



DEPARTMENT OF MENTAL HEALTH
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LISA H. WONG, Psy.D.
Director

Curley L. Bonds, M.D.
Chief Medical Officer

Connie D. Draxler, M.P.A.
Acting Chief Deputy Director

May 07, 2024

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:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

48 MAY 7, 2024

JEFF LEVINSON
INTERIM EXECUTIVE OFFICER

**APPROVAL TO EXTEND EXISTING LEGAL ENTITY CONTRACTS FOR THE CONTINUED
PROVISION OF SPECIALTY MENTAL HEALTH SERVICES EFFECTIVE JULY 1, 2024
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to extend existing Legal Entity Contracts for the continued provision of Specialty Mental Health Services as the current Legal Entities are set to expire on June 30, 2024.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Director of Mental Health (Director), or designee, to prepare, sign, and execute an amendment (Attachment I) to the existing Department of Mental Health (DMH) Legal Entity (LE) Contracts as identified in Attachment II, to extend the term of the contracts for two Fiscal Years (FYs) ending June 30, 2026, with one optional extension year. The Maximum Contract Amounts (MCA) for each of the LE Contracts for each FY are listed in Attachment II. The total aggregate amount for FYs 2024-25 and FY 2025-26 is \$1,542,507,585 per fiscal year, funded by various federal, State, and local revenues.
2. Delegate authority to the Director, or designee, to prepare, sign, and execute new LE Contracts with qualified LE providers not listed in the recommendation above, for Specialty Mental Health Services (SMHS), provided that: 1) sufficient funds are available; 2) County Counsel approves the LE Contract as to form; and 3) Director or his designee, provide a written notification to the Board and Chief Executive Office (CEO). The term of these contracts will be effective upon execution and will have the same term as the LE Contracts in Recommendation 1.

3. Delegate authority to the Director, or designee, to prepare, sign, and execute future amendments to the LE Contracts in Recommendations 1 and 2 with an option to extend thereafter for one additional FY through June 30, 2027 to: 1) revise the language, 2) add, delete, modify or replace the Service Exhibits and/or Statements of Work; 3) reflect federal, State, and County regulatory and/or policy changes; and 4) revise the annual MCAs, provided that: a) the County's total payment to each LE Contractor will not exceed an increase of more than 25 percent of the applicable MCA, b) sufficient funds are available; and c) the Director, or designee, obtains prior review and approval as to form by County Counsel and provides written notice to the Board and CEO.

4. Delegate authority to the Director, or his designee, to make non-material modifications to the LE Contracts in Recommendations 1 and 2 through administrative amendments or change notices for the following and other similar reasons, as appropriate: change the LE Contractor's business name and/or headquarter address; change, revise, add, or delete the LE Contractor's provider site address (es), site number(s), and/or site name(s); make technical corrections; revise County and Contractor Administration Exhibits; and/or shift funds between currently contracted funded programs, so long as such shift(s) will not cause an increase in the MCA.

5. Delegate authority to the Director, or designee, to terminate the Contracts described in Recommendations 1 and 2 in accordance with the termination provisions, including Termination for Convenience. The Director, or designee, will provide written notification to your Board and CEO of such termination action.

6. Exempt the DMH LE Contracts from the six-month advance notification requirement under Board Policy No. 5.100 when DMH does not have delegated authority to extend the term of the Contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval of Recommendation 1 will allow DMH to extend the existing LE Contracts for the continued provision of Specialty Mental Health Services (SMHS) for two FYs through June 30, 2026, with an approximate aggregate amount of \$ 3 Billion.

Board approval of Recommendation 2 will allow DMH to execute new DMH LE Contracts with qualified LE Contractors for the provision of SMHS.

Board approval of Recommendation 3 and 4 will allow DMH to amend and update the LE Contracts in a timely manner, as necessary, for the continuous provision and expansion of mental health services without interruption to clients who are in need of these services.

Board approval of Recommendation 5 will allow DMH to terminate the LE Contracts in accordance with the LE contract's termination provisions, including Termination for Convenience, in a timely manner, as necessary.

Board approval of Recommendation 6 will allow DMH to timely amend the existing LE Contracts to allow for continued and expanded provision of services to DMH clients. As the DMH LE Contracts provide a federal entitlement to beneficiaries, the need to amend as expeditiously as possible is essential. Although DMH must obtain Board approval when it exceeds its delegated authority, seeking an additional six-month advance notification to the Board will delay federally entitled services and may expose the department to liability.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the County's North Star 1, Make Investments that Transform Lives, specifically Focus Areal Goal A., Healthy Individual and Families, strategy iii. Behavioral Mental Health and Substance Use Disorder.

FISCAL IMPACT/FINANCING

The FY 2024-25 annual MCA for each LE Contract is listed in Attachment II with a total amount of \$1,542,507,585, fully funded as follows: Categorical Funds \$69,335,705, Realignment \$490,194,642, Federal Financial Participation \$691, 436,725, State General Funds \$14,918,579, and Mental Health Services Act funds (MHSA) \$276,621,934 and is included in DMH's proposed budget.

Funding for future fiscal years will be requested through DMH's annual budget request process.

There is no net County cost impact associated with the recommended action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 8, 2021, your Board authorized the Director to enter into 131 LE Contracts and delegated authority to sign new ones, all of which are included in the Contracts listed on Attachment II. All Contractors listed in Attachment II have existing LE Contracts with DMH which are set to expire on June 30, 2024.

DMH is seeking your Board's approval to amend these existing LE Contracts to extend the term for two FYs through June 30, 2026, due to the implementation of California Advancing and Innovating Medical (CalAIM) Behavioral Health Payment reform and the uncertainties surrounding the recent Behavioral Health Services Program and Bond Measure (State Proposition 1) Since FY 2023-24 was the first year of CalAIM Implementation a data set has yet to be made available for analysis of the overall impact of CalAIM. Consequently, DMH is still working with contractors to determine the financial impact of CalAIM. Additionally, with the passing of Proposition 1, DMH will need to make various adjustments to the Contract, including its financial provisions and certain programs/services that are funded by current MHSA funds.

Welfare and Institutions (W&I) Code Section 14712 directs the State of California (State) to implement and administer the Managed Mental Health Care for Medi-Cal eligible residents of the State. This W&I Code section requires a contractual agreement between the State and the County to operate as the Mental Health Plan (MHP) responsible for the delivery of SMHS to the County's eligible Medi-Cal beneficiaries. Through the MHP Agreement, DMH agrees to operate as the MHP for the County. The MHP Agreement sets comprehensive requirements for DMH to provide or arrange for the provision of all covered, medically necessary SMHS to Medi-Cal beneficiaries in the County. As such, DMH provides such SMHS through its directly-operated clinics as well as through its numerous LE and 24-Hour Contractors.

On March 30, 2016, the Centers of Medicare and Medicaid Services issued the Parity Rule in the Federal Register to strengthen access to mental health and substance use disorder services for Medi-Cal beneficiaries. The Parity Rule mandates that MHPs ensure access to care through an adequate provider network without unreasonable limitations to the scope or duration of mental health benefits. In order to comply with these requirements, DMH must ensure that an adequate network of providers and services are available throughout the County.

On December 7, 2021, your Board authorized the Directors of DMH, Department of Public Health, and Department of Health Services to negotiate, prepare, execute, and operationalize new and existing agreements with health plans, provider groups, and pharmacy benefit networks necessary to