

COUNTY OF LOS ANGELES



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DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.info>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

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

May 26, 2005

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

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

37 JUN 7 2005

Violet Varona Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

Dear Supervisors:

**AUTHORIZATION TO RENEW 32 DEPARTMENT OF MENTAL HEALTH
LEGAL ENTITY AGREEMENTS
AND
APPROVAL OF THE REVISED DEPARTMENT OF MENTAL HEALTH
LEGAL ENTITY AGREEMENT FORMAT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the renewal of 32 Department of Mental Health (DMH) Legal Entity (LE) Agreements, as listed in Attachment I, with Maximum Contract Amounts (MCA) totaling \$87,958,500, for each Fiscal Year (FY) 2005-2006, 2006-2007, and 2007-2008. The renewals will enable DMH to provide continuous, uninterrupted services to severely and persistently mentally ill adults, seriously emotionally disturbed (SED) children, adolescents, and their families throughout the County of Los Angeles.

These LE Agreements will be funded by a total of \$7,310,677 in Local Mental Health Plan Non Medi-Cal revenue, \$79,255,655 in Medi-Cal and Healthy Families Programs funds, and \$1,392,168 in Medi-Cal Assembly Bill (AB) 2034 funds, for a total of \$87,958,500, that are included in DMH's FY 2005-2006 Proposed Budget Request.

The term of 27 LE Agreements will be effective July 1, 2005 through June 30, 2008, including two (2) automatic one-year renewal periods, and the term of five (5) LE Agreements with Institutions for Mental Disease (IMD) contractors will be for FYs 2005-2006 and 2006-2007 only.

"To Enrich Lives Through Effective And Caring Service"

2. Approve the revised DMH LE Agreement format, substantially similar to Attachment II, which has been updated to reflect new or revised mandated provisions required in all County contracts and a revised Financial Summary, and to require contractors to comply with all applicable Federal, State and County policies and procedures relating to performance standards and outcome measures.
3. Instruct the Director of Mental Health or his designee to prepare, sign, and execute these 32 LE Agreements between the County and contractors after DMH has prepared these agreements in accordance with Attachments I and II and has obtained contractors' signatures for each Agreement.
4. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to these LE Agreements and establish as a new MCA the aggregate of each original Agreement and all amendments, provided that: 1) the County's total payments to a contractor under each Agreement for each fiscal year shall not exceed an increase of 20 percent from the applicable revised MCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer (CAO) or their designee is obtained prior to any such Amendment; 5) County and Contractor may write amendments to reduce programs or services and revise the applicable MCA, provided that any amendments which reduce programs or services will be consistent with the principles agreed to in DMH's stakeholders' process and will reflect DMH's FY 2005-2006 Final Budget approved by your Board; and 6) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Board approval is required because these 32 LE Agreements will expire on June 30, 2005, and such agreements are required to continue the provision of services. Thus, Board approval of the recommended actions will allow for continuous, uninterrupted services to severely and persistently mentally ill adults and SED children, adolescents, and their families.

Implementation of Strategic Plan Goals

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

FISCAL IMPACT/FINANCING

There is no increase in net County cost. The MCAs for each Agreement are shown in Attachment I. For FY 2005-2006, the MCAs totaling \$87,958,500 for these 32 LE Agreements will be funded by the following sources that are included in DMH's FY 2005-2006 Proposed Budget Request:

- | | |
|--|----------------------|
| 1) Local Mental Health Plan Non Medi-Cal Total: | \$ <u>7,310,677</u> |
| 2) Medi-Cal and Healthy Families Programs Total: | \$ <u>79,255,655</u> |
| 3) Medi-Cal AB 2034 Total: | \$ <u>1,392,168</u> |

For FYs 2006-2007 and 2007-2008, funding will be requested during DMH's annual budget process. The MCAs for FYs 2005-2006, 2006-2007, and 2007-2008 are shown in Attachment I, but may be subject to change because of anticipated budgetary factors which may impact the funding that is given to the County by the State and/or the Federal government on an annual basis.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The LE Agreements provide for a broad range of continuous, uninterrupted services to severely and persistently mentally ill adults, SED children, adolescents, and their families, as outlined in the California Code of Regulations, Title IX, Chapter 11. These mental health services include, but are not limited to, acute inpatient care, outpatient

services, day rehabilitation, medication support, crisis intervention, and targeted case management.

CAO, County Counsel, and DMH's Fiscal and Program Administrations have reviewed the proposed actions. The revised LE Agreement has been approved as to form by County Counsel. The LE Agreement format, substantially similar to Attachment II, includes revised or new mandated provisions required in all County contracts, including the Preamble, Consideration For Hiring Greater Avenues For Independence (GAIN) or General Relief Opportunities For Work (GROW) Participation For Employment, Department of Health and Human Services Debarment Certification, and a revised Financial Summary. Additionally, the LE Agreement format adds new provisions for Performance Standards and Outcome Measures and Insurance Property coverage.

Attachment I lists the 32 LE Agreement renewals for FYs 2005-2006, 2006-2007, and 2007-2008, specifying the contractors, current LE Agreement numbers, Supervisorial Districts, reimbursement methodology, services provided, Agreement terms, and MCAs per fiscal year for each Agreement.

Attachment II is the revised DMH LE Agreement format.

Attachment III details the Los Angeles County Community Business Enterprise (LAC/CBE) Program, Firm/Organization Information form.

CONTRACTING PROCESS

All of the 32 LE contractors have existing agreements with DMH, which will expire on June 30, 2005, and are being renewed because of the continuing need for their services. As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure the contractors' compliance with all contract terms and performance standards.

IMPACT ON CURRENT SERVICES

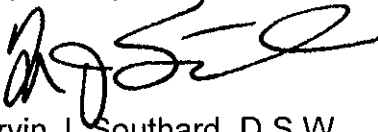
The renewal of these 32 LE Agreements will allow for the continued and uninterrupted mental health services to existing mental health clients throughout Los Angeles County. Without Board approval, essential mental health services will be curtailed and inaccessible to communities.

The Honorable Board of Supervisors
May 26, 2005
Page 5

CONCLUSION

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

Respectfully submitted,



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

MJS:MY:RK:KT

Attachments (3)

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

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

ATTACHMENT I

CONTRACT RENEWALS FOR FYs 2005-2006, 2006-2007, AND 2007-2008

LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS

Item No.	Program Administration	Contract Administrator	Contractor Legal Entity (LE) No.	Sup. Dist. (HC)	Reimbursement Method Format* & Present Contract No.	Type of Service Exhibit **	Agreement Term	Maximum Contract Amount (MCA)		
								FY 2005-2006	FY 2006-2007	FY 2007-2008
1	Y. Townsend/ R. Kay	C. Lovely	Alcott Center for Mental Health Services (formerly Beverlywood MHC, Inc.) 1433 South Robertson Boulevard Los Angeles, CA 90035 Penelope Mehra Executive Director LEGAL ENTITY (LE) # 00177	2	CR DMH-01754	104A 402 403 404A	3 Yrs.	\$ 1,268,767	\$ 1,268,767	\$ 1,268,767
2	T. Beliz/ M. Marx	P. Pollock	AMADA Enterprises, Inc. d/b/a View Heights Convalescent Hospital 12619 South Avalon Boulevard Los Angeles, CA 90061 Monica Fenton Administrator LEGAL ENTITY (LE) # 00324	2	IMD DMH-01854	608	2 Yrs.	+	+	N/A
3	J. Allen/ S. Thomas	R. Bumpus	Asian American Drug Abuse Program, Inc. 5318 Crenshaw Boulevard Los Angeles, CA 90043 Mike Watanabe Executive Director LEGAL ENTITY (LE) # 01169	2	CR DMH-01756	104A 402 403	3 Yrs.	\$ 333,000	\$ 333,000	\$ 333,000
4	J. Allen/ S. Thomas	E. Ramirez	Barbour and Floyd Medical Associates 2640 Industry Way, #B Lynwood, CA 90262 Jack Barbour, M.D., President Reta Floyd, M.D., President LEGAL ENTITY (LE) # 00175	2	CR DMH-01758	104A 308A 402 403 404A 501A	3 Yrs.	\$ 1,997,723	\$ 1,997,723	\$ 1,997,723
5	J. Allen/ D. Innes- Gomberg	R. Bumpus	Behavioral Health Services, Inc. 15519 Crenshaw Boulevard Gardena, CA 90249 Theresa Cannon Executive Vice President LEGAL ENTITY (LE) # 01150	2	CR DMH-01759	104A 309A 402 403	3 Yrs.	\$ 816,000	\$ 816,000	\$ 816,000
6	T. Beliz/ E. Vidaurri	R. Bumpus	California Hispanic Commission 2102 Capitol Avenue Sacramento, CA 95816 James Hernandez Executive Director LEGAL ENTITY (LE) # 01149	N/A	NR DMH-01762	104A 202A 406A	3 Yrs.	\$ 1,136,300	\$ 1,136,300	\$ 1,136,300

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

ATTACHMENT I

CONTRACT RENEWALS FOR FYs 2005-2006, 2006-2007, AND 2007-2008

LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS

Item No.	Program Administration	Contract Administrator	Contractor Legal Entity (LE) No.	Sup. Dist. (HQ)	Reimbursement Method Format* & Present Contract No.	Type of Service Exhibit **	Agreement Term	Maximum Contract Amount (MCA)		
								FY 2005-2006	FY 2006-2007	FY 2007-2008
7	Y. Townsend/ R. Kay	E. Ramirez	Center for Healthy Aging 2125 Anzora Street Santa Monica, CA 90404 Annette Colfax Director of Finance & Administration LEGAL ENTITY (LE) # 00211	3	NR DMH-01764	104A 309A 402 403 404A	3 Yrs.	\$ 401,557	\$ 401,557	\$ 401,557
8	J. Allen/ D. Innes- Gomberg	S. Issakhanian	Children Youth and Family Services, Inc. P. O. Box 4550 5150 Pacific Coast Highway, Suite 365 Long Beach, CA 90804 Robert Di Stefano President/Chief Executive Officer LEGAL ENTITY (LE) # 00783	4	CR DMH-01767	104A 309A 402 403	3 Yrs.	\$ 7,496,959	\$ 7,496,959	\$ 7,496,959
9	J. Allen/ D. Innes- Gomberg	D. Sorenson	City of Gardena 1700 West 162nd Street Gardena, CA 90247 Paul K. Tanaka Mayor LEGAL ENTITY (LE) # 00922	2	NR DMH-01771	701A	3 Yrs.	\$ 91,528	\$ 91,528	\$ 91,528
10	T. Beliz/ M. Marx	P. Pollock	Community Care Center, Inc. 2335 South Mountain Avenue Duarte, CA 91010 Peter Bennett Administrator LEGAL ENTITY (LE) # 00311	5	IMD DMH-01855	608	2 Yrs.	+	+	N/A
11	J. Hatakeyama/ P. McIver	M. Iyer	Counseling and Research Associates, Inc. dba Masada Homes 130 West Victoria Street Gardena, CA 90248 George Igi Executive Director LEGAL ENTITY (LE) # 00779	4	CR DMH-01774	104A 309A 402 403 404A 406A	3 Yrs.	\$ 6,561,914	\$ 6,561,914	\$ 6,561,914
12	J. Hatakeyama/ C. Childs-Seagle	F. Miles	D'Veal Corporation dba D'Veal Family and Youth Services 855 North Orange Grove Boulevard, Suite 207 Pasadena, CA 91103 John McCall CEO LEGAL ENTITY (LE) # 00778	5	NR DMH-01777	104A 309A 402 403 404A 501A	3 Yrs.	\$ 5,430,996	\$ 5,430,996	\$ 5,430,996

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

ATTACHMENT I

CONTRACT RENEWALS FOR FYs 2005-2006, 2006-2007, AND 2007-2008

LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS

Item No.	Program Administration	Contract Administrator	Contractor Legal Entity (LE) No.	Sup. Dist. (HQ)	Reimbursement Method Format* & Present Contract No.	Type of Service Exhibit **	Agreement Term	Maximum Contract Amount (MCA)		
								FY 2005-2006	FY 2006-2007	FY 2007-2008
13	J. Hatakeyama/ P. McIver	P. Pollock	Harbor View Rehabilitation Center, Inc dba Harbor View Adolescent Center 3478 Buskirk Avenue, Suite 330 Pleasant Hill, CA 94523 Kess Cess Vice President, Operations LEGAL ENTITY (LE) # 00206	N/A	IMD/NR DMH-01789	104A 311A 402 403 608	3 Yrs.	\$ 3,691,837	\$ 3,691,837	\$ 3,691,837
14	J. Hatakeyama/ P. McIver	J. Nava	Institute for Applied Behavioral Analysis A Psychological Corporation (IABA) 5777 West Century Boulevard, Suite 675 Los Angeles, CA 90045 Gary W. LaVigna, Ph.D. Clinical Director LEGAL ENTITY (LE) # 01111	4	CR DMH-01797	406A	3 Yrs.	\$ 100,000	\$ 100,000	\$ 100,000
15	T. Beliz/ M. Marx	P. Pollock	Landmark Medical Services, Inc. 2030 North Garey Avenue Pomona, CA 91767 Rosemary C. Kilby Administrator LEGAL ENTITY (LE) # 00313	4	IMD DMH-01856	608	2 Yrs.	+	+	N/A
16	J. Hatakeyama/ P. McIver	M. Iyer	Los Angeles Orphans Home Society dba Hollygrove 815 North El Centro Avenue Los Angeles, CA 90038 Judith A. Nelson President and CEO LEGAL ENTITY (LE) # 00780	3	CR DMH-01808	104A 309A 402 403	3 Yrs.	\$ 3,178,052	\$ 3,178,052	\$ 3,178,052
17	T. Beliz/ M. Marx	P. Pollock	Meadowbrook Rehabilitation Center dba Meadowbrook Manor 3478 Buskirk Avenue, Suite 330 Pleasant Hill, CA 94523 Kess Cess Vice President, Operations LEGAL ENTITY (LE) # 00314	N/A	IMD DMH-01857	608	2 Yrs.	+	+	N/A
18	Y. Townsend/ R. Kay	E. Ramirez	New Directions, Inc 11303 Wilshire Boulevard, V.A. Bldg. 116 Los Angeles, CA 90073 Toni Reinis Chief Executive Director LEGAL ENTITY (LE) # 01142	3	NR DMH-01809	501A	3 Yrs.	\$ 174,268	\$ 174,268	\$ 174,268

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

ATTACHMENT I

CONTRACT RENEWALS FOR FYs 2005-2006, 2006-2007, AND 2007-2008

LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS

Item No.	Program Administration	Contract Administrator	Contractor Legal Entity (LE) No.	Sup. Dist. (HQ)	Reimbursement Method Format* & Present Contract No.	Type of Service Exhibit **	Agreement Term	Maximum Contract Amount (MCA)		
								FY 2005-2006	FY 2006-2007	FY 2007-2008
19	J. Allen/ D. Innes- Gornberg	C. Chu	One in Long Beach, Inc. dba The Gay and Lesbian Community Center of Greater Long Beach 2017 East 4th Street Long Beach, CA 90814 William Oldfield Executive Director LEGAL ENTITY (LE) # 00859	4	NR DMH-01813	501A	3 Yrs.	\$ 140,034	\$ 140,034	\$ 140,034
20	J. Hatakeyama/ P. McIver	S. Issakhanian	Optimist Youth Home dba Optimist Boys Home and Ranch 6957 North Figueroa Street P.O. Box 41-1076 Los Angeles, CA 90041 Sil Orlando Executive Director LEGAL ENTITY (LE) # 00781	1	NR DMH-01814	104A 309A 402 403	3 Yrs.	\$ 4,741,946	\$ 4,741,946	\$ 4,741,946
21	J. Hatakeyama/ P. McIver	C. Chu	Peninsula Centers dba Penny Lane (formerly National Foundation for the Treatment of the Emotionally Handicapped) 15317 Rayen Street North Hills, CA 91343 Rosana La Fianza Director of Clinic Operations LEGAL ENTITY (LE) # 00201	3	NR/CR DMH-01820	104A 309A 311A 402 403 406A 501A 804A	3 Yrs.	\$ 11,912,489	\$ 11,912,489	\$ 11,912,489
22	J. Hatakeyama/ P. McIver	M. Iyer	Project Houses of Los Angeles, Inc. 11600 Eldridge Avenue Lake View Terrace, CA 91342 Winifred B. Wechsler Senior Vice President LEGAL ENTITY (LE) # 00805	3	CR DMH-01822	104A 402 403 404A	3 Yrs.	\$ 1,665,000	\$ 1,665,000	\$ 1,665,000
23	J. Hatakeyama/ C. Childs-Seagle	M. Iyer	The Rehab Program at PRCC, Inc. 1391 North Garfield Avenue Pasadena, CA 91104 Steven C. Van Singel Vice President LEGAL ENTITY (LE) # 01129	5	NR DMH-01819	308A 402	3 Yrs.	\$ 180,000	\$ 180,000	\$ 180,000
24	J. Allen/ S. Thomas	M. Iyer	St Francis Medical Center Children's Counseling Center 3630 East Imperial Highway Lynwood, CA 90262 Derrill Tidwell, A.C.S.W. Executive Director LEGAL ENTITY (LE) # 00784	2	NR DMH-01835	104A 402 403 404A	3 Yrs.	\$ 2,050,094	\$ 2,050,094	\$ 2,050,094

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

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CONTRACT RENEWALS FOR FYs 2005-2006, 2006-2007, AND 2007-2008

LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS

Item No.	Program Administration	Contract Administrator	Contractor Legal Entity (LE) No.	Sup. Dist. (HC)	Reimbursement Method Format* & Present Contract No.	Type of Service Exhibit **	Agreement Term	Maximum Contract Amount (MCA)		
								FY 2005-2006	FY 2006-2007	FY 2007-2008
25	Y. Townsend/ R. Kay	D. Sorenson	St. Joseph Center 204 Hampton Avenue Venice, CA 90291 Judy Alexander Associate Director LEGAL ENTITY (LE) # 00218	3	NR/CR DMH-01837	104A 402 404A 501A 802A	3 Yrs.	\$ 488,205	\$ 488,205	\$ 488,205
26	T. Beliz/ M. Marx	P. Pollock	San Gabriel Valley Convalescent Hospital, Inc. 260 Penn. Mar. Therapeutic Center 260 East Brown Street, Suite 315 Birmingham, MI 48009 Mitchell A. Kantor President LEGAL ENTITY (LE) # 00308	N/A	IMD DMH-01858	608	2 Yrs.	+	+	N/A
27	J. Allen/ S. Thomas	Y. Liu	SHIELDS FOR FAMILIES, INC. 12714 South Avalon Boulevard, Suite 300 Los Angeles, CA 90061 Kathryn S. Icenhower, Ph.D. Executive Director LEGAL ENTITY (LE) # 00558	2	NR DMH-01829	104A, 311A 402, 403 404A, 501A 804A, 1006	3 Yrs.	\$ 5,468,742	\$ 5,468,742	\$ 5,468,742
28	J. Hatakeyama/ C. Childs-Seagle	R. Bumpus	SPIRIT Family Services, Inc. 13135 Barton Road Santa Fe Springs, CA 90605 Irene Redondo-Churchward Executive Director LEGAL ENTITY (LE) # 01160	1	CR DMH-01832	104A 402	3 Yrs.	\$ 450,000	\$ 450,000	\$ 450,000
29	J. Hatakeyama/ P. McIver	P. Pollock	Star View Adolescent Center, Inc. 1501 Hughes Way, Suite 150 Long Beach, CA 90810 Kent Dunlap Vice President of Operations LEGAL ENTITY (LE) # 00543	4	NR DMH-01833	104A, 311A 402, 403 404A, 406A 805	3 Yrs.	\$ 19,064,273	\$ 19,064,273	\$ 19,064,273
30	Y. Townsend/ R. Kay	F. Miles	Star Up On Second Street, Inc. 1328 Second Street Santa Monica, CA 90401 Todd Lipka Chief Executive Officer LEGAL ENTITY (LE) # 00215	3	NR DMH-01838	104A 402 403 404A 501A 901A	3 Yrs.	\$ 2,148,415	\$ 2,148,415	\$ 2,148,415

