Health Services
LOS ANGELES COUNTY

Los Angeles County Board of Supervisors

Hilda L. Solis
First District

Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice K. Hahn
Fourth District

Kathryn Barger
Fifth District

Christina R. Ghaly, M.D.
Director

Nina J. Park, M.D.
Chief Deputy Director, Clinical Affairs & Population Health

Aries Limbaga, DNP, MBA
Chief Deputy Director, Operations

Elizabeth M. Jacobi, J.D.
Administrative Deputy

Department of Health Services
1000 S. Fremont Ave., Unit # 21
Building A9 East, 6th Floor South
Alhambra, CA 91803

Tel: (213) 288-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

"To advance the health of our patients and our communities by providing extraordinary care"

www.dhs.lacounty.gov

November 10, 2026

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

Dear Supervisors:

AUTHORIZATION TO ACCEPT A GRANT AWARD FROM THE CALIFORNIA DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION FOR THE MEDI-CAL BEHAVIORAL HEALTH RECRUITMENT AND RETENTION PROGRAM (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

Request for approval of delegated authority to the Director of the Los Angeles County Department of Health Services (LA Health Services), or authorized designee, to accept funding from the California Department of Health Care Access and Information (HCAI) for the Medi-Cal Behavioral Health Recruitment and Retention Program (MBH-RRP) to strengthen LA Health Services' (LAHS) existing behavioral health services by expanding recruitment, retention, licensure advancement, supervision capacity, and evidence-based practice training for providers serving Medi-Cal and uninsured patients.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize and instruct the Director of LAHS (Director), or authorized designee, to accept the MBH-RRP grant award and to execute a grant agreement, substantially similar to the sample MBH-RRP Grant Agreement (Attachment I) from HCAI. The MBH-RRP Grant Agreement (Grant Agreement) will be effective when executed, through December 31, 2033, for an estimated amount of $13,600,000. Acceptance of the MBH-RRP grant award is contingent upon HCAI's approval of the LAHS' grant application.

2. Delegate authority to the Director, or authorized designee, to execute future amendments to the Grant Agreement in Recommendation 1, as applicable to: (1) extend the Grant Agreement; (2) reflect revisions required by HCAI and/or revisions requested by either party to the terms and conditions, including the Scope of Work (SOW); (3) allow for budget revisions and reallocation of grant funds within the approved budget, subject to HCAI approval; and (4) accept additional grant funding, subject to review and approval as to form by County Counsel, and notification to the Board of Supervisors (Board), and Chief Executive Office (CEO).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

In December 2024, the Centers for Medicare & Medicaid Services approved the Department of Health Care Services' Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Medicaid Section 1115 demonstration project authorizing up $1.9 billion in funding across five distinct workforce programs over a five-year period. MBH-RRP is part of the BH-CONNECT Workforce Initiative. The BH-CONNECT Workforce Initiative allows California to use federal matching funds to support efforts that increase the number of behavioral health professionals helping Medi-Cal members and people without insurance.

The key objectives of the MBH-RRP are to increase the number of behavioral health providers practicing in Medi-Cal safety net settings and to develop the cultural and linguistic competence of these practitioners to reflect and respond to the needs of the Medi-Cal population. MBH-RRP enables LAHS to expand, sustain, and support the behavioral health workforce.

MBH-RRP strengthens LAHS' existing behavioral health services by expanding recruitment, retention, licensure advancement, supervision capacity, and evidence-based practice training for practitioners serving MediCal and uninsured patients. The grant does not create new programs; instead, it provides targeted, time-limited incentives including additional recruitment bonuses up to $20,000, retention bonuses up to $4,000, student recruitment bonuses up to $50,000, licensure support up to $1,500, supervision funding up to $35,000 per year, and backfill for evidence-based practice training, to stabilize and grow the current workforce. LAHS applied as a single organizational applicant so all eligible behavioral health sites, including Los Angeles General Medical Center, Olive View-UCLA Medical Center, Harbor-UCLA Medical Center, and the Office of Diversion & Reentry, can participate under one coordinated structure, while sites that do not meet Medi-Cal safety-net or behavioral-health-service criteria will be excluded. This funding opportunity directly advances LAHS' strategic priorities in workforce development and retention, expanding access to behavioral health care, promoting equity through culturally responsive services, and supporting operational stability across LAHS.

