

COUNTY OF LOS ANGELES

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

DRA E. FULMORE, L.C.S.W.  
Interim Chief Deputy Director

RODERICK SHANER, M.D.  
Medical Director



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DEPARTMENT OF MENTAL HEALTH

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601  
FAX No.: (213) 386-1297

<http://dmh.co.la.ca.us>

May 22, 2003

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

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

46

JUN 03 2003

*Violet Varona-Lukens*  
VIOLET VARONA-LUKENS  
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF NEW LEGAL ENTITY AGREEMENTS WITH  
FIVE SUBSTANCE ABUSE SERVICE PROVIDERS  
AND  
AMENDMENT TO EXISTING LEGAL ENTITY AGREEMENT WITH SPECIAL  
SERVICE FOR GROUPS  
(SUPERVISORIAL DISTRICTS 1, 2, AND 3)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Director of Mental Health to prepare, sign, and execute five new Legal Entity Agreements, listed in Attachment I and substantially similar in format to Attachment II, and amend the existing Legal Entity Agreement with Special Service For Groups, substantially similar in format to Attachment III, for the provision of outpatient mental health services to seriously emotionally disturbed (SED) children and adolescents with co-occurring emotional and substance abuse problems and their families. The term of the new agreements will be effective upon Board approval for Fiscal Years (FY) 2002-2003, 2003-2004, and 2004-2005. Amendment No. 9 to the existing Legal Entity Agreement with Special Service For Groups will be effective upon Board approval through the term of the Agreement, which ends on June 30, 2004. A one-month pro-rated amount of \$292,000 in Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program revenues will fund these five new agreements and the Amendment for the existing contractor for the remainder of FY 2002-2003. An annualized amount of \$3,494,000 in EPSDT Program revenues will fund the five new agreements and Amendment for FY 2003-2004 and \$3,194,000 for FY 2004-2005 for the five new agreements.

The Maximum Contract Amounts (MCA), as detailed in Attachment I, for these five new agreements and the Amendment total \$12,440,000, \$14,509,000, and \$3,194,000 for FYs 2002-2003, 2003-2004, and 2004-2005, respectively.

2. Delegate authority to the Director of Mental Health to prepare, sign, and execute future amendments to the DMH Legal Entity Agreements and establish as a new Maximum Contract Amount the aggregate of each original contract and all amendments through and including the Amendment, provided that: 1) the County's total payments to Contractor under each Agreement for each fiscal year shall not exceed a change of twenty percent from the applicable revised Maximum Contract Amount; 2) any increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer or his designee is obtained prior to any such Amendment; 5) the parties may by mutual written Amendment agree to reduce programs or services without reference to the twenty percent limitation; 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 to enter into five new Legal Entity Agreements and an Amendment to the existing Legal Entity Agreement with Special Service For Groups for the provision of mental health, case management brokerage, medication support, and crisis intervention services to SED children and adolescents with co-occurring emotional and substance abuse problems. The five new contractors are required to have a contract with DMH to become Short-Doyle/Medi-Cal (SD/MC) certified. SD/MC certification will allow these new contractors to provide SD/MC reimbursable services, as defined in the agreements, and to establish access to the EPSDT Program revenues to cover the cost of services.

These new agreements and Amendment to the existing Legal Entity Agreement will enable these contractors to generate Medi-Cal revenues for providing mental health services and enhancing treatment services beyond what their substance abuse treatment programs currently provide as part of their contract with the County of Los Angeles - Department of Health Services (DHS), Office of Alcohol and Drug Program Administration (ADPA).

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

The recommended Board actions are consistent with the County's Programmatic Goals 5, Children and Families' Well-Being, and 7, Health and Mental Health, within the Countywide Strategic Plan. Board approval shall strengthen the mental health services delivery system and improve accessibility across County departments.

### **FISCAL IMPACT/FINANCING**

There is no impact on net County cost. The mental health services to be provided during FY 2002-2003 in the amount of \$292,000, which is a one-month proration, is funded by EPSDT-State General Fund (SGF), \$146,000, and Federal Financial Participation (FFP) Medi-Cal revenue, \$146,000, which is included in DMH's FY 2002-2003 Adopted Budget. The budgeted appropriation of \$292,000 was redirected from contract providers that were underutilizing existing resources. The annualized amount of \$3,494,000, as detailed by Legal Entity Agreement in Attachment I, will be included in DMH's FY 2003-2004 Final Changes Budget.

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

During the development of the DHS ADPA's RFP, ADPA and DMH held a joint meeting to discuss treatment and recovery services for adolescents with co-occurring emotional, alcohol and drug abuse problems.

On December 3, 1999, DHS' ADPA issued a solicitation for Requests for Proposals (RFP) for Adolescent Intervention, Treatment, and Recovery Program Services. Proposers were required to demonstrate their capacity to provide linkages and collaborative relationships with an array of service systems, which included DMH, the Department of Children and Family Services, juvenile justice, and education. The deadline to submit a letter of intent was December 30, 1999, and February 1, 2000, for the proposal. Your Board approved the selection of 13 agencies on October 31, 2000.

Subsequent to the contract awards, ADPA and DMH followed up with a meeting, which was attended by alcohol and drug youth treatment providers, to focus on DMH's EPSDT Program and the provision of technical assistance to agencies that were awarded contracts to provide youth alcohol and drug treatment services. It was the expectation that agencies that were awarded DHS ADPA's contracts would also have the opportunity to contract with DMH and that, accordingly, those contractors would be required to be SD/MC certified to allow their services to generate EPSDT-SGF and FFP Medi-Cal revenue without the direct expenditure of County General Funds.

DMH followed up with technical assistance workshops with interested agencies. Afterwards, DMH started the negotiation process, but most of the potential contractors took a very long time to submit their negotiation packages. Only seven agencies submitted negotiation packages to DMH for the provision of mental health services to children and adolescents served in their substance abuse treatment programs. Several agencies indicated interest in contracting with DMH for mental health services, but did not follow through with submitting negotiation packages. Additionally, other ADPA-funded contractors were already DMH contractors providing EPSDT services, and, therefore, did not need new contracts or amendments. Unanticipated delays in receiving complete negotiation packages and resolving fiscal issues impacting the implementation of the EPSDT Program expansion postponed the Board filing until now.

Execution of new Legal Entity Agreements will enable these five new contractors to generate additional EPSDT-SGF and FFP Medi-Cal revenue for the provision of mental health, case management brokerage, medication support, and crisis intervention services. Consequently, these contractors will be able to integrate mental health services into their overall substance abuse treatment programs for SED children and adolescents and their families.

Clinical and administrative staff of DMH are assigned to supervise and administer agreements, evaluate programs to ensure that quality services are being provided to clients, and ensure that Agreement provisions and departmental policies are being followed.

In a separate Board Letter, Board approval has been requested for delegated authority to the Director of Mental Health to use the Legal Entity Agreement format (Attachment II), which includes all mandated clauses. The Amendment has been approved as to form by County Counsel. The proposed actions have been reviewed by the Chief Administrative Office and DMH's Program and Financial Services administration.

The completed County of Los Angeles Community Business Enterprise (LAC/CBE) Program, Firm/Organization Information form is attached (Attachment IV).

### **CONTRACTING PROCESS**

These contracts have been developed as a consequence of the DHS ADPA RFP and the resulting DHS contracts. The DHS RFP proposed DMH mental health services for any provider willing to participate. The DMH contracts recommended in this Board Letter represent the culmination of this process.

The Honorable Board of Supervisors  
May 22, 2003  
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Upon Board approval, DMH will execute new Legal Entity Agreements with five contractors, listed in Attachment I, and an Amendment to the existing Legal Entity Agreement with Special Service For Groups for the provision of outpatient mental health services. These SD/MC reimbursable services will allow the contractors to generate additional EPSDT-SGF and FFP Medi-Cal revenue while providing treatment services to SED minors beyond what their substance abuse treatment programs currently provide.

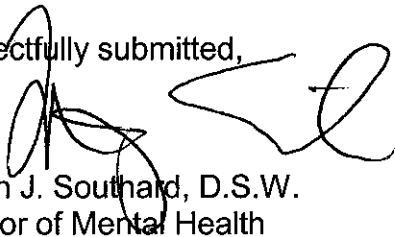
### **IMPACT ON CURRENT SERVICES**

Board approval will allow DMH to augment contracted mental health services throughout the County for SED children and adolescents who have co-occurring mental and substance abuse disorders.

### **CONCLUSION**

The Department of Mental Health will need one (1) copy of the adopted Board action. It is requested that the Executive Officer, Board of Supervisors, notify 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:RK:KT:CTA

Attachments (4)

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

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH  
 MENTAL HEALTH SERVICES PROVIDED BY CONTRACTORS  
 TO CHILDREN/ADOLESCENTS WITH CO-OCCURRING MENTAL AND SUBSTANCE ABUSE DISORDERS

Supv. District (site)	NEW LEGAL ENTITY AGREEMENTS														
	FY 2002-2003			FYs 2003-2004 and 2004-2005		FY 2003-2004	FY 2004-2005								
	EPSDT-SGF (1 Mo. Prorated)	FFP (1 Mo. Prorated)	MCA	Annualized EPSDT Allocation	Annualized FFP Allocation	MCA*	MCA*	MCA*							
1	\$ 19,000	\$ 19,000	\$ 38,000	\$ 228,000	\$ 228,000	\$ 456,000	\$ 456,000	\$ 456,000							
1	\$ 47,000	\$ 47,000	\$ 94,000	\$ 564,000	\$ 564,000	\$ 1,128,000	\$ 1,128,000	\$ 1,128,000							
2	\$ 14,000	\$ 14,000	\$ 28,000	\$ 168,000	\$ 168,000	\$ 336,000	\$ 336,000	\$ 336,000							
3	\$ 19,000	\$ 19,000	\$ 39,000	\$ 228,000	\$ 228,000	\$ 456,000	\$ 456,000	\$ 456,000							
3	\$ 34,000	\$ 34,000	\$ 68,000	\$ 409,000	\$ 409,000	\$ 818,000	\$ 818,000	\$ 818,000							
<b>Subtotal New Agreements</b>										(a)	(b)	(c)	(d)	(e)	(f)
										\$ 133,000	\$ 133,000	\$ 1,597,000	\$ 1,597,000	\$ 3,194,000	\$ 3,194,000

Supv. District (site)	AMENDMENT TO EXISTING LEGAL ENTITY AGREEMENT														
	FY 2002-2003					FY 2003-2004									
	EXISTING MCA	Latest Amend. No.	EPSDT-SGF (1 Mo. Prorated)	FFP (1 Mo. Prorated)	REVISED MCA*	New Amend. No.	Annualized EPSDT-SGF Allocation	Annualized FFP Allocation	REVISED MCA**						
2	\$ 12,146,609	8	\$ 13,000	\$ 13,000	\$ 12,172,609	9	\$ 150,000	\$ 150,000	\$ 11,315,050	(i)					
<b>Subtotal Amendment</b>										(g)	(h)	(i)	(j)	(k)	(l)
										\$ 12,146,609	\$ 13,000	\$ 13,000	\$ 12,172,609	\$ 150,000	\$ 11,315,050

(a)+(b)+(i) (e)+(i) (f)  
 FY 02-03 FY 03-04 FY 04-05  
 Total New Agreements and Amendment \$ 12,436,609 \$ 14,509,050 \$ 3,194,000

\* MCA is comprised of EPSDT-SGF and FFP funds.  
 \*\* The MCA for FY 2003-2004 reflects the approved funding amounts (Realignment, SRP, AB2034, FFP, and EPSDT-SGF) allocated for FY 2002-2003.

DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

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CONTRACTOR:

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

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

Business Address:

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\_\_\_\_\_

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

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

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

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

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

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

DISTRIBUTION

(Please type in the applicable name for each)

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

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

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**ATTACHMENTS**

46	ATTACHMENT I	DEFINITIONS			
47	ATTACHMENT II	FINANCIAL SUMMARY(IES)	FY _____	FY _____	FY _____
48	ATTACHMENT III	SERVICE DELIVERY SITE EXHIBIT(S)			
49	ATTACHMENT IV	SERVICE EXHIBIT(S)			
50	ATTACHMENT V	CASH FLOW ADVANCE (CFA) SCHEDULE AND CFA CLAIMS PAYMENT EXAMPLE, (Sections 1, 2 and 3)			
51	ATTACHMENT VI	ATTESTATION REGARDING FEDERALLY FUNDED PROGRAM			
52	ATTACHMENT VII	SAFELY SURRENDERED BABY LAW FACT SHEET (In English and Spanish)			

1 DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

2  
3  
4 THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and  
5 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 Section 5600 *et seq.*; and

12 WHEREAS, Contractor is equipped, staffed, and prepared to provide these services as described  
13 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 17601 *et seq.*; California Work Opportunities and  
24 Responsibilities to Kids Act, California Welfare and Institutions Code Section 11200 *et seq.*; California  
25 Government Code Sections 26227 and 53703; Title XIX of the Social Security Act, 42 United States  
26 Code Section 1396 *et seq.*; Title IV of the Social Security Act, Part B of Title XIX of the Public Health  
27 Service Act, 42 United States Code Section 300x *et seq.*; California Penal Code Section 11164 *et seq.*;  
28 Title 9 and Title 22, including, but not limited to, Sections 51516, 70001, 71001, 72001 *et seq.*, and  
29 72443 *et seq.* of the California Code of Regulations; State Department of Mental Health's Cost  
30 Reporting/Data Collection Manual; State Department of Mental Health's Short-Doyle/Medi-Cal Manual  
31 for the Rehabilitation Option and Targeted Case Management; State Department of Mental Health's  
32 Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual; policies and procedures  
33 developed by County; State's Medicaid Plan; and policies and procedures which have been documented  
34 in the form of Policy Letters issued by State Department of Mental Health; and/or for State Department  
35 of Health Services.

36 /

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 1. TERM:

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

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

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

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

18 C. Termination:

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

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

22 (a) If County determines that:

- 23 i. Any Federal, State, and/or County funds are not available for  
24 this Agreement or any portion thereof; or  
25 ii. Contractor has failed to initiate delivery of services within 30  
26 days of the commencement date of this Agreement; or  
27 iii. Contractor has failed to comply with any of the provisions of  
28 Paragraphs 16 (NONDISCRIMINATION IN SERVICES), 17  
29 (NONDISCRIMINATION IN EMPLOYMENT), 19  
30 (INDEMNIFICATION AND INSURANCE), 20 (WARRANTY  
31 AGAINST CONTINGENT FEES), 21 (CONFLICT OF INTEREST),  
32 26 (DELEGATION AND ASSIGNMENT), 27  
33 (SUBCONTRACTING), 45 (CERTIFICATION OF DRUG-FREE  
34 WORK PLACE), 48 (CHILD SUPPORT COMPLIANCE  
35 PROGRAM), and/or 52 (CONTRACTOR'S EXCLUSION FROM  
36 PARTICIPATION IN A FEDERALLY FUNDED PROGRAM); or

1 (b) In accordance with Paragraphs 32 (TERMINATION FOR INSOLVENCY),  
2 33 (TERMINATION FOR DEFAULT), 34 (TERMINATION FOR IMPROPER  
3 CONSIDERATION), and/or 46 (COUNTY LOBBYISTS).

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

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

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

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

31 (c) If Contractor is in possession of any equipment, furniture, removable  
32 fixtures, materials, or supplies owned by County as provided in  
33 Paragraph 42 (PURCHASES), the same shall be immediately returned to  
34 County.

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

1 D. Suspension of Payments: Payments to Contractor under this Agreement shall be  
2 suspended if Director, for good cause, determines that Contractor is in default under any of the  
3 provisions of this Agreement. Except in cases of alleged fraud or similar intentional wrongdoing, at least  
4 30 days notice of such suspension shall be provided to Contractor, including a statement of the  
5 reason(s) for such suspension. Thereafter, Contractor may, within 15 days, request reconsideration of  
6 the Director's decision. Payments shall not be withheld pending the results of the reconsideration  
7 process.

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

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

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

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

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

29 Contractor may provide mental health services claimable as EPSDT services.

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

35 4. FINANCIAL PROVISIONS:

36 A. General: This Agreement provides for reimbursement as provided in this Paragraph 4

1 (FINANCIAL PROVISIONS), Subparagraph J (1) (Payment) and as shown on the Financial Page(s).  
2 The Contractor will comply with all requirements necessary for reimbursement as established by  
3 Federal, State and local statutes, laws, ordinances, rules, regulations, manuals, policies, guidelines  
4 and directives. Under no circumstances can the total Maximum Contract Amount of this Agreement  
5 be increased or decreased without a properly executed amendment.

6 (1) Capitated Rate: A fixed amount, including all revenue, interest and return, per  
7 enrolled individual/member paid monthly to Contractor for providing comprehensive mental health  
8 services/activities as required in that period for the covered individuals/members. All fees paid by or  
9 paid on behalf of an enrolled individual/member receiving services/activities hereunder and all other  
10 revenue, interest and return resulting from services/activities and/or funds hereunder shall be deducted  
11 from the Capitated Rate.

12 (2) Cost Reimbursement: County agrees to reimburse Contractor during the term of  
13 this Agreement for the actual and allowable costs, less all fees paid by or on behalf of patients/clients  
14 receiving services/activities hereunder and all other revenue, interest and return resulting from  
15 services/activities and/or funds paid by County to Contractor hereunder but not to exceed the Maximum  
16 Reimbursable Amount per visit as shown on the Financial Summary and the maximum number of  
17 allowable visits stipulated in the Fee-For-Service Medi-Cal Specialty Mental Health Services Provider  
18 Manual when Contractor is providing mental health services, specialty mental health services and/or  
19 Title XIX Medi-Cal Administrative Activities hereunder in accordance with WIC Sections 5704, 5707,  
20 5709, 5710, 5714, 5716, 5717, 5718, 5719, 5720, 5721, 5723, and 14132.44; CCR Titles 9 and  
21 22; SDMH Policy Letters; CR/DC Manual; RO/TCM Manual; DMH policies and procedures; and all other  
22 applicable Federal, State, and local laws, ordinances, rules, regulations manuals, guidelines, and  
23 directives.

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

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

31 Notwithstanding any other provision of this Agreement, in the event that Contractor provides  
32 EPSDT services reimbursable under the State's EPSDT mandate claim process, in excess of the  
33 Contractor's Fiscal Year \_\_\_\_\_ base of \$\_\_\_\_\_, Contractor shall be  
34 paid by County from EPSDT funds upon receipt from the State. The CGF allocated on the Financial  
35 Summary Page for EPSDT baseline services is designated solely for EPSDT eligible services and no CGF  
36 in this category shall be transferred to any other category on said Financial Summary Page. In the event

1 that EPSDT funds are not available to pay EPSDT claims or that State denies any or all of the EPSDT  
2 claims submitted by County on behalf of Contractor, Contractor shall indemnify and hold harmless  
3 County for any and all liability for payment of any or all of the denied EPSDT claims or for the  
4 unavailability of EPSDT funds to pay for EPSDT claims. Contractor shall be solely liable and responsible  
5 for all data and information submitted by Contractor to County in support of all claims for EPSDT funds  
6 submitted by County as the fiscal intermediary.

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

9 (5) Negotiated Rate: County agrees to reimburse Contractor during the term of this  
10 Agreement for providing mental health services hereunder in accordance with WIC Sections 5704,  
11 5705, 5707, 5709, 5710, 5714, 5716, 5717, 5718, 5719, 5720, 5721, 5723, and 14132.44; CCR  
12 Titles 9 and 22; SDMH Policy Letters; CR/DC Manual; RO/TCM Manual; DMH policies and procedures;  
13 and all other applicable Federal, State, and local laws, ordinances, rules, regulations, manuals,  
14 guidelines, and directives. Except for Title XIX Medi-Cal Administrative Activities, reimbursement shall  
15 be at the Negotiated Rate(s), as mutually agreed upon between County and Contractor and approved by  
16 SDMH (for any NR funded in whole or in part by Title XIX Short-Doyle/Medi-Cal and/or State funds) and  
17 as shown on the Financial Summary less all fees paid by or on behalf of patients/clients receiving  
18 services hereunder and all other revenue, interest and return resulting from services/activities and/or  
19 funds paid by County to Contractor hereunder.

20 B. Reimbursement For Initial Period: The Maximum Contract Amount for the Initial Period of  
21 this Agreement as described in Paragraph 1 (TERM) shall not exceed \_\_\_\_\_

22 \_\_\_\_\_  
23 DOLLARS (\$\_\_\_\_\_) and shall consist of County, State, and/or Federal funds as shown on the  
24 Financial Summary. This Maximum Contract Amount includes Cash Flow Advance which is repayable  
25 through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other  
26 provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall  
27 County pay Contractor more than this Maximum Contract Amount for Contractor's performance  
28 hereunder during the Initial Period.

29 C. Reimbursement If Agreement Is Automatically Renewed:

30 (1) Reimbursement For First Automatic Renewal Period: The Maximum  
31 Contract Amount for the First Automatic Renewal Period of this Agreement as described in Paragraph 1  
32 (TERM) shall not exceed \_\_\_\_\_

33 \_\_\_\_\_  
34 DOLLARS (\$\_\_\_\_\_) and shall consist of County, State, and/or Federal funds as shown on  
35 the Financial Summary. This Maximum Contract Amount includes the Cash Flow Advance which is  
36 repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by

1 other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event  
2 shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance  
3 hereunder during the First Automatic Renewal Period.

4 (2) Reimbursement For Second Automatic Renewal Period: The Maximum  
5 Contract Amount for the Second Automatic Renewal Period of this Agreement as described in Paragraph  
6 1 (TERM) shall not exceed \_\_\_\_\_  
7 \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_)

8 and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This  
9 Maximum Contract Amount includes the Cash Flow Advance which is repayable through cash and/or  
10 appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this  
11 Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay  
12 Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during  
13 the Second Automatic Renewal Period.

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

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

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

31 E. Established Maximum Allowable Rates:

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

36 (2) Pursuant to Subparagraph D (SDMH Approval of Negotiated Rate(s)) and this



1 Subparagraph E, the appropriate Established Maximum Allowable Rates in effect during the Initial Period  
2 of this Agreement, the First Automatic Renewal Period, or the Second Automatic Renewal Period, shall  
3 be applicable to this Agreement when adopted by State.

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

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

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

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

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

35 (4) Notwithstanding any other provision of this Agreement, if EPSDT Title XIX  
36 Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal

1 Administrative Activities are provided hereunder, such services and administrative activities shall comply  
2 with and be compensated in accordance with all applicable Federal and State reimbursement  
3 requirements.

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

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

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

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

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

33 (8) As the State designated Short-Doyle/Medi-Cal fiscal intermediary, County shall  
34 submit a claim to SDMH for EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal  
35 reimbursement only for those services entered by Contractor into MIS which are identified by Contractor  
36 as "Y". The "Y" means that the service provided is to be claimed by County to Short-Doyle/Medi-Cal.