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

ATTACHMENT I

CONTRACT RENEWALS FOR FYs 2005-2006, 2006-2007, AND 2007-2008

LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS

Item No.	Program Administration	Contract Administrator	Contractor Legal Entity (LE) No.	Sup. Dist. (HQ)	Reimbursement Method Format* & Present Contract No.	Type of Service Exhibit **	Agreement Term	Maximum Contract Amount (MCA)		
								FY 2005-2006	FY 2006-2007	FY 2007-2008
31	Y. Townsend/ E. Carrera	R. Bumpus	Tarzana Treatment Center, Inc 18646 Oxnard Street Tarzana, CA 91356 Albert Senella COO LEGAL ENTITY (LE) # 01156	3	CR DMH-01840	104A 402 403	3 Yrs.	\$ 825,300	\$ 825,300	\$ 825,300
32	J. Allen/ D. Innes- Gomberg	E. Marmolejo	Talocate Corporation 1080 Marina Village Parkway, Suite 100 Alameda, CA 94501 Marshall Langfield Vice President/CFO LEGAL ENTITY (LE) # 00108	N/A	CR, NR, IMD DMH-01841	104A, 402 403, 404A 405, 501A 602, 608 801, 901 1010-A	3 Yrs.	\$ 6,145,101	\$ 6,145,101	\$ 6,145,101

TOTAL: \$ 87,958,500 \$ 87,958,500 \$ 87,958,500

* Reimbursement Method Format: CR=Cost Reimbursement NR=Negotiated Rate IMD=Institutions for Mental Disease
 ** Type of Program Service Exhibit Listing as identified on Attachment II
 + MCA shall not exceed the amount DMH budgets for IMD beds.

DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

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CONTRACTOR:

Contract Number

Business Address:

Reference Number(s)

Legal Entity Number

Provider Number(s) _____

Contractor Headquarters' Supervisorial District _____

Mental Health Service Area(s) _____ OR Countywide _____

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

DISTRIBUTION

(Please type in the applicable name for each)

Deputy Director _____ Lead Manager _____

K: S _____ --or-- U _____

LEGAL ENTITY:NRTIT20C.IVA.LEtbiCont05-06

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- 3 **ATTACHMENT I** DEFINITIONS
- 4 **ATTACHMENT II** FINANCIAL SUMMARY(IES) FY _____ FY _____ FY _____
- 5 **ATTACHMENT III** SERVICE DELIVERY SITE EXHIBIT(S)
- 6 **ATTACHMENT IV** SERVICE EXHIBIT(S)
- 7 **ATTACHMENT V** CASH FLOW ADVANCE (CFA) SCHEDULE AND CFA CLAIMS PAYMENT
- 8 EXAMPLE, (Sections 1, 2 and 3)
- 9 **ATTACHMENT VI** ATTESTATION REGARDING FEDERALLY FUNDED PROGRAM
- 10 **ATTACHMENT VII** SAFELY SURRENDERED BABY LAW FACT SHEET (In English and Spanish)
- 11 **ATTACHMENT VIII** CROSSWALK FACT SHEET

LEGAL ENTITY:NRTIT20C.IVA.LEtblCont05-06

1 DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

2
3
4 THIS AGREEMENT is made and entered into this _____ day of _____, _____, by
5 and between the County of Los Angeles (hereafter "County"), and _____
6
7 (hereafter "Contractor") with the following business address at _____
8

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

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

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

16 WHEREAS, these services shall be provided by Contractor in accordance with all applicable
17 Federal, State and local laws, required licenses, ordinances, rules, Regulations, manuals, guidelines, and
18 directives, which may include, but are not necessarily limited to, the following: Bronzan-McCorquodale
19 Act, California Welfare and Institutions Code Section 5600 et seq., including, but not limited to;
20 Sections 5600.2, 5600.3, 5600.4, 5600.9, 5602, 5608, 5651, 5670, 5670.5, 5671, 5671.5, 5672,
21 5705, 5709, 5710, 5716, 5719, 5721, 5722, 5751.2, and 5900 et seq.; Medi-Cal Act, California
22 Welfare and Institutions Code Section 14000 et seq., including, but not limited to, Section 14132.44;
23 California Welfare and Institutions Code Section 15600 et seq., including Section 15630; California
24 Welfare and Institutions Code Section 17601 et seq.; California Work Opportunities and Responsibilities
25 to Kids Act, California Welfare and Institutions Code Section 11200 et seq.; California Government
26 Code Sections 26227 and 53703; Title XIX of the Social Security Act, 42 United States Code Section
27 1396 et seq.; Title IV of the Social Security Act, Part B of Title XIX of the Public Health Service Act,
28 42 United States Code Section 300x et seq.; California Penal Code (PC) Section 11164 et seq.; Title 9
29 and Title 22, including, but not limited to, Sections 51516, 70001, 71001, 72001 et seq., and 72443
30 et seq. of the California Code of Regulations; State Department of Mental Health's (SDMH) Cost
31 Reporting/Data Collection Manual; State Department of Mental Health's Short-Doyle/Medi-Cal Manual
32 for the Rehabilitation Option and Targeted Case Management; State Department of Mental Health's
33 Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual; policies and procedures
34 developed by County; State's Medicaid Plan; and policies and procedures which have been documented
35 in the form of Policy Letters issued by State Department of Mental Health; and/or for State Department
36 of Health Services.

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

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

4 **PREAMBLE**

5 For over a decade, the County has collaborated with its community partners to enhance the
6 capacity of the health and human services system to improve the lives of children and families. These
7 efforts require, as a fundamental expectation, that the County's contracting partners share the County
8 and community's commitment to provide health and human services that support achievement of the
9 County's vision, goals, values, and adopted outcomes. Key to these efforts is the integration of service
10 delivery systems and the adoption of the Customer Service and Satisfaction Standards.

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

- 15
- | | |
|-------------------|-------------------------|
| ➤ Responsiveness | ➤ Integrity |
| ➤ Professionalism | ➤ Commitment |
| ➤ Accountability | ➤ A Can-Do Attitude |
| ➤ Compassion | ➤ Respect for Diversity |
- 16

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

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

- 27
- Good Health;
 - 28 • Economic Well-Being;
 - 29 • Safety and Survival;
 - 30 • Emotional and Social Well-Being; and
 - 31 • Education and Workforce Readiness.

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

1 values and goals for 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, build on their
5 strengths, and achieve their goals.
- 6 ✓ There is no "wrong door": wherever a family enters the system is the right place.
- 7 ✓ Families receive services tailored to their unique situations and needs.
- 8 ✓ Service providers and advocates involve families in the process of determining service
9 plans, and proactively provide families with coordinated and comprehensive information,
10 services, and resources.
- 11 ✓ The County service system is flexible, able to respond to service demands for both the
12 Countywide population and specific population groups.
- 13 ✓ The County service system acts to strengthen communities, recognizing that just as
14 individuals live in families, families live in communities.
- 15 ✓ In supporting families and communities, County agencies work seamlessly with public and
16 private service providers, community-based organizations, and other community partners.
- 17 ✓ County agencies and their partners work together seamlessly to demonstrate substantial
18 progress towards making the system more strength-based, family-focused, culturally-
19 competent, accessible, user-friendly, responsive, cohesive, efficient, professional, and
20 accountable.
- 21 ✓ County agencies and their partners focus on administrative and operational enhancements
22 to optimize the sharing of information, resources, and best practices while also protecting
23 the privacy rights of families.
- 24 ✓ County agencies and their partners pursue multi-disciplinary service delivery, a single
25 service plan, staff development opportunities, infrastructure enhancements, customer
26 service and satisfaction evaluation, and revenue maximization.
- 27 ✓ County agencies and their partners create incentives to reinforce the direction toward
28 service integration and a seamless service delivery system.
- 29 ✓ The County human service system embraces a commitment to the disciplined pursuit of
30 results accountability across systems. Specifically, any strategy designed to improve the
31 County human services system for children and families should ultimately be judged by
32 whether it helps achieve the County's five outcomes for children and families: good
33 health, economic well-being, safety and survival, emotional and social well-being, and
34 education and workforce readiness.

35 The County, its clients, contracting partners, and the community will continue to work together

1 to develop ways to make County services more accessible, customer friendly, better integrated, and
2 outcome-focused. Several departments have identified shared themes in their strategic plans for
3 achieving these goals including: making an effort to become more consumer/client-focused; valuing
4 community partnerships and collaborations; emphasizing values and integrity; and using a strengths-
5 based and multi-disciplinary team approach. County departments are also working to provide the Board
6 of Supervisors and the community with a better understanding of how resources are being utilized,
7 how well services are being provided, and what are the results of the services: is anyone better off?

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

11 *Personal Service Delivery*

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

- 14 • Introduce themselves by name
- 15 • Listen carefully and patiently to customers
- 16 • Be responsive to cultural and linguistic needs
- 17 • Explain procedures clearly
- 18 • Build on the strengths of families and communities

19 *Service Access*

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

- 21 • Provide services as promptly as possible
- 22 • Provide clear directions and service information
- 23 • Outreach to the community and promote available services
- 24 • Involve families in service plan development
- 25 • Follow-up to ensure appropriate delivery of services

26 *Service Environment*

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

- 29 • Ensure a safe environment
- 30 • Ensure a professional atmosphere
- 31 • Display vision, mission, and values statements
- 32 • Provide a clean and comfortable waiting area
- 33 • Ensure privacy
- 34 • Post complaint and appeals procedures

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

39 /

40 /

1 1. TERM:

2 A. Initial Period: The Initial Period of this Agreement shall commence on _____
3 and shall continue in full force and effect through _____.

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

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

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

15 C. Termination:

16 (1) This Agreement may be terminated by either party at any time without cause
17 by giving at least 30 days prior written notice to the other party.

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

19 (a) If County determines that:

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

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

24 iii. Contractor has failed to comply with any of the provisions of
25 Paragraphs 17 (NONDISCRIMINATION IN SERVICES), 18 (NONDISCRIMINATION IN EMPLOYMENT),
26 20 (INDEMNIFICATION AND INSURANCE), 21 (WARRANTY AGAINST CONTINGENT FEES), 22
27 (CONFLICT OF INTEREST), 27 (DELEGATION AND ASSIGNMENT), 28 (SUBCONTRACTING), 33
28 (CHILD SUPPORT COMPLIANCE PROGRAM), 47 (CERTIFICATION OF DRUG-FREE WORK PLACE),
29 and/or 53 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED
30 PROGRAM); or

31 (b) In accordance with Paragraphs 34 (TERMINATION FOR INSOLVENCY),
32 35 (TERMINATION FOR DEFAULT), 36 (TERMINATION FOR IMPROPER CONSIDERATION), and/or 48
33 (COUNTY LOBBYISTS).

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

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

2 (a) On or after the date of the written notice of termination, County, in its
3 sole discretion, may stop all payments to Contractor hereunder until preliminary settlement based on
4 the Annual Cost Report. Contractor shall prepare an Annual Cost Report, including a statement of
5 expenses and revenues, which shall be submitted pursuant to Paragraph 4 (FINANCIAL PROVISIONS),
6 Subparagraph N (Annual Cost Reports), within 75 days of the date of termination. Such preliminary
7 settlement shall not exceed the Maximum Monthly Payment (see Paragraph 4 (FINANCIAL
8 PROVISIONS), Subparagraph L (Maximum Monthly Payment) multiplied by the actual number of
9 months or portion thereof during which this Agreement was in effect during the particular Fiscal Year;
10 and

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

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

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

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

31 E. Six Months Notification of Agreement Expiration: Contractor shall notify County when
32 this Agreement is within six (6) months of expiration. Contractor shall send such notice to those
33 persons and addresses which are set forth in Paragraph 60 (NOTICES).

34 2. ADMINISTRATION: Director shall have the authority to administer this Agreement on behalf of
35 County. Contractor shall designate in writing a Contract Manager who shall function as liaison with
36 County regarding Contractor's performance hereunder.

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

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

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

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

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

21 If, during Contractor's provision of services under this Agreement, there is any need for
22 substantial deviation from the services as described in Contractor's Negotiation Package for this
23 Agreement, as approved in writing by Director, including any addenda thereto as approved in writing by
24 Director, then Contractor shall submit a written request to Director for written approval before any such
25 substantial deviation may occur.

26 4. FINANCIAL PROVISIONS:

27 A. General: This Agreement provides for reimbursement as provided in this Paragraph 4
28 (FINANCIAL PROVISIONS), Subparagraph J (1) (Payment) and as shown on the Financial Page(s). The
29 Contractor will comply with all requirements necessary for reimbursement as established by Federal,
30 State and local statutes, laws, ordinances, rules, regulations, manuals, policies, guidelines and
31 directives. Under no circumstances can the total Maximum Contract Amount of this Agreement be
32 increased or decreased without a properly executed amendment.

33 (1) Cost Reimbursement (CR): County agrees to reimburse Contractor during the
34 term of this Agreement for the actual and allowable costs, less all fees paid by or on behalf of
35 patients/clients receiving services/activities hereunder and all other revenue, interest and return
36 resulting from services/activities and/or funds paid by County to Contractor hereunder but not to

1 exceed the Maximum Reimbursable Amount per visit as shown on the Financial Summary and the
2 maximum number of allowable visits stipulated in the Fee-For-Service Medi-Cal Specialty Mental Health
3 Services Provider Manual when Contractor is providing mental health services, specialty mental health
4 services and/or Title XIX Medi-Cal Administrative Activities hereunder in accordance with WIC Sections
5 5704, 5707, 5709, 5710, 5714, 5716, 5717, 5718, 5719, 5720, 5721, 5723, and 14132.44; CCR
6 Titles 9 and 22; SDMH Policy Letters; CR/DC Manual; RO/TCM Manual; DMH policies and procedures;
7 and all other applicable Federal, State, and local laws, ordinances, rules, regulations manuals,
8 guidelines, and directives.

9 (2) EPSDT: County agrees to reimburse Contractor during the term of this
10 Agreement for providing EPSDT mental health services/activities over the State established baseline in
11 accordance with Federal and State laws and regulations. Baseline increases imposed by the State will
12 be imposed on the Contractor in like percentages.

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

16 Notwithstanding any other provision of this Agreement, in the event that Contractor provides
17 EPSDT services reimbursable under the State's EPSDT mandate claim process, in excess of the
18 Contractor's Fiscal Year _____ base of \$ _____, Contractor shall be
19 paid by County from EPSDT funds upon receipt from the State. The CGF allocated on the Financial
20 Summary Page for EPSDT baseline services is designated solely for EPSDT eligible services and no CGF
21 in this category shall be transferred to any other category on said Financial Summary Page. In the
22 event that EPSDT funds are not available to pay EPSDT claims or that State denies any or all of the
23 EPSDT claims submitted by County on behalf of Contractor, Contractor shall indemnify and hold
24 harmless County for any and all liability for payment of any or all of the denied EPSDT claims or for the
25 unavailability of EPSDT funds to pay for EPSDT claims. Contractor shall be solely liable and responsible
26 for all data and information submitted by Contractor to County in support of all claims for EPSDT funds
27 submitted by County as the fiscal intermediary.

28 (3) IMD: County agrees to reimburse Contractor during the term of this Agreement
29 for providing IMD mental health services/activities in accordance with State laws and regulations.

30 (4) Negotiated Rate (NR): County agrees to reimburse Contractor during the term
31 of this Agreement for providing mental health services hereunder in accordance with WIC Sections
32 5704, 5705, 5707, 5709, 5710, 5714, 5716, 5717, 5718, 5719, 5720, 5721, 5723, and
33 14132.44; CCR Titles 9 and 22; SDMH Policy Letters; CR/DC Manual; RO/TCM Manual; DMH policies
34 and procedures; and all other applicable Federal, State, and local laws, ordinances, rules, regulations,
35 manuals, guidelines, and directives. Except for Title XIX Medi-Cal Administrative Activities,
36 reimbursement shall be at the Negotiated Rate(s), as mutually agreed upon between County and

1 Contractor and approved by SDMH (for any NR funded in whole or in part by Title XIX
2 Short-Doyle/Medi-Cal and/or State funds) and as shown on the Financial Summary less all fees paid by
3 or on behalf of patients/clients receiving services hereunder and all other revenue, interest and return
4 resulting from services/activities and/or funds paid by County to Contractor hereunder.

5 B. Reimbursement For Initial Period: The Maximum Contract Amount for the Initial Period
6 of this Agreement as described in Paragraph 1 (TERM) shall not exceed _____

7 _____
8 DOLLARS (\$ _____) and shall consist of County, State, and/or Federal funds as shown on
9 the Financial Summary. This Maximum Contract Amount includes Cash Flow Advance which is
10 repayable through cash and/or appropriate Service Function Code (SFC) units and/or actual and
11 allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other
12 provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract
13 Amount for Contractor's performance hereunder during the Initial Period. Furthermore, Contractor shall
14 inform County when up to 75 percent (75%) of the Maximum Contract Amount has been incurred.
15 Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 60
16 (NOTICES).

17 C. Reimbursement If Agreement Is Automatically Renewed:

18 (1) Reimbursement For First Automatic Renewal Period: The Maximum Contract
19 Amount for the First Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM)
20 shall not exceed _____

21 _____
22 DOLLARS (\$ _____) and shall consist of County, State, and/or Federal funds as shown on
23 the Financial Summary. This Maximum Contract Amount includes the Cash Flow Advance which is
24 repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by
25 other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no
26 event shall County pay Contractor more than this Maximum Contract Amount for Contractor's
27 performance hereunder during the First Automatic Renewal Period. Furthermore, Contractor shall
28 inform County when up to 75 percent (75%) of the Maximum Contract Amount has been incurred.
29 Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 60
30 (NOTICES).