Recommendations

Approval of the first recommendation will allow the Director, or authorized designee, to accept the grant funding from HCAI for MBH-RRP in an estimated amount of $13,600,000 effective upon execution of the grant award through October 31, 2029, and to execute any necessary documents to accept the funding.

Approval of the second recommendation will allow the Director, or authorized designee, to execute

future amendments to the Grant Agreement to extend the term; reflect revisions required by the HCAI and/or revisions requested by either party to the terms and conditions, including modifications to the SOW and budget, reallocations of grant funds within the approved budget, and accept additional grant funding.

Implementation of Strategic Plan Goals

The recommended actions support North Star 1: “Make Investments That Transform Lives, Area Goal A - Healthy Individuals and Families” and North Star 2: “Foster Vibrant and Resilient Communities, Area Goal A - Public Health,” of the County’s Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated total grant award is $13,600,000. HCAI will disburse grant funds effective upon execution of the grant award through October 31, 2029, contingent upon satisfactory completion of the SOW and deliverables outlined in the Grant Agreement.

Upon Board approval, LAHS will incorporate the projected appropriation needs and the associated grant revenue into each respective fiscal year’s annual budget process. There is no net County cost impact associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On July 15, 2026, LAHS submitted an application to HCAI for MBH-RRP grant funding. HCAI is expected to announce grant awards in October 2026. If awarded, LAHS will enter into the Grant Agreement with HCAI in November 2026.

Under the Grant Agreement, LAHS will be responsible for administering the program in accordance with HCAI requirements, including verifying participant eligibility, administering individual awards, monitoring recipient compliance with service obligations, maintaining financial and programmatic records, submitting required financial and program performance reports, participating in audits and site visits, and ensuring compliance with all applicable State and grant requirements.

As outlined in the Grant Agreement, HCAI will release grant funds upon satisfactory performance outlined in the SOW and deliverables, including timely submission of the Annual MBH-RRP Financial and Activities Reports.

Attachment I, the sample MBH-RRP Grant Agreement, has been approved as to form by County Counsel. The State will not consider modifications to the Grant Agreement, and submission of the grant application constitutes acceptance of all Grant Agreement terms and conditions, including the County’s requirement to indemnify, defend, and hold harmless the State, its officers, agents, and employees from all claims and losses resulting from the performance of the Grant Agreement.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow LAHS to accept grant funding from HCAI and utilize the MBH-RRP funding to strengthen LAHS' existing behavioral health services by expanding recruitment, retention, licensure advancement, supervision capacity, and evidence based practice training for practitioners serving Medi-Cal and uninsured patients in Los Angeles County.

Respectfully submitted,



Christina R. Ghaly, M.D.
Director

CRG:kc

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

Attachment I: Sample MBH-RRP Grant Agreement

**GRANT AGREEMENT BETWEEN THE
DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION
AND
[GRANTEE NAME], [PROGRAM NAME]
GRANT AGREEMENT NUMBER [GRANT AGREEMENT NUMBER]**

THIS GRANT AGREEMENT ("Agreement") is entered into on [Agreement Start Date] ("Effective Date") by and between the State of California, Department of Health Care Access and Information (hereinafter "HCAI") and [Grantee Name], [Program Name] [Specialty] (collectively the "Grantee").

WHEREAS, state and federal funds are available under the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) 1115 Medicaid waiver to increase the educational capacity to train fellows in child and adolescent psychiatry, addiction psychiatry, and/or addiction medicine.

WHEREAS, the purpose of BH-CONNECT is to provide services to persons with or at high risk for significant behavioral health conditions, inclusive of mental health conditions and substance use disorders, in Medi-Cal safety net settings.

WHEREAS, HCAI supports health care accessibility through the promotion of a culturally and linguistically competent workforce while providing analysis of California's healthcare infrastructure and coordinating healthcare workforce issues.

WHEREAS, HCAI supports engaging in activities that promote the employment of consumers with behavioral health disorders and family members of consumers of behavioral health disorders.

WHEREAS, recruiting and retaining the behavioral health workforce to serve individuals in the Medi-Cal safety net setting is a priority strategy.

WHEREAS, the Grantee applied to participate in the Medi-Cal Behavioral Health Recruitment and Retention Program, by submitting an application in accordance with the Medi-Cal Behavioral Health Recruitment and Retention Program (MBH-RRP) Grant Guide for Grant Year 2026.

