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

7 (4) Contractor may appeal any such audit findings in accordance with the audit  
8 appeal process established by the party performing the audit.

9 (a) For Federal audit exceptions, Federal audit appeal processes shall  
10 be followed.

11 (b) Contractor may appeal the State audit findings in conformance with  
12 provisions of Sections 51016 et seq. of Title 22 of the California Code of Regulations. Such  
13 appeals must be filed through County. County shall notify Contractor of State appeal deadlines  
14 after County's receipt from State of the audit report.

15 (c) If at any time the Appeal process results in a revision to the audit  
16 findings, and the State recalculates the final settlement of the Short-Doyle/Medi-Cal cost report  
17 for a particular year and settles with County, County will perform a post-audit Short-Doyle/Medi-  
18 Cal re-computed final settlement after the State's issues its revised settlement with the County,  
19 based on such recomputed final settlement.

20 i. If the re-computed final settlement results in amounts due to  
21 Contractor by the County, County shall make such payments to Contractor within 30 calendar  
22 days of issuing the revised settlement amount to the Contractor.

23 ii. If the re-computed final settlement results in amounts due  
24 from Contractor to the County, Contractor shall make payment to the County in accordance with  
25 the terms of Paragraph S (Method of Payments for Amounts Due to County) of this Financial  
26 Exhibit A (Financial Provisions). Said payment shall be submitted to the persons and at the  
27 address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

28 (5) Notwithstanding any other provisions of this Agreement, if Contractor  
29 appeals any audit report, the appeal shall not prevent the County from recovering from  
30 Contractor any amount owed by Contractor that the State has recovered from County.

1 (6) Should the auditing party be the County, Contractor will have thirty (30)  
2 calendar days from the date of the audit report within which to file an appeal with County. The  
3 letter providing the Contractor with notice of the audit findings shall indicate the persons and  
4 address to which the appeal should be directed. County shall consider all information and  
5 argument provided by Contractor with its appeal, and will issue its decision on the appeal after  
6 such consideration. Such decision is final. County will issue an invoice for any amount due  
7 County fifteen calendar days (15) after County has notified Contractor of the County's audit  
8 appeal findings. Contractor shall make payment to the County in accordance with the terms of  
9 Section S (Payment of Amounts Due to County) of this Financial Exhibit A (Financial Provisions).  
10 Said payment shall be submitted to the persons and at the address identified in Paragraph X  
11 (Payment and Invoice Notifications) of this Financial Exhibit A.

12 **S. METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY**

13 (1) Within ten (10) business days after written notification by County to  
14 Contractor of any amount due by Contractor to County, Contractor shall notify County as to  
15 which of the following five payment options Contractor requests be used as the method by which  
16 such amount shall be recovered by County. Any such amount shall be:

17 (a) paid in one cash payment by Contractor to County;

18 (b) deducted from future claims over a period not to exceed three  
19 months;

20 (c) deducted from any amounts due from County to Contractor whether  
21 under this Agreement or otherwise;

22 (d) paid by cash payment(s) by Contractor to County over a period not  
23 to exceed three months; or

24 (e) a combination of any or all of the above.

25 (2) If Contractor does not so notify County within such ten days, or if Contractor  
26 fails to make payment of any such amount to County as required, then Director, in his sole  
27 discretion, shall determine which of the above five payment options shall be used by County for  
28 recovery of such amount from Contractor.

29 **T. INTEREST CHARGES ON DELINQUENT PAYMENTS**

30 (1) If Contractor, without good cause as determined in the sole judgment of  
31 Director, fails to pay County any amount due to County under this Agreement within 60 calendar

1 days after the due date, then Director, after written notice to Contractor, may assess interest  
2 charges on such late payment.

3 (a) The amount of said interest charge shall be calculated at a rate  
4 equal to County's Treasury Pool Rate, as determined by County's Auditor-Controller, on the  
5 delinquent amount due commencing on the sixty-first calendar day after the due date.

6 (2) Contractor shall have an opportunity to present to the Director information  
7 bearing on the issue of whether there is a good cause justification for Contractor's failure to pay  
8 County within 60 calendar days after the due date.

9 (3) The interest charges shall be: (1) paid by Contractor to County by cash  
10 payment upon demand and/or (2) at the sole discretion of Director, deducted from any amounts  
11 due to Contractor by County whether under this Agreement or otherwise.

12 **U. FINANCIAL SOLVENCY**

13 (1) Contractor shall maintain adequate provisions against the risk of insolvency  
14 at all times.

15 (2) Contractor shall maintain adequate provisions to meet the solvency/working  
16 capital criteria specified in the DMH's financial responsibility requirements policy.

17 **V. CONTRACTOR REQUESTED CHANGES**

18 (1) If Contractor desires any change in the terms and conditions of this  
19 Agreement, Contractor shall request such change in writing prior to April 1 of the Fiscal Year for  
20 which the change would be applicable, unless otherwise agreed to by County.