31 (2) Reimbursement For Second Automatic Renewal Period: The Maximum
32 Contract Amount for the Second Automatic Renewal Period of this Agreement as described in
33 Paragraph 1 (TERM) shall not exceed _____

34 _____ DOLLARS (\$ _____)
35 and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This
36 Maximum Contract Amount includes the Cash Flow Advance which is repayable through cash and/or

1 appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this
2 Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay
3 Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during
4 the Second Automatic Renewal Period. Furthermore, Contractor shall inform County when up to 75
5 percent (75%) of the Maximum Contract Amount has been incurred. Contractor shall send such notice
6 to those persons and addresses which are set forth in Paragraph 60 (NOTICES).

7 D. SDMH Approval of Negotiated Rate(s):

8 (1) Pursuant to WIC Section 5716, SDMH's approval of each NR, which is funded
9 in whole or in part by Federal and/or State funds, shall be obtained prior to the commencement date of
10 this Agreement and prior to the beginning of any subsequent Fiscal Year or portion thereof that this
11 Agreement is in effect. Each such NR shall be effective only upon SDMH approval. If SDMH approval
12 is received after the commencement date of this Agreement or after the beginning of any subsequent
13 Fiscal Year, SDMH approval may be retroactive. If any such NR is disapproved by SDMH for any Fiscal
14 Year or portion thereof, Contractor shall be compensated for all mental health services under this
15 Agreement in accordance with the provisions of WIC Section 5716.

16 (2) Contractor understands that any NR funded in whole or in part by Title XIX
17 Short-Doyle/Medi-Cal and/or State funds may include County's share of reimbursement for
18 administrative support costs, including, but not limited to, quality assurance, utilization review,
19 technical assistance, training, cost accounting, contract administration, other direct administrative
20 activities which result because of contracting activities, medications, monitoring, revenue generation,
21 and client data collection. County shall pay Contractor for Contractor's share of reimbursement for any
22 such NR and shall retain County's share of reimbursement to pay for County's associated
23 administrative support costs, if any.

24 E. Established Maximum Allowable Rates:

25 (1) Notwithstanding any other provision of this Agreement, County shall not be
26 required to pay Contractor more than the Established Maximum Allowable Rates for applicable Title XIX
27 Short-Doyle/Medi-Cal SFC units. The Established Maximum Allowable Rates shall be those specified in
28 CCR Title 22, as authorized by WIC Section 5720.

29 (2) Pursuant to Subparagraph D (SDMH Approval of Negotiated Rate(s)) and this
30 Subparagraph E, the appropriate Established Maximum Allowable Rates in effect during the Initial Period
31 of this Agreement, the First Automatic Renewal Period, or the Second Automatic Renewal Period, shall
32 be applicable to this Agreement when adopted by State.

33 (3) The Established Maximum Allowable Rates shall not apply to SFC units which
34 are wholly funded by CGF.

35 /

36 /

1 F. EPSDT Title XIX Medi-Cal Services, Title XIX Short-Doyle/Medi-Cal Services and Title
2 XIX Medi-Cal Administrative Activities:

3 (1) Except as otherwise provided in this Agreement, if Contractor provides EPSDT
4 Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal
5 Administrative Activities, then Contractor shall be reimbursed by County for the eligible and Federal and
6 State-approved EPSDT Title XIX Medi-Cal SFC units furnished to eligible Medi-Cal beneficiaries; and/or
7 for the eligible and State-approved Title XIX Short-Doyle/Medi-Cal SFC units furnished to eligible
8 Medi-Cal beneficiaries; and/or as determined by the State, for the actual and allowable costs of eligible
9 and State-approved Title XIX Medi-Cal Administrative Activities only in arrears and only to the extent of
10 actual EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal, and/or Title XIX Medi-Cal
11 Administrative Activities payments made by the Federal and State governments to County for such
12 service and activities.

13 (2) Each Fiscal Year of the term of this Agreement, such reimbursement for Title
14 XIX Short-Doyle/Medi-Cal SFC units, and/or for Title XIX Medi-Cal Administrative Activities, shall be
15 made as applicable on the basis of: (1) fifty percent Title XIX Short-Doyle/Medi-Cal services FFP funds
16 and/or fifty percent Title XIX Medi-Cal Administrative Activities FFP funds, and/or fifty percent
17 Specialty Mental Health Services FFP funds which are part of the applicable Maximum Contract
18 Amount of this Agreement and which are paid by County to Contractor solely in County's capacity as
19 the fiscal intermediary for such Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal
20 Administrative Activities, and (2) fifty percent match from funds which are part of the applicable
21 Maximum Contract Amount of this Agreement, and which qualify as eligible FFP match as on the
22 Financial Summary.

23 (3) Each Fiscal Year of the term of this Agreement, such reimbursement for EPSDT
24 Title XIX Medi-Cal services shall be one hundred percent of the program funds which are part of the
25 applicable Maximum Contract Amount of this Agreement and which are paid by County to Contractor
26 solely in County's capacity as the fiscal intermediary. EPSDT Title XIX Medi-Cal services shall be paid
27 as applicable on the basis of fifty percent EPSDT Title XIX services FFP funds and fifty percent State
28 matching general funds for EPSDT and only when such EPSDT Title XIX services exceed the individual
29 Contractor's EPSDT base line as identified in Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph A
30 (3) (EPSDT).

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

36 (5) If EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal

1 services, and/or Title XIX Medi-Cal Administrative Activities, are provided under this Agreement,
2 Contractor authorizes County to serve as the fiscal intermediary for claiming and reimbursement for
3 such EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title
4 XIX Medi-Cal Administrative Activities and to act on Contractor's behalf with SDMH, SDHS and/or
5 SDSS in regard to claiming reimbursement for EPSDT Title XIX Medi-Cal services, and/or Title XIX
6 Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities.

7 Contractor shall be solely liable and responsible for all data and information submitted
8 by Contractor to County in support of all claims for EPSDT Title XIX Medi-Cal services, and/or Title XIX
9 Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, submitted by
10 County as the fiscal intermediary to SDMH, SDHS and/or SDSS and for any subsequent State
11 approvals or denials of such claims that may be based on data and information submitted by
12 Contractor. Contractor shall process all EPSDT Title XIX Medi-Cal and/or Title XIX Short-Doyle/Medi-
13 Cal, Explanation of Balance (EOB) or other data within the time frame prescribed by the State and
14 Federal governments. County shall have no liability for Contractor's failure to comply with State and
15 Federal time frames.

16 Notwithstanding any other provision of this Agreement, Contractor shall hold County
17 harmless from and against any loss to Contractor resulting from any such State denials, unresolved
18 EOB claims, and/or any Federal and/or State audit disallowances for such Title XIX
19 Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities.

20 (6) Contractor shall hold County harmless from and against any loss to Contractor
21 resulting from any such State denials, unresolved EOB claims, and/or any Federal and/or State audit
22 disallowances for such EPSDT Title XIX Medi-Cal services.

23 (7) Notwithstanding any other provision of this Agreement, Contractor shall be
24 totally liable and responsible for: (1) the accuracy of all data and information on all claims for EPSDT
25 Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services which Contractor inputs
26 into MHMIS or IS, (2) the accuracy of all data and information which Contractor provides to DMH, and
27 (3) ensuring that all EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services,
28 and/or Title XIX Medi-Cal Administrative Activities, are performed appropriately within Medi-Cal,
29 guidelines including, but not limited to, administration, utilization review, documentation, and staffing.

30 (8) As the State designated Short-Doyle/Medi-Cal fiscal intermediary, County shall
31 submit a claim to SDMH for EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal
32 reimbursement only for those services entered into MHMIS/IS that meet the Medi-Cal claiming
33 requirements as identified by Contractor. Contractor shall comply with all written instructions from
34 County and/or State regarding EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal
35 claiming and documentation.

36 Contractor shall maintain an audit file documenting all EPSDT Title XIX Medi-Cal,

1 and/or Title XIX Short-Doyle/Medi-Cal services as instructed by County for a period of seven (7) years
2 from the end of the Fiscal Year in which such services were provided or until final resolution of any
3 audits, whichever occurs later.

4 (9) County is the State designated fiscal intermediary for EPSDT Title XIX Medi-Cal
5 services, and Title XIX Short-Doyle/Medi-Cal services, and Title XIX Medi-Cal Administrative Activities.

6 Contractor shall comply with all written instructions from County regarding any such Title XIX claims
7 and documentation. Contractor shall certify in writing that all necessary Title XIX documentation exists
8 at the time any such claims for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-
9 Cal services, and/or Title XIX Medi-Cal Administrative Activities, are submitted by Contractor to
10 County.

11 Contractor shall maintain all records, including, but not limited to, all time studies
12 prepared by Contractor, documenting all EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-
13 Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, as instructed by County
14 for a period of seven (7) years from the end of the quarter in which such services were provided or
15 until final resolution of any audits, whichever occurs later.

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

22 (11) EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation
23 Report: Prior to 14 and one-half months after the close of each Fiscal Year, Contractor shall provide
24 DMH with two (2) copies of an accurate and complete EPSDT Title XIX Medi-Cal and Title XIX
25 Short-Doyle/Medi-Cal Reconciliation Report at the legal entity level for each of Contractor's
26 Short-Doyle/Medi-Cal provider numbers which are part of the legal entity, for all EPSDT Title XIX Medi-
27 Cal, and/or Title XIX Short-Doyle/Medi-Cal SFC units furnished and State-approved during the
28 applicable Fiscal Year. Each such EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal
29 Reconciliation Report shall be prepared by Contractor in accordance with all SDMH instructions and
30 shall be certified in writing by Contractor's Chief Executive Officer. If Contractor does not so provide
31 DMH with the EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report
32 within such 14 and one-half months, then Director, in his sole discretion, shall determine which State
33 approved EPSDT Medi-Cal, and/or Short-Doyle/Medi-Cal data shall be used by County for completion of
34 the EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report.

35 (12) EPSDT Title XIX Medi-Cal Services, Title XIX Short-Doyle/Medi-Cal Services,
36 Title XIX Medi-Cal Administrative Activities, Overpayment Recovery Procedures: Contractor shall repay

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

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

7 For State audit exceptions, County shall immediately recover any overpayment from
8 Contractor when the State recovers the overpayment from County.

9 For County audit exceptions, County shall immediately recover the overpayment from
10 Contractor 30 days from the date of the applicable audit determination by Director.

11 Contractor shall pay County according to the method described in Subparagraph S
12 (Payments Due to County/Method of Payment).

13 G. Funding Sources:

14 (1) County, State, and/or Federal funds shall be limited to and shall not exceed the
15 respective amounts shown on the Financial Summary. County funds include the portion of Cash Flow
16 Advance and is repayable through cash, and/or County SFC units, and/or approved EPSDT Title XIX
17 Medi-Cal units of service, approved Title XIX Short-Doyle/Medi-Cal SFC units, and/or approved Title
18 XIX Medi-Cal Administrative Activities units of activities.

19 (2) The reimbursement method of payment for the respective County, State and/or
20 Federal funding source(s) is shown on the Financial Summary.

21 (3) The combined CGF and any other funding sources shown on the Financial
22 Summary as funds to be disbursed by County shall not total more than the Maximum Contract Amount
23 for the applicable period of the Agreement term as specified in Subparagraphs B (Reimbursement For
24 Initial Period) and C (Reimbursement If Agreement Is Automatically Renewed).

25 (4) County funds include Cash Flow Advance which is repayable through cash
26 and/or County SFC units, and/or approved EPSDT Title XIX Medi-Cal SFC units, and/or approved Title
27 XIX Short-Doyle/Medi-Cal SFC units, and/or approved Title XIX Medi-Cal Administrative Activities units
28 of activities.

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

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

1 (5) To the extent permitted by Federal law, certain funds, as designated on the
2 Financial Summary, may be used to match the FFP component of reimbursement for Title XIX
3 Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, in order to achieve
4 the maximum Federal reimbursement possible for mental health services and administrative activities
5 provided under this Agreement.

6 H. Government Funding Restrictions: This Agreement shall be subject to any restrictions,
7 limitations, or conditions imposed by State, including, but not limited to, those contained in State's
8 Budget Act, which may in any way affect the provisions or funding of this Agreement. This
9 Agreement shall also be subject to any additional restrictions, limitations, or conditions imposed by the
10 Federal government which may in any way affect the provisions or funding of this Agreement.

11 I. Patient/Client Eligibility, UMDAP Fees, Third Party Revenue, and Interest:

12 (1) Contractor shall comply with all County, State, and Federal requirements and
13 procedures, as described in WIC Sections 5709, 5710 and 5721; relating to: (1) the determination and
14 collection of patient/client fees for services hereunder based on UMDAP and DMH's Revenue Manual,
15 (2) the eligibility of patients/clients for Short-Doyle/Medi-Cal, Medicare, private insurance, or other third
16 party revenue, and (3) the collection, reporting and deduction of all patient/client and other revenue for
17 patients/clients receiving services hereunder. Contractor shall vigorously pursue and report collection of
18 all patient/client and other revenue.

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

22 (3) If Contractor provides Title XIX Medi-Cal Administrative Activities funded by
23 Title XIX pursuant to WIC Section 14132.44 as described in Paragraph 3 (DESCRIPTION OF
24 SERVICES), or then Contractor shall assure that FFP reimbursement for such Title XIX Medi-Cal
25 Administrative Activities and shall be utilized by Contractor only for the provision of Title XIX Medi-Cal
26 Administrative Activities.

27 (4) Contractor may retain unanticipated revenue, which is not shown in
28 Contractor's Negotiation Package for this Agreement, for a maximum period of one Fiscal Year,
29 provided that the unanticipated revenue is utilized for the delivery of mental health service units
30 specified in this Agreement. Contractor shall report the mental health services funded by this
31 unanticipated revenue in the Annual Cost Report submitted by Contractor to County. The Annual Cost
32 Report shall be prepared as instructed by State and County.

33 (5) Contractor shall not retain any fees paid by any resources for or on behalf of
34 Medi-Cal beneficiaries without having those fees deducted from the cost of providing the mental health
35 service/units specified in this Agreement.

36 (6) Contractor may retain any interest and/or return which may be received, earned

1 or collected from any funds paid by County to Contractor, provided that Contractor shall utilize all such
2 interest and return only for the delivery of mental health service units specified in this Agreement.

3 (7) Failure of Contractor to report in all its monthly claims and in its Annual Cost
4 Report all fees paid by patients/clients receiving services hereunder, all fees paid on behalf of
5 patients/clients receiving services hereunder, all fees paid by third parties on behalf of Medi-Cal
6 beneficiaries receiving services and/or activities hereunder, all unanticipated revenue not shown in
7 Contractor's Negotiation Package for this Agreement, and all interest and return on funds paid by
8 County to Contractor, shall result in: (1) Contractor's submission of a revised claim statement showing
9 all such nonreported revenue, (2) a report by County to SDMH of all such nonreported revenue, (3) a
10 report by County to the Federal Health Care Financing Administration (HCFA) should any such
11 unreported revenue be paid by any resources for or on behalf of Medi-Cal beneficiaries, and/or (4) any
12 appropriate financial adjustment to Contractor's reimbursement.

13 J. Payment:

14 (1) For each month of the term of this Agreement, Contractor shall submit to
15 County a claim for each applicable row (payer funding source) identified on the Financial Summary and
16 Rate Schedule, in the form and content specified by County. Each monthly claim shall be submitted
17 within 60 days of Contractor's receipt of County's MHMIS or IS reports, as applicable, for the last date
18 mental health services were provided during the particular month and within 60 days of the last date
19 Title XIX Medi-Cal Administrative Activities were provided during the particular month.

20 (a) Cost Reimbursement: Contractor's monthly claim to County shall show
21 all Contractor's actual and allowable costs and all other revenue, interest and return resulting from
22 services/activities and/or funds paid by County to Contractor hereunder for the particular month. The
23 County may make provisional reimbursement, subject to final settlement to cost. All provisional
24 reimbursement shall be based upon specialty mental health services actually provided as shown on
25 County's Claims Systems reports. Contractor certifies that all units of service claimed by Contractor
26 on a provisional reimbursement basis are true and accurate claims for reimbursement.

27 (b) For IMDs Only: Those Institutions for Mental Disease which are
28 licensed as Skilled Nursing Facilities (SNF) by SDHS are, thereby, entitled by law to the rates
29 established by SDHS for Skilled Nursing Facilities. The IMD rate consists of a basic SNF rate and a STP
30 rate, or a MHRC rate. Contractor's monthly claim to County shall be for those patient days that have
31 been approved in writing by the County and shall be separately itemized by each patient day. Claims
32 shall be submitted to County within 30 days of the end of the billing period. Monthly claims shall be
33 reviewed and approved by County.

34 (c) Negotiated Rate: Contractor's monthly claim to County shall be
35 separately itemized by each SFC to show the payment calculation for each SFC by multiplying the SFC
36 units as shown on MHMIS or IS reports by the applicable NR for such SFC as shown on the Financial

1 Summary, except that for PATH and SAMHSA services, Contractor's monthly claim shall show
2 Contractor's actual and allowable costs, less all fees paid by or on behalf of patients/clients receiving
3 services hereunder and all other revenue, interest and return resulting from services/activities and/or
4 funds paid by County to Contractor hereunder.

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

7 ii. Final reimbursement to Contractor shall not exceed the listed
8 rates as shown on the Financial Summary. Provisional reimbursement to contractor shall be at the State
9 established Title XXII rates for CPT codes. At cost report, provisional reimbursement will be adjusted
10 to State approved Negotiated Rates not to exceed the rates shown on the Financial Summary and shall
11 be considered payment in full, subject to third party liability and beneficiary share of cost, for the
12 specialty mental health services provided to a beneficiary. Reimbursement shall be made only for State
13 approved Short-Doyle/Medi-Cal claims and to the extent that funds allocated by State for County
14 specifically for these services are available.

15 iii. For Organizational Providers Only. Provisional reimbursement
16 shall be based on the rates shown on the Provisional Rate Schedule(s) as published and periodically
17 revised as supplements to the Los Angeles County DMH Fee-For-Service Medi-Cal Specialty Mental
18 Health Services Provider Manual by the DMH, Office of Managed Care and distributed to DMH
19 Organizational Providers and to the Los Angeles County DMH Contracts Development and
20 Administration Division.

21 Further, Contractor agrees to hold harmless both the State and beneficiary in the event
22 County cannot or will not pay for services performed by Contractor pursuant to this Agreement.

23 (2) On the basis of this monthly claim and after Director's review and approval of
24 the monthly claim, Contractor shall receive from County payment of Contractor's claimed amount for
25 NR services, and actual and allowable costs for all cost reimbursed services and activities, less all
26 revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor
27 hereunder, including, but not limited to, all Medicare, patient/client fees, private insurance, and any
28 other revenue, interest and return as described in Subsection 7 of Subparagraph I (Patient/Client
29 Eligibility, UMDAP Fees, Third Party Revenue, and Interest).