1 Contractor shall comply with all written instructions from County and/or State regarding EPSDT Title  
2 XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal claiming and documentation.

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

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

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

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

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

1           (12) ~~EPSDT Title XIX Medi-Cal Services, Title XIX Short-Doyle/Medi-Cal Services,~~  
2 ~~Title XIX Medi-Cal Administrative Activities, Overpayment Recovery Procedures:~~ Contractor shall repay  
3 to County the amount, if any, paid by County to Contractor for EPSDT Title XIX Medi-Cal services, and  
4 Title XIX Short-Doyle/Medi-Cal services, and Title XIX Medi-Cal Administrative Activities, which are  
5 found by County, State, and/or Federal governments not to be reimbursable.

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

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

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

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

15           G. Funding Sources:

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

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

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

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

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

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

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

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

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

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

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

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

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

35           (5) Contractor shall not retain any fees paid by any resources for or on behalf of  
36 Medi-Cal beneficiaries without having those fees deducted from the cost of providing the mental health

1 service/units specified in this Agreement.

2 (6) Contractor may retain any interest and/or return which may be received, earned  
3 or collected from any funds paid by County to Contractor, provided that Contractor shall utilize all such  
4 interest and return only for the delivery of mental health service units specified in this Agreement.

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

15 J. Payment:

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

22 (a) Capitated Rate: Contractor's monthly claim to County shall show all  
23 Contractor's enrolled individuals/members covered by the Capitated Rate Program and all other revenue,  
24 interest and return resulting from services/activities and/or funds paid by County to Contractor  
25 hereunder for the particular month.

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

33 (c) For IMDs Only: Those Institutions for Mental Disease which are  
34 licensed as Skilled Nursing Facilities (SNF) by SDHS are, thereby, entitled by law to the rates established  
35 by SDHS for Skilled Nursing Facilities. The IMD rate consists of a basic SNF rate and a STP rate, or a  
36 MHRC rate. Contractor's monthly claim to County shall be for those patient days that have been

1 approved in writing by the County and shall be separately itemized by each patient day. Claims shall be  
2 submitted to County within 30 days of the end of the billing period. Monthly claims shall be reviewed  
3 and approved by County.

4 (d) Negotiated Rate: Contractor's monthly claim to County shall be  
5 separately itemized by each SFC to show the payment calculation for each SFC by multiplying the SFC  
6 units as shown on MIS reports by the applicable NR for such SFC as shown on the Financial Summary,  
7 except that for PATH and SAMHSA services, Contractor's monthly claim shall show Contractor's actual  
8 and allowable costs, less all fees paid by or on behalf of patients/clients receiving services hereunder and  
9 all other revenue, interest and return resulting from services/activities and/or funds paid by County to  
10 Contractor hereunder.

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

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

21 (3) For Organizational Providers only. Provisional reimbursement  
22 shall be based on the rates shown on the Provisional Rate Schedule(s) as published and periodically  
23 revised as supplements to the Los Angeles County DMH Fee-For-Service Medi-Cal Specialty Mental  
24 Health Services Provider Manual by the DMH, Office of Managed Care and distributed to DMH  
25 Organizational Providers and to the Los Angeles County DMH Contracts Development and  
26 Administration Division.

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

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

36 The monthly claim and subsequent payment shall be made in accordance with County

1 policies and procedures. If a claim is not submitted as required by County, then payment shall be  
2 withheld until County is in receipt of a complete and correct claim and such claim has been reviewed  
3 and approved by Director.

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

17 (3) All monthly claims shall be subject to adjustment based upon the MIS reports,  
18 EOB data, and/or Contractor's Annual Cost Report which shall supersede and take precedence over all  
19 claims.

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

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

32 (6) Title XIX Medi-Cal Administrative Activities FFP funds shall be paid by County to  
33 Contractor only for State approved claims for Title XIX Medi-Cal Administrative Activities based on time  
34 studies prepared or actual and allowable costs for units of activities reported by Contractor. Title XIX  
35 Medi-Cal Administrative Activities FFP funds shall be paid by County to Contractor only in arrears and  
36 only if Contractor is authorized as a Title XIX Medi-Cal Administrative Activities provider, only to the



1 extent that eligible FFP matching funds are available under this Agreement, and only after County has  
2 received FFP payment from State.

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

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

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

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

1 specific authorization to spend EPSDT-SGF and FFP in excess of the Maximum Contract Amount(s).

2 Contractor understands and agrees that County's assistance in processing  
3 and, as an intermediary for the State and Federal governments, initially paying for EPSDT-SGF and  
4 FFP in accordance with the above is subject to reimbursement from the State and does not render  
5 County in any way responsible for the substantive obligation to be ultimately fiscally responsible for  
6 payment for Contractor's claims for payment for these services. Contractor's entitlement to payment  
7 for such services, or claimed services, is entirely dependent upon compliance with the law and  
8 regulations related to same. In the event of a dispute regarding entitlement for payment, Contractor  
9 agrees that County is not liable for payment for such claims and will not pursue any such claims for  
10 payment against County.

11 K. Cash Flow Advance In Expectation of Services/Activities To Be Rendered:

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

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

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

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

1 Cash Flow Advance is based upon the following:

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

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

19 (1) 1/12<sup>th</sup> of the Maximum Contract Amount for EPSDT-SGF as identified on the Financial Summary  
20 Page, annualized Maximum Contract Amount if a partial year plus;

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

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

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

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

36 Should Contractor request and receive Cash Flow Advance, Contractor shall exercise cash

1 management of such Cash Flow Advance in a prudent manner.

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

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

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

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

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

26 M. Withholding of Payment For Nonsubmission of MIS and Other Information: County may  
27 withhold a maximum of ten percent of any monthly claim, if any MIS data, EOB data, RGMS report, or  
28 other information is not submitted by Contractor to County within the time limits of submission of this  
29 Agreement or if any MIS data, EOB data, RGMS report, or other information is incomplete, incorrect, or  
30 is not completed in accordance with the requirements of this Agreement. County shall give Contractor  
31 at least 15 working days written notice of its intention to withhold payments hereunder, including the  
32 reason(s) for its intended action. Thereafter, Contractor shall have 15 days either to correct any  
33 deficiencies, or to request reconsideration of the decision to withhold payment. Payment to Contractor  
34 shall not be withheld pending the correction of deficiencies, or if reconsideration is requested, pending  
35 the results of the reconsideration process.

1 N. Annual Cost Reports:

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

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

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

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

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

31 (1) Capitated Rate - to the applicable Capitated Rate per enrolled individual/member  
32 multiplied by the applicable number of enrolled individuals/members assigned to the Contractor multiplied  
33 by the applicable number of months which the enrolled individual/member was assigned to the  
34 Contractor less all revenue, interest and return resulting from services/activities and/or funds paid by  
35 County to Contractor hereunder, including but not limited to, all Medicare, patient/client fees, private  
36 insurance, and any other revenue, interest and return resulting from services/activities and/or funds paid

1 by County to Contractor as described in Subsection 7 of Subparagraph I (Patient/Client Eligibility,  
2 UMDAP Fees, Third Party Revenue and Interest), not to exceed the applicable Maximum Contract  
3 Amount as shown in Subparagraph B (Reimbursement For Initial Period) or C (Reimbursement If  
4 Agreement Is Automatically Renewed), provided that reimbursement for Title XIX Short-Doyle/Medi-Cal  
5 funded services shall be consistent with the amounts authorized by State law and State's Medicaid Plan,  
6 and reimbursement for Title XIX Medi-Cal Administrative Activities shall be consistent with the amounts  
7 authorized by State law and State's Title XIX Medi-Cal Administrative Activities Plan not to exceed the  
8 Maximum Contract Amount. Reimbursement for Title XIX Short-Doyle/Medi-Cal services, Title XIX  
9 Medi-Cal Administrative Activities shall not exceed an amount for which there is sufficient CGF/State  
10 match funds in the applicable Maximum Contract Amount.

11 (2) Cost Reimbursement - to actual and allowable costs, not to exceed the  
12 applicable Maximum Contract Amount as shown in Subparagraph B (Reimbursement For Initial Period) or  
13 C (Reimbursement If Agreement Is Automatically Renewed), provided that reimbursement for  
14 Short-Doyle/Medi-Cal funded services shall be consistent with the amounts authorized by State law and  
15 State's Medicaid Plan, and reimbursement for Title XIX Medi-Cal Administrative Activities shall be  
16 consistent with the amounts authorized by State law and State's Title XIX Medi-Cal Administrative  
17 Activities Plan not to exceed the Maximum Contract Amount. Reimbursement for Title XIX Short-  
18 Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, shall not exceed an amount  
19 for which there is sufficient CGF/State match funds in the applicable Maximum Contract Amount.

20 (3) IMD - to the lower of the DMH determined final MIS run of reported patient days  
21 or the patient days reported in Contractor's Annual Cost Report, multiplied by the applicable SDHS's  
22 currently approved Skilled Nursing Facility Rate per patient day for Basic Service plus SDHS's currently  
23 approved STP Rate per patient day for STP Services.

24 (4) Negotiated Rate - to the lower of the DMH determined final MIS run of reported  
25 SFC units, or the SFC units reported in Contractor's Annual Cost Report, multiplied by the applicable NR  
26 less all revenue, interest and return resulting from services/activities and/or funds paid by County to  
27 Contractor, including, but not limited to, all Medicare, patient/client fees, private insurance, and any  
28 other revenue, interest and return resulting from services/activities and/or funds paid by County to  
29 Contractor as described in Subsection 7 of Subparagraph I (Patient/Client Eligibility, UMDAP Fees, Third  
30 Party Revenue, and Interest), not to exceed the applicable Maximum Contract Amount as shown in  
31 Subparagraph B (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically  
32 Renewed), provided that reimbursement for Title XIX Short-Doyle/Medi-Cal funded services shall be  
33 consistent with the amounts authorized by State law and State's Medicaid Plan, and reimbursement for  
34 Title XIX Medi-Cal Administrative Activities shall be consistent with the amounts authorized by State  
35 law and State's Title XIX Medi-Cal Administrative Activities Plan not to exceed the Maximum Contract  
36 Amount. Reimbursement for Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal

1 Administrative Activities, shall not exceed an amount for which there is sufficient CGF/State match  
2 funds in the applicable Maximum Contract Amount. In the event that Contractor adjustments based on  
3 any of the above methods indicate an amount due the County, Contractor shall pay County according to  
4 the method described in Subparagraph S (Payments Due to County/Method of Payment).

5 P. Post-Contract Audit Settlement:

6 (1) In the event of a post-contract audit conducted by County, State, and/or Federal  
7 personnel, actual and allowable SFC units for NR services and actual and allowable costs for cost  
8 reimbursement services shall be determined for each Fiscal Year or portion thereof that this Agreement  
9 is in effect. Such audit may include requests to review any fiscal, programmatic, or SFC unit concerns  
10 County, State, and/or Federal auditors may have under this Agreement. CR/DC Manual, RO/TCM  
11 Manual, SDMH's utilization review policies and procedures, State's Medicaid Plan, State's Title XIX  
12 Medi-Cal Administrative Activities Plan, and the Federal Health Care Financing Administration's Health  
13 Insurance Manual Volume 15 (HIM 15) shall serve as the basic reference and authority for the audit  
14 determination of actual and allowable SFC units for mental health services and actual and allowable  
15 costs for Title XIX Medi-Cal Administrative Activities and PATH and SAMHSA services. One of the  
16 purposes of the audit determination of actual and allowable SFC units is to identify and adjust for  
17 duplicated claims; SFC units not provided; SFC units not documented; and utilization review findings,  
18 including, but not limited to, unnecessary care and the lack of appropriate licensed practitioners of the  
19 healing arts.