WHEREAS, the Grantee was selected by HCAI to receive Grant Funds through procedures duly adopted by HCAI for the purpose of administering such grants.

NOW THEREFORE, HCAI and the Grantee, for the consideration and under the conditions hereinafter set forth, agree as follows:
A. Definitions:

1. "Application" means the grant application submitted by an organization applying for the MBH-RRP Program.

2. “Deputy Director” means the Deputy Director of Health Workforce Development of HCAI.

3. “Director” means the Director of HCAI or his/her designee.

4. “Grant Agreement/Grant Number” means Grant Number **[Grant Agreement Number]** awarded to Grantee.

5. “Grantee” means the fiscally responsible entity in charge of administering the Grant Funds and includes the Program identified on the Application.

6. “Grant Funds” means the money provided by HCAI for the Project, as defined.

7. “Grant Guide” means the instructions provided to applicants for application for this grant, which is hereby made a part of this Grant Agreement by reference thereto.

8. “Other Sources of Funds” means all cash, donations, or in-kind contributions that are required or used to complete the Project beyond the Grant Funds provided by this Grant Agreement.

9. “Program” means the Medi-Cal Behavioral Health Recruitment and Retention Program.

10. “Program Director” means the Director of Grantee’s Medi-Cal Behavioral Health Recruitment and Retention Program for which Grant Funds are being awarded.

11. “Project” means the activity described in the Application and Agreement to be accomplished with the Grant Funds.

12. “Service Obligation” means the activities and terms described in Section D of this Grant Agreement.

13. “State” means the State of California and includes all its Departments, Agencies, Committees and Commissions.

14. “Supplantation” refers to the act of replacing or taking the place of funds from federal, state, local, and private resources.

B. Term of the Agreement: This Agreement shall take effect on **[Agreement Start Date]** and shall terminate on **[Agreement End Date].**

C. Scope of Work:

1. Grantee agrees to the following Scope of Work as set forth herein within the Agreement. In the event of a conflict between the provisions of this section and

the Grantee's Application, the provisions of this Scope of Work Section shall prevail.

2. Grantee shall perform some or all of the following as appropriate:

    a. Make recruitment and retention bonuses to individuals working in Medi-Cal safety net settings

    b. Make recruitment bonuses for students completing their education, to work in Medi-Cal safety net settings

    c. Make licensure/ certification achievement or maintenance payments to individuals working in Medi-Cal safety net settings

    d. Supervision support for pre-licensure or pre-certification hours to individuals working in Medi-Cal safety net settings

    e. Training support and backfill payments to individuals working in Medi-Cal safety net settings

    f. Licensure/ certification related expenses to individuals working in Medi-Cal safety net settings

3. Grantee shall:

    a. Submit annual reports within 30 days of the end of each report year using the online forms that HCAI provides, located at https://fundingportal.hcai.ca.gov/.

    b. Ensure individual fund recipients fulfill Service Obligations in compliance with requirements set forth by HCAI in Section D of the Grant Agreement.

    c. Not conduct lobbying activities as part of this Agreement or use Grant Funds for lobbying activities.

    d. Not use Grant Funds under this Agreement for any purpose other than the Project, including but not limited to for capital construction and/or remodeling, indirect expenses, galas, alcohol, or any other purpose not permissible when making an agreement with the State of California.

    e. Credit HCAI in all publications resulting from this Agreement.

    f. Notify HCAI of any press releases and allow HCAI advance notice to review press releases, in accordance with Section J. Media and Press Engagements.

g. Provide HCAI with Financial Reports and Activities Reports on an annual basis, as specified in the MBH-RRP annual report instructions.

h. Notify HCAI in writing 90 days in advance of any changes in the Grantee's annual budget.

4. Annual Financial Report Schedule by Calendar Year (CY):

Report	Reporting Period	Report Due Date
Financial Report 1	**January 1, 2027 – December 31, 2027 (Prospective Budget for CY 2027)**	**January 31, 2027**
Financial Report 2	**January 1, 2027– December 31, 2028 (Expense Report for CY 2027 Prospective Budget for CY 2028)**	**January 31, 2028**
Financial Report 3	**January 1, 2028 – December 31, 2030 (Expense Report for CY 2028 Prospective Budget for CY 2029)**	**January 31, 2029**
Financial Report 4	**January 1, 2029 – December 31, 2029 (Expense Report for CY 2029**	**January 31, 2030**