21 (a) All changes requested by Contractor shall be made by an  
22 amendment pursuant to DMH Legal Entity Agreement Paragraph 40 (ALTERATION OF  
23 TERMS).

24 (2) If Contractor requests an increase or decrease in the Maximum Contract  
25 Amount, or in the Maximum Program Amount, Contractor shall provide all reports, data, and  
26 other information requested by the County, within 15 calendar days of County's request.

27 (a) Contactor's request for consideration of an increase in the Maximum  
28 Contract Amount, or in the Maximum Program Amount, must be made and approved prior to  
29 Contractor rendering services that exceed the Maximum Contract Amount or the Maximum  
30 Program Amount. To the extent that County agrees to increase the Maximum Contract Amount,  
31 or a Maximum Program Amount, such approval shall be in the form of an executed amendment

1 to this Agreement. Director will make best efforts to expedite the amendments provided under  
2 this Subparagraph (2) (a).

3 (b) Requests received after the Contractor has rendered services in  
4 excess of the Maximum Contract Amount, or the Maximum Program Amount, will only be  
5 considered on a prospective basis for payment of services rendered after the effective date of  
6 any executed amendment. The County shall not be responsible for payment, nor otherwise be  
7 liable for, services/activities that Contractor provided in excess of the Maximum Contract Amount  
8 or the Maximum Program Amount during any part of the Initial Period, First Automatic Renewal  
9 Period or Second Automatic Renewal Period, respectively.

10 **W. DELEGATED AUTHORITY**

11 (1) Notwithstanding any other provision of this Agreement, the Director  
12 may, without further action by County's Board of Supervisors, prepare and sign amendments  
13 to this Agreement under the following conditions.

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

17 (b) Any such Maximum Contract Amount amendment increase or  
18 amendment change shall only be for the provision of additional services; for the provision of  
19 new services as reflected on Attachment V (Service Exhibits); or to reflect program and/or  
20 policy changes that affect this Agreement; and

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

23 (d) Approval of County Counsel and the Chief Executive Officer or  
24 their designees is obtained prior to any such amendment to this Agreement.

25 (e) Director shall notify County's Board of Supervisors of all  
26 Agreement changes in writing within 30 calendar days following execution of any such  
27 amendment(s).

28 **X. PAYMENT AND INVOICE NOTIFICATIONS**

29 (1) Contractor shall submit all Invoices, including any supporting  
30 documentation, to the following:



1 County of Los Angeles Department of Mental Health  
2 Financial Services Bureau – Accounting Division  
3 550 S. Vermont Avenue, 8<sup>th</sup> Floor  
4 Los Angeles, CA 90020  
5 Attn: Provider Reimbursement

6 (2) Contractor shall submit all remittances and payments for amounts due to  
7 the County under this agreement to the following:

8 County of Los Angeles Department of Mental Health  
9 Financial Services Bureau – Accounting Division  
10 550 S. Vermont Avenue, 8<sup>th</sup> Floor  
11 Los Angeles, CA 90020  
12 Attn: Accounts Receivable

13 Y. **AUTHORITY TO ACT FOR DMH**

14 (1) The Director may designate one or more persons within DMH for the  
15 purposes of acting on his/her behalf for the purposes of implementing the provisions of this  
16 Agreement. Therefore, the term “Director” in all cases shall mean “Director or his designee.”

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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

Financial Summary

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

DMH Legal Entity Agreement  
 Attachment III  
 The Financial Summary -  
 Amendment Number

	Funded Program	Max. Program Amount — Non-Medi-Cal/ Indigent	Max. Program Amount — Medi-Cal/ Healthy Families	Combined Max. Program Amount
101	Family Preservation Program			\$ -
102	Child Abuse Prevention Intervention and Treatment (AB2994)			\$ -
103	Special Education Pupil (SEP)			\$ -
104	Specialized Foster Care			\$ -
105	Comprehensive SOC Prog (SAMHSA, CFDA #93.958)			\$ -
106	Child MH Initiative-Project ABC (SAMHSA, CFDA #93.104)			\$ -
107	Juvenile Justice Program (STOP)			\$ -
108	Juvenile Justice Program (JJCPA)			\$ -
109	Co-occurring Disorder			\$ -
110	Path McKinney, CFDA #93.150			\$ -
111	Homeless Services (NCC)			\$ -
112	Family Functional Therapy Program			\$ -
113	CalWORKs			\$ -
114	Homeless - Family Project			\$ -
115	GROW			\$ -
201	Inpatient/Residential Services			\$ -
202	Other Mental Health Services for clients under the age of 21 years	A	B	\$ -
203	Other Mental Health Services for clients 21 years of age or older		C	
<b>MHSA:</b>				
301	Full Service Partnership (FSP) - Child			\$ -
302	FSP - TAY			\$ -
303	FSP - Adult			\$ -
304	FSP - Older Adult			\$ -
305	Field Capable Clinical Services (FCCS)			\$ -
306	Probation Camps			\$ -
307	Urgent Care Centers/Crisis Resolution Services			\$ -
308	Wellness/Client-Run Centers			\$ -
309	Institutions for Mental Disease (IMD) Step Down			\$ -
310	Enriched Residential Services			\$ -
311	Jail Transition and Linkage Services			\$ -
312	POE (Outreach & Engagement)			\$ -
313	Prevention and Early Intervention (PEI)			\$ -
<b>Unique/Other:</b>				
401				\$ -