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

34 If Contractor has received any Cash Flow Advance pursuant to Subparagraph K (Cash
35 Flow Advances In Expectation of Services/Activities To Be Rendered), then Director may, in his
36 discretion, at any time, make adjustments to any of Contractor's monthly claims as necessary to

1 ensure that Contractor shall not be paid by County a sum in excess of the amount determined by
2 multiplying the SFC units as shown on MHMIS or IS reports by the applicable NR for such SFC as
3 shown on the Financial Summary for NR services and/or Contractor's actual and allowable costs of
4 providing mental health services and Title XIX Medi-Cal Administrative Activities, or the Maximum
5 Contract Amount for such Fiscal Year as shown in Subparagraphs B (Reimbursement for Initial Period)
6 or C (Reimbursement If Agreement Is Automatically Renewed), whichever is less, less all revenue,
7 interest and return resulting from services/activities and/or funds paid by County to Contractor
8 hereunder. Contractor may request in writing, and shall receive if requested, DMH's computations for
9 determining any adjustment to Contractor's monthly claim.

10 (3) All monthly claims shall be subject to adjustment based upon the MHMIS or IS
11 reports, as applicable, EOB data, and/or Contractor's Annual Cost Report which shall supersede and
12 take precedence over all claims.

13 (4) All monthly claims shall be based on mental health services actually provided as
14 shown on MHMIS or IS reports, as applicable, and/or Title XIX Medi-Cal Administrative Activities
15 actually provided as shown by State-approved time studies prepared or actual and allowable costs for
16 State approved units of activities reported by Contractor. Contractor certifies that all units of services
17 reported by Contractor into MHMIS or IS are true and accurate claims for reimbursement.

18 (5) EPSDT Title XIX Medi-Cal funds, and Title XIX Short-Doyle/Medi-Cal FFP funds
19 shall be paid by County to Contractor only for State approved claims for EPSDT Title XIX Medi-Cal
20 and/or Title XIX Short-Doyle/Medi-Cal SFC units provided to eligible Medi-Cal beneficiaries. EPSDT
21 Title XIX Medi-Cal funds, and Title XIX Short-Doyle/Medi-Cal FFP funds shall be paid by County to
22 Contractor only in arrears, only for the period of time Contractor is certified as a Title XIX
23 Short-Doyle/Medi-Cal provider, only to the extent that eligible FFP matching funds are available under
24 this Agreement, and only after County has received EPSDT and FFP payment from State.

25 (6) Title XIX Medi-Cal Administrative Activities FFP funds shall be paid by County
26 to Contractor only for State approved claims for Title XIX Medi-Cal Administrative Activities based on
27 time studies prepared or actual and allowable costs for units of activities reported by Contractor. Title
28 XIX Medi-Cal Administrative Activities FFP funds shall be paid by County to Contractor only in arrears
29 and only if Contractor is authorized as a Title XIX Medi-Cal Administrative Activities provider, only to
30 the extent that eligible FFP matching funds are available under this Agreement, and only after County
31 has received FFP payment from State.

32 (7) EPSDT and FFP funds shall be paid by County to Contractor solely in County's
33 capacity as the fiscal intermediary for EPSDT Title XIX Medi-Cal services, Title XIX
34 Short-Doyle/Medi-Cal services, and Title XIX Medi-Cal Administrative Activities. Each Fiscal Year of
35 the term of this Agreement, County shall pay to Contractor FFP funds only to the extent that the
36 applicable Maximum Contract Amount has eligible State and/or local funds which qualify as the match

1 to FFP, as required by Federal and/or State laws, regulations, manuals, guidelines, and directives.

2 (8) EPSDT Title XIX Medi-Cal services funds, Title XIX Short-Doyle/Medi-Cal
3 services FFP funds, Title XIX Medi-Cal Administrative Activities FFP funds, shall be paid by County to
4 Contractor solely in County's capacity as the fiscal intermediary for EPSDT Title XIX Medi-Cal services,
5 Title XIX Short-Doyle/Medi-Cal services, Title XIX Medi-Cal Administrative Activities. Each Fiscal Year
6 of the term of this Agreement, County shall pay to Contractor EPSDT Title XIX Medi-Cal services,
7 and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities
8 funds only to the extent required by Federal laws, regulations, manuals, guidelines, and directives.

9 (9) Notwithstanding any other provision of this Agreement, in the event that
10 Contractor provides EPSDT Title XIX Medi-Cal services pursuant to the EPSDT provisions of this
11 Agreement in excess of Contractor's EPSDT baseline as identified in Paragraph 4 (FINANCIAL
12 PROVISIONS), Subparagraph A (3) (EPSDT) as calculated with SDMH service approval data, and
13 County does not meet the Fiscal Year 1994-95 base as adjusted by the State, Contractor shall be paid
14 by County from a CGF risk reserve pool established for this purpose. The CGF risk reserve pool funds
15 shall be maintained in accordance with County policies and procedures and shall be for the SDMH
16 general fund portion of the individual Contractor's EPSDT approved services.

17 (10) County pays any EPSDT-SGF (Early and Periodic Screening, Diagnosis, and
18 Treatment—State General Funds) local matching funds in excess of the EPSDT baseline as identified in
19 Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph A (3) (EPSDT) and Medi-Cal Federal Financial
20 Participation Funds (FFP) to Contractor solely in County's capacity as the EPSDT-SGF and FFP
21 intermediary between the Contractor and the State. Solely to assist the County in expeditiously
22 processing and initially paying Contractor (because of the internal accounting necessity for
23 appropriation authority) for such claims for payment pending reimbursement from the State, the
24 Maximum Contract Amount(s) of this Agreement shall include EPSDT-SGF and/or FFP. This will
25 establish legal authorization by the Board of Supervisors to make expenditures for the services and/or
26 activities identified on the Financial Summary and Service Exhibit(s) of this Agreement, pending
27 reimbursement by the State. To the extent Contractor exceeds the EPSDT-SGF and/or FFP amount(s)
28 included in this Agreement, such excess will be paid to Contractor only upon Contract Amendment
29 approved by the Board of Supervisors, or from an Appropriation Account set up to record the Board's
30 specific authorization to spend EPSDT-SGF and FFP in excess of the Maximum Contract Amount(s).

31 Contractor understands and agrees that County's assistance in processing
32 and, as an intermediary for the State and Federal governments, initially paying for EPSDT-SGF and
33 FFP in accordance with the above is subject to reimbursement from the State and does not render
34 County in any way responsible for the substantive obligation to be ultimately fiscally responsible for
35 payment for Contractor's claims for payment for these services. Contractor's entitlement to
36 payment for such services, or claimed services, is entirely dependent upon compliance with the law

1 and regulations related to same. In the event of a dispute regarding entitlement for payment,
2 Contractor agrees that County is not liable for payment for such claims and will not pursue any such
3 claims for payment against County.

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

12 K. Cash Flow Advance In Expectation Of Services/Activities To Be Rendered:

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

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

24 Cash Flow Advance is intended to provide cash flow to Contractor pending Contractor's
25 rendering and billing of eligible services/activities, as identified by Paragraph 3 (DESCRIPTION OF
26 SERVICES/ACTIVITIES) of this Agreement, to the County and/or State and/or Federal government(s),
27 and the County and/or State and/or Federal government(s) have made payment for such
28 services/activities. Contractor may request each monthly Cash Flow Advance only for such
29 services/activities and only when there is no reimbursement from other public or private sources for
30 such services/activities.

31 No Cash Flow Advance will be given if a Contractor has not been certified as an eligible Medi-
32 Cal service provider.

33 The Cash Flow Advance amount for any particular month will be reduced by County payments
34 of actual reimbursement claims received by County from the Contractor. The County's claims payment
35 process is initiated immediately upon County receipt from Contractor of a reimbursement claim. If such
36 Contractor reimbursement claim is received at any time during either the initial three (3) or two (2)

1 additional consecutive months, the monthly payment to Contractor will include the payment for such
2 actual reimbursement claim thereby reducing the Cash Flow Advance disbursement amount for that
3 particular month.

4 Cash Flow Advance is based upon the following:

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

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

22 The Cash Flow Advance monthly amount for each of the two (2) consecutive months is:

23 (1) 1/12th of the Maximum Contract Amount for EPSDT-SGF as identified on the Financial
24 Summary Page, annualized Maximum Contract Amount if a partial year plus;

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

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

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

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

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

6 For IMD, PHF and Mental Health Rehabilitation Center Contractors Only: The amount of a Cash
7 Flow Advance payment shall be based on 95 percent (95%) of the average daily census for the last
8 two months of the preceding fiscal year.

9 L. Maximum Monthly Payment: County's Maximum Monthly Payment to Contractor for
10 each monthly claim shall not exceed an amount determined pursuant to County policies and
11 procedures.

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

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

19 In order to recover CGF provided to Contractor as Cash Flow Advance pursuant to this
20 Subparagraph L, or any amounts due to County by Contractor under this Agreement or otherwise,
21 County shall withhold from any amounts due by County to Contractor under this Agreement or
22 otherwise: (1) the FFP and/or EPSDT-SGF portions of total State approved Short-Doyle/Medi-Cal claims
23 Cash Flow Advances that are in excess of a cumulative, for each month actual State approval data has
24 been received, 1/12 of the Maximum Contract Amount and/or (2) the FFP portion of Title XIX
25 Short-Doyle/Medi-Cal for State approved claims for Title XIX Short-Doyle/Medi-Cal SFC units and/or (3)
26 the State and FFP portion of EPSDT Title XIX Medi-Cal for State approved claims for EPSDT Title XIX
27 Medi-Cal SFC units and/or (4) the FFP for Title XIX Medi-Cal Administrative Activities and/or (5) the
28 County, State and Federal portions of SFC units claimed by Contractor in MHMIS or IS for non-Title
29 XIX Medi-Cal. Contractor may request in writing, and shall receive if requested, DMH's computations
30 for determining any amounts withheld.

31 M. Withholding of Payment for Nonsubmission of MHMIS or IS and Other Information:
32 County may withhold a maximum of 10 percent (10%) of any monthly claim, if any MHMIS or IS data,
33 EOB data, RGMS report, or other information is not submitted by Contractor to County within the time
34 limits of submission of this Agreement or if any MHMIS or IS data, EOB data, RGMS report, or other
35 information is incomplete, incorrect, or is not completed in accordance with the requirements of this
36 Agreement. County shall give Contractor at least 15 working days written notice of its intention to

1 withhold payments hereunder, including the reason(s) for its intended action. Thereafter, Contractor
2 shall have 15 days either to correct any deficiencies, or to request reconsideration of the decision to
3 withhold payment. Payment to Contractor shall not be withheld pending the correction of deficiencies,
4 or if reconsideration is requested, pending the results of the reconsideration process.

5 N. Annual Cost Reports:

6 (1) For each Fiscal Year or portion thereof that this Agreement is in effect,
7 Contractor shall provide DMH with two copies of an accurate and complete Annual Cost Report, with a
8 statement of expenses and revenue. The annual cost report will be comprised of a separate set of
9 forms for the County and State for the Financial Summary within each entity. Such reports will be due
10 within 75 days following either the end of such Fiscal Year or the expiration or termination date of this
11 Agreement, whichever occurs earlier. Each such Annual Cost Report shall be prepared by Contractor in
12 accordance with the requirements set forth in the Short-Doyle/Medi-Cal Automated Cost Reporting
13 System Users Manual, CR/DC Manual, RO/TCM Manual, and any other written guidelines which shall
14 be provided to Contractor by Director by June 30 of the Fiscal Year for which the Annual Cost Report
15 is to be prepared.

16 (2) If Contractor fails to submit accurate and complete Annual Cost Report(s) by
17 such due date, and if this Agreement is automatically renewed as provided in Paragraph 1 (TERM), then
18 County shall not make any further payments to Contractor under this Agreement until the accurate and
19 complete Annual Cost Report(s) is (are) submitted.

20 (3) Failure of Contractor to submit accurate and complete Annual Cost Report(s) by
21 such due date shall result in a Late Penalty of ONE HUNDRED DOLLARS (\$100) for each day that the
22 accurate and complete Annual Cost Report(s) is (are) not submitted. The Late Penalty shall be
23 assessed separately on each outstanding Annual Cost Report. The Late Penalty shall commence on the
24 seventy-sixth day following either the end of the applicable Fiscal Year or the expiration or termination
25 date of this Agreement and shall continue thereafter up to the one hundred and fifth day.

26 In the event that Contractor does not submit accurate and complete Annual Cost
27 Report(s) by the one hundred and fifth day, then all amounts covered by the outstanding Annual Cost
28 Report(s) and paid by County to Contractor in the Fiscal Year for which the Annual Cost Report(s) is
29 (are) outstanding shall be due by Contractor to County. Contractor shall pay County according to the
30 method described in Subparagraph S (Payments Due to County/Method of Payment).

31 O. Annual Cost Report Adjustment and Settlement: Based on the Annual Cost Report(s)
32 submitted pursuant to Subparagraph N (Annual Cost Reports), at the end of each Fiscal Year or portion
33 thereof that this Agreement is in effect the cost of all mental health services, and Title XIX Medi-Cal
34 Administrative Activities rendered hereunder shall be adjusted as follows:

35 (1) Cost Reimbursement - to actual and allowable costs, not to exceed the
36 applicable Maximum Contract Amount as shown in Subparagraph B (Reimbursement For Initial Period)

1 or C (Reimbursement If Agreement Is Automatically Renewed), provided that reimbursement for
2 Short-Doyle/Medi-Cal funded services shall be consistent with the amounts authorized by State law and
3 State's Medicaid Plan, and reimbursement for Title XIX Medi-Cal Administrative Activities shall be
4 consistent with the amounts authorized by State law and State's Title XIX Medi-Cal Administrative
5 Activities Plan not to exceed the Maximum Contract Amount. Reimbursement for Title XIX Short-
6 Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, shall not exceed an
7 amount for which there is sufficient CGF/State match funds in the applicable Maximum Contract
8 Amount.

9 (2) IMD - to the lower of the DMH determined final MHMIS or IS run of reported
10 patient days or the patient days reported in Contractor's Annual Cost Report, multiplied by the
11 applicable SDHS's currently approved Skilled Nursing Facility Rate per patient day for Basic Service plus
12 SDHS's currently approved STP Rate per patient day for STP Services.

13 (3) Negotiated Rate - to the lower of the DMH determined final MHMIS or IS run of
14 reported SFC units, or the SFC units reported in Contractor's Annual Cost Report, multiplied by the
15 applicable NR less all revenue, interest and return resulting from services/activities and/or funds paid by
16 County to Contractor, including, but not limited to, all Medicare, patient/client fees, private insurance,
17 and any other revenue, interest and return resulting from services/activities and/or funds paid by
18 County to Contractor as described in Subsection 7 of Subparagraph I (Patient/Client Eligibility, UMDAP
19 Fees, Third Party Revenue, and Interest), not to exceed the applicable Maximum Contract Amount as
20 shown in Subparagraph B (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is
21 Automatically Renewed), provided that reimbursement for Title XIX Short-Doyle/Medi-Cal funded
22 services shall be consistent with the amounts authorized by State law and State's Medicaid Plan, and
23 reimbursement for Title XIX Medi-Cal Administrative Activities shall be consistent with the amounts
24 authorized by State law and State's Title XIX Medi-Cal Administrative Activities Plan not to exceed the
25 Maximum Contract Amount. Reimbursement for Title XIX Short-Doyle/Medi-Cal services, and/or Title
26 XIX Medi-Cal Administrative Activities, shall not exceed an amount for which there is sufficient
27 CGF/State match funds in the applicable Maximum Contract Amount. In the event that Contractor
28 adjustments based on any of the above methods indicate an amount due the County, Contractor shall
29 pay County according to the method described in Subparagraph S (Payments Due to County/Method of
30 Payment).

31 P. Post-Contract Audit Settlement:

32 (1) In the event of a post-contract audit conducted by County, State, and/or
33 Federal personnel, actual and allowable SFC units for NR services and actual and allowable costs for
34 cost reimbursement services shall be determined for each Fiscal Year or portion thereof that this
35 Agreement is in effect. Such audit may include requests to review any fiscal, programmatic, or SFC
36 unit concerns County, State, and/or Federal auditors may have under this Agreement. CR/DC Manual,

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

10 (2) For mental health services, if the post-contract audit conducted by County,
11 State, and/or Federal personnel determines that the amounts paid by County to Contractor for any SFC
12 units furnished hereunder are more than the amounts allowable pursuant to this Agreement, then the
13 difference shall be due by Contractor to County upon the State and/or Federal collection from County
14 of the amount due, or after exhausting all appeals, if any, whichever occurs first.

15 For Title XIX Medi-Cal Administrative Activities, if the post-contract audit conducted by
16 County, State, and/or Federal personnel determines that the actual and allowable costs for Title XIX
17 Medi-Cal Administrative Activities furnished hereunder are more than the amounts allowable pursuant
18 to this Agreement, then the difference shall be due by Contractor to County. Contractor shall pay
19 County according to the method described in Subparagraph S (Payments Due to County/Method of
20 Payment).

21 (3) For NR and CR services, if the post-contract audit conducted by County,
22 State, and/or Federal personnel determines that the amounts paid by County to Contractor for any NR
23 SFC units furnished hereunder are less than the allowable pursuant to this Agreement and/or CR
24 services, then the difference shall be paid by County to Contractor, provided that in no event shall
25 County's Maximum Contract Amount for the applicable Fiscal Year, as shown in Subparagraph B
26 (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), be
27 exceeded.

28 For Title XIX Medi-Cal Administrative Activities, if the post-contract audit conducted by
29 County, State, and/or Federal personnel determines that the actual and allowable costs for Title XIX
30 Medi-Cal Administrative Activities furnished hereunder are less than the amounts reimbursable pursuant
31 to this Agreement, then the difference shall be paid by County to Contractor, provided that in no event
32 shall County's Maximum Contract Amount for the applicable Fiscal Year, as shown in Subparagraph B
33 (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), be
34 exceeded.

35 Q. Audit Appeals After Post-Contract Audit Settlement: If Contractor appeals any audit
36 report, the appeal shall not prevent the post-contract audit settlement pursuant to Subparagraph P

1 (Post-Contract Audit Settlement).

2 R. County Audit Settlements: If, at any time during the term of this Agreement or at any
3 time after the expiration or termination of this Agreement, authorized representatives of County
4 conduct an audit of Contractor regarding the mental health services and/or Title XIX Medi-Cal
5 Administrative Activities provided hereunder and if such audit finds that County's dollar liability for
6 such services and/or administrative activities is less than payments made by County to Contractor,
7 then the difference shall be due by Contractor to County, unless Contractor files an appeal with
8 County, in which case the amount due, if any, will be determined upon the completion of the appeal.
9 Contractor shall pay County according to the method described in Subparagraph S (Payments Due to
10 County/Method of Payment).