5. Annual Activities Report Schedule:

Report	Reporting Period	Report Due Date
Activities Report 1	**January 1, 2027 – December 31, 2027**	**January 31, 2028**
Activities Report 2	**January 1, 2028 – December 31, 2028**	**January 31, 2029**
Activities Report 3	**January 1, 2029 – December 31, 2029**	**January 31, 2030**
Activities Report 4	**January 1, 2030 – December 31, 2030**	**January 31, 2031**
Activities Report 5	**January 1, 2031 – December 31, 2031**	**January 31, 2032**
Activities Report 6	**January 1, 2032 – December 31, 2032**	**January 31, 2033**

6. All requests for amending the term of this agreement shall comply with the amendment requirements stated in Section J of this Agreement.

7. All funds are intended to be distributed to individuals by Grantee for the purposes of recruitment and retention bonuses, student recruitment bonuses, supervision support for pre-licensure and pre-certification practitioners, and certification/ licensure and training supports.

8. Grantee agrees to award funds only to those individuals who have completed an Individual MBH-RRP Application and have been verified as eligible, and subsequently selected by Grantee, through the Individual MBH-RRP Application process.

9. HCAI will make an award based on the expectation that the Grantee will carry out the award of funds on an annual basis for recruitment and retention bonuses, student recruitment bonuses, supervision support for pre-licensure and pre-certification practitioners, and certification/ licensure and training supports.

10. Should the Grantee fail to fill the agreed upon recruitment and retention bonuses, student recruitment bonuses, supervision support for pre-licensure and pre-certification practitioners, and certification/ licensure and training supports, HCAI reserves the right to reduce the amount awarded.

11. Funds shall only be used for Medi-Cal safety net settings as listed in Grantee's application, or those approved in writing by HCAI.

12. Funds shall not be used to supplant existing federal, state, local, or private funds.

13. Funds shall not be paid to third party contractors or service providers for any reason. Funding is not available for grantee administrative expenses.

14. Program funds shall only be used for the six categories of direct grant expenditures described in the grant guide.
15. Grantee shall not use program funds for administrative expenses.

16. HCAI will not make the first payment to Grantee until HCAI has approved the prospective budget and associated documentation that is consistent with Section C above.

17. HCAI will be the primary contact for any requests regarding agreement extensions, amendments, or breaches.

D. MBH-RRP Individual Service Obligation Terms

1. Recruitment Bonus Service Obligations

   Individuals receiving recruitment bonuses must commit to practicing full-time at a Medi-Cal safety net setting at the funded organization issuing the payment, based on the amount awarded:

   a. $20,000 recruitment bonus: Four-year full-time service obligation.

   b. Between $10,000 and $19,999: Three-year full-time service obligation.

   c. Less than $10,000: Two-year full-time service obligation.

2. Retention Bonus Service Obligations

   Practitioners receiving retention bonuses must commit to a two-year service obligation at a Medi-Cal safety net setting at the funded organization issuing the payment.

3. Student Recruitment Bonus Service Obligations

Individuals receiving student recruitment bonuses must commit to practicing full-time at a Medi-Cal safety net setting at the funded organization issuing the payment, based on the amount awarded:

a. $20,000 recruitment bonus: Four-year full-time service obligation.
b. Between $10,000 and $19,999: Three-year full-time service obligation.
c. Less than $10,000: Two-year full-time service obligation.

4. Licensure/Certification Achievement or Maintenance Payments: Practitioners receiving licensure/certification payments must commit to a two-year service obligation at a Medi-Cal safety net setting at the funded organization issuing the payment.

5. Organizations must ensure that individual awardees begin their service obligation within 6 months of individuals receiving award funds or by the Start Date listed in the table below, whichever is earlier.

   In the case of student recruitment bonuses, individuals must begin their service within six months of graduating or by the Start Date listed in the table below, whichever is earlier.

   Due to program timeline requirements, some award categories will close prior to December 31, 2029, as listed in the table below.