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

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

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

36 For Title XIX Medi-Cal Administrative Activities, if the post-contract audit conducted by

1 County, State, and/or Federal personnel determines that the actual and allowable costs for Title XIX  
2 Medi-Cal Administrative Activities furnished hereunder are less than the amounts reimbursable pursuant  
3 to this Agreement, then the difference shall be paid by County to Contractor, provided that in no event  
4 shall County's Maximum Contract Amount for the applicable Fiscal Year, as shown in Subparagraph B  
5 (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), be  
6 exceeded.

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

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

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

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

34 T. Interest Charges on Delinquent Payments: If Contractor, without good cause as  
35 determined in the sole judgment of Director, fails to pay County any amount due to County under this  
36 Agreement within sixty days after the due date, as determined by Director, then Director, in his sole



1 discretion and after written notice to Contractor, may assess interest charges at a rate equal to  
2 County's Pool Rate, as determined by County's Auditor-Controller, per day on the delinquent amount  
3 due commencing on the sixty-first day after the due date. Contractor shall have an opportunity to  
4 present to Director information bearing on the issue of whether there is a good cause justification for  
5 Contractor's failure to pay County within sixty days after the due date. The interest charges shall be:  
6 (1) paid by Contractor to County by cash payment upon demand and/or (2) at the sole discretion of  
7 Director, deducted from any amounts due by County to Contractor whether under this Agreement or  
8 otherwise.

9 U. Financial Solvency: Contractor shall maintain adequate provisions against the risk of  
10 insolvency.

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

22 W. Contractor Requested Changes:

23 (1) If Contractor desires any change in the terms and conditions of this Agreement,  
24 Contractor shall request such change in writing prior to April 1 of the Fiscal Year for which the change  
25 would be applicable, and all changes shall be made by an amendment pursuant to Agreement Paragraph  
26 37 (ALTERATION OF TERMS).

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

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

36 (1) County's total payments to Contractor under this Agreement, for each Fiscal

1 Year of the term of this Agreement, shall not exceed a change of more than the Board approved  
2 percentage of the applicable Maximum Contract Amount; and

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

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

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

9 (5) County and Contractor may by written amendment mutually agree to reduce  
10 programs or services without reference to the Board approved percentage limitation of the applicable  
11 Maximum Contract Amount; and

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

15 Y. CalWORKs Reimbursement:

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

19 For each month of the term of this Agreement, Contractor shall submit to County a  
20 separate claim for CalWORKs services in the form and content specified by County. Each monthly claim  
21 shall be submitted within thirty days of Contractor's receipt of County's MIS CalWORKs Service Reports  
22 for the last date CalWORKs' mental health services were provided during the particular month.

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

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

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

34 (4) Reimbursement shall only be made for CalWORKs services to the extent that  
35 funds are allocated by DPSS and the State for these services.

36 (5) Services to CalWORKs beneficiaries shall be limited to Contractor's existing

1 services as provided in this Agreement.

2 Z. CalWORKs Suspension of Payment: Payments to Contractor may be suspended if  
3 Director, for good cause, determines that Contractor is in default under any of the provisions of this  
4 Agreement, or if funds are unavailable from the State or DPSS for payment on CalWORKs claims.  
5 Except in cases of alleged fraud or similar intentional wrongdoing, at least 30 days notice of such  
6 suspension shall be provided to Contractor, including a statement of the reason(s) for such suspension.  
7 Thereafter, Contractor may, within 15 days, request reconsideration of Director's decision to suspend  
8 payment. Suspension of payment to Contractor shall not take effect pending the results of such  
9 reconsideration process.

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

12 AA. AB3632 Services Utilizing SB90 Funds: SB90 funds are part of the Maximum Contract  
13 Amount(s) of this Agreement and shall be paid by County to Contractor solely in County's capacity as  
14 the SB90 claim intermediary between the Contractor and the State. The CGF allocated on the Financial  
15 Summary Page for AB3632 (SB90) services is designated solely for AB3632 services and no CGF in this  
16 category shall be transferred to any other category on said Financial Summary Page. County shall make  
17 all instructions issued by the State for SB90 claiming available to Contractor.

18 Notwithstanding any other provision of this Agreement, in the event that Contractor provides  
19 AB3632 services reimbursable under the State's SB90 mandate claim process, in excess of the  
20 Contractor's Fiscal Year 1997-1998 base of \$ \_\_\_\_\_, Contractor shall be paid by County  
21 from SB90 funds upon receipt from the State. In the event that SB90 funds are not available to pay  
22 SB90 claims or that State denies any or all of the SB90 claims submitted by County on behalf of  
23 Contractor, Contractor shall indemnify and hold harmless County for any and all liability for payment of  
24 any or all of the denied SB90 claims or for the unavailability of SB90 funds to pay for SB90 claims.  
25 Contractor shall be solely liable and responsible for all data and information submitted by Contractor to  
26 County in support of all claims for SB90 funds submitted by County as the fiscal intermediary.

27 5. COUNTY'S OBLIGATION FOR CURRENT AND FUTURE FISCAL YEARS:

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

6. PRIOR AGREEMENT(S) SUPERSDED:

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

<u>TITLE</u>	<u>COUNTY AGREEMENT NUMBER</u>	<u>DATE OF EXECUTION</u>
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The parties agree that the provisions of such prior Agreement(s), and all Amendments thereto, shall be entirely superseded as of \_\_\_\_\_, \_\_\_\_\_, by the provisions of this Agreement.

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

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

\_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_);

and for Fiscal Year \_\_\_\_\_ shall not exceed \_\_\_\_\_

\_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_);

and for Fiscal Year \_\_\_\_\_ shall not exceed \_\_\_\_\_

\_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_).

7. STAFFING: Contractor shall operate throughout the term of this Agreement with staff, including, but not limited to, professional staff, that approximates the type and number as indicated in Contractor's Negotiation Package for this Agreement, as approved in writing by Director, including any addenda thereto as approved in writing by Director, and as required by WIC and CCR. Such staff shall be qualified and shall possess all appropriate licenses in accordance with WIC Section 5603 and all other applicable requirements of the California Business and Professions Code, WIC, CCR, CR/DC Manual, RO/TCM Manual, SDMH Policy Letters, and function within the scope of practice as dictated by licensing boards/bodies. (1) If vacancies occur in any of Contractor's staff that would reduce Contractor's ability to perform any services under the Agreement, Contractor shall promptly notify Director of such vacancies. (2) During the term of this Agreement, Contractor shall have available and shall provide upon request to authorized representatives of County, a list of all persons by name, title, professional degree, and experience, who are providing any services under this Agreement.

8. STAFF TRAINING AND SUPERVISION: Contractor shall institute and maintain an in-service training program of treatment review and case conferences in which all its professional, para-professional, intern, student and clinical volunteer personnel shall participate. Contractor shall institute and maintain appropriate supervision of all persons providing services under this Agreement with particular emphasis on the supervision of para-professionals, interns, students, and clinical volunteers in accordance with Departmental clinical supervision policy. Contractor shall be responsible

1 for the training of all appropriate staff on CR/DC Manual, RO/TCM Manual, and other State and County  
2 policies and procedures as well as on any other matters that County may reasonably require.

3 9. PROGRAM SUPERVISION, MONITORING AND REVIEW:

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

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

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

1 11. RECORDS AND AUDITS:

2 A. Records:

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

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

30 (b) Case Management Support Services and Outreach Services Records  
31 (Indirect Services): Contractor shall maintain accurate and complete program records of all indirect  
32 services (i.e., all services other than direct services) in accordance with all applicable County, State and  
33 Federal requirements. All program records shall be maintained by Contractor at a location in Los  
34 Angeles County for a minimum period of seven years following the expiration or termination of this  
35 Agreement, or until County, State and/or Federal audit findings applicable to such services are fully  
36 resolved, whichever is later. During such retention period, all such records shall be immediately available

1 and open during normal business hours to authorized representatives and designees of County, State,  
2 and/or Federal governments for purposes of inspection and/or audit.

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

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

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

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

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

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

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

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

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

27 (g) Employment records.

28 (3) The entries in all of the above financial records must be readily traceable to  
29 applicable source documentation (e.g., remittance invoices, vendor invoices, employee timecards signed  
30 by employee and countersigned by supervisor in ink, subsidiary ledgers and journals, appointment logs,  
31 patient ledger cards, etc.). Any apportionment of costs shall be made in accordance with the  
32 requirements of the Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual, the Federal  
33 Health Care Financing Administration's Health Insurance Manual Volume 15 (HIM 15), CR/DC Manual,  
34 and RO/TCM Manual. All such records shall be maintained by Contractor at a location in Los Angeles  
35 County for a minimum period of seven years following the expiration or termination of the Agreement,  
36 or until County, State and/or Federal audit findings are fully resolved, whichever is later. During such

1 retention period, all such records shall be immediately available and open during County's normal  
2 business hours to authorized representatives and designees of County, State, and/or Federal  
3 governments for purposes of inspection, program review, and/or audit. Such access shall include access  
4 to individuals with knowledge of financial records and Contractor's outside auditors, and regular and  
5 special reports from Contractor. In the event any records are located outside Los Angeles County,  
6 Contractor shall pay County for all travel, per diem, and other costs incurred by County for any  
7 inspection or audit at such other location.

8 (4) Preservation of Records: If, following termination of this Agreement,  
9 Contractor's facility(ies) is (are) closed or if majority ownership of Contractor changes, then within  
10 forty-eight hours thereafter, Director of SDMH and Director shall be notified thereof by Contractor in  
11 writing of all arrangements made by Contractor for preservation of all the patient/client, financial, and  
12 other records referred to in this Paragraph 11.

13 B. Audits:

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

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

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

31 (4) State Department of Mental Health Access to Records: Contractor agrees that  
32 for a period of seven years or until final audit is completed, which ever occurs later, following the  
33 furnishing of services under this Agreement, Contractor shall maintain and make available to the State  
34 Department of Mental Health, the Secretary of the United States Department of Health and Human  
35 Services or the Controller General of the United States, and any other authorized federal and state  
36 agencies, or to any of their duly authorized representatives, the contracts, books, documents and



1 records of Contractor which are necessary to verify the nature and extent of the cost of services  
2 hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any  
3 subcontract with a value or cost of TEN THOUSAND DOLLARS (\$10,000) or more over a twelve month  
4 period with a related organization (as that term is defined under Federal law), Contractor agrees that  
5 each such subcontract shall provide for such access to the subcontract, books, documents and records  
6 of the subcontractor as provided in paragraph 9 and in this paragraph 11.

7 (5) Federal Access to Records: If, and to the extent that, Section 1861(v)(1)(I) of  
8 the Social Security Act (42 United States Code Section 1395x(v)(1)(I)) is applicable, Contractor agrees  
9 that for a period of seven years following the furnishing of services under this Agreement, Contractor  
10 shall maintain and make available to the Secretary of the United States Department of Health and  
11 Human Services or the Controller General of the United States, or to any of their duly authorized  
12 representatives, the contracts, books, documents and records of Contractor which are necessary to  
13 verify the nature and extent of the cost of services hereunder. Furthermore, if Contractor carries out  
14 any of the services provided hereunder through any subcontract with a value or cost of TEN  
15 THOUSAND DOLLARS (\$10,000) or more over a twelve month period with a related organization (as  
16 that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for  
17 such access to the subcontract, books, documents and records of the subcontractor as provided in  
18 paragraph 9 and in this paragraph 11.