11 If such audit finds that County's dollar liability for such services and/or administrative
12 activities provided hereunder is more than payments made by County to Contractor, then the difference
13 shall be paid to Contractor by County by cash payment, provided that in no event shall County's
14 Maximum Contract Amount for the applicable Fiscal Year, as shown in Subparagraph B
15 (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), be
16 exceeded.

17 S. Payments Due to County/Method of Payment: Within ten days after written
18 notification by County to Contractor of any amount due by Contractor to County, Contractor shall
19 notify County as to which of the following six payment options Contractor requests be used as the
20 method by which such amount shall be recovered by County. Any such amount shall be: (1) paid in
21 one cash payment by Contractor to County, (2) offset against prior year(s) liability(ies), (3) deducted
22 from future claims over a period not to exceed three months, (4) deducted from any amounts due from
23 County to Contractor whether under this Agreement or otherwise, (5) paid by cash payment(s) by
24 Contractor to County over a period not to exceed three months, or (6) a combination of any or all of
25 the above. If Contractor does not so notify County within such ten days, or if Contractor fails to make
26 payment of any such amount to County as required, then Director, in his sole discretion, shall
27 determine which of the above six payment options shall be used by County for recovery of such
28 amount from Contractor.

29 T. Interest Charges on Delinquent Payments: If Contractor, without good cause as
30 determined in the sole judgment of Director, fails to pay County any amount due to County under this
31 Agreement within 60 days after the due date, as determined by Director, then Director, in his sole
32 discretion and after written notice to Contractor, may assess interest charges at a rate equal to
33 County's Pool Rate, as determined by County's Auditor-Controller, per day on the delinquent amount
34 due commencing on the sixty-first day after the due date. Contractor shall have an opportunity to
35 present to Director information bearing on the issue of whether there is a good cause justification for
36 Contractor's failure to pay County within 60 days after the due date. The interest charges shall be:

1 (1) paid by Contractor to County by cash payment upon demand and/or (2) at the sole discretion of
2 Director, deducted from any amounts due by County to Contractor whether under this Agreement or
3 otherwise.

4 U. Financial Solvency: Contractor shall maintain adequate provisions against the risk of
5 insolvency.

6 V. Limitation of County's Obligation Due to Nonappropriation of Funds: Notwithstanding
7 any other provision of this Agreement, County shall not be obligated for Contractor's performance
8 hereunder or by any provision of this Agreement during this or any of County's future fiscal years
9 unless and until County's Board of Supervisors appropriates funds for this Agreement in County's
10 Budget for each such fiscal year. Should County, during this or any subsequent fiscal year impose
11 budgetary restrictions which appropriate less than the amount provided for in Subparagraph B
12 (Reimbursement For Initial Period) and Subparagraph C (Reimbursement If Agreement Is Automatically
13 Renewed) of this Agreement, County shall reduce services under this Agreement consistent with such
14 imposed budgetary reductions. In the event funds are not appropriated for this Agreement, then this
15 Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated.
16 County shall notify Contractor of any such changes in allocation of funds at the earliest possible date.

17 W. Contractor Requested Changes:

18 (1) If Contractor desires any change in the terms and conditions of this Agreement,
19 Contractor shall request such change in writing prior to April 1 of the Fiscal Year for which the change
20 would be applicable, and all changes shall be made by an amendment pursuant to Agreement Paragraph
21 39 (ALTERATION OF TERMS).

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

27 X. Delegated Authority: Notwithstanding any other provision of this Agreement, County's
28 Department of Mental Health Director or his designee may, without further action by County's Board of
29 Supervisors, prepare and sign amendments to this Agreement during the remaining term of this
30 Agreement, under the following conditions:

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

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

36 (3) County's Board of Supervisors has appropriated sufficient funds for all changes

1 described in each such amendment to this Agreement; and

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

4 (5) County and Contractor may by written amendment reduce programs or services
5 and revise the applicable Maximum Contract Amount; and

6 (6) County's Department of Mental Health Director shall notify County's Board of
7 Supervisors of all Agreement changes in writing within 30 days following execution of any such
8 amendment(s).

9 Y. California Work Opportunity and Responsibility to Kids (CalWORKs):

10 (1) CalWORKs Reimbursement:

11 (a) Reimbursement at cost for existing services under this Agreement shall
12 be considered payment in full, subject to third party liability and beneficiary share of costs, for the
13 CalWORKs beneficiaries.

14 For each month of the term of this Agreement, Contractor shall submit
15 to County a separate claim for CalWORKs services in the form and content specified by County. Each
16 monthly claim shall be submitted within 30 days of Contractor's receipt of County's MHMIS or IS
17 CalWORKs Service Reports for the last date CalWORKs' mental health services were provided during
18 the particular month.

19 All monthly claims shall be subject to adjustment based upon the
20 MHMIS or IS reports, EOB data, and/or Contractor's annual Cost Report which shall supersede and take
21 precedence over all claims. No billing changes/adjustments or audits will be allowed after such time.

22 (b) Under no circumstances shall Contractor be reimbursed for the
23 provision of CalWORKs services from any funds included in the Cash Flow Loan Exhibit(s).

24 (c) Director shall have the option to deny payment for services when
25 documentation of clinical work does not meet minimum State and County standards as set forth in the
26 Los Angeles County annotated version of the Rehabilitation Option and Targeted Case Management
27 Manual. Director shall provide Contractor with at least 30 days written notice of his intention to deny
28 payment, including the reason(s) for his intended actions. Thereafter, Contractor may, within 15 days,
29 request reconsideration of the County's decision.

30 (d) Reimbursement shall only be made for CalWORKs services to the
31 extent that funds are allocated by DPSS and the State for these services.

32 (e) Services to CalWORKs beneficiaries shall be limited to Contractor's
33 existing services as provided in this Agreement.

34 (2) CalWORKs Suspension of Payment: Payments to Contractor may be
35 suspended if Director, for good cause, determines that Contractor is in default under any of the
36 provisions of this Agreement, or if funds are unavailable from the State or DPSS for payment on

1 CalWORKs claims. Except in cases of alleged fraud or similar intentional wrongdoing, at least 30 days
2 notice of such suspension shall be provided to Contractor, including a statement of the reason(s) for
3 such suspension. Thereafter, Contractor may, within 15 days, request reconsideration of Director's
4 decision to suspend payment. Suspension of payment to Contractor shall not take effect pending the
5 results of such reconsideration process.

6 Director shall immediately notify Contractor upon receiving notification of unavailability
7 of funds from the State or DPSS for payment on CalWORKs claims.

8 Z. AB 3632 Services Utilizing SB 90 Funds: SB 90 funds are part of the Maximum
9 Contract Amount(s) of this Agreement and shall be paid by County to Contractor solely in County's
10 capacity as the SB 90 claim intermediary between the Contractor and the State. The CGF allocated on
11 the Financial Summary Page for AB 3632 (SB 90) services is designated solely for AB 3632 services
12 and no CGF in this category shall be transferred to any other category on said Financial Summary Page.
13 County shall make all instructions issued by the State for SB 90 claiming available to Contractor.

14 Notwithstanding any other provision of this Agreement, in the event that Contractor provides
15 AB 3632 services reimbursable under the State's SB 90 mandate claim process, in excess of the
16 Contractor's Fiscal Year 1997-1998 base of \$ _____, Contractor shall be paid by County
17 from SB 90 funds upon receipt from the State. In the event that SB 90 funds are not available to pay
18 SB 90 claims or that State denies any or all of the SB 90 claims submitted by County on behalf of
19 Contractor, Contractor shall indemnify and hold harmless County for any and all liability for payment of
20 any or all of the denied SB 90 claims or for the unavailability of SB 90 funds to pay for SB 90 claims.
21 Contractor shall be solely liable and responsible for all data and information submitted by Contractor to
22 County in support of all claims for SB 90 funds submitted by County as the fiscal intermediary.

23 AA. General Relief Opportunities for Work (GROW) Reimbursement:

24 (1) Reimbursement at cost of existing services under this Agreement shall be
25 considered payment in full, subject to third party liability and beneficiary share of costs, for the GROW
26 beneficiaries.

27 (2) Under no circumstances shall Contractor be reimbursed for the provision of
28 GROW services from any funds included in the Cash Flow Loan Exhibit(s).

29 (3) DMH shall have the option to deny payment for services when documentation
30 of clinical work does not meet minimum State and County standards as set forth in the Los Angeles
31 County annotated version of the Rehabilitation Option and Targeted Case Management Manual.

32 (4) Reimbursement shall only be made for GROW services to the extent that funds
33 are allocated by the Department of Public Social Services (DPSS).

34 (5) Services to GROW beneficiaries shall be limited to Contractor's existing
35 services as provided in this Agreement.

36 /

1 BB. Healthy Families:

2 (1) Healthy Families Reimbursement

3 (a) Title XXI Healthy Families funds shall be paid to Contractor only for
4 State approved claims for Title XXI Healthy Families services and only to the extent that 1) the
5 Contractor has complied with Federal and State laws, regulation, manuals, guidelines, and directives,
6 2) eligible FFP matching funds are available under this Agreement, and only after County has
7 received FFP payment from the State.

8 (b) Reimbursement to the Contractor for services to Serious Emotionally
9 Disturbed (SED) HFPM will be existing rates for existing mental health services under this Agreement.

10 (c) Under no circumstances shall Contractor be reimbursed for the
11 provision of services to HFPM from any Cash Flow Advance funds.

12 (2) Healthy Families Suspension of Payments: At the sole discretion of Director,
13 payments to Contractor under this Agreement shall be suspended if Director determines that Contractor
14 is in default under any of the provisions of this Agreement, or if the State fails to make prompt
15 payment as determined by Director on County's claims to State.

16 CC. Supportive and Therapeutic Options Program (STOP) Funds: STOP funds may not be
17 used as local match for any State or Federal programs. Notwithstanding any other provision of this
18 Agreement, in the event that Contractor provides STOP services reimbursable under the State's STOP
19 claim process, Contractor shall be paid by County from STOP funds upon receipt from the State. In
20 the event that STOP funds are not available to pay STOP claims or that State denies any or all of the
21 STOP claims submitted by County on behalf of Contractor, Contractor understands and agrees that
22 County is not responsible for any substantive payment obligation and, accordingly, Contractor shall not
23 seek any payment from County and shall indemnify and hold harmless County for any and all liability
24 for payment of any or all of the denied STOP claims or for the unavailability of STOP funds to pay for
25 STOP claims.

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

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36 /

1 6. PRIOR AGREEMENT(S) SUPERSEDED:

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

3 TITLE COUNTY AGREEMENT NUMBER DATE OF EXECUTION

4
5 _____
6 The parties agree that the provisions of such prior Agreement(s), and all Amendments thereto, shall be
7 entirely superseded as of _____, _____, by the provisions of this Agreement.

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

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

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

25 For information on amendment(s) for special provisions for such ongoing programs and/or
26 special services, see Exhibit(s) _____.

27 7. STAFFING: Contractor shall operate throughout the term of this Agreement with staff,
28 including, but not limited to, professional staff, that approximates the type and number as indicated in
29 Contractor's Negotiation Package for this Agreement, as approved in writing by Director, including any
30 addenda thereto as approved in writing by Director and as required by WIC and CCR. Such staff shall
31 be qualified and shall possess all appropriate licenses in accordance with WIC Section 5603 and all
32 other applicable requirements of the California Business and Professions Code, WIC, CCR, CR/DC
33 Manual, RO/TCM Manual, SDMH Policy Letters, and function within the scope of practice as dictated
34 by licensing boards/bodies. If vacancies occur in any of Contractor's staff that would reduce
35 Contractor's ability to perform any services under the Agreement, Contractor shall promptly notify
36 Director of such vacancies. During the term of this Agreement, Contractor shall have available and
37 shall provide upon request to authorized representatives of County, a list of all persons by name, title,

1 professional degree, and experience, who are providing any services under this Agreement.

2 8. STAFF TRAINING AND SUPERVISION: Contractor shall institute and maintain an in-service
3 training program of treatment review and case conferences in which all its professional,
4 para-professional, intern, student and clinical volunteer personnel shall participate. Contractor shall
5 institute and maintain appropriate supervision of all persons providing services under this Agreement
6 with particular emphasis on the supervision of para-professionals, interns, students, and clinical
7 volunteers in accordance with Departmental clinical supervision policy. Contractor shall be responsible
8 for the training of all appropriate staff on the CR/DC Manual, RO/TCM Manual, and other State and
9 County policies and procedures as well as on any other matters that County may reasonably require.

10 9. PROGRAM SUPERVISION, MONITORING AND REVIEW:

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

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

36 10. PERFORMANCE STANDARDS AND OUTCOME MEASURES: The Contractor shall comply

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

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

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

18 12. RECORDS AND AUDITS:

19 A. Records:

20 (1) Direct Services and Indirect Services Records: Contractor shall maintain a
21 record of all direct services and indirect services rendered by all the various professional,
22 para-professional, intern, student, volunteer and other personnel to fully document all services provided
23 under this Agreement and in sufficient detail to permit an evaluation and audit of such services. All
24 such records shall be retained, maintained, and made immediately available for inspection, program
25 review, and/or audit by authorized representatives and designees of County, State, and/or Federal
26 governments during the term of this Agreement and during the applicable period of records retention.
27 Such access shall include regular and special reports from Contractor. In the event any records are
28 located outside Los Angeles County, Contractor shall pay County for all travel, per diem, and other
29 costs incurred by County for any inspection, program review, and/or audit at such other location. In
30 addition to the requirements in this Paragraph 12, Contractor shall comply with any additional
31 patient/client record requirements described in the Service Exhibit(s) and shall adequately document the
32 delivery of all services described in the Service Exhibit(s).

33 (a) Patient/Client Records (Direct Services): Contractor shall maintain
34 treatment and other records of all direct services (i.e., 24-hour services, day services, targeted case
35 management, mental health services, medication support, and crisis intervention) in accordance with all
36 applicable County, State and Federal requirements on each individual patient/client which shall include,

1 but not be limited to, patient/client identification number, patient/client face sheet, all data elements
2 required by MHMIS or IS, consent for treatment form, initial evaluation form, treatment plan, progress
3 notes and discharge summary. All patient/client records shall be maintained by Contractor at a location
4 in Los Angeles County for a minimum period of seven (7) years following discharge of the patient/client
5 or termination of services (except that the records of unemancipated minors shall be kept at least one
6 year after such minor has reached the age of 18 years and in any case not less than seven (7) years),
7 or until County, State and/or Federal audit findings applicable to such services are fully resolved,
8 whichever is later. During such retention period, all such records shall be immediately available and
9 open during County's normal business hours to authorized representatives and designees of County,
10 State, and/or Federal governments for purposes of inspection, program review, and/or audit.

11 (b) Case Management Support Services and Outreach Services Records
12 (Indirect Services): Contractor shall maintain accurate and complete program records of all indirect
13 services (i.e., all services other than direct services) in accordance with all applicable County, State and
14 Federal requirements. All program records shall be maintained by Contractor at a location in Los
15 Angeles County for a minimum period of seven years following the expiration or termination of this
16 Agreement, or until County, State and/or Federal audit findings applicable to such services are fully
17 resolved, whichever is later. During such retention period, all such records shall be immediately
18 available and open during normal business hours to authorized representatives and designees of County,
19 State, and/or Federal governments for purposes of inspection and/or audit.

20 (2) Financial Records: Contractor shall prepare and maintain, on a current basis,
21 accurate and complete financial records of its activities and operations relating to this Agreement in
22 accordance with generally accepted accounting principles, with the procedures set out in the
23 Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual, and with all guidelines,
24 standards, and procedures which may be provided by County to Contractor. Minimum standards for
25 accounting principles are set forth in County's Auditor-Controller's Contract Accounting and
26 Administration Handbook which shall be furnished to Contractor by County upon request. The above
27 financial records shall include, but are not limited to:

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

29 (b) Reports, studies, statistical surveys or other information Contractor
30 used to identify and allocate indirect costs among Contractor's various modes of service. "Indirect
31 costs" shall mean those costs as described by the CR/DC Manual and all guidelines, standards, and
32 procedures which may be provided by County to Contractor.

33 (c) Bronzan-McCorquodale/County statistics and total facility statistics
34 (e.g., patient days, visits) which can be identified by type of service pursuant to the CR/DC Manual and
35 any policies and procedures which may be provided by County to Contractor.

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

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

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

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

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

8 (g) Employment records.

9 (3) The entries in all of the above financial records must be readily traceable to
10 applicable source documentation (e.g., remittance invoices, vendor invoices, employee timecards signed
11 by employee and countersigned by supervisor in ink, subsidiary ledgers and journals, appointment logs,
12 patient ledger cards, etc.). Any apportionment of costs shall be made in accordance with the
13 requirements of the Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual, the Federal
14 Health Care Financing Administration's Health Insurance Manual Volume 15 (HIM 15), CR/DC Manual,
15 and RO/TCM Manual. All such records shall be maintained by Contractor at a location in Los Angeles
16 County for a minimum period of seven years following the expiration or termination of the Agreement,
17 or until County, State and/or Federal audit findings are fully resolved, whichever is later. During such
18 retention period, all such records shall be immediately available and open during County's normal
19 business hours to authorized representatives and designees of County, State, and/or Federal
20 governments for purposes of inspection, program review, and/or audit. Such access shall include
21 access to individuals with knowledge of financial records and Contractor's outside auditors, and regular
22 and special reports from Contractor. In the event any records are located outside Los Angeles County,
23 Contractor shall pay County for all travel, per diem, and other costs incurred by County for any
24 inspection or audit at such other location.

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

30 B. Audits:

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

34 (2) County may, in its sole discretion, perform periodic fiscal and/or program
35 review(s) of Contractor's records that relate to this Agreement. If County determines that the results of
36 any such reviews indicate the need for corrective action, Contractor shall within 30 days after receiving

1 the findings of the fiscal and/or program review, either (a) submit a corrective plan of action to DMH,
2 or (b) request a review by the Director. If Contractor requests a review by the Director within the 30
3 days, and if a corrective plan of action is then required, Contractor shall have 30 days to submit its
4 corrective plan of action.

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

12 (4) State Department of Mental Health Access to Records: Contractor agrees that
13 for a period of seven years or until final audit is completed, which ever occurs later, following the
14 furnishing of services under this Agreement, Contractor shall maintain and make available to the State
15 Department of Mental Health, the Secretary of the United States Department of Health and Human
16 Services or the Controller General of the United States, and any other authorized Federal and State
17 agencies, or to any of their duly authorized representatives, the contracts, books, documents and
18 records of Contractor which are necessary to verify the nature and extent of the cost of services
19 hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any
20 subcontract with a value or cost of TEN THOUSAND DOLLARS (\$10,000) or more over a 12-month
21 period with a related organization (as that term is defined under Federal law), Contractor agrees that
22 each such subcontract shall provide for such access to the subcontract, books, documents and records
23 of the subcontractor as provided in Paragraph 9 and in this Paragraph 12.