Funding Category	Service Obligation Length	Last Award Date	Last Start Date for Service Obligation
Recruitment Bonuses of $20,000	4 years	Jun 30, 2029	Jul 1, 2029
Recruitment Bonuses of $10,000 to $19,999	3 years	Dec 31, 2029	Jul 1, 2030
Recruitment Bonuses of less than $10,000	2 years	Dec 31, 2029	Jul 1, 2031
Retention Bonuses	2 years	Dec 31, 2029	Jul 1, 2031
Student Recruitment Bonuses of $20,000 to $50,000	4 years	Aug 31, 2028	Jul 1, 2029
Student Recruitment Bonuses of $10,000 to $19,999	3 years	Aug 31, 2029	Jul 1, 2030
Student Recruitment Bonuses of less than $10,000	2 years	Dec 31, 2029	Jul 1, 2031
Licensing/Certification	2 years	Dec 31, 2029	Jul 1, 2031

6. Full-time Service Obligation Requirement

   Individual awardees must provide full-time services while delivering direct client care. In accordance with section 6.1 of the BH-CONNECT Special Terms and Conditions, individual awardees are not permitted to work less than full-time during the fulfillment of their service obligation.

   For purposes of the service obligation, the following definitions are used:

   a. Full-Time Service: Defined as a minimum of 32 hours per week providing direct client care at an approved practice site or 30 hours per week providing direct client care at an approved practice site that is in a school setting.

   b. Direct Client Care: Defined as face-to-face care, telehealth-based care, and first-line supervision. This includes behavioral health services such as prevention, early intervention, assessment, treatment, counseling, procedures, patient self-care, patient education, and documentation relating to encounters with patients being treated with, or suspected of needing, behavioral health services.

   c. First-line Supervision: Defined as providing direct supervision over staff providing direct client care.

   Individual awardees may have up to four weeks a year away from their MBH-RRP approved practice site for vacation, holidays, continuing professional education, illness, or any other reason as approved by their site. This provision shall not apply to school vacations during which the individual awardee is practicing at an approved practice site that is in a school setting.

   Should the individual awardee take more than four weeks a year as stated above and the organizational grantee agrees to this, the individual awardee must extend their service obligation. The grantee's service obligation will be extended for each day of absence over the allowed four weeks per year. No service obligation may be extended beyond December 31, 2033, and the grantee's service obligation must be completed by December 31, 2033.

7. Provisions for Suspension, Waiver, Cancellation or Voluntary Termination of Service

   An individual awardee may seek a waiver of their service obligation on the basis of an extraordinary circumstance. All requests for a waiver must be documented by organizational grantees. HCAI may request applicable documentation and may deny a waiver decision if documentation is not provided.

The following extraordinary circumstances may result in the waiver of a service obligation:

a. Disability or Serious Illness: An individual awardee experiences a documented long-term medical condition or disability that renders them unable to fulfill their service obligation.

b. Death of individual awardee: In the event of an individual awardee death, all service obligations are considered null and void.

c. Military Deployment or Activation- An individual awardee is called to active duty in the United States Armed Forces, including activation if the individual awardee is a reservist or the drafting of the individual awardee into active service, and the length of time in the armed services renders them unable to fulfill their service obligation. This does not include circumstances where the individual awardee voluntarily enlists into the armed forces.

d. Loss of Immigration or Legal Residency Status- An individual awardee loses lawful immigration or legal residency status thereby preventing the individual awardee from legally working in the state.

Individual awardees may request that the fulfillment of their service obligation be suspended. All requests for a suspension must be documented by organizational grantees. HCAI may request applicable documentation for review and may deny a suspension decision if documentation is not provided.

The following circumstances may result in the suspension of a service obligation:

8. Natural Disaster, Act of God, or Declared Emergency: A major natural disaster, catastrophic event, or declared local, state, or federal emergency significantly disrupts the individual awardee’s ability to fulfill their obligation.

9. Institution or Site Closure or Program Disruption: The assigned service site, educational institution, or program closes or becomes non-operational, and an alternative placement is not immediately available.

10. Temporary Disability: The individual awardee experiences a disability that is temporary in nature and temporarily precludes them from fulfilling their service obligation.

11. Military Deployment or Activation: The individual awardee is called to active duty in the United States Armed Forces, including activation if the individual awardee is a reservist or the drafting of the individual awardee into active service, and the length of time in the armed services renders them temporarily unable to fulfill their service obligation. This does not include circumstances where the grantee

voluntarily enlists into the armed forces.

Individual awardees who are granted a suspension will be given six months to become reemployed in an eligible setting. The organizational grantee may extend the suspension period on a case-by-case basis. Notwithstanding any provision in this Agreement, the Service Obligation must be completed on or before December 31, 2033, or the individual awardee may be held in breach.