Maximum Contract Amount

\$ -

3/31/2010

**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT IV**

**Service Delivery Site Exhibit**

**CONTRACTOR NAME:** \_\_\_\_\_

**LEGAL ENTITY NO.:** \_\_\_\_\_ **PERIOD:** \_\_\_\_\_

*DESIGNATED PROGRAM OFFICE	SERVICE EXHIBIT NO.	PROV. NO.	SERVICE DELIVERY SITE(S)	M.H. SERVICE AREA(S) SERVED	SITE SUP. DISTRICT
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____

\*Legend: Adult Systems of Care (A)  
Child, Youth and Family Program Administration (C)  
Critical Care (CC)  
Court Programs (CP)  
Older Adult Program (OA)  
Transition Age Youth (TAY)

Homeless (H)  
Managed Care (MC)

**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 Services</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>	902	
2	<u>Semi-Supervised Living Services</u>	904	
3	<u>Adult Residential Treatment Services (Transitional) (MSHA)</u>	912	
4	<u>Adult Residential Treatment Services (Long Term)</u>	913	
5	<u>Non-Hospital Acute Inpatient Services (La Casa PHF)</u>	914	
6	<u>Comprehensive Adult Residential Treatment Services (Bio-Psycho-Social Services)</u>	915	
7	<u>Assertive Community Treatment Program (ACT)</u>	921	
8	<u>Psychiatric Inpatient Hospital Services</u>	930	
9	<u>Primary Linkage and Coordination Program</u>	1001	
10	<u>Service Provisions (Organizational Provider Only)</u>	1003	
11	<u>Consumer Run/Employment Program</u>	1005	
12	<u>Client Supportive Services (<i>Includes Attachment A Reimbursement Procedures</i></u>		
13	<u><i>and Attachment B Monthly Claim for Cost Reimbursement)</i></u>	1010-A	
14	<u>Mental Health 24-Hour Services Interim Placement Funding for Basic Care Services</u>	1011	
15	<u>Mental Health 24-Hour Services Children Under Age 18 Basic Services</u>	1012	
16	<u>Supportive Services – Residential Programs (<i>Includes Attachment A</i></u>		
17	<u><i>Reimbursement Procedures and Attachment B- Monthly Claim for</i></u>		
18	<u><i>Cost Reimbursement)</i></u>	1013	
19	<u>Client Supportive Services-Mental Health Services Act Programs (<i>Includes</i></u>		
20	<u><i>Attachment A - Reimbursement Procedures and Attachment B - Monthly</i></u>		
21	<u><i>Claim for Cost Reimbursement)</i></u>	1014-A	
22	<u>Full Service Partnership (FSP)</u>	1015	
23	<u>Supportive Services – Intensive Residential Program (<i>Includes Attachment A-</i></u>		
24	<u><i>Reimbursement Procedures and Attachment B - (Monthly Claim for</i></u>		
25	<u><i>Cost Reimbursement)</i></u>	1016	
26	<u>One-Time Expenses Associated with Starting a new MHSA Program (<i>Includes</i></u>		
27	<u><i>Attachment A-Reimbursement Procedures and Attachment B – Monthly</i></u>		
28	<u><i>Claim for Cost Reimbursement)</i></u>	1017	
29	<u>Client Supportive Services (New Directions) (<i>Includes Attachment A</i></u>		
30	<u><i>Reimbursement Procedures and Attachment B Monthly Claim for Cost</i></u>		
31	<u><i>Reimbursement)</i></u>	1018	
32	<u>Family Support Services</u>	1019	
33	<u>Service Extender Stipend Program Mental Health Services Act Programs</u>		
34	<u><i>(Includes Attachment A Reimbursement Procedures and Attachment B</i></u>		
35	<u><i>Monthly Claim for Cost Reimbursement)</i></u>	1020	