24 (5) Federal Access to Records: If, and to the extent that, Section 1861(v)(1)(I) of
25 the Social Security Act (42 United States Code Section 1395x(v)(1)(I)) is applicable, Contractor agrees
26 that for a period of seven (7) years following the furnishing of services under this Agreement,
27 Contractor shall maintain and make available to the Secretary of the United States Department of
28 Health and Human Services or the Controller General of the United States, or to any of their duly
29 authorized representatives, the contracts, books, documents and records of Contractor which are
30 necessary to verify the nature and extent of the cost of services hereunder. Furthermore, if Contractor
31 carries out any of the services provided hereunder through any subcontract with a value or cost of TEN
32 THOUSAND DOLLARS (\$10,000) or more over a 12-month period with a related organization (as that
33 term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such
34 access to the subcontract, books, documents and records of the subcontractor as provided in
35 Paragraph 9 and in this Paragraph 12.

36 /

1 13. REPORTS:

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

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

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

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

14 C. Mental Health Management Information Systems (MHMIS) or Integrated System (IS):

15 (1) Contractor shall participate in MHMIS or IS, including, but not limited to,
16 RGMS, as required by Director. Contractor shall report to County, all program, patient/client, staff, and
17 other data and information about Contractor's services, within the specified time periods as required by
18 DMH's Integrated System Procedure Manual and Reports Reference Guide and any other County
19 requirements; in no event, no later than 40 calendar days after the close of each Fiscal Year in which
20 the services were provided.

21 (2) Notwithstanding any other provision of this Agreement, only units of service
22 entered by Contractor into MHMIS or IS shall be counted as delivered units of service. All units of
23 service generated during the Start-Up Period, if any, shall be entered by Contractor into MHMIS or IS.

24 (3) Notwithstanding any other provision of this Agreement, the only units of
25 service which shall be considered legitimate and reimbursable at Annual Cost Report adjustment and
26 settlement time or otherwise shall be those units of service as entered by Contractor into MHMIS or IS.

27 (4) Contractor shall train its staff in the operation, procedures, policies, and all
28 related use, of MHMIS or IS as required by County. County shall train Contractor's designated trainer
29 in the operation, procedures, policies, and all related use of the MHMIS or IS.

30 14. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records and information,
31 including, but not limited to, claims, County records, patient/client records and information, and MHMIS
32 or IS records, in accordance with WIC Sections 5328 through 5330, inclusive, and all other applicable
33 County, State, and Federal laws, ordinances, rules, regulations, manuals, guidelines, and directives,
34 relating to confidentiality. Contractor shall require all its officers, employees, and agents providing
35 services hereunder to acknowledge, in writing, understanding of, and agreement to fully comply with,
36 all such confidentiality provisions. Contractor shall indemnify and hold harmless County, its officers,

1 employees, and agents, from and against any and all loss, damage, liability, and expense arising from
2 any disclosure of such records and information by Contractor, its officers, employees, or agents.

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

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

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

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

23 C. Contractor Staff:

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

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

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

36 (4) Contractor shall not employ or continue to employ, or shall take other

1 appropriate action to fully protect all persons receiving services under this Agreement concerning, any
2 person whom Contractor knows, or reasonably suspects, has committed any acts which are inimical to
3 the health, morals, welfare, or safety of elders, dependent adults or minor children, or which otherwise
4 make it inappropriate for such person to be employed by Contractor.

5 17. NONDISCRIMINATION IN SERVICES:

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

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

28 C. If direct services (i.e., 24-hour services, day services, targeted case management,
29 mental health services, medication support, and crisis intervention) are provided hereunder, Contractor
30 shall have admission policies which are in accordance with CCR Title 9, Sections 526 and 527, and
31 which shall be in writing and available to the public. Contractor shall not employ discriminatory
32 practices in the admission of any person, assignment of accommodations, or otherwise. Any time any
33 person applies for services under this Agreement, such person shall be advised by Contractor of the
34 complaint procedures described in the above paragraph. A copy of such complaint procedures shall be
35 posted by Contractor in a conspicuous place, available and open to the public, in each of Contractor's
36 facilities where services are provided under this Agreement.

1 18. NONDISCRIMINATION IN EMPLOYMENT:

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

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

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

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

31 E. If County finds that any of the above provisions has been violated, the same shall
32 constitute a material breach of this Agreement upon which County may immediately terminate or
33 suspend this Agreement. While County reserves the right to determine independently that the
34 anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the
35 California Fair Employment Practices Commission or the Federal Equal Employment Opportunity
36 Commission that Contractor has violated State or Federal anti-discrimination laws or regulations shall

1 constitute a finding by County that Contractor has violated the anti-discrimination provisions of this
2 Agreement.

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

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

13 20. INDEMNIFICATION AND INSURANCE:

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

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

25 1) Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory
26 to County shall be delivered to *Department of Mental Health, 550 South Vermont Avenue, Contracts*
27 *Development and Administration Division, 5th Floor, Los Angeles, CA, 90020*, prior to commencing
28 services under this Agreement. Such certificates or other evidence shall:

- 29 (a) Specifically identify this Agreement.
30 (b) Clearly evidence all coverages required in this Agreement.
31 (c) Contain the express condition that County is to be given written notice
32 by mail at least 30 days in advance of cancellation for all policies evidenced on the certificate of
33 insurance.
34 (d) Include copies of the additional insured endorsement to the commercial
35 general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and
36 employees as insureds for all activities arising from this Agreement.

1 (e) Identify any deductibles or self-insured retentions for County's
2 approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or
3 self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing
4 payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or
5 both, related to investigations, claims administrations, and legal defense. Such bond shall be executed
6 by a corporate surety licensed to transact business in the State of California.

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

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

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

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

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

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

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

29 5) Compensation for County Costs: In the event that Contractor fails to comply
30 with any of the indemnification or insurance requirements of this Agreement, and such failure to
31 comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by
32 County.

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

36 (a) Contractor providing evidence of insurance covering the activities of

1 sub-contractors, or

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

5 C. Insurance Coverage Requirements:

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

8	General Aggregate:	Two Million Dollars (\$2,000,000)
9	Products/Completed Operations Aggregate:	One Million Dollars (\$1,000,000)
10	Personal and Advertising Injury:	One Million Dollars (\$1,000,000)
11	Each Occurrence:	One Million Dollars (\$1,000,000)

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

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

23	Each Accident:	One Million Dollars	(\$1,000,000)
24	Disease – policy limit:	One Million Dollars	(\$1,000,000)
25	Disease – each employee:	One Million Dollars	(\$1,000,000)

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

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

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

36 21. WARRANTY AGAINST CONTINGENT FEES: Contractor warrants that no person or selling

1 agency has been employed or retained to solicit or secure this Agreement upon any agreement or
2 understanding for any commission, percentage, brokerage, or contingent fee, excepting bona fide
3 employees or bona fide established commercial or selling agencies maintained by Contractor for the
4 purpose of securing business. For Contractor's breach or violation of this warranty, County may, in its
5 sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full
6 amount of such commission, percentage, brokerage, or contingent fee.

7 **22. CONFLICT OF INTEREST:**

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

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

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

29 **24. INDEPENDENT STATUS OF CONTRACTOR:**

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

35 B. Contractor shall be solely liable and responsible for providing to, or on behalf of, all
36 persons performing work pursuant to this Agreement all compensation and benefits. County shall have

1 no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability
2 benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel
3 provided by or on behalf of Contractor.

4 C. Contractor understands and agrees that all persons performing services pursuant to this
5 Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and
6 not employees of County. Contractor shall be solely liable and responsible for furnishing any and all
7 workers' compensation benefits to any person as a result of any injuries arising from or connected with
8 any services performed by or on behalf of Contractor pursuant to this Agreement.

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

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

21 26. CONSIDERATION FOR HIRING GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL
22 RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT: Should Contractor
23 require additional or replacement personnel after the effective date of this Agreement, Contractor shall
24 give consideration for any such employment openings to participants in the County's Department of
25 Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief
26 Opportunities for Work (GROW) Program who meet Contractor's minimum qualifications for the open
27 position. The County will refer GAIN/GROW participants, by job category, to the Contractor.
28 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring,
29 County employees shall be given priority.

30 27. DELEGATION AND ASSIGNMENT: Contractor shall not delegate its duties or assign its rights
31 under this Agreement, or both, either in whole or in part, without the prior written consent of County,
32 and any prohibited delegation or assignment shall be null and void. Any payments by County to any
33 delegatee or assignee on any claim under this Agreement, in consequence of any such consent, shall be
34 subject to set off, recoupment, or other reduction for any claim which Contractor may have against
35 County.

36 /

1 28. SUBCONTRACTING:

2 A. No performance of this Agreement, or any portion thereof, shall be subcontracted by
3 Contractor without the prior written consent of County as provided in this Paragraph 28. Any attempt
4 by Contractor to subcontract any performance, obligation, or responsibility under this Agreement,
5 without the prior written consent of County, shall be null and void and shall constitute a material
6 breach of this Agreement. Notwithstanding any other provision of this Agreement, in the event of any
7 such breach by Contractor, this Agreement may be terminated forthwith by County. Notwithstanding
8 any other provision of this Agreement, the parties do not in any way intend that any person or entity
9 shall acquire any rights as a third party beneficiary of this Agreement.

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

13 (1) The reasons for the particular subcontract.

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

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

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

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

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

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

25 "The contracting parties shall be subject to the examination and audit of the Auditor
26 General for a period of three (3) years after final payment under contract (Government
27 Code, Section 8546.7)."

28 The Contractor will also be subject to the examination and audit of the State
29 Auditor General for a period of three (3) years after final payment under contract (Government Code,
30 Section 8546.7).

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

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

34 D. Contractor shall indemnify and hold harmless County, its officers, employees, and
35 agents, from and against any and all liability, damages, costs, and expenses, including, but not limited
36 to, defense costs and legal fees, arising from or related to Contractor's use of any subcontractor,

1 including any officers, employees, or agents of any subcontractor, in the same manner as required for
2 Contractor, its officers, employees, and agents, under this Agreement.

3 E. Notwithstanding any County consent to any subcontracting, Contractor shall remain
4 fully liable and responsible for any and all performance required of it under this Agreement, and no
5 subcontract shall bind or purport to bind County. Further, County approval of any subcontract shall not
6 be construed to limit in any way Contractor's performance, obligations, or responsibilities, to County,
7 nor shall such approval limit in any way any of County's rights or remedies contained in this
8 Agreement. Additionally, County approval of any subcontract shall not be construed in any way to
9 constitute the determination of the allowability or appropriateness of any cost or payment under this
10 Agreement.

11 F. In the event that County consents to any subcontracting, such consent shall be subject
12 to County's right to give prior and continuing approval of any and all subcontractor personnel providing
13 services under such subcontract. Contractor shall assure that any subcontractor personnel not
14 approved by County shall be immediately removed from the provision of any services under the
15 particular subcontract or that other action is taken as requested by County. County shall not be liable
16 or responsible in any way to Contractor, to any subcontractor, or to any officers, employees, or agents
17 of Contractor or any subcontractor, for any liability, damages, costs or expenses arising from or related
18 to County's exercise of such right.

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

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

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

31 J. In the event that County consents to any subcontracting, Contractor shall be solely
32 liable and responsible for any and all payments and/or other compensation to all subcontractors and
33 their officers, employees, and agents. County shall have no liability or responsibility whatsoever for
34 any payment and/or other compensation for any subcontractors or their officers, employees, and
35 agents.

36 K. Contractor shall deliver to the Chief of DMH's Contracts Development and

1 Administration Division a fully executed copy of each subcontract entered into by Contractor pursuant
2 to this Paragraph 28, on or immediately after the effective date of the subcontract but in no event later
3 than the date any services are performed under the subcontract.

4 L. In the event that County consents to any subcontracting, Contractor shall obtain and
5 maintain on file an executed Subcontractor Employee Acknowledgment of Employer, in the form as
6 contained in Contractor's Negotiation Package for the Agreement, for each of the subcontractor's
7 employees performing services under the subcontract. Such Acknowledgments shall be delivered to
8 the Chief of DMH's Contracts Development and Administration Division on or immediately after the
9 commencement date of the particular subcontract but in no event later than the date such employee
10 first performs any services under the subcontract.

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

13 N. Director is hereby authorized to act for and on behalf of County pursuant to this
14 Paragraph 28, including, but not limited to, consenting to any subcontracting.

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

22 30. COMPLIANCE WITH APPLICABLE LAW:

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

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

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

36 31. THIRD PARTY BENEFICIARIES: Notwithstanding any other provision of this Agreement, the

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

3 32. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES:

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

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

20 33. CHILD SUPPORT COMPLIANCE PROGRAM:

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

26 As required by County's Child Support Compliance Program (County Code Chapter
27 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable
28 provisions of law, Contractor warrants that it is now in compliance and shall during the term of this
29 Agreement maintain in compliance with employment and wage reporting requirements as required by
30 the Federal Social Security Act (42 United States Code (USC) Section 653a) and California
31 Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and
32 Earnings Withholdings Orders or Child Support Services Department Notices of Wage and Earnings
33 Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section
34 706.031 and Family Code Section 5246(b).

35 B. Termination for Breach of Warranty to Maintain Compliance with County's Child
36 Support Compliance Program: Failure of Contractor to maintain compliance with the requirements set

1 forth in Subparagraph A (Contractor's Warranty of Adherence to County's Child Support Compliance
2 Program) shall constitute default under this Agreement. Without limiting the rights and remedies
3 available to County under any other provision of this Agreement, failure of Contractor to cure such
4 default within 90 calendar days of written notice shall be grounds upon which County may terminate
5 this Agreement pursuant to Paragraph 35 (TERMINATION FOR DEFAULT) and pursue debarment of
6 Contractor, pursuant to County Code Chapter 2.202.

7 34. TERMINATION FOR INSOLVENCY:

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

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

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

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

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

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

21 35. TERMINATION FOR DEFAULT:

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

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

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

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

36 C. The rights and remedies of County provided in this Paragraph 35 shall not be exclusive

1 and are in addition to any other rights and remedies provided by law or under this Agreement.

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

10 Contractor shall immediately report any attempt by a County officer or employee to solicit such
11 improper consideration. The report shall be made either to the County manager charged with the
12 supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213)
13 974-0914 or (800) 544-6861.

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

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

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

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

27 40. ENTIRE AGREEMENT: The body of this Agreement, all attachments, Financial Summary(ies),
28 Fiscal Years _____, Service Delivery Site Exhibit, and Service
29 Exhibit(s) _____, attached hereto and
30 incorporated herein by reference, and Contractor's Negotiation Package for this Agreement, as
31 approved in writing by Director, including any addenda thereto as approved in writing by Director,
32 which are hereby incorporated herein by reference but not attached, shall constitute the complete and
33 exclusive statement of understanding between the parties which supersedes all previous agreements,
34 written or oral, and all other communications between the parties relating to the subject matter of this
35 Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word,
36 responsibility, or schedule, or the contents or description of any service or other work, or otherwise,

1 between the body of this Agreement and the other referenced documents, or between such other
2 documents, such conflict or inconsistency shall be resolved by giving precedence first to the body of
3 this Agreement and its definitions and then to such other documents according to the following priority:

- 4 A. Financial Summary(ies)
- 5 B. Service Delivery Site Exhibit
- 6 C. Service Exhibit(s)
- 7 D. Contractor's Negotiation Package.

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

13 42. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all
14 Federal statutes and regulations regarding employment of aliens and others and that all its employees
15 performing services hereunder meet the citizenship or alien status requirements set forth in Federal
16 statutes and regulations. Contractor shall obtain, from all covered employees performing services
17 hereunder, all verification and other documentation of employment eligibility status required by Federal
18 statutes and regulations as they currently exist and as they may be hereafter amended. Contractor
19 shall retain all such documentation for the period prescribed by law. Contractor shall indemnify,
20 defend, and hold harmless County, its officers and employees from and against any employer sanctions
21 and any other liability which may be assessed against Contractor or County in connection with any
22 alleged violation of any Federal statutes or regulations pertaining to the eligibility for employment of
23 persons performing services under this Agreement.

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

28 44. PURCHASES:

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

33 B. Proprietary Interest of County: In accordance with all applicable Federal, State and
34 County laws, ordinances, rules, regulations, manuals, guidelines and directives, County shall retain all
35 proprietary interest, except the use during the term of this Agreement, in all furniture, fixtures,
36 equipment, materials, and supplies, purchased or obtained by Contractor using any County funds.

1 Upon the expiration or termination of this Agreement, the discontinuance of the business of Contractor,
2 the failure of Contractor to comply with any of the provisions of this Agreement, the bankruptcy of
3 Contractor or its giving an assignment for the benefit of creditors, or the failure of Contractor to satisfy
4 any judgment against it within 30 days of filing, County shall have the right to take immediate
5 possession of all such furniture, removable fixtures, equipment, materials, and supplies, without any
6 claim for reimbursement whatsoever on the part of Contractor. County, in conjunction with
7 Contractor, shall attach identifying labels on all such property indicating the proprietary interest of
8 County.

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

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

31 E. Disposition of Property in Contractor's Custody: Upon the termination of the funding
32 of any program covered by this Agreement, or upon the expiration or termination of this Agreement, or
33 at any other time that County may request, Contractor shall: (1) provide access to and render all
34 necessary assistance for physical removal by County or its authorized representatives of any or all
35 furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds,
36 in the same condition as such property was received by Contractor, reasonable wear and tear

1 excepted, or (2) at Director's option, deliver any or all items of such property to a location designated
2 by Director. Any disposition, settlement or adjustment connected with such property shall be in
3 accordance with all applicable Federal, State and County laws, ordinances, rules, regulations, manuals,
4 guidelines and directives.

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

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

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

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

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

35 50. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Contractor
36 shall notify its employees, and shall require each subcontractor to notify its employees, that they may

1 be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be
2 provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

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

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

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

13 B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County
14 Code, if the County acquires information concerning the performance of the Contractor on this or other
15 Agreements which indicates that the Contractor is not responsible, the County may, in addition to
16 other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being
17 awarded, and/or performing work on County Agreements for a specified period of time not to exceed 3
18 years, and terminate any or all existing Agreements the Contractor may have with the County.

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

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

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

1 decision prior to its presentation to the Board of Supervisors.

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

6 G. These terms shall also apply to subcontractors of County Contractors.

7 53. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM:

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

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

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

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

33 Contractor shall indemnify and hold County harmless against any and all loss or damage County
34 may suffer arising from any Federal exclusion of Contractor or its staff members from such
35 participation in a Federally funded health care program. Contractor shall provide the certification set
36 forth in Attachment VI as part of its obligation under this Paragraph 53.

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

3 54. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT:

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

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

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

24 D. Contractor and County understand and agree that HIPAA has imposed additional
25 requirements in regards to changes in DMH's IS.