If the individual awardee plans to be away from his/her approved practice site(s) for paternity/maternity/adoption leave, the individual awardee is required to inform the organizational grantee at least 60 calendar days before taking the leave. HCAI allows individual awardees to be away from their approved practice site(s) within the timeframes established by either the Family Medical Leave Act (up to 12 weeks), or other federal and state law; however, the individual awardee must adhere to the leave policies of his/her approved practice site.

E. Reports and Deliverables:

1. Grantee shall submit all the deliverables for Grant Number **[Grant Agreement Number]** no later than the due dates stated above in Section C. Scope of Work. Grantee will submit deliverables, including annual MBH-RRP financial reports and activities reports, using HCAI's web-based Funding Portal.

F. Invoicing:

1. For services satisfactorily rendered in accordance with the Scope of Work, and upon receipt and approval of each annual report as specified in subsection (3) hereunder, HCAI agrees to compensate Grantee in accordance with the rates specified herein.

2. HCAI will release the annual prospective payments upon receipt and review of annual Financial Reports 1-3.

3. There will be no payment associated with Annual Report 4.

4. Annual reports shall include the Agreement Number and shall be submitted electronically. HCAI or its designee will make payments to the Grantee under this Agreement after all required reports are submitted and approved by HCAI or its designee. Additional information may be requested by HCAI or its designee during the term of the Grant Agreement. HCAI or its designee will notify the Grantee of approval in writing.

G. Budget Detail and Payment Provisions:

1. HCAI and/or its designee will make annual prospective payments to Grantee in the years of 2027 through 2029, once the specified Financial and Activity Reports

have been reviewed and approved by HCAI and/or its designee for quality and accuracy.

2. Under no circumstances shall HCAI make payments after October 31, 2029.

H. Recoupment Provisions

1. HCAI shall recoup any funds used by the Grantee for purposes outside the Scope of Work detailed in Section C of this agreement.

2. Grantee shall return to HCAI any unspent funds issued to the Grantee. Unspent funds must be returned to HCAI within two months following the end of the calendar budget year for which funds were provided.

I. Breach Provisions

1. Grantee shall return to HCAI any funds paid to individuals who fail to fulfill required service obligations detailed in Section D of this agreement. Grantees shall require individuals to return the full amount of their award to the Grantee so that the Grantee can return these funds to HCAI within eight months of the date of breach. If an organization grantee is unable to recoup partial or complete funds from the individual, the organization will be responsible to repay any and all funds to HCAI within eight months of the date of breach.

2. HCAI may request supplemental reports and monitor expenditures throughout the grant year to verify whether any funds must be recouped by HCAI or HCAI's designee.

3. Any funds HCAI is entitled to recoup under this Section I must be repaid by the Grantee within eight months of breach notification.

J. Accounting Records and Audits: Grantee shall comply with the following reporting requirements:

1. Accounting: Accounting for Grant Funds will be in accordance with the Grantee's accounting practices based on generally accepted accounting principles consistently applied regardless of the source of funds. Supporting records must be in sufficient detail to show the exact amount and nature of expenditures.

   Organizations may elect to commingle Grant Funds received pursuant to the Agreement with any other income available for operation of the Program provided that the institution maintains such written fiscal control and accounting procedures as are necessary to assure proper disbursement of, and accounting for, such commingled funds, including provisions for:

a. The accurate and timely separate identification of funds received.

b. The separate identification of expenditures that cannot be paid with Grant Funds.

2. An adequate record of proceeds from the sale of any equipment purchased by funds.

3. Expenditure Reporting: Reports on Program expenditures under the Agreement must be submitted as requested by HCAI for purposes of program administration, evaluation, or review.

4. Records Retention and Audit:

   a. The Grantee shall permit the HCAI Director, or the California State Auditor, or the State Controller, or their authorized representatives, access to records maintained on source of income and expenditures of its fellowship program for the purpose of audit and examination.

   b. The Grantee shall maintain books, records, documents, and other evidence pertaining to the costs and expenses of this grant (hereinafter collectively called the “records”) to the extent and in such detail as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this Agreement.

   c. The Grantee agrees to make available at the office of the Grantee at all reasonable times during the period set forth in subparagraph (d) below any of the records for inspection, audit or reproduction by an authorized representative of the State.

   d. The Grantee shall preserve and make available its records (a) for a period of three (3) years from the date of final payment under this Agreement, and (b) for such longer period, if any, as is required by applicable statute, by any other clause of this Agreement, or by subparagraph (i) or (ii) below:

      i. If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three (3) years from the date of any resulting final settlement.

      ii. Records which relate to (1) litigation of the settlement of claims arising out of the performance of this Agreement, or (2) costs and expenses of this Agreement as to which exception has been taken by the State or any of its duly authorized representatives, shall be retained by the

Grantee until disposition of such appeals, litigation, claims, or exceptions.