19 12. REPORTS:

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

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

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

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

32 C. Management Information System (MIS):

33 (1) Contractor shall participate in MIS, including, but not limited to, RGMS, as  
34 required by Director. Contractor shall report to County, all program, patient/client, staff, and other data  
35 and information about Contractor's services, within the specified time periods as required by DMH's  
36 Management Information Systems Procedure Manual and Reports Reference Guide and any other

1 County requirements; in no event, no later than 40 calendar days after the close of each Fiscal Year in  
2 which the services were provided.

3 (2) Notwithstanding any other provision of this Agreement, only units of service  
4 entered by Contractor into MIS shall be counted as delivered units of service. All units of service  
5 generated during the Start-Up Period, if any, shall be entered by Contractor into MIS. After the close of  
6 the monthly MIS time frame, no data and information relating to units of service for that month may be  
7 added without the written approval of Director.

8 (3) If, after the close of the monthly MIS time-frame, Contractor desires to enter  
9 any data and information documenting units of services for a particular month, then Contractor shall  
10 submit a request in writing setting forth the good cause reasons which prevented Contractor from timely  
11 entering such particular data and information into MIS. Director may, at his sole discretion, approve in  
12 writing Contractor's request to enter the data and information into MIS. Notwithstanding any other  
13 provision of this Agreement, the only units of service which shall be considered legitimate and  
14 reimbursable at Annual Cost Report adjustment and settlement time or otherwise shall be those units of  
15 service as entered by Contractor into MIS.

16 (4) Contractor shall train its staff in the operation, procedures, policies, and all  
17 related use, of MIS as required by County.

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

27 14. PATIENTS'/CLIENTS' RIGHTS: Contractor shall comply with all applicable patients'/clients'  
28 rights provisions, including, but not limited to, WIC Section 5325 et seq., CCR Title 9, Section 850 et  
29 seq., and CCR Title 22. Further, Contractor shall comply with all patients'/clients' rights policies  
30 provided by County. County Patients' Rights Advocates shall be given access by Contractor to all  
31 patients/clients, patients'/clients' records, and Contractor's personnel in order to monitor Contractor's  
32 compliance with all applicable statutes, regulations, manuals and policies.

33 15. REPORTING OF PATIENT/CLIENT ABUSE AND RELATED PERSONNEL REQUIREMENTS:

34 A. Elders and Dependent Adults Abuse: Contractor, and all persons employed or  
35 subcontracted by Contractor, shall comply with WIC Section 15630 et seq. and shall report all known or  
36 suspected instances of physical abuse of elders and dependent adults under the care of Contractor

1 either to an appropriate County adult protective services agency or to a local law enforcement agency,  
2 as mandated by WIC Sections 15630, 15631 and 15632. Contractor, and all persons employed or  
3 subcontracted by Contractor, shall make the report on such abuse, and shall submit all required  
4 information, in accordance with WIC Sections 15630, 15633 and 15633.5.

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

11 C. Contractor Staff:

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

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

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

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

29 16. NONDISCRIMINATION IN SERVICES:

30 A. Contractor shall not discriminate in the provision of services hereunder because of race,  
31 religion, national origin, ancestry, sex, age, marital status, or physical or mental handicap or medical  
32 conditions, in accordance with requirements of Federal and State law. For the purpose of this Paragraph  
33 16, discrimination in the provision of services may include, but is not limited to, the following: denying  
34 any person any service or benefit or the availability of a facility; providing any service or benefit to any  
35 person which is different, or is provided in a different manner or at a different time, from that provided  
36 to others; subjecting any person to segregation or separate treatment in any matter related to the receipt

1 of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed  
2 by others receiving any service or benefit; and treating any person differently from others in determining  
3 admission, enrollment quota, eligibility, membership, or any other requirement or condition which  
4 persons must meet in order to be provided any service or benefit. Contractor shall take affirmative  
5 action to ensure that intended beneficiaries of this Agreement are provided services without regard to  
6 ability to pay or source of payment, race, religion, national origin, ancestry, sex, age, marital status, or  
7 physical or mental handicap, or medical conditions.

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

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

24 17. NONDISCRIMINATION IN EMPLOYMENT:

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

31 B. Contractor shall take affirmative action to ensure that qualified applicants are employed,  
32 and that employees are treated during employment without regard to race, color, religion, national origin,  
33 ancestry, sex, age, marital status, condition of physical disability (including HIV and AIDS) or mental  
34 disability, medical condition (cancer), denial of family care leave, or political affiliation. Such action shall  
35 include, but is not limited to, the following: employment, upgrading, demotion, transfer, recruitment or  
36 recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection

1 for training, including apprenticeship. Contractor shall not discriminate against or harass, nor shall it  
2 permit harassment of, its employees during employment based upon race, color, religion, national origin,  
3 ancestry, sex, age, marital status, condition of physical disability (including HIV and AIDS) or mental  
4 disability, medical condition (cancer), denial of family care leave, or political affiliation in compliance with  
5 all applicable Federal and State anti-discrimination laws and regulations. Contractor shall insure that the  
6 evaluation and treatment of its employees and applicants for employment are free from such  
7 discrimination and harassment, and will comply with the provisions of the Fair Employment and Housing  
8 Act (Government Code section 12990 *et seq.*) and the applicable regulations promulgated thereunder  
9 (California Code of Regulations, Title 2, Section 7285.0 *et seq.*).

10 C. Contractor shall deal with its subcontractors, bidders, or vendors without regard to or  
11 because of race, color, religion, national origin, ancestry, sex, age, marital status, condition of physical  
12 disability (including HIV and AIDS) or mental disability, medical condition (cancer), denial of family care  
13 leave, or political affiliation. Further, Contractor shall give written notice of its obligations under this  
14 Paragraph 17 to labor organizations with which it has a collective bargaining or other agreement.

15 D. Contractor shall allow County representatives access to its employment records during  
16 regular business hours to verify compliance with the provisions of this Paragraph 17 when so  
17 requested by Director.

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

26 F. In the event that Contractor violates any of the anti-discrimination provisions of this  
27 Paragraph 17, County shall be entitled, at its option, to the sum of FIVE HUNDRED DOLLARS (\$500)  
28 pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or  
29 suspending this Agreement.

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

1 19. INDEMNIFICATION AND INSURANCE:

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

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

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

17 (a) Specifically identify this Agreement.  
18 (b) Clearly evidence all coverages required in this Agreement.  
19 (c) Contain the express condition that County is to be given written notice  
20 by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of  
21 insurance.

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

25 (e) Identify any deductibles or self-insured retentions for County's approval.

26 The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured  
27 retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all  
28 such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to  
29 investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate  
30 surety licensed to transact business in the State of California.

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

34 3) Failure to Maintain Coverage: Failure by Contractor to maintain the required  
35 insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material  
36 breach of the contract upon which County may immediately terminate or suspend this Agreement.

1 County, at its sole option, may obtain damages from Contractor resulting from said breach.  
2 Alternatively, County may purchase such required insurance coverage, and without further notice to  
3 Contractor, County may deduct from sums due to Contractor any premium costs advanced by County  
4 for such insurance.

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

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

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

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

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

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

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

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

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

28 C. Insurance Coverage Requirements:

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

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

32 Products/Completed Operations Aggregate: One Million Dollars (\$1,000,000)

33 Personal and Advertising Injury: One Million Dollars (\$1,000,000)

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

35 2) Automobile Liability: Insurance (written on ISO policy form CA 00 01 or its  
36 equivalent) with a limit of liability of not less than One Million Dollars (\$1,000,000) for each accident.

1 Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage  
2 for "any auto".

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

10	Each Accident:	One Million Dollars	(\$1,000,000)
11	Disease - policy limit:	One Million Dollars	(\$1,000,000)
12	Disease -- each employee:	One Million Dollars	(\$1,000,000)

13 4) Professional Liability: Insurance covering liability arising from any error,  
14 omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less  
15 than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) aggregate.

16 The coverage also shall provide an extended two-year reporting period commencing upon termination or  
17 cancellation of this Agreement.

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

25 21. CONFLICT OF INTEREST:

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

33 B. Contractor shall comply with all conflict of interest laws, ordinances and regulations  
34 now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it  
35 is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes  
36 aware of any facts which might reasonably be expected to create a conflict of interest, it shall



1 immediately make full written disclosure of such facts to County. Full written disclosure shall include,  
2 without limitation, identification of all persons implicated and complete description of all relevant  
3 circumstances.

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

11 23. INDEPENDENT STATUS OF CONTRACTOR:

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

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

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

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

32 24. CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF OR FORMER  
33 COUNTY EMPLOYEES ON A REEMPLOYMENT LIST: Should Contractor require additional or  
34 replacement personnel after the effective date of this Agreement to perform the services set forth  
35 herein, Contractor shall give first consideration for such employment openings to qualified permanent  
36 County employees who are targeted for layoff or qualified former County employees who are on a

1 reemployment list during the term of this Agreement.

2 25. CONSIDERATION FOR HIRING GREATER AVENUES FOR INDEPENDENCE (GAIN)

3 PARTICIPANTS: Should Contractor require additional or replacement personnel after the effective date  
4 of this Agreement, Contractor shall give consideration for any such employment openings to participants  
5 in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN)  
6 Program who meet Contractor's minimum qualifications for the open position. The County will refer  
7 GAIN participants by job category to the contractor.

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

14 27. SUBCONTRACTING:

15 A. No performance of this Agreement, or any portion thereof, shall be subcontracted by  
16 Contractor without the prior written consent of County as provided in this Paragraph 27. Any  
17 attempt by Contractor to subcontract any performance, obligation, or responsibility under this  
18 Agreement, without the prior written consent of County, shall be null and void and shall constitute a  
19 material breach of this Agreement. Notwithstanding any other provision of this Agreement, in the  
20 event of any such breach by Contractor, this Agreement may be terminated forthwith by County.  
21 Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any  
22 person or entity shall acquire any rights as a third party beneficiary of this Agreement.

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

- 26 (1) The reasons for the particular subcontract.  
27 (2) A detailed description of the services to be provided by the subcontract.  
28 (3) Identification of the proposed subcontractor and an explanation of why and how  
29 the proposed subcontractor was selected, including the degree of competition involved.  
30 (4) A description of the proposed subcontract amount and manner of compensation,  
31 together with Contractor's cost or price analysis thereof.  
32 (5) A copy of the proposed subcontract which shall contain the following provision:

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

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

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

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

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

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

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

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

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

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

36 H. In the event that County consents to any subcontracting, each and all of the provisions

1 of this Agreement and any amendment thereto shall extend to, be binding upon, and inure to the benefit  
2 of, the successors or administrators of the respective parties.

3 I. In the event that County consents to any subcontracting, such consent shall apply to  
4 each particular subcontract only and shall not be, or be construed to be, a waiver of this Paragraph 27  
5 or a blanket consent to any further subcontracting.

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

10 K. Contractor shall deliver to the Chief of DMH's Contracts Development and  
11 Administration Division a fully executed copy of each subcontract entered into by Contractor pursuant to  
12 this Paragraph 27, on or immediately after the effective date of the subcontract but in no event later  
13 than the date any services are performed under the subcontract.

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

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

23 N. Director is hereby authorized to act for and on behalf of County pursuant to this  
24 Paragraph 27, including, but not limited to, consenting to any subcontracting.

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

32 29. COMPLIANCE WITH APPLICABLE LAW:

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

1 reference.

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

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

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

13 31. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES:

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

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

30 32. TERMINATION FOR INSOLVENCY:

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

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

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

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

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

5 B. The rights and remedies of County provided in this Paragraph 32 shall not be exclusive  
6 and are in addition to any other rights and remedies provided by law or under this Agreement.