26 (1) County desires to clarify IS terminology under this Agreement as it relates to
27 HIPAA, and, accordingly, has set forth in Attachment VIII (Crosswalk Fact Sheet) a "crosswalk" of
28 technical terms, definitions and language to be used with this Agreement.

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

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

34 (b) County has added to the DMH Provider Manual an Electronic Data
35 Interchange/Direct Data Entry (EDI/DDE) Selection and General Requirements Agreement, which
36 includes the method in which Contractor or its Subcontractor(s) elects to submit HIPAA-compliant

1 transactions and requirements for these transactions.

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

5 E. Contractor understands that County operates an informational website
6 www.dmh.co.la.ca.us related to the services under this Agreement and the parties' HIPAA obligations,
7 and agrees to undertake reasonable efforts to utilize said website to obtain updates, other information,
8 and forms to assist Contractor in its performance.

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

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

17 55. COMPLIANCE WITH JURY SERVICE PROGRAM:

18 A. Jury Service Program: This Agreement is subject to the provisions of the County's
19 ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections
20 2.203.010 through 2.203.090 of the Los Angeles County Code.

21 B. Written Employee Jury Service Policy:

22 (1) Unless Contractor has demonstrated to the County's satisfaction either that
23 Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the
24 County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section
25 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that
26 its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular
27 pay for actual jury service. The policy may provide that Employees deposit any fees received for such
28 jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees
29 received for jury service.

30 (2) For purposes of this Section, "Contractor" means a person, partnership,
31 corporation or other entity which has an Agreement with the County or a subcontract with a County
32 Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month
33 period under one or more County Agreements or subcontracts. "Employee" means any California
34 resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per
35 week or a lesser number of hours if: 1) the lesser number is a recognized industry standard as
36 determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number

1 of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less
2 within a 12-month period are not considered full-time for purposes of the Jury Service Program. If
3 Contractor uses any subcontractor to perform services for the County under the Agreement, the
4 subcontractor shall also be subject to the provisions of this Section. The provisions of this Section
5 shall be inserted into any such subcontract Agreement and a copy of the Jury Service Program shall be
6 attached to the Agreement.

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

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

21 56. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The
22 Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and
23 provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in
24 Los Angeles County, and where and how to safely surrender a baby.
25 The fact sheet is set forth in Attachment VII of this Agreement and is also available on the Internet at
26 www.babysafela.org for printing purposes.

27 57. CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY
28 SURRENDERED BABY LAW: The Contractor acknowledges that the County places a high priority on
29 the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the
30 County's policy to encourage all County Contractors to voluntarily post the County's "Safely
31 Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The
32 Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in
33 the subcontractor's place of business. The County's Department of Children and Family Services will
34 supply the Contractor with the poster to be used.

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

36 *(LANGUAGE APPLIES ONLY TO PROP A LIVING WAGE CONTRACTS)*

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

5 B. Payment of Living Wage Rates:

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

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

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

22 (2) For purposes of this Sub-paragraph, "Contractor" includes any subcontractor
23 engaged by the Contractor to perform services for the County under the Contract. If the Contractor
24 uses any subcontractor to perform services for the County under the Contract, the subcontractor shall
25 be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be
26 inserted into any such subcontract Contract and a copy of the Living Wage Program shall be attached
27 to the Contract. "Employee" means any individual who is an employee of the Contractor under the
28 laws of California, and who is providing full-time services to the Contractor, some or all of which are
29 provided to the County under the Contract. "Full-time" means a minimum of 40 hours worked per
30 week, or a lesser number of hours, if the lesser number is a recognized industry standard and is
31 approved as such by the County; however, fewer than 35 hours worked per week will not, in any
32 event, be considered full-time.

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

36 (4) If the Contractor is not required to pay a living wage when the Contract

1 commences, the Contractor shall have a continuing obligation to review the applicability of its
2 "exemption status" from the living wage requirement. The Contractor shall immediately notify the
3 County if the Contractor at any time either comes within the Living Wage Program's definition of
4 "Employer" or if the Contractor no longer qualifies for an exception to the Living Wage Program. In
5 either event, the Contractor shall immediately be required to commence paying the living wage and
6 shall be obligated to pay the living wage for the remaining term of the Contract, including any option
7 period. The County may also require, at any time during the Contract and at its sole discretion, that
8 the Contractor demonstrate to the County's satisfaction that the Contractor either continues to remain
9 outside of the Living Wage Program's definition of "Employer" and/or that the Contractor continues to
10 qualify for an exception to the Living Wage Program. Unless the Contractor satisfies this requirement
11 within the time frame permitted by the County, the Contractor shall immediately be required to pay the
12 living wage for the remaining term of the Contract, including any option period.

13 C. Contractor's Submittal of Certified Monitoring Reports: The Contractor shall submit to
14 the County certified monitoring reports at a frequency instructed by the County. The certified
15 monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified
16 monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the
17 amount paid by the Contractor for health benefits, if any, for each of its Employees. The certified
18 monitoring reports shall also state the name and identification number of the Contractor's current
19 health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid
20 by each Employee. All certified monitoring reports shall be submitted on forms provided by the County
21 (*Exhibit L and Exhibit M*), or other form approved by the County which contains the above information.

22 The County reserves the right to request any additional information it may deem necessary. If the
23 County requests additional information, the Contractor shall promptly provide such information. The
24 Contractor, through one of its officers, shall certify under penalty of perjury that the information
25 contained in each certified monitoring report is true and accurate.

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

36 E. County Auditing of Contractor Records: Upon a minimum of twenty-four (24) hours'

1 written notice, the County may audit, at the Contractor's place of business, any of the Contractor's
2 records pertaining to the Contract, including all documents and information relating to the certified
3 monitoring reports. The Contractor is required to maintain all such records in California until the
4 expiration of four years from the date of final payment under the Contract. Authorized agents of the
5 County shall have access to all such records during normal business hours for the entire period that
6 records are to be maintained.

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

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

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

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

25 (b) Liquidated Damages: It is mutually understood and agreed that the
26 Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will
27 result in damages being sustained by the County. It is also understood and agreed that the nature and
28 amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages
29 set forth herein are the nearest and most exact measure of damages for such breach that can be fixed
30 at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the
31 Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but
32 not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County may, in its
33 sole discretion, assess against the Contractor liquidated damages in the amount of \$100 per monitoring
34 report for each day until the County has been provided with a properly prepared, complete and certified
35 monitoring report. The County may deduct any assessed liquidated damages from any payments
36 otherwise due the Contractor.

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

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

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

16 (b) Liquidated Damages: It is mutually understood and agreed that the
17 Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result
18 in damages being sustained by the County. It is also understood and agreed that the nature and
19 amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages
20 set forth herein are the nearest and most exact measure of damages for such breach that can be fixed
21 at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the
22 Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against
23 the Contractor liquidated damages of \$50 per Employee per day for each and every instance of an
24 underpayment to an Employee. The County may deduct any assessed liquidated damages from any
25 payments otherwise due the Contractor.

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

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

32 H. Use of Full-Time Employees: The Contractor shall assign and use full-time Employees
33 of the Contractor to provide services under the Contract unless the Contractor can demonstrate to the
34 satisfaction of the County that it is necessary to use non-full-time Employees based on staffing
35 efficiency or County requirements for the work to be performed under the Contract. It is understood
36 and agreed that the Contractor shall not, under any circumstance, use non-full-time Employees for

1 services provided under the Contract unless and until the County has provided written authorization for
2 the use of same. The Contractor submitted with its proposal a full-time Employee staffing plan. If the
3 Contractor changes its full-time Employee staffing plan, the Contractor shall immediately provide a copy
4 of the new staffing plan to the County.

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

11 J. Contractor Standards: During the term of the Contract, the Contractor shall maintain
12 business stability, integrity in employee relations and the financial ability to pay a living wage to its
13 employees. If requested to do so by the County, the Contractor shall demonstrate to the satisfaction
14 of the County that the Contractor is complying with this requirement.

15 K. Employee Retention Rights:

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

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

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

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

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

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

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

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

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

4 L. Neutrality in Labor Relations: The Contractor shall not use any consideration received
5 under the Contract to hinder, or to further, organization of, or collective bargaining activities by or on
6 behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure
7 made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations
8 incurred under a bona fide collective bargaining Contract, or which would otherwise be permitted under
9 the provisions of the National Labor Relations Act.

10 59. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY
11 EXCLUSION - LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76): The Contractor hereby
12 acknowledges that the County is prohibited from contracting with and making sub-awards to parties
13 that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred,
14 ineligible, or excluded from securing federally funded contracts. By executing this Agreement,
15 Contractor certifies that neither it nor any of its owners, officers, partners, directors or other principals
16 is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts.
17 Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its
18 subcontractors, at any tier, or any owner, officer, partner, director or other principal of any
19 subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded
20 contracts. Contractor shall immediately notify County in writing, during the term of this Agreement,
21 should it or any of its subcontractors or any principals of either be suspended, debarred, ineligible, or
22 excluded from securing federally funded contracts. Failure of Contractor to comply with this provision
23 shall constitute a material breach of this Agreement upon which the County may immediately terminate
24 or suspend this Agreement.

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

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

8 County of Los Angeles - Department of Mental Health

9 Contracts Development and Administration Division

10 550 South Vermont Ave., 5th Floor

11 Los Angeles, CA 90020

12 Attention: Chief of Contracts

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

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

5
6 ATTEST:

COUNTY OF LOS ANGELES

7 VIOLET VARONA-LUKENS, Executive
8 Officer-Board of Supervisors
9 of the County of Los Angeles

10 By _____
11 Chairman, Board of Supervisors

12 By _____
13 Deputy

14
15
16
17
18 APPROVED AS TO FORM:

19
20 OFFICE OF THE COUNTY COUNSEL

21 CONTRACTOR

22
23
24
25 By _____
26 Deputy County Counsel

By _____

Name _____

Title _____

(AFFIX CORPORATE SEAL HERE)

27
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35 APPROVED AS TO CONTRACT
36 ADMINISTRATION:

37
38 DEPARTMENT OF MENTAL HEALTH

39
40
41
42 By _____
43 Chief, Contracts Development
44 and Administration Division

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

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7 APPROVED AS TO FORM:

COUNTY OF LOS ANGELES

8
9 OFFICE OF THE COUNTY COUNSEL

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14 By _____
15 Deputy County Counsel

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

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CONTRACTOR

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29 By _____

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31 Name _____

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33 Title _____

(AFFIX CORPORATE SEAL HERE)

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38 APPROVED AS TO CONTRACT
39 ADMINISTRATION:

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41 DEPARTMENT OF MENTAL HEALTH

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43
44 By _____
45 Chief, Contracts Development
46 and Administration Division

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

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8 COUNTY OF LOS ANGELES

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11 By _____
12 MARVIN J. SOUTHARD, D.S.W.
13 Director of Mental Health
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20 _____
21 CONTRACTOR

22 By _____

23 Name _____

24 Title _____

25 (AFFIX CORPORATE SEAL HERE)
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32 APPROVED AS TO FORM
33 OFFICE OF THE COUNTY COUNSEL
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36 APPROVED AS TO CONTRACT
37 ADMINISTRATION:
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39 DEPARTMENT OF MENTAL HEALTH
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42 By _____
43 Chief, Contracts Development
44 and Administration Division
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50 CK LegalEntityFile:NRTIT20C.IVA.LE05-06 (Renewal 5/25/05)

**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. "CPT" means Physicians' Current Procedural Terminology as referenced in the American Medical Association standard edition publication;
- G. "CR/DC Manual" means SDMHS's Cost Reporting/Data Collection Manual;
- H. "Day(s)" means calendar day(s) unless otherwise specified;
- I. "DCFS" means County Department of Children and Family Services;
- J. "Director" means County's Director of Mental Health or his authorized designee;
- K. "DMH" means County's Department of Mental Health;
- L. "DPSS" means County's Department of Public Social Services;
- M. "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;
- N. "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;
- O. "Established Maximum Allowable Rate" means the Short-Doyle/Medi-Cal maximum reimbursement for a specific SFC unit as established by SDMHS;

DEFINITIONS CONTINUED

- P. "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.
- Q. "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;
- R. "Fiscal Year" means County's Fiscal Year which commences July 1 and ends the following June 30;
- S. "Gross Program Budget" is the sum total of the Net Program Budget and all "Third Party Revenues" shown in the Financial Summary.
- T. "GROW" means General Relief Opportunities for Work;
- U. "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.
- V. "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.
- W. "IMD" means Institutions for Mental Disease. Hospitals, nursing facilities or other institutions of more than 16 beds that are primarily engaged in providing diagnosis, treatment or care of persons with mental disease, including medical attention, nursing care and related services;
- X. "IS" means DMH's Integrated System;
- Y. "Legal Entity" means the legal organization structure under California law;
- Z. "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;

DEFINITIONS CONTINUED

- AA. "Member" or Title XXI Healthy Families Program Member ("HFPM") means an enrollee in any Healthy Families Health Plan through Healthy Families.
- BB. "MHRC" means Mental Health Rehabilitation Centers certified by the State Department of Mental Health;
- CC. "MRMIB" means the State of California Managed Risk Medical Insurance Board, the administrator of Healthy Families for the State of California.
- DD. "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 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;
- EE. "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; and
- FF. "PATH" means Projects for Assistance in Transition from Homelessness Federal grant funds;
- GG. "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.

DEFINITIONS CONTINUED

- HH. "RO/TCM Manual" means SDMHS's Short-Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management;
- II. "RGMS" means DMH's Revenue Generation Management System which is included as a subsystem in MIS;
- JJ. "SAMHSA" means Substance Abuse and Mental Health Services Administration Federal block grant funds;
- KK. "SDHS" means State Department of Health Services;
- LL. "SDMH" means State Department of Mental Health;
- MM. "SDSS" means State Department of Social Services;
- NN. "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;
- OO. "SNF-STP" means 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;
- PP. "State" means the State of California;
- QQ. "Title IV" means Title IV of the Social Security Act, 42 United States Code Section 601 et seq.;
- RR. "Title XIX" means Title XIX of the Social Security Act, 42 United States Code Section 1396 et seq.;
- SS. "Title XXI" means Title XXI of the Social Security Act, 42 United States Code Section 1396 et seq.
- TT. "UMDAP" means SDMHS's Uniform Method of Determining Ability to Pay;
- UU. "WIC" means the California Welfare and Institutions Code;

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

DMH Legal Entity Agreement
 Attachment II Page 1 of 2
 The Financial Summary-_____
 Amendment No. _____

L I N E #	COLUMNS	1	2	Sum of 3 + 4 + 5 + 6 + 7 = 2				
				3	4	5	6	7
	DESCRIPTION	NR/CR	MAXIMUM CONTRACT ALLOCATION TOTALS	LOCAL MHP NON MEDICAL	NON-EPSDT MEDI-CAL PROGRAM FFP 50% County Local 50%	EPSDT MEDI-CAL PROGRAM FFP 50% SGF - EPSDT 40.87% County Local 9.13%	HEALTHY FAMILIES FFP 65% County Local 35%	MAA FFP 50% County Local 50%
					Local Match Share for claiming Certified Public Expenditure Categorically Restricted Local Funds * (see Footnote)			
1	A. Contractual Limitation By Responsible Financial Party:							
2	CGF		-					
3	CGF - STOP (30%)		-					
4	SAMHSA	CR	-					
5	PATH	CR	-					
6	CalWORKs - Family Project		-					
7	CalWORKs - Client Supportive Svcs.	CR	-					
8	CalWORKs - Mental Health Services (MHS)		-					
9	CalWORKs - Community Outreach Services (COS)		-					
10	GROW		-					
11	DCFS AB 1733/AB 2994		-					
12	DCFS Family Preservation		-					
13	DCFS Star View Life Support, PHF		-					
14	DCFS Independent Living		-					
15	DCFS STOP (70%)		-					
16	DCFS Provisional Funding Uses (PFU) for Medical Hubs		-					
17	Schiff-Cardenas - MH Screening, Assessment, and Treatment (MHSAT)		-					
18	Schiff-Cardenas - Multi-Systemic Therapy Program (MST)		-					
19	AB 34/AB 2034 Services		-					
20	AB 34/AB 2034 Client Supportive Svcs.	CR	-					
21	ADPA AB 34/AB 2034 Housing	CR	-					
22	DHS HIV/AIDS		-					
23	DHS Dual Diagnosis		-					
24	IDEA (AB 3632 - SEP)		-					
25	Mental Health Services Act (MHSA)		-					
26	Medi-Cal or Healthy Families FFP		-					
27	SGF - EPSDT		-					
28	Maximum Contract Amount (A)		-					
29	B. Third Party:							
30	Medicare		-					
31	Patient Fees		-					
32	Insurance		-					
33	Other		-					
34	Total Third Party (B)		-					
35	GROSS PROGRAM BUDGET (A+B)		-					

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

Contractor Name:

Legal Entity No:

Agreement Period:

Fiscal Year:

DMH Legal Entity Agreement

Page 2 of 2

The Rate Summary

Amendment Number (If Applicable) _____

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

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT III**

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

*Legend: ASOC(A) Critical Care (CC) Homeless (H)
 CSOC (C) Court Programs (CP) Managed Care (MC)

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-A</u>
<u>Day Rehabilitation Services (Children/Adolescents) (Rehab. Option)</u>	<u>309-A</u>
<u>Day Treatment Intensive Services (Adult) (Rehab. Option)</u>	<u>310-A</u>
<u>Day Treatment Intensive Services (Children/Adolescents) (Rehab. Option)</u>	<u>311-A</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>

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT IV**

1		
2	<u>Intensive Skilled Nursing Facility Services – Enhanced Treatment Program (ETP)</u>	<u>609</u>
3	<u>Socialization Services</u>	<u>701-A</u>
4	<u>Life Support Service</u>	<u>801</u>
5	<u>Case Management Support Services</u>	<u>802-A</u>
6	<u>Case Management Support Services (Forensic)</u>	<u>803-A</u>
7	<u>Case Management Support Services (Children & Youth)</u>	<u>804-A</u>
8	<u>Life Support Services (Forensic)</u>	<u>805</u>
9	<u>Independent Living Services</u>	<u>901</u>
10	<u>Local Hospital Services</u>	<u>902</u>
11	<u>Semi-Supervised Living Services</u>	<u>904</u>
12	<u>Adult Residential Treatment Services (Transitional)</u>	<u>912</u>
13	<u>Adult Residential Treatment Services (Long Term)</u>	<u>913</u>
14	<u>Non-Hospital Acute Inpatient Services (La Casa PHF)</u>	<u>914</u>
15	<u>Comprehensive Adult Residential Treatment Services (Bio-Psycho-Social Services)</u>	<u>915</u>
16	<u>Assertive Community Treatment Program (ACT)</u>	<u>921</u>
17	<u>Psychiatric Inpatient Hospital Services</u>	<u>930</u>
18	<u>Primary Linkage and Coordinating Program</u>	<u>1001</u>
19	<u>AB 34 Housing and Personal/Incidental Services</u>	<u>1002</u>
20	<u>Service Provisions (Organizational Provider Only)</u>	<u>1003</u>
21	<u>Consumer Run/Employment Program</u>	<u>1005</u>
22	<u>AB 2034 State Demonstration Program (Housing Expenses)</u>	<u>1008</u>
23	<u>AB 2034 State Demonstration Program (Personal and Incidental Expenses)</u>	<u>1009</u>
24	<u>Client Supportive Services (Includes Attachment A (Reimbursement Procedures)</u>	
25	<u>and Attachment B (Monthly Claim for Cost Reimbursement)</u>	<u>1010</u>

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT V**

SECTION 1
THREE (3) MONTH CASH FLOW ADVANCE SCHEDULE

<u>Month of Service</u>		<u>Disbursement</u>	<u>Recovery of the CFA Payment</u>
Month 1	July	Cash Flow Advance (CFA) of 1/12th of the Maximum Contract Amount (MCA).	
Month 2	August	Cash Flow Advance (CFA) of 1/12th of the Maximum Contract Amount (MCA).	
Month 3	September	Cash Flow Advance (CFA) of 1/12th of the Maximum Contract Amount (MCA).	
Month 4	October	Contractor's State and County approved July claims minus the amount the July CFA exceeded the contractor's County and State approved July claims minus any remaining approved claims amounts that are in excess of 1/12th of the MCA.	The amount the July CFA exceeded the contractor's County and State approved July claims (July CFA minus July actual claims) plus any remaining approved claims amounts that are in excess of 1/12th of the MCA.
Month 5	November	Contractor's State and County approved August claims minus the amount the August CFA exceeded the contractor's County and State approved August claims minus any remaining approved claims amounts that are in excess of 1/12th of the MCA.	The amount the August CFA exceeded the contractor's County and State approved August claims (August CFA minus August actual claims) plus any remaining approved claims amounts that are in excess of 1/12th of the MCA.
Month 6	December	Contractor's State and County approved September claims minus the amount the September CFA exceeded the contractor's County and State approved September claims minus any remaining approved claims amounts that are in excess of 1/12th of the MCA.	The amount the September CFA exceeded the contractor's County and State approved September claims (September CFA minus September actual claims) plus any remaining approved claims amounts that are in excess of 1/12th of the MCA.
Month 7	January	Contractor's State and County approved October claims minus any approved claims amounts that are in excess of 1/12th of the MCA.	Any approved claims amounts that are in excess of 1/12th of the MCA. Recovery of any units of service deficiency.