K. Budget Contingency Clause:

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the HCAI shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement.

2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this grant program, the HCAI shall have the option to either cancel this Agreement with no liability occurring to the HCAI or offer an agreement amendment to Grantee to reflect the reduced amount.

L. Budget Adjustments:

1. Budget adjustments consist of a change within the approved budget that does not amend the total amount of this Agreement or any other terms of the Agreement.

2. All requests for budget adjustments shall be submitted in writing for HCAI approval and shall include an explanation for the reallocation of funds by the Grantee. An accounting of how the funds were expended will also be submitted with the last annual report.

M. Media and Press Engagements:

1. Media Engagement: Before undertaking or responding to any media inquiries or initiating any press engagement regarding this Grant Agreement or the subject matter herein, Grantee shall contact the HCAI Program Officer to request HCAI's written approval.

2. Requirement to Wait for HCAI/California Department of Health and Human Services (CalHHS)/Governor's Office Announcement: Grantees who plan to issue their own press release, shall contact the HCAI Program Officer to request HCAI's written approval. If HCAI, CalHHS, or the Governor's Office plans to issue an official announcement regarding the award, the Grantee may only issue its own press release after that official announcement is published—and only after receiving HCAI's review and approval.

3. HCAI Approval Required Before Publication: All press releases drafted by the awardee organization related to this Agreement or the subject matter herein must be submitted to the assigned HCAI program officer at least two weeks prior to the

intended publication date. Release of any materials is prohibited until HCAI has completed its review and granted approval.

4. Use of Awardee Materials by State Entities: Awardee organizations acknowledge that portions or the entirety of their submitted press release may be used, modified, or incorporated by HCAI, CalHHS, or the Governor's Office without prior notice.

N. Executive Order N-6-22-Russia Sanctions:

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

O. General Terms and Conditions:

1. Timeliness: Time is of the essence in this Agreement. Grantee will submit the required deliverables as specified and adhere to the deadlines as specified in this Agreement. Anticipating potential overlaps, conflicts, and scheduling issues, to adhere to the terms of the Agreement, is the sole responsibility of the Grantee.

2. Final Agreement: This Agreement, along with the Grantee's Application, exhibits, and forms constitutes the entire and final agreement between the parties and supersedes any and all prior oral or written agreements or discussions.

3. Ownership and Public Records Act: All reports and the supporting documentation and data collected during the funding period which are embodied in those reports, shall become the property of the State and subject to the California Public Records Act (Gov. Code § 7920.000 et seq.).

4. Audits: The Grantee agrees that HCAI, the Department of General Services, the State Auditor, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated by the State. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of

any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., Cal. Code Regs. Tit. 2, Section 1896).

5. Site Visits: The Grantee agrees to allow HCAI to schedule a site visit during the term of the grant agreement to meet program faculty and conduct trainee interviews. The purpose is to evaluate the training and training site to ensure alignment with HCAI's objectives.

6. Independence from the State: Grantee and the agents and employees of Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

7. Non-Discrimination Clause: (See Cal. Code Regs., Title 2, § 11105):
During the performance of this Agreement, Grantee and its subcontractors shall not deny the Agreement's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Grantee shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

8. Grantee and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code § 12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§ 11135-11139.8), and any regulations or standards adopted by HCAI to implement such article.

9. Grantee shall permit access by representatives of the Civil Rights Department and HCAI upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or HCAI shall require to ascertain compliance with this clause.

10. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

11. Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

12. Independence from the State: Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

13. Waiver: The waiver by HCAI of a breach of any provision of this Agreement by the Grantee will not operate or be construed as a waiver of any other breach. HCAI expressly reserves the right to disqualify Grantee from any future grant awards for failure to comply with the terms of this Agreement.

14. Approval: This Agreement is of no force or effect until signed by both parties. Grantee may not commence performance until such approval has been obtained.

15. Amendment: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.

16. Assignment: This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of the State in the form of a formal written amendment.