7 33. TERMINATION FOR DEFAULT:

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

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

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

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

22 C. The rights and remedies of County provided in this Paragraph 33 shall not be exclusive  
23 and are in addition to any other rights and remedies provided by law or under this Agreement.

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

32 Contractor shall immediately report any attempt by a County officer or employee to solicit such  
33 improper consideration. The report shall be made either to the County manager charged with the  
34 supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-  
35 0914 or (800) 544-6861.

36 Among other items, such improper consideration may take the form of cash, discounts, service,

1 the provision of travel or entertainment, or tangible gifts.

2 35. SEVERABILITY: If any provision of this Agreement or the application thereof to any person or  
3 circumstance is held invalid, the remainder of this Agreement and the application of such provision to  
4 other persons or circumstances shall not be affected thereby.

5 36. CAPTIONS AND PARAGRAPH HEADINGS: Captions and paragraph headings used in this  
6 Agreement are for convenience only and are not a part of this Agreement and shall not be used in  
7 construing this Agreement.

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

13 38. ENTIRE AGREEMENT: The body of this Agreement; all attachments; Financial Summary(ies),  
14 Service Delivery Site Exhibit, and Service Exhibit(s) \_\_\_\_\_

15 \_\_\_\_\_, attached hereto and  
16 incorporated herein by reference; and Contractor's Negotiation Package for this Agreement, as approved  
17 in writing by Director, including any addenda thereto as approved in writing by Director, which are  
18 hereby incorporated herein by reference but not attached; shall constitute the complete and exclusive  
19 statement of understanding between the parties which supersedes all previous agreements, written or  
20 oral, and all other communications between the parties relating to the subject matter of this Agreement.

21 In the event of any conflict or inconsistency in the definition or interpretation of any word,  
22 responsibility, or schedule, or the contents or description of any service or other work, or otherwise,  
23 between the body of this Agreement and the other referenced documents, or between such other  
24 documents, such conflict or inconsistency shall be resolved by giving precedence first to the body of  
25 this Agreement and its definitions and then to such other documents according to the following priority:

- 26 A. Financial Summary(ies)
- 27 B. Service Delivery Site Exhibit
- 28 C. Service Exhibit(s)
- 29 D. Contractor's Negotiation Package.

30 39. WAIVER: No waiver by County of any breach of any provision of this Agreement shall  
31 constitute a waiver of any other breach of such provision. Failure of County to enforce at any time, or  
32 from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The  
33 rights and remedies set forth in this Paragraph 39 shall not be exclusive and are in addition to any other  
34 rights and remedies provided by law or under this Agreement.

35 40. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all  
36 Federal statutes and regulations regarding employment of aliens and others and that all its employees

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

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

14 42. PURCHASES:

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

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

30 C. Inventory Records, Controls and Reports: Contractor shall maintain accurate and  
31 complete inventory records and controls for all furniture, fixtures, equipment, materials, and supplies,  
32 purchased or obtained using any County funds. Within ninety days following the execution of this  
33 Agreement, Contractor shall provide Director with an accurate and complete inventory report of all  
34 furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds.  
35 The inventory report shall be prepared by Contractor on a form or forms designated by Director, certified  
36 and signed by an authorized officer of Contractor, and one copy thereof shall be delivered to County



1 within thirty days of any change in the inventory. Within five days after the expiration or termination of  
2 the Agreement, Contractor shall submit to County six copies of the same inventory report updated to  
3 the expiration or termination date of the Agreement, certified and signed by an authorized officer of  
4 Contractor, based on a physical count of all items of furniture, fixtures, equipment, materials, and  
5 supplies, as of such expiration or termination date.

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

16 E. Disposition of Property in Contractor's Custody: Upon the termination of the funding of  
17 any program covered by this Agreement, or upon the expiration or termination of this Agreement, or at  
18 any other time that County may request, Contractor shall: (1) provide access to and render all  
19 necessary assistance for physical removal by County or its authorized representatives of any or all  
20 furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds, in  
21 the same condition as such property was received by Contractor, reasonable wear and tear excepted, or  
22 (2) at Director's option, deliver any or all items of such property to a location designated by Director.  
23 Any disposition, settlement or adjustment connected with such property shall be in accordance with all  
24 applicable Federal, State and County laws, ordinances, rules, regulations, manuals, guidelines and  
25 directives.

26 43. AUTHORIZATION WARRANTY: Contractor represents and warrants that the person executing  
27 this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to  
28 each and every term, condition, and obligation of this Agreement and that all requirements of Contractor  
29 have been fulfilled to provide such actual authority.

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

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

9 46. COUNTY LOBBYISTS: Contractor and each County lobbyist or County lobbying firm as defined  
10 in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with  
11 County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of  
12 Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with  
13 County's Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County  
14 may immediately terminate or suspend this Agreement.

15 47. MAINTENANCE STANDARDS FOR SERVICE DELIVERY SITES: Contractor shall assure that all  
16 locations where services are provided under this Agreement are operated at all times in accordance with  
17 all County community standards with regard to property maintenance and repair, graffiti abatement,  
18 refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances,  
19 and regulations relating to the property. County's periodic monitoring visits to Contractor's facility(ies)  
20 shall include a review of compliance with this Paragraph 47.

21 48. CHILD SUPPORT COMPLIANCE PROGRAM:

22 A. Contractor's Acknowledgement of County's Commitment to Child Support Enforcement:  
23 The Contractor acknowledges that the County places a high priority on the enforcement of child support  
24 laws and the apprehensive of child support evaders. The Contractor understands that it is the County's  
25 policy to encourage all County Contractors to voluntarily post the County's "LA's Most Wanted:  
26 Delinquent Parent's" poster in a prominent position at the Contractor's place of business. The County's  
27 Child Support Services Department will supply the Contractor with the poster to be used.

28 B. Contractor's Warranty of Adherence to County's Child Support Compliance Program:  
29 (1) The Contractor acknowledges that the County has established a goal of  
30 ensuring that all individuals who benefit financially from the County through Purchase Order or  
31 Agreement are in compliance with their court-ordered child, family and spousal support obligations in  
32 order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

33 (2) As required by the County's Child Support Compliance Program (County Code  
34 Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all  
35 applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the  
36 term of this Agreement maintain compliance with employment and wage reporting requirements as

1 required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment  
2 Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding  
3 Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or  
4 Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section  
5 5246(b).

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

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

13 51. CONTRACTOR RESPONSIBILITY AND DEBARMENT: The following requirements set forth in  
14 the Ordinance are effective for this Agreement, except to the extent applicable State and/or Federal  
15 laws are inconsistent with the terms of the Ordinance.

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

19 B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the  
20 County Code, if the County acquires information concerning the performance of the Contractor on  
21 this or other Agreements which indicates that the Contractor is not responsible, the County may, in  
22 addition to other remedies provided in the Agreement, debar the Contractor from bidding on County  
23 contracts for a specified period of time not to exceed 3 years, and terminate any or all existing  
24 contracts the Contractor may have with the County.

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

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

36 E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed

1 debarment is presented. The Contractor and/or the Contractor's representative shall be given an  
2 opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall  
3 prepare a proposed decision, which shall contain a recommendation regarding whether the contractor  
4 should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor  
5 fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the  
6 Contractor may be deemed to have waived all rights of appeal.

7 F. A record of the hearing, the proposed decision and any other recommendation of the  
8 Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors  
9 shall have the right to modify, deny or adopt the proposed decision and recommendation of the  
10 Hearing Board.

11 G. These terms shall also apply to subcontractors/subconsultants of County Contractors.

12 52. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM:

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

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

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

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

1 which are owned and controlled by excluded individuals can also be excluded.

2 Contractor shall indemnify and hold County harmless against any and all loss or damage  
3 County may suffer arising from any Federal exclusion of Contractor or its staff members from such  
4 participation in a Federally funded health care program. Contractor shall provide the certification set  
5 forth in Attachment VI as part of its obligation under this Paragraph 52.

6 Failure by Contractor to meet the requirements of this Paragraph 52 shall constitute a material  
7 breach of Agreement upon which County may immediately terminate or suspend this Agreement.

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

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

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

29 **54. COMPLIANCE WITH JURY SERVICE PROGRAM:**

30 A Jury Service Program: This Agreement is subject to the provisions of the County's  
31 ordinance entitled Contractor Employee Jury Service ("*Jury Service Program*") as codified in Sections  
32 2.203.010 through 2.203.090 of the Los Angeles County Code.

33 B Written Employee Jury Service Policy:

34 (1) Unless Contractor has demonstrated to the County's satisfaction either that  
35 Contractor is not a "*Contractor*" as defined under the Jury Service Program (Section 2.203.020 of  
36 the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section

1 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides  
2 that its Employees shall receive from the Contractor, on an annual basis, no less than five days of  
3 regular pay for actual jury service. The policy may provide that Employees deposit any fees received  
4 for such jury service with the Contractor or that the Contractor deduct from the Employee's regular  
5 pay the fees received for jury service.

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

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

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

32 55. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The  
33 Contractor shall notify and provide to its employees, and shall require each subcontractor to notify  
34 and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its  
35 implementation in Los Angeles County, and where and how to safely surrender a baby.

1 The fact sheet is set forth in **Attachment VII** of this Agreement and is also available on the Internet at  
2 www.babysafela.org for printing purposes.

3 **56. CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY**  
4 **SURRENDERED BABY LAW:** The Contractor acknowledges that the County places a high priority on  
5 the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the  
6 County's policy to encourage all County Contractors to voluntarily post the County's "Safely  
7 Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The  
8 Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in  
9 the subcontractor's place of business. The County's Department of Children and Family Services will  
10 supply the Contractor with the poster to be used.

11 **57. NOTICES:** All notices or demands required or permitted to be given under this Agreement shall  
12 be in writing and shall be delivered with signed receipt or mailed by first class, registered or certified  
13 mail, postage pre-paid, addressed to the parties at the following addresses and to the attention of the  
14 persons named. Director shall have the authority to execute all notices or demands which are required  
15 or permitted by County under this Agreement. Addresses and persons to be notified may be changed  
16 by either party by giving ten days prior written notice thereof to the other party.

17  
18 For the County please use the following contact information:

19 Los Angeles County - Department of Mental Health  
20 Contracts Development and Administration Division  
21 550 South Vermont Ave., 5th Floor  
22 Los Angeles, CA 90020  
23 Attention: Chief of Contracts

24  
25  
26 For the Contractor please use the following contact information:

27 \_\_\_\_\_  
28 \_\_\_\_\_  
29 \_\_\_\_\_  
30 \_\_\_\_\_  
31 \_\_\_\_\_

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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 LLOYD W. PELLMAN  
21 County Counsel

22 \_\_\_\_\_  
23 CONTRACTOR

24 By \_\_\_\_\_  
25 Principal Deputy County Counsel

26 By \_\_\_\_\_  
27 Name \_\_\_\_\_

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

30  
31  
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33  
34 APPROVED AS TO CONTRACT  
35 ADMINISTRATION:

36  
37 DEPARTMENT OF MENTAL HEALTH

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39  
40  
41 By \_\_\_\_\_  
42 Chief, Contracts Development and  
43 Administration Division

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50 RBLs LegalEntityFile:NRTIT20C.IVA.LE03-04  
51



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, and Contractor has caused this  
3 Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first  
4 above written.

5  
6  
7 APPROVED AS TO FORM:

COUNTY OF LOS ANGELES

8  
9 LLCYD W. PELLMAN  
10 County Counsel

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

11  
12  
13 By \_\_\_\_\_  
14 Principal Deputy County Counsel

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CONTRACTOR

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

APPROVED AS TO CONTRACT  
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

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

RBLs LegalEntityFile:NRTIT20C.IVA.LE03-04

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, and Contractor has caused this  
3 Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first  
4 above written.