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT V**

**SECTION 1
THREE (3) MONTH CASH FLOW ADVANCE SCHEDULE**

Month 8	February	Contractor's State and County approved November claims minus any approved claims amounts that are in excess of 1/12th of the MCA.	Any approved claims amounts that are in excess of 1/12th of the MCA and recovery of any units of service deficiency.
Month 9	March	Contractor's State and County approved December claims minus any approved claims amounts that are in excess of 1/12th of the MCA.	Any approved claims amounts that are in excess of 1/12th of the MCA and recovery of any units of service deficiency.
Month 10	April	Contractor's State and County approved January claims minus any approved claims amounts that are in excess of 1/12th of the MCA.	Any approved claims amounts that are in excess of 1/12th of the MCA and recovery of any units of service deficiency.
Month 11	May	Contractor's State and County approved February claims minus any approved claims amounts that are in excess of 1/12th of the MCA.	Any approved claims amounts that are in excess of 1/12th of the MCA and recovery of any units of service deficiency.
Month 12	June	Contractor's State and County approved March claims minus any approved claims amounts that are in excess of 1/12th of the MCA.	Any approved claims amounts that are in excess of 1/12th of the MCA and recovery of any units of service deficiency.
Month 13	July	Contractor's State and County approved April claims minus any CFA unpaid balance.	Recovery of the CFA unpaid balance and any units of service deficiency.
Month 14	August	Contractor's State and County approved May claims minus any CFA unpaid balance.	Recovery of the CFA unpaid balance and any units of service deficiency.
Month 15	September	Contractor's State and County approved June claims minus any CFA unpaid balance.	Recovery of the CFA unpaid balance and any units of service deficiency.

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT V**

**SECTION 2
FIVE (5) MONTH CASH FLOW ADVANCE SCHEDULE**

<u>Month of Service</u>		<u>Disbursement</u>	<u>Recovery of the CFA Payment</u>
Month 1	July	Cash Flow Advance (CFA) of 1/12th of the Maximum Contract Amount (MCA).	
Month 2	August	Cash Flow Advance (CFA) of 1/12th of the Maximum Contract Amount (MCA).	
Month 3	September	Cash Flow Advance (CFA) of 1/12th of the Maximum Contract Amount (MCA).	
Month 4	October	Contractor's State and County approved July claims plus a CFA in the amount of 1/12 th of the MCA for EPSDT-SGF multiplied by 2 minus any approved claims amounts that are in excess of 1/12th of the MCA. The total payments shall not exceed 1/12 th of the MCA.	Any approved claims amounts that are in excess of 1/12th of the MCA.
Month 5	November	Contractor's State and County approved August claims plus a CFA in the amount of 1/12 th of the MCA for EPSDT-SGF multiplied by 2 any approved claims amounts that are in excess of 1/12th of the MCA. The total payments shall not exceed 1/12 th of the MCA.	Any approved claims amounts that are in excess of 1/12th of the MCA.
Month 6	December	Contractor's State and County approved September claims minus the amount the July CFA exceeded the contractor's County and State approved July claims (July CFA minus July actual claims) minus any approved claims amounts that are in excess of 1/12th of the MCA.	The amount the July CFA exceeded the contractor's County and State approved July claims (July CFA minus July actual claims) plus any remaining approved claims amounts that are in excess of 1/12th of the MCA.
Month 7	January	Contractor's State and County approved October claims minus the amount the August CFA exceeded the contractor's County and State approved August claims (August CFA minus August actual claims) minus any approved claims amounts that are in excess of 1/12th of the MCA.	The amount the August CFA exceeded the contractor's County and State approved August claims (August CFA minus August actual claims) plus any remaining approved claims amounts that are in excess of 1/12th of the MCA.

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT V**

**SECTION 2
FIVE (5) MONTH CASH FLOW ADVANCE SCHEDULE**

Month 8	February	Contractor's State and County approved November claims minus the amount the September CFA exceeded the contractor's County and State approved September claims minus any approved claims amounts that are in excess of 1/12th of the MCA.	The amount the September CFA exceeded the contractor's County and State approved September claims (September CFA minus September actual claims) plus any remaining approved claims amounts that are in excess of 1/12th of the MCA.
Month 9	March	Contractor's State and County approved December claims minus the amount the October CFA exceeded the contractor's County and State approved October claims (October CFA minus October actual claims) minus any approved claims amounts that are in excess of 1/12th of the MCA.	The amount the October CFA exceeded the contractor's County and State approved October claims (October CFA minus October actual claims) plus any remaining approved claims amounts that are in excess of 1/12th of the MCA.
Month 10	April	Contractor's State and County approved January claims minus the amount the November CFA exceeded the contractor's County and State approved November claims minus any approved claims amounts that are in excess of 1/12th of the MCA.	The amount the November CFA exceeded the contractor's County and State approved November claims (November CFA minus November actual claims) plus any remaining approved claims amounts that are in excess of 1/12th of the MCA.
Month 11	May	Contractor's State and County approved February claims minus any approved claims amounts that are in excess of 1/12th of the MCA.	Recovery of any CFA unpaid balance and any units of service deficiency.
Month 12	June	Contractor's State and County approved March claims minus any approved claims amounts that are in excess of 1/12th of the MCA.	Recovery of any CFA unpaid balance and any units of service deficiency.
Month 13	July	Contractor's State (FFP & EPSDT-SGF) and County approved April claims minus any CFA unpaid balance.	Recovery of any CFA unpaid balance and any units of service deficiency.
Month 14	August	Contractor's State (FFP & EPSDT-SGF) and County approved May claims minus any CFA unpaid balance.	Recovery of any CFA unpaid balance and any units of service deficiency.
Month 15	September	Contractor's State (FFP & EPSDT-SGF) and County approved June claims minus any CFA unpaid balance.	Recovery of any CFA unpaid balance and any units of service deficiency.

SECTION 3
CASH FLOW ADVANCE AND CLAIMS PAYMENT EXAMPLES

DMH LEGAL ENTITY AGREEMENT
ATTACHMENT V

MCA = \$1,200,000; 1/12th of MCA = \$100,000

Disbursements - 3 Months

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb.	March
1) CFA	100,000	100,000	100,000						
MIS - allocations				60,000	55,000	52,000	51,000	52,000	51,000
Pass through approvals				40,000	45,000	48,000	49,000	48,000	49,000
Total Disbursement				100,000	100,000	100,000	100,000	100,000	100,000
2) CFA	100,000	100,000	100,000						
MIS - allocations				45,000	50,000	52,000	52,000	50,000	51,000
Pass through approvals				40,000	43,000	46,000	46,000	45,000	48,000
(less July CFA-July Act, etc.*)				(15,000)	(7,000)	(2,000)	-	-	-
Total Disbursement				70,000	86,000	96,000	98,000	95,000	100,000
3) CFA	100,000	100,000	100,000						
MIS - allocations				55,000	58,000	60,000	64,000	68,000	70,000
Pass through approvals				50,000	52,000	55,000	61,000	65,000	68,000
less excess of 1/12th MCA **				(5,000)	(10,000)	(15,000)	(25,000)	(33,000)	(38,000)
Total Disbursement				100,000	100,000	100,000	100,000	100,000	100,000

Disbursements - 5 Months

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb.	March
1) CFA	100,000	100,000	100,000						
MIS - allocations				60,000	55,000	52,000	55,000	56,000	55,000
Pass through approvals				40,000	45,000	48,000	45,000	44,000	45,000
Total Disbursement				100,000	100,000	100,000	100,000	100,000	100,000
2) CFA	100,000	100,000	100,000						
MIS - allocations				20,000	12,000	52,000	56,000	58,000	50,000
Pass through approvals				45,000	48,000	41,000	52,000	47,000	48,000
(less Oct., CFA)				35,000	40,000	(20,000)	(12,000)	(7,000)	-
Total Disbursement				100,000	100,000	73,000	96,000	98,000	98,000
3) CFA	100,000	100,000	100,000						
MIS - allocations				10,000	52,000	60,000	65,000	68,000	75,000
Pass through approvals				48,000	48,000	48,000	62,000	65,000	72,000
less excess of 1/12th MCA**				42,000	48,000	(10,000)	(27,000)	(33,000)	(47,000)
Total Disbursement				100,000	100,000	98,000	100,000	100,000	100,000

* e.g. July CFA = \$100,000; July actuals = \$85,000; therefore, difference is \$15,000

** Once CFA is fully repaid, any claims are remitted to contractor

SECTION 3

DMH LEGAL ENTITY AGREEMENT
ATTACHMENT V

CASH FLOW ADVANCE AND CLAIMS PAYMENT EXAMPLES

Disbursements - 3 Months

	April	May	June	July	Aug	Sept
	Jan MIS & approvals	Feb. MIS & approvals	Mar. MIS & approvals			
1) CFA						
MIS - allocations	53,000	51,000	52,000			
Pass through approvals	47,000	49,000	48,000			
Total Disbursement	100,000	100,000	100,000			April, May, June MIS & approvals used to payback July, Aug, Sept. CFA
2) CFA						
MIS - allocations	50,000	51,000	50,000			
Pass through approvals	48,000	49,000	49,000			
Total Disbursement	98,000	100,000	99,000			May be holdback in April, May, and/or June due to low service level April, May, June MIS & approvals used to payback July, Aug, Sept. CFA
3) CFA						
MIS - allocations	75,000	78,000	81,000			
Pass through approvals	72,000	76,000	78,000			
less excess of 1/12th MCA **	(47,000)	(68,000)	(59,000)			
Total Disbursement	100,000	86,000	100,000			Once CFA has been fully repaid, April - June MIS & approvals will be paid up to MCA

Disbursements - 5 Months

	April	May	June	July	Aug	Sept
	Jan MIS & approvals	Feb. MIS & approvals	Mar. MIS & approvals			
1) CFA						
MIS - allocations	57,000	55,000	58,000			
Pass through approvals	43,000	45,000	42,000			
Total Disbursement	100,000	100,000	100,000			April, May, June MIS & approvals used to payback July, Aug, Sept. CFA
2) CFA						
MIS - allocations	48,000	51,000	51,000			
Pass through approvals	48,000	49,000	49,000			
less Oct., CFA		(2,000)	(3,000)			
Total Disbursement	97,000	98,000	97,000			May be holdback in April, May, and/or June due to low service level April, May, June MIS & approvals used to payback July, Aug, Sept. CFA
3) CFA						
MIS - allocations	81,000	84,000	89,000			
Pass through approvals	78,000	81,000	82,000			
less excess of 1/12th MCA**	(59,000)	(65,000)	(69,000)			
Total Disbursement	100,000	100,000	102,000			Once CFA has been fully repaid, April - June MIS & approvals will be paid up to MCA

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT VI**

ATTESTATION REGARDING FEDERALLY FUNDED PROGRAMS

In accordance with the DMH Legal Entity Agreement's Paragraph 53 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM):

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

I further certify as the official responsible for the administration of _____, (hereafter "Contractor")

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

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

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

Name of authorized official _____
Please print name

Signature of authorized official _____ Date _____

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT VII**

SAFELY SURRENDERED BABY LAW FACT SHEET

(IN ENGLISH AND SPANISH)

No shame. No blame. No names.

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



In Los Angeles County:

1-877-BABY SAFE

1-877-222-9723

www.babysafella.org



State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director



Los Angeles County Board of Supervisors

Gloria Molina, Supervisor, First District

Yvonne Branawalle-Burke, Supervisor, Second District

Zev Yaroslavsky, Supervisor, Third District

Don Khabe, Supervisor, Fourth District

Michael D. Antonovich, Supervisor, Fifth District

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

What is the Safely Surrendered Baby Law?

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

How does it work?

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

What if a parent wants the baby back?

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

Can only a parent bring in the baby?

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

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

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

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

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

What happens to the baby?

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

What happens to the parent?

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

Why is California doing this?

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

A baby's story

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

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

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

Sin pena. Sin culpa. Sin peligro.

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



En el Condado de Los Angeles:

1-877-BABY SAFE

1-877-222-9723

www.babysafe-la.org



Estado de California
Cory D. Davis, Gobernador

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

Departamento de Servicios Sociales
(Department of Social Services)
Rhea L. Sanders, Directora



Consejo de Supervisores del Condado de Los Angeles

Gloria Molina, Supervisora, Primer Distrito

Yvonne Brathwaite Burke, Supervisora, Segundo Distrito

Zev Yaroslavsky, Supervisor, Tercer Distrito

Don Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovich, Supervisor, Quinto Distrito

Esta iniciativa también está apoyada por First 5 LA y INFO LINE de Los Angeles.

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

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

¿Cómo funciona?

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

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

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

¿Sólo los padres podrán llevar al recién nacido?

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

¿Los padres deben llamar antes de llevar al bebé?

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

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

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

¿Qué ocurrirá con el bebé?

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

¿Qué pasará con el padre/madre?

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

¿Por qué California hace esto?

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

Historia de un bebé

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

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

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

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT VIII**

CROSSWALK FACT SHEET

Current Language	New Language
○ Health Care Financing Administration (HCFA)	○ Centers for Medicare and Medicaid Services (CMS)
○ Explanation of Balance (EOB)	○ Remittance Advice (RA)
○ Mode of Service and Service Function Code (SFC) ○ Activity Code	○ No parallel in IS, carried only in MIS ○ HIPAA Compliant Procedure codes from the following HCPCS: CPT Codes: <u>Current Procedural Terminology</u> published by the American Medical Association is a list of codes representing procedures or services. HCPCS Codes (Level II): <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. UB92: Refers to coding standards designated by HIPAA.
○ DSM IV	○ IS converts DSM IV to ICD-9 for claiming: ICD-9 Codes: (<u>International Classification of Diseases</u>), 9 th Revision Codes, issued and authorized by the Centers for Medicare and Medicaid, to describe and accurately report health related procedures and Diagnoses.
○ Staff Code and Discipline Code	○ Rendering Provider and Taxonomy
○ MHMIS or Mental Health Management Information System AND MIS Management Information System	○ IS or Integrated System
○ References to entering data into the MIS	○ Entering data into the IS
○ RGMS	○ IS

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

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

	Contractor/Firm	Firm Status	Black/African American		Hispanic/Latin American		Asian American		White	
			% Men	% Women	% Men	% Women	% Men	% Women	% Men	% Women
1	Alcott Center for Mental Health Services (formerly Beverlywood MHC, Inc.)	NP								
2	AMADA Enterprises, Inc. dba View Heights Convalescent Hospital	P	100							
3	Asian American Drug Abuse Program, Inc.	NP								
4	Barbour and Floyd Medical Associates	P	50	50						
5	Behavioral Health Services, Inc.	NP								
6	California Hispanic Commission	NP								
7	Center for Healthy Aging	NP								
8	ChildNet Youth and Family Services, Inc.	NP								
9	City of Gardena	G								
10	Community Care Center, Inc.	P							100	
11	Counseling and Research Associates, Inc. dba Masada Homes	NP								
12	D'Veal Corporation dba D'Veal Family and Youth Services	NP								
13	Harbor View Rehabilitation Center, Inc. dba Harbor View Adolescent Center	P							100	
14	Institute for Applied Behavioral Analysis, A Psychological Corporation (IABA)	NP								
15	Landmark Medical Services, Inc.	P							50	50
16	Los Angeles Orphans Home Society dba Hollygrove	NP								
17	Meadowbrook Rehabilitation Center dba Meadowbrook Manor	P							100	
18	New Directions, Inc.	NP								
19	One In Long Beach, Inc. dba The Gay and Lesbian Community Center of Greater Long Beach	NP								
20	Optimist Youth Home dba Optimist Boys' Home and Ranch	NP								

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

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

	Contractor/Firm	Firm Status	Black/African American		Hispanic/Latin American		Asian American		White	
			% Men	% Women	% Men	% Women	% Men	% Women	% Men	% Women
21	Penny Lane Centers dba Penny Lane	NP								
22	Phoenix Houses of Los Angeles, Inc.	NP								
23	The Rehab Program at PRCC, Inc.	P				100				
24	St. Francis Medical Center - Children's Counseling Center	NP								
25	St. Joseph Center	NP								
26	San Gabriel Valley Convalescent Hospital, Inc. dba Penn Mar Therapeutic Center	P							54.50	45.50
27	SHIELDS For Families, Inc.	NP								
28	SPIRITT Family Services, Inc.	NP								
29	Star View Adolescent Center, Inc.	P							33.33	66.66
30	Step-Up On Second Street, Inc.	NP								
31	Tarzana Treatment Center, Inc.	NP								
32	Telecare Corporation	P	4	7	3	3	2	5	3	73

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

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