17. Indemnification: Grantee agrees to indemnify, defend, and hold harmless the State, its officers, agents and employees (i) from any and all claims and losses accruing or resulting to any and all Grantee's, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies resulting from the Grantee's performance of this Agreement, and (ii) from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Grantee in the performance of this Agreement.

18. Disputes: Grantee shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement, shall be resolved as follows:

19. The Grantee will discuss the problem informally with the Program Manager. If unresolved, the problem shall be presented, in writing, to the Deputy Director stating the issues in dispute, the basis for the Grantee's position, and the remedy sought. Grantee shall include copies of any documentary evidence and describe any other evidence that supports its position with its submission to the Deputy Director.

20. Within ten (10) working days after receipt of the written grievance from the Grantee, the Deputy Director or their designee shall make a determination and shall respond in writing to the Grantee indicating the decision and reasons for it.

21. Within ten (10) working days of receipt of the Deputy Director's decision, the Grantee may appeal the decision of the Deputy Director by submitting a written appeal to the Chief Deputy Director stating why the Grantee does not agree with the Deputy Director's decision.

22. Within ten (10) working days after receipt of appeal, the Chief Deputy Director or their designee shall respond in writing to the Grantee with their decision. The Chief Deputy Director's decision will be final.

23. Termination for Cause: HCAI may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided. Grantee shall return any Agreement Funds that were previously provided to Grantee for use within 60 days of termination.
    If all Grant Funds have not been expended upon completion of the Agreement term, HCAI will request the remittance of all unexpended funds. If HCAI determines that improper payments have been made to Grantee, HCAI will request disgorgement of all disallowed costs. Grantee may dispute disallowed costs in accordance with Section J, Paragraph 12. Grantee will submit a check or warrant for the amount due within 60 days of the Grantee's receipt of HCAI's disgorgement request or 30 days from the Grantee's receipt of HCAI's last Dispute decision. If Grantee fails to remit payment, HCAI may withhold the amount due from any future grant payments.

24. Grantee's Subcontractors: Nothing contained in this Agreement shall create any contractual relationship between the State and the Grantee or any subcontractors, and no subcontract shall relieve the Grantee of its responsibilities and obligations hereunder. The Grantee agrees to be as fully responsible to the State for any and all acts and omissions of its subcontractors and of persons either directly or indirectly employed by the Grantee. The Grantee's obligation to pay its subcontractors is an independent obligation from the State's obligation to disburse funds to the Grantee. As a result, the State shall have no obligation to pay or to enforce the payment of any money to any subcontractor.

25. Governing Law: This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

26. Survival: The right of HCAI to recoup Grant Funds provided to Grantee under this Agreement shall survive termination of this Agreement.

27. Use of Funds: These funds shall not be used to supplant existing federal, state, local, or private funds to support this program.

28. Unenforceable Provision: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

29. Incorporation by Reference: The Medi-Cal Behavioral Health Recruitment and Retention Program Grant Guide for Grant Year 2026 (Grant Guide) is incorporated by reference into this Agreement. In the event of conflict between any term and condition contained within the four corners of this agreement and any term and condition of the Grant Guide, the language in this Agreement shall prevail.

P. Project Representatives:

The representatives of HCAI and the contact information for each party during the term of this Agreement are listed below. Direct all inquiries to:

State Agency: Department of Health Care Access and Information	Grantee: [Organization Name]
Section/Unit: Health Workforce Development/ MBH-RRP	Program Name: [Training Program Name]
Name: [Enter Program Officer Name]	Program Director Name:
Address: 2020 West El Camino Avenue, Suite 1222 Sacramento, CA 95833	Address:
Phone: [Enter Program Officer Phone Number]	Phone:
Email: MBHRRP@HCAI.ca.gov	Email:

Direct all grant inquiries to:

State Agency: Department of Health Care Access and Information	Grantee: [Organization Name]
Section/Unit: Health Workforce Development/ MBH-RRP	Program Name: [Training Program Name]
Name: [Enter Program Officer Name]	Name of Representative:
Address: 2020 West El Camino Avenue, Suite 1222 Sacramento, CA 95833	Address:
Phone: [Enter Program Officer Phone Number]	Phone:
Email: MBHRRP@HCAI.ca.gov	Email:

IN WITNESS WHEREOF, the parties here to have executed this Agreement.

DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION	GRANTEE
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____