**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT V**

1	<u>Client Supportive Services Field Capable Clinical Services (FCCS) Mental Health</u>	
2	<u>Services Act Programs (<i>Includes Attachment A Reimbursement Procedures</i></u>	
3	<u><i>and Attachment B Monthly Claim for Cost Reimbursement</i>)</u>	1021 _____
4	<u>Intensive In-Home Mental Health Services</u>	1022 _____
5	<u>One-Time Expenses Associated with Starting a new Mental Health Services Act</u>	
6	<u>Program for Probation Camp Services (<i>Includes Attachment A Reimbursement</i></u>	
7	<u><i>Procedures and Attachment B Monthly Claim Cost Reimbursement</i>)</u>	1023 _____
8	<u>One-Time Expenses Associated with Starting a new MHSA Program for</u>	
9	<u>Transitional Living Centers for L.A. County, Inc. (<i>Includes Attachment A</i></u>	
10	<u><i>-Reimbursement Procedures and Attachment B Monthly Claim Cost</i></u>	
11	<u><i>Reimbursement</i>)</u>	1024 _____
12	<u>Intensive Treatment Foster Care</u>	1025 _____
13	<u>One-Time Expenses Associated with Program Development for Intensive</u>	
14	<u>In-Home Evidence Based Practices (<i>Includes Attachment A Reimbursement</i></u>	
15	<u><i>Procedures and Attachment B Monthly Claim Cost Reimbursement</i>)</u>	1026 _____
16	<u>Outreach and Engagement Services (MHSA Only)</u>	1027 _____
17	<u>Enriched Residential Services (Alternative Crisis) (Adults)</u>	1028 _____
18	<u>IMD Step-Down Programs (Adults)</u>	1029 _____
19	<u>Urgent Care Centers (Alternative Crisis) (Adults)</u>	1030 _____
20	<u>Client Supportive Services Homeless CalWORKs Families Project (<i>Includes</i></u>	
21	<u><i>Attachment A Reimbursement Procedures and Attachment B Monthly</i></u>	
22	<u><i>Claim for Cost Reimbursement</i>)</u>	1031 _____
23	<u>Star View-PHF-Supplemental Financial Support</u>	1032 _____
24	<u>Star View-CTF-Supplemental Financial Support</u>	1033 _____
25	<u>One-Time Expenses Associated with Program/Program Development for Intensive</u>	
26	<u>In-Home Evidence Based Practices Non-MHSA (<i>Includes Attachment</i></u>	
27	<u><i>A Reimbursement Procedures and Attachment B Monthly Claim for Cost</i></u>	
28	<u><i>Reimbursement</i>)</u>	1034 _____
29	<u>Field Capable Clinical Services (FCCS)</u>	1035 _____
30	<u>Suicide Prevention Program Mental Health Services Act (MHSA) Prevention and</u>	
31	<u>Early Intervention (PEI) Plan</u>	1036 _____
32	<u>One-Time Expenses Associated with Starting a new MHSA Program for PEI Early</u>	
33	<u>Start Suicide Prevention Program (<i>Includes Attachment A-Reimbursement</i></u>	
34	<u><i>Procedures and Attachment B Monthly Claim Cost Reimbursement</i>)</u>	1037 _____
35		

DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT V

1	<u>One-Time Expenses Associated with Starting a New MHSa Program for</u>	
2	<u>Urgent Care Center – Exodus Recovery, Inc. (<i>Includes Attachment A</i></u>	
3	<u><i>Reimbursement Procedures and Attachment B Monthly Claim for Cost</i></u>	
4	<u><i>Reimbursement)</i></u>	<u>1038</u>
5	<u>PEI Early Intervention EBP programs for Children &amp; TAY</u>	<u>1039</u>



**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT VI**

**ATTESTATION REGARDING FEDERALLY FUNDED PROGRAMS**

In accordance with the DMH Legal Entity Agreement's Paragraph 54 (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 \_\_\_\_\_