5  
6  
7  
8 COUNTY OF LOS ANGELES  
9

10  
11 By \_\_\_\_\_  
12 MARVIN J. SOUTHARD, D.S.W.  
13 Director of Mental Health  
14

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

22 By \_\_\_\_\_

23 Name \_\_\_\_\_

24 Title \_\_\_\_\_

25  
26 (AFFIX CORPORATE SEAL HERE)  
27  
28  
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30  
31

32 APPROVED AS TO FORM  
33 BY THE OFFICE OF THE COUNTY COUNSEL

34  
35 LLOYD W. PELLMAN  
36 County Counsel  
37

38 APPROVED AS TO CONTRACT  
39 ADMINISTRATION:

40  
41 DEPARTMENT OF MENTAL HEALTH  
42

43 By \_\_\_\_\_  
44 Chief, Contracts Development  
45 And Administration Division  
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51 RBLs LegalEntityFile:NRTIT20C.IVA.LE03-04

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. "Capitated Rate" means a fixed amount, including all revenue, interest and return, per enrolled individual/member paid monthly to Contractor for providing comprehensive mental health services/activities under this Agreement as required in that period for the covered individual/member. All fees paid by or paid on behalf of an enrolled individual/member and all other revenue, interest and return resulting from the same service shall be deducted from the Capitated Rate. In no event shall the County's obligation exceed the CGF allocation as shown in the applicable Negotiated Rate - ISA/Partners (Capitated Rate) which are identified on the Financial Summary;
- E. "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;
- F. "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;
- G. "CPT" means Physicians' Current Procedural Terminology as referenced in the American Medical Association standard edition publication;
- H. "CR/DC Manual" means SDMH's Cost Reporting/Data Collection Manual;
- I. "Day(s)" means calendar day(s) unless otherwise specified;
- J. "DCFS" means County Department of Children and Family Services;
- K. "Director" means County's Director of Mental Health or his authorized designee;
- L. "DMH" means County's Department of Mental Health;
- M. "DPSS" means County's Department of Public Social Services;

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## DEFINITIONS CONTINUED

- N. "EOB" means 'Explanation of Balance' for Title XIX Short-Doyle/Medi-Cal services which is the State Department of Health Services adjudicated claim data and 'Explanation of Benefits' for Medicare which is the Federal designated Fiscal Intermediary's adjudicated Medicare claim data;
- O. "EPSDT" means the Early and Periodic Screening, Diagnosis and Treatment program which is a requirement of the Medicaid program to provide comprehensive health care. EPSDT funds consist of fifty percent Title XIX FFP funds, and fifty percent State funds. Such State funds are specifically designated for this program;
- P. "Established Maximum Allowable Rate" means the Short-Doyle/Medi-Cal maximum reimbursement for a specific SFC unit as established by SDMH;
- Q. "FFP" means Federal Financial Participation for Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities as authorized by Title XIX of the Social Security Act, 42 United States Code Section 1396 et seq.
- R. "Fiscal Intermediary" means County acting on behalf of the Contractor and the Federally designated agency in regard to and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities;
- S. "Fiscal Year" means County's Fiscal Year which commences July 1 and ends the following June 30;
- T. "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;
- U. "Legal Entity" means the legal organization structure under California law;
- V. "MHRC" means Mental Health Rehabilitation Centers certified by the State Department of Mental Health;
- W. "MIS" means DMH's Management Information System which includes RGMS as one subsystem;
- X. "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

## DEFINITIONS CONTINUED

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;

- Y. "PATH" means Federal Projects for Assistance in Transition from Homelessness grant funds;
- Z. PLCP means Primary Linkage and Coordination Programs which are responsible for the linkage and coordination of specialty mental health professional services provided by members of the Local Mental Health Plan (LMHP) Provider Network to Medi-Cal beneficiaries including Medi-Cal Prepaid Health Plan members;
- AA. "RO/TCM Manual" means SDMH's Short-Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management;
- BB. "RGMS" means DMH's Revenue Generation Management System which is included as a subsystem in MIS;
- CC. "SAMHSA" means Federal Substance Abuse and Mental Health Services Administration block grant funds;
- DD. "SDHS" means State Department of Health Services;
- EE. "SDMH" means State Department of Mental Health;
- FF. "SDSS" means State Department of Social Services;
- GG. "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;
- HH. "SNF-STP" mean Skilled Nursing Facility licensed by the State Department of Health Services, with an added Special Treatment Program certified by the State Department of Mental Health;
- II. "State" means the State of California;
- JJ. "Title IV" means Title IV of the Social Security Act, 42 United States Code Section 601et seq.;

## DEFINITIONS CONTINUED

- KK. "Title XIX" means Title XIX of the Social Security Act, 42 United States Code Section 1396 et seq.;
- LL. "UMDAP" means SDMH's Uniform Method of Determining Ability to Pay;
- MM. "WIC" means the California Welfare and Institutions Code;
- NN. Not Applicable;
- OO. Not Applicable;
- PP. Not Applicable;
- QQ. Not Applicable;
- RR. Not Applicable;
- SS. "Maximum Contract Amount" 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 Maximum Contract Amount shall be equal to the Net Program Budget;
- TT. "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
- UU. "Gross Program Budget" is the sum total of the Net Program Budget and all "Third Party Revenues" shown in the Financial Summary.
- VV. "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.

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Contractor Name:

Legal Entity Number:

Agreement Period:

Fiscal Year:

DMH Legal Entity Agreement

Attachment II

Financial Summary Page:- \_\_\_\_\_

Amendment Number (If Applicable) \_\_\_\_\_

Categories	Maximum Funding Source Totals	
<b>A. Allocations:</b>		
County General Fund (CGF) 1. EPSDT Baseline Medi-Cal Local Match	\$ -	
2. AB3632 (SB90) Baseline	\$ -	
3. All Other County General Fund	\$ -	
<b>CGF: (1 thru 3) Total</b>	\$ -	NR or CR
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<i>(Insert name of funding source here)</i>	\$ -	
<b>Total Allocations (A)</b>	\$ -	
<b>B. Pass Through:</b>		
FFP	\$ -	
EPSDT State General Fund	\$ -	
AB3632 (SB90) State General Fund	\$ -	
<b>Total Pass Through (B)</b>	\$ -	
<b>Maximum Contract Amount/Net Program Budget (A+B):</b>		<b>\$ -</b>
<b>C. Third Party:</b>		
Medicare	\$ -	
Patient Fees	\$ -	
Insurance	\$ -	
Other	\$ -	
<b>Total Third Party (C)</b>	\$ -	
<b>Gross Program Budget (A+B+C):</b>		<b>\$ -</b>

Provider Nos: \_\_\_\_\_

Provider Nos: \_\_\_\_\_

Provider Nos: \_\_\_\_\_

Provider Nos: \_\_\_\_\_

Provider Nos: \_\_\_\_\_

Provider Nos: \_\_\_\_\_

Provider Nos: \_\_\_\_\_

Provider Nos: \_\_\_\_\_

Provider Nos: \_\_\_\_\_

Provider Nos: \_\_\_\_\_

Provider Nos: \_\_\_\_\_

Footnotes Section:

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Contractor Name:

Legal Entity No:

DMH Legal Entity Agreement  
Attachment II

Agreement Period:

Rate Page Summary: - \_\_\_\_

Fiscal Year:

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
<b>A. 24 - HOUR SERVICES :</b>						
Hospital Inpatient		05	10 - 18			
Hospital Administrative Day		05	19			
Psychiatric Health Facility (PHF)		05	20 - 29			
SNF Intensive		05	30 -34			
IMD/STP Basic (No Patch)	Beds 1-59	05	35			
	Beds 60 & over	05	35			
Patch for IMD		05	36 - 39			
Mentally Ill Offenders	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>B. DAY SERVICES :</b>						
Vocational Services		10	30 - 39			
Socialization		10	40 - 49			
SNF Augmentation		10	60 - 69			
Day Treatment Intensive: Half Day		10	81-84			
Day Treatment Intensive: Full Day		10	85-89			
Day Rehabilitative : Half Day		10	91-94			
Day Rehabilitative : Full Day		10	95-99			
<b>C. OUTPATIENT SERVICES :</b>						
Case Management, Brokerage		15	01 - 09			
Mental Health Services		15	10 - 19 /30-59			
Therapeutic Behavioral Services (TBS)		15	58			
Medication Support		15	60 - 69			
Crisis Intervention		15	70 - 79			
<b>D. OUTREACH SERVICES :</b>						
Mental Health Promotion		45	10 - 19			
Community Client Services		45	20 - 29			
<b>E. SUPPORT SERVICES :</b>						
Life Support/Board & Care		60	40 - 49			
Case Management Support		60	60 - 69			
Flexible Funding (Cost Reimbursement) Identify the applicable FE column(s)		60	64			
<b>F. HEALTHY FAMILIES :</b>						
Alcohol/Drug Abuse Counseling and Ed. Svcs.						



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

DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT IV

1  
2  
3  
4  
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**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.

8

DESCRIPTION

CODES

9

Case Management Services 101 \_\_\_\_\_

10

Case Management Services (Forensic) 102 \_\_\_\_\_

11

Case Management Services (Children & Youth) 103 \_\_\_\_\_

12

Case Management/Brokerage Services (Rehab. Option) 104 \_\_\_\_\_

13

Short-Term Crisis Residential Services (Forensic) 201 \_\_\_\_\_

14

Crisis Stabilization Services (Rehab. Option) 202 \_\_\_\_\_

15

Day Care Habilitative Services 301 \_\_\_\_\_

16

Day Care Intensive Services 302 \_\_\_\_\_

17

Day Care Intensive and Habilitative Services 303 \_\_\_\_\_

18

Vocational Services 304 \_\_\_\_\_

19

Day Care Intensive Services (Children & Youth) 306 \_\_\_\_\_

20

Day Care Habilitative Services (Children & Youth) 307 \_\_\_\_\_

21

Day Treatment Rehabilitation Services (Adult) (Rehab. Option) 308 \_\_\_\_\_

22

Day Treatment Rehabilitation Services (Children/Adolescents) (Rehab. Option) 309 \_\_\_\_\_

23

Day Treatment Intensive Services (Adult) (Rehab. Option) 310 \_\_\_\_\_

24

Day Treatment Intensive Services (Children/Adolescents) (Rehab. Option) 311 \_\_\_\_\_