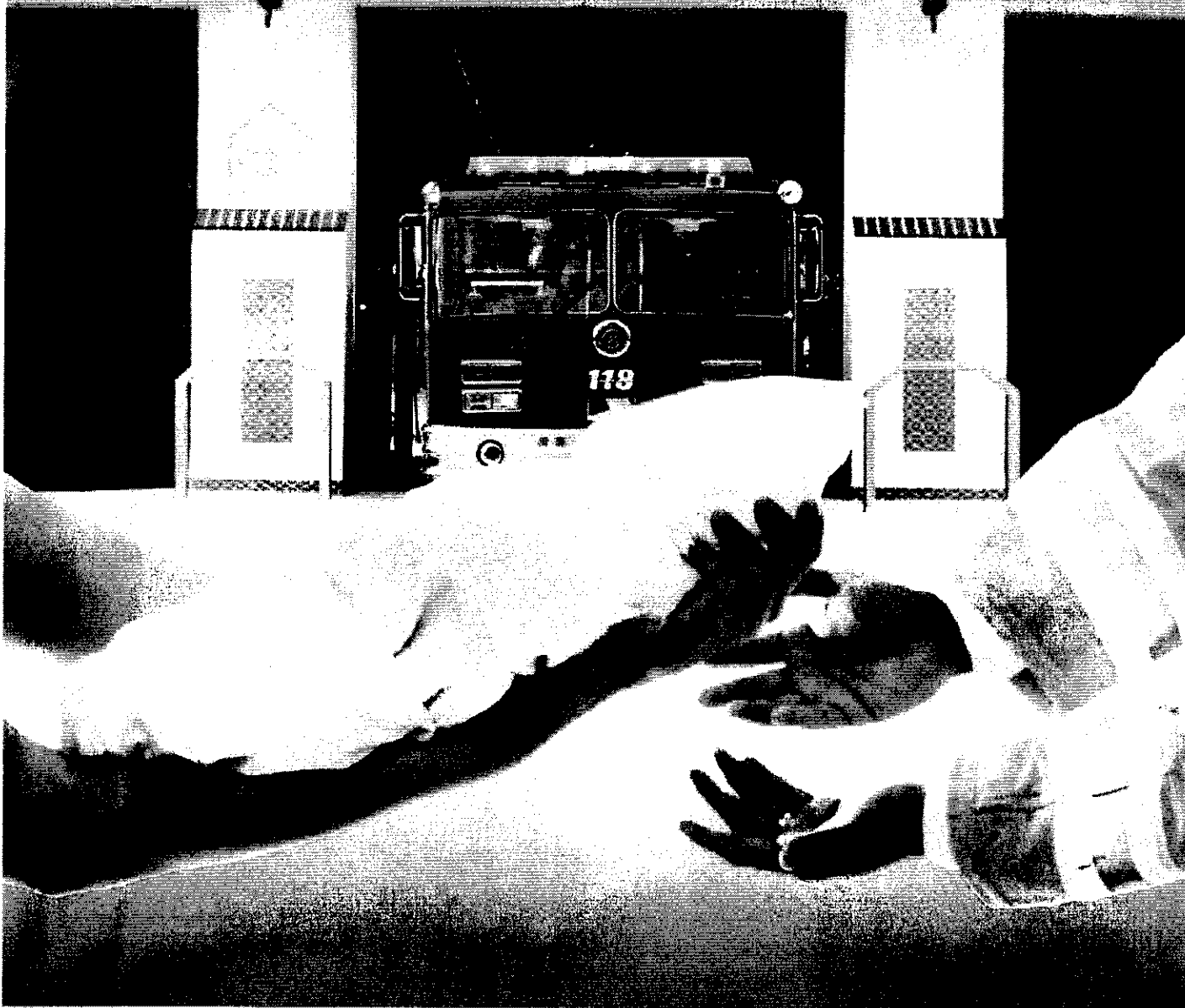
**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT VII**

**SAFELY SURRENDERED BABY LAW**

Posters and Fact Sheets are available in English and Spanish for printing purposes at the following website:

[www.babysafela.org](http://www.babysafela.org)

# *Safely* Surrendered



...the most important thing is to get the patient safely to the hospital. The ambulance is the only way to get the patient to the hospital. The ambulance is the only way to get the patient to the hospital. The ambulance is the only way to get the patient to the hospital.

# Safely Surrendered Baby Law

## What is the Safely Surrendered Baby Law?

### How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign 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, staff 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 or other surrendering adult.

### What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby 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?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

### Does the parent or surrendering adult have to call before bringing in the baby?

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

### Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

### What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

### What happens to the parent or surrendering adult?

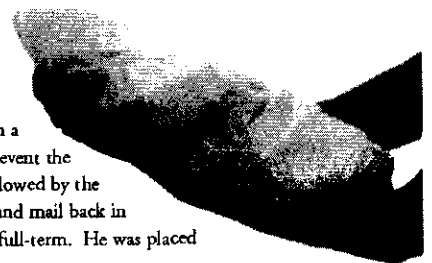
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

### Why is California doing this?

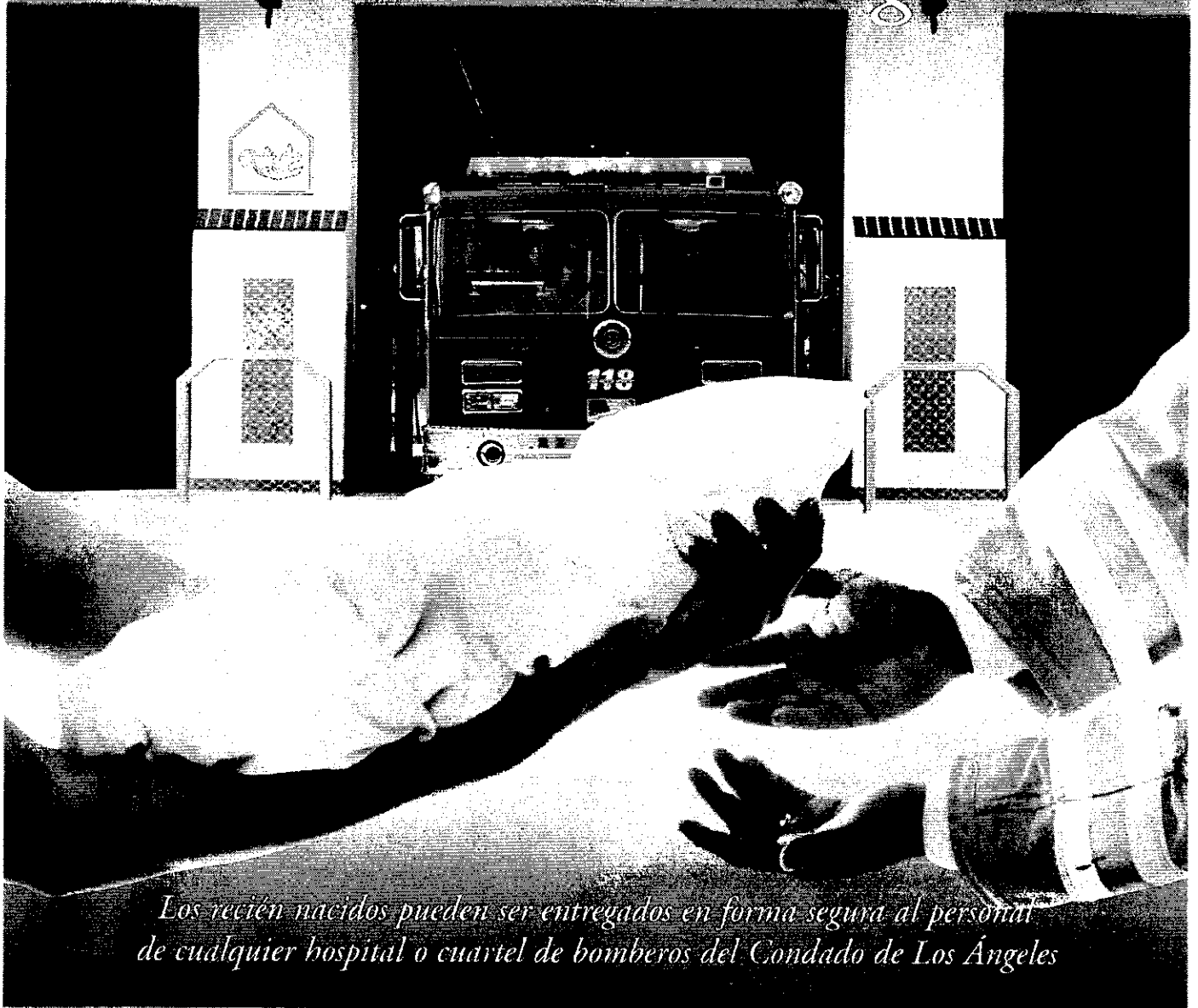
The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

## A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



# *Ley de* Entrega de Bebés *Sin Peligro*



*Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Angeles*

*Sin pena. Sin culpa. Sin nombres.*

En el Condado de Los Angeles: 1-877-BABY-SAFE • 1-877-222-9723

[www.babysafe1a.org](http://www.babysafe1a.org)



# Ley de Entrega de Bebés Sin Peligro

## ¿Qué es la Ley de Entrega de Bebés sin Peligro?

*Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmelo que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.*

### ¿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 (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

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

Los padres que cambien de opinión pueden comenzar 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?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

### ¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

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

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

### ¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

### ¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

### ¿Por qué se está haciendo esto en California?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

## Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



**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 Benefits (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 style="text-align: center;"><b>A crosswalk of HCPCS and CPT Codes to SFC's is available in legacy files.</b></p> <p style="text-align: center;"><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 <u>or</u> 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 LEGAL ENTITY AGREEMENT  
ATTACHMENT X**

**PERFORMANCE STANDARDS AND OUTCOME MEASURES EXHIBIT**

CONTRACTDR (Legal Entity Name): \_\_\_\_\_

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

Pursuant to Paragraph 11 **PERFORMANCE STANDARDS AND OUTCOME MEASURES** Contractor shall be subject to the following standards and outcomes that have been checked in the last column titled "Required Outcome" and which will be used by County as part of the determination of the effectiveness of services delivered by Contractor. Also, as stated in Paragraph 11, Contractor may be subjected to other specific performance outcomes that are required for Mental Health Service Act (MHSA) programs. MHSA performance outcomes are separately identified from this Attachment X and are instead provided in the respective MHSA service exhibits that are part of this Legal Entity Agreement, if applicable.