25

Outpatient Services 401 \_\_\_\_\_

26

Mental Health Services (Rehab. Option) 402 \_\_\_\_\_

27

Medication Support Services (Rehab. Option) 403 \_\_\_\_\_

**DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT IV**

1		
2	<u>Crisis Intervention Services (Rehab. Option)</u>	<u>404</u>
3	<u>Mental Health Service Treatment Patch (La Casa)</u>	<u>405</u>
4	<u>Therapeutic Behavioral Services</u>	<u>406</u>
5	<u>Outreach Services</u>	<u>501</u>
6	<u>Outreach Services (Suicide prevention Services)</u>	<u>502</u>
7	<u>Intensive Skilled Nursing Facility Services</u>	<u>601</u>
8	<u>Mental Health Rehabilitation Centers (La Casa Mental Health Rehabilitation Center)</u>	<u>602</u>
9	<u>Intensive Skilled Nursing Facility Services (La Paz)</u>	<u>603</u>
10	<u>Intensive Skilled Nursing Facility Services Forensic Treatment</u>	<u>604</u>
11	<u>Skilled Nursing Facilities (Psychiatric Services)</u>	<u>605</u>
12	<u>Intensive Skilled Nursing Facility Services (Sixty Days)</u>	<u>606</u>
13	<u>Intensive Skilled Nursing Facility Services (Long Term)</u>	<u>607</u>
14	<u>Skilled Nursing Facility – Special Treatment Program Services</u>	
15	<u>(SNF-STP/Psychiatric Services)</u>	<u>608</u>
16	<u>Intensive Skilled Nursing Facility Services – Enhanced Treatment Program (ETP)</u>	<u>609</u>
17	<u>Socialization Services</u>	<u>701</u>
18	<u>Life Support Service</u>	<u>801</u>
19	<u>Case Management Support Services</u>	<u>802</u>
20	<u>Case Management Support Services (Forensic)</u>	<u>803</u>
21	<u>Case Management Support Services (Children &amp; Youth)</u>	<u>804</u>
22	<u>Life Support Services (Forensic)</u>	<u>805</u>
23	<u>Independent Living Services</u>	<u>901</u>
24	<u>Local Hospital Services</u>	<u>902</u>
25	<u>Long-Term Services</u>	<u>903</u>

DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT IV

1		
2	<u>Semi-Supervised Living Services</u>	<u>904</u>
3	<u>Short-Term Crisis Residential Services (0-14 Days)</u>	<u>905</u>
4	<u>Short-Term Crisis Residential Services (14-30 Days)</u>	<u>906</u>
5	<u>Transitional Residential Off-Site Services</u>	<u>907</u>
6	<u>Transitional On-Site Services</u>	<u>908</u>
7	<u>Transitional Residential On-Site Services (Forensic)</u>	<u>909</u>
8	<u>Transitional Residential On-Site Services (Alcohol and Drug Abusing</u>	
9	<u>Mentally Ill Program (ADAMI))</u>	<u>910</u>
10	<u>Crisis Residential Treatment Services (Adult) (Rehab. Option)</u>	<u>911</u>
11	<u>Adult Residential Treatment Services (Transitional)</u>	<u>912</u>
12	<u>Adult Residential Treatment Services (Long Term)</u>	<u>913</u>
13	<u>Non-Hospital Acute Inpatient Services (La Casa PHF)</u>	<u>914</u>
14	<u>Comprehensive Adult Residential Treatment Services (Bio-Psycho- Social Services)</u>	<u>915</u>
15	<u>Assertive Community Treatment Program (ACT)</u>	<u>920</u>
16	<u>Primary Linkage and Coordinating Program</u>	<u>1001</u>
17	<u>AB 34 Housing and Personal/Incidental Services</u>	<u>1002</u>
18	<u>Service Provisions (Organizational Provider Only)</u>	<u>1003</u>
19	<u>Service Provisions (Out-of-County Provider Only)</u>	<u>1004</u>
20	<u>Consumer Run/Employment Program</u>	<u>1005</u>
21	<u>Alcohol and Drug Abuse Counseling and Education Services</u>	<u>1006</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 <sup>th</sup> of the MCA for EPSDT-SGF multiplied by 2 minus any approved claims amounts that are in excess of 1/12 <sup>th</sup> of the MCA. The total payments shall not exceed 1/12 <sup>th</sup> of the MCA.	Any approved claims amounts that are in excess of 1/12 <sup>th</sup> of the MCA.
Month 5	November	Contractor's State and County approved August claims plus a CFA in the amount of 1/12 <sup>th</sup> of the MCA for EPSDT-SGF multiplied by 2 any approved claims amounts that are in excess of 1/12 <sup>th</sup> of the MCA. The total payments shall not exceed 1/12 <sup>th</sup> of the MCA.	Any approved claims amounts that are in excess of 1/12 <sup>th</sup> 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 1/12 <sup>th</sup> 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 1/12 <sup>th</sup> 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 1/12 <sup>th</sup> 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 1/12 <sup>th</sup> 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.



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	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	49,000
(less July CFA-July Act, etc.)*				(15,000)	(7,000)	(2,000)	-	-	-
Total Disbursement	100,000	100,000	100,000	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	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	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	48,000	45,000	47,000	48,000
(less Oct... CFA)				35,000	40,000	(20,000)	(12,000)	(7,000)	-
Total Disbursement	100,000	100,000	100,000	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	49,000	(10,000)	(27,000)	(33,000)	(47,000)
Total Disbursement	100,000	100,000	100,000	100,000	100,000	98,000	100,000	100,000	100,000

\* e.g. July CFA = \$100,000; July actuals = \$65,000; therefore, difference is \$15,000  
 \*\* Once CFA is fully repaid, any claims are remitted to contractor

SECTION 3  
CASH FLOW ADVANCE AND CLAIMS PAYMENT EXAMPLES

DMH LEGAL ENTITY AGREEMENT  
ATTACHMENT V

**Disbursements - 3 Months**

	April	May	June	July	Aug	Sept
<b>1) CFA</b>						
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		
<b>2) CFA</b>						
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		
<b>3) CFA</b>						
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
<b>1) CFA</b>						
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		
<b>2) CFA</b>						
MIS - allocations	49,000	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		
<b>3) CFA</b>						
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 52 (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.babysafela.org](http://www.babysafela.org)**



**State of California**  
Gray Davis, Governor

**Health and Human Services Agency**  
Grantland Johnson, Secretary

**Department of Social Services**  
Rita Saenz, Director



**Los Angeles County Board of Supervisors**

Gloria Molina, Supervisor, First District  
Yvonne Brathwaite Burke, Supervisor, Second District  
Zev Yaroslavsky, Supervisor, Third District  
Don Knabe, Supervisor, Fourth District  
Michael D. Antonovich, Supervisor, Fifth District

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

### **What is the Safely Surrendered Baby Law?**

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

### **How does it work?**

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

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

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

### **Can only a parent bring in the baby?**

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

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

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

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

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

### **What happens to the baby?**

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

### **What happens to the parent?**

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

### **Why is California doing this?**

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

### **A baby's story**

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

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

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

# Sin pena. Sin culpa. Sin peligro.

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



**En el Condado de Los Angeles:**

**1-877-BABY SAFE**

**1-877-222-9723**

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



**Estado de California**  
Gray Davis, Gobernador

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

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



**Consejo de Supervisores del Condado de Los Angeles**

Gloria Molina, Supervisora, Primer Distrito

Yvonne Brathwaite Burke, Supervisora, Segundo Distrito

Zev Yaroslavsky, Supervisor, Tercer Distrito

Don Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovich, Supervisor, Quinto Distrito

Esta iniciativa 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 brazaletes y el padre/madre recibirá un brazaletes igual.

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

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

### **¿Sólo los padres podrán llevar al recién nacido?**

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

### **¿Los padres deben llamar antes de llevar al bebé?**

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

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

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

### **¿Qué ocurrirá con el bebé?**

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

### **¿Qué pasará con el padre/madre?**

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

### **¿Por qué California hace esto?**

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

### **Historia de un bebé**

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

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

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



CONTRACT NO. DMH-\_\_\_\_\_

AMENDMENT NO. \_\_\_\_\_

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2003, by and between the COUNTY OF LOS ANGELES (hereafter "County") and \_\_\_\_\_ (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated October 1, 2002, identified as County Agreement No. DMH-\_\_\_\_\_, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Years 2002-2003 and 2003-2004, County and Contractor intend to amend Agreement to augment outpatient mental health services to seriously emotionally disturbed (SED) children and adolescents with co-occurring mental and substance abuse disorders, as follows: Mental Health, Case Management Brokerage, Medication Support, and Crisis Intervention services; and

WHEREAS, effective \_\_\_\_\_, County and Contractor intend to add a new Provider Number(s) TBA, located at TBA, for the provision of these augmented outpatient mental health services; and

WHEREAS, for Fiscal Years 2002-2003 and 2003-2004, County and Contractor intend to amend Agreement to add Modes of Service, Service Function Codes: \_\_\_\_\_ to Provider Number(s) TBA; and

WHEREAS, for Fiscal Years 2002-2003, County and Contractor intend to amend Agreement to add Federal Financial Participation (FFP) in the amount of \$\_\_\_\_\_ and Early and Periodic Screening, Diagnosis, and Treatment-State General Funds (EPSDT-SGF) in the amount of \$\_\_\_\_\_, for a combined total of \$\_\_\_\_\_ to the Maximum Contract Amount; and

WHEREAS, for Fiscal Year 2003-2004, County and Contractor intend to amend Agreement to add FFP in the amount of \$\_\_\_\_\_ and EPSDT-SGF in the amount of \$\_\_\_\_\_, for a combined total of \$\_\_\_\_\_ to the Maximum Contract Amount; and

WHEREAS, for Fiscal Years 2002-2003 and 2003-2004, the revised Maximum Contract Amount will be \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively.

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph B (Reimbursement For Initial Period) and Subparagraph C (Reimbursement If Agreement Is Automatically Renewed) shall be deleted in their entirety and the following substituted therefor:

"B. Reimbursement For Initial Period: The Maximum Contract Amount for the Initial Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) and shall consist of County, State and/or

Federal (excluding Medicare Partial Hospitalization services) funds as shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary. This Maximum Contract Amount includes Cash Flow Advance which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the Initial Period.

C. Reimbursement If Agreement Is Automatically Renewed:

(1) Reimbursement For First Automatic Renewal Period: The Maximum Contract Amount for the First Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) and shall consist of County, State, and/or Federal (excluding and Medicare Partial Hospitalization services) funds as shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary. This Maximum Contract Amount includes the Cash Flow Advance which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this

Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the First Automatic Renewal Period."

2. Financial Summary \_\_\_\_\_ for Fiscal Year 2002-2003 shall be deleted in its entirety and replaced with Financial Summary \_\_\_\_\_ for Fiscal Year 2002-2003, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary \_\_\_\_\_ for Fiscal Year 2002-2003 shall be deemed amended to state "Financial Summary \_\_\_\_\_ for Fiscal Year 2002-2003."
3. Financial Summary \_\_\_\_\_ for Fiscal Year 2003-2004 shall be deleted in its entirety and replaced with Financial Summary \_\_\_\_\_ for Fiscal Year 2003-2004, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary \_\_\_\_\_ for Fiscal Year 2003-2004 shall be deemed amended to state "Financial Summary \_\_\_\_\_ for Fiscal Year 2003-2004."
4. Service Delivery Site Exhibit shall be deleted in its entirety and replaced with Service Delivery Site Exhibit - \_\_\_\_\_, attached hereto and incorporated by reference. All references in Agreement to Service Delivery Site Exhibit shall be deemed amended to state "Service Delivery Site Exhibit - \_\_\_\_\_."
5. Modes of Service/Service Function Codes \_\_\_\_\_ shall be added to the Agreement.

6. Contractor shall provide services in accordance with the Contractor's Fiscal Year 2002-2003 Negotiation Package for this Agreement and any addenda thereto approved in writing by Director.
7. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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

COUNTY OF LOS ANGELES

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

Special Service For Groups, Inc.  
CONTRACTOR

By \_\_\_\_\_

Name Herbert H. Hatanaka

Title Executive Director  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

LLOYD W. PELLMAN  
County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

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

**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	Asian American Drug Abuse Program, Inc. (AADAP, Inc.)	NP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Behavioral Health Services, Inc.	NP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	California Hispanic Commission on Alcohol & Drug Abuse, Inc.	NP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Special Services For Groups	NP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	SPIRITT Family Services	NP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Tarzana Treatment Centers, Inc.	NP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Firm Status:      NP = Non Profit  
                          P = For 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.