Line ID	Outcomes Domains	Performance Outcomes Targets	Method of Data Collection	Required Outcome (check)
1		State mandated (California Welfare and Institutions Code (WIC) § 5612 and WIC § 5613)	California Consumer's Perception Survey - MHSIP <sup>1</sup> , YSS <sup>2</sup> and YSS-F <sup>3</sup> survey instruments.	✓

<b>Performance Outcomes Project:</b>				
Line ID	Outcomes Domains	Performance Outcomes Targets	Method of Data Collection	Required Outcome (check)
2	Access to Services	Client received continuity of care by being seen within 7 calendar days of discharge from an acute psychiatric hospital. (Systemwide benchmark is 46% or more of the clients are seen within the seven (7) days).	County DMH's claims processing information system data repository.	
3		90% or more of responding clients were able to receive services at convenient times and location.	MHSIP, YSS and YSS - F survey instruments.	
4		Client received continuity of care by being seen within 14 calendar days time of discharge from mental health residential treatment program/institutional setting. (Only applicable to residential/institutional service providers. Unplanned discharges are excepted from the 14 day requirement). (Systemwide benchmark is 59% or more of the clients are seen within the seven (7) days).	County DMH's claims processing information system data repository.	
5		80% or more of responding clients report that they had someone to talk to when they were troubled.	MHSIP, YSS and YSS-F survey instruments.	
6	Client Satisfaction	80% or more of responding clients reported that staff were sensitive to the client's cultural/ethnic background.	MHSIP, YSS and YSS-F survey instruments.	
7	Clinical Effectiveness	70% or more of responding child/youth get along better with family members.	YSS and YSS-F survey instruments.	
8		70% or more of responding child/youth in a crisis, have the support they need from family or friends.	YSS and YSS-F survey instruments.	
9		75% or more of responding child/youth are doing better in school and/or work.	YSS and YSS-F survey instruments.	
10		65% or more of responding Transitional Age Youth are doing better in school and/or work.	MHSIP, YSS, YSS-F	
11		15% or more of responding adult clients are doing better in school and/or work.	MHSIP, YSS and YSS-F survey instruments.	
12		20% or more of responding adult/older adult clients report they deal more effectively with daily problems and/or report that their symptoms are not bothering them as much.	MHSIP, YSS and YSS-F survey instruments.	

<sup>1</sup> MHSIP means Mental Health Statistics Improvement Program and is used for adult and older adult surveys.

<sup>2</sup> YSS means Youth Services Survey for Youth.

<sup>3</sup> YSS-F means Youth Services Survey for Families.

**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.)

101	Family Preservation Program		304	MHSA – FSP – Older Adult	
102	Child Abuse Prevention Intervention and Treatment (AB2994)		305	MHSA – Field Capable Clinical Services (FCCS)	
103	Special Education Pupil (SEP)		306	MHSA – Probation Camps	
104	Specialized Foster Care		307	MHSA – Urgent Care Centers/Crisis Resolution Services	
105	Comprehensive SOC Prog (SAMHSA, CFDA #93.958)		308	MHSA – Wellness/Client-Run Centers	
106	Child MH Initiative-Project ABC (SAMHSA, CFDA #93.104)		309	MHSA – institutions for Mental Disease (IMD) Step Down	
107	Juvenile Justice Program (STOP)		310	MHSA – Enriched Residential Services	
108	Juvenile Justice Program (JJCPA)		311	MHSA – Jail Transition and Linkage Services	
109	Co-occurring Disorder		312	MHSA – POE (Outreach & Engagement)	
110	Path McKinney, CFDA #93.150		313	MHSA – Prevention and Early Intervention (PEI)	
111	Homeless Services (NCC)		401	DCFS Star View	
112	Family Functional Therapy Program		401	DHS LAMP	
113	CalWORKs		401	DHS Social Model	
114	Homeless – Family Project		401	DCFS Hillview Transitional Independent Living	
115	GROW		401	DHS/ADPA Dual Diagnosis	
201	Inpatient/Residential Services		401	DCFS THP	
202	Other Mental Health Services for clients under the age of 21 years		401	DCFS Medical Hub	
203	Other Mental Health Services for clients 21 years of age or older		401	Other Employment Services (SSG)	
301	MHSA – Full Service Partnership (FSP) - Child		401	Tri-City	
302	MHSA – FSP – TAY		1001	Non-Medi-Cal/Indigent	
303	MHSA – FSP – Adult		1002	Medi-Cal: NON-EPSDT, EPSDT/Healthy Families	

**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): \_\_\_\_\_

**COUNTY OF LOS ANGELES**

MARVIN J. SOUTHARD, D.S.W.  
*Director*

ROBIN KAY, Ph.D.  
*Chief Deputy Director*

RODERICK SHANER, M.D.  
*Medical Director*



BOARD OF SUPERVISORS  
GLORIA MOLINA  
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MICHAEL D. ANTONOVICH

**DEPARTMENT OF MENTAL HEALTH**

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 736-4601  
Fax: (213) 366-1297

May 28, 2010

**ATTACHMENT II**

TO: Each Supervisor  
FROM: Marvin J. Southard, D.S.W.  
Director of Mental Health

**SUBJECT: NOTIFICATION OF INTENT TO ENTER INTO SOLE SOURCE CONTRACT NEGOTIATIONS WITH SOUTHERN CALIFORNIA ALCOHOL AND DRUG PROGRAMS, INC. (SCADP)**

This memo is to comply with Board of Supervisors' Policy Manual, Section 5.100, Sole Source Contract, by notifying the Board of our need to initiate a Sole Source Contract. It is the Department of Mental Health's (DMH) intent to enter into contract negotiations with SCADP to provide residential mental health supportive services for five (5) deaf and hard of hearing persons who are ready for discharge from Institutions for Mental Diseases (IMDs).

Significant barriers separate deaf and hard of hearing persons from mental health treatment, and chief among these is lack of service access. While the use of American Sign Language (ASL) interpreters is preferable to no communications, due to the personal nature of mental health treatment it is not the best method of service delivery for persons who are deaf and hard of hearing. To provide true American with Disabilities Act (ADA) services, clinicians must be fluent in ASL and fully understand deaf culture. Services for mentally ill individuals who are deaf and hard of hearing are highly specialized and are provided by very few residential mental health agencies in Southern California.

There are a number of Los Angeles County residents who are deaf/hard of hearing in IMDs who are there only because there is no community-based residential program in Los Angeles County with staff who can communicate in ASL. It would be inappropriate to place these individuals in facilities where they could not communicate with staff or receive treatment for their mental illness.

In order to enable the placement of these persons into the community, DMH proposes to enter into contract negotiations with SCADP to provide residential mental health treatment services for five (5) deaf and hard of hearing persons from IMDs. Services will include assessment, individual and group therapy, peer education and support groups, case management and medication support.

Each Supervisor  
May 28, 2010  
Page 2

SCDAP is uniquely qualified to provide these services because it has provided similar services in Los Angeles County for 22 years and is the only residential treatment program for hearing impaired persons in California. It established the Awakenings residential treatment program in 1988 to serve deaf and hard of hearing individuals. The facility provides addiction treatment, mental health treatment, transitional and permanent housing, with all services provided in ASL.

The Awakenings residential site will be located at 12322 Clearglen Avenue, Whittier, CA 90604. The Medi-Cal certified outpatient clinic will be located at 11500 Paramount Blvd., Downey, CA 90241. Both sites are located in Service Area 7, Supervisorial District 4.

The program will be funded with \$100,000 County General Funds included in the DMH's Fiscal Year 2010-11 IMD budget and \$122,000 in Federal Financial Participation.

Unless otherwise instructed by a Board office within two weeks, DMH will proceed with negotiating the sole source contract. DMH will work closely with County Counsel and the Chief Executive Office in preparing a new agreement with SCADP.




MJS:TB:MM:mm

- c: Health Deputies
- Chief Executive Office
- Executive Officer, Board of Supervisors
- County Counsel
- Robin Kay, Ph.D.
- Mary Marx
- Contracts Development and Administration

T:AdmHealmp

**ATTACHMENT III**

**SOLE SOURCE CHECKLIST**

<p>Check (✓)</p>	<p align="center"><b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS</b></p> <p><i>Identify applicable justification and provide documentation for each checked item.</i></p>		
<p align="center">✓</p>	<p>➤ <b>Only one bona fide source for the service exists; performance and price competition are not available.</b>                      SCADP is the only entity to provide residential mental health treatment services for hearing impaired consumers. SCADP has extensive experience in providing supportive housing programs that include fully trained ASL staff, substance abuse services and mental health treatment for persons with hearing impairments.</p>		
	<p>➤ <b>Quick action is required (emergency situation).</b></p>		
	<p>➤ <b>Proposals have been solicited but no satisfactory proposals were received.</b></p>		
	<p>➤ <b>Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.</b></p>		
	<p>➤ <b>Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.</b></p>		
	<p>➤ <b>It is more cost-effective to obtain services by exercising an option under an existing contract.</b></p>		
	<p>➤ <b>It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.</b></p>		
	<p>➤ <b>Other reason. Please explain:</b></p>		
<table border="0" style="width: 100%;"> <tr> <td data-bbox="99 1732 812 1934">   <hr/>                     Deputy Chief Executive Officer, CEO                 </td> <td data-bbox="812 1732 1461 1934"> <p align="center">10/10/10  <hr/>                     Date</p> </td> </tr> </table>		 <hr/> Deputy Chief Executive Officer, CEO	<p align="center">10/10/10  <hr/>                     Date</p>
 <hr/> Deputy Chief Executive Officer, CEO	<p align="center">10/10/10  <hr/>                     Date</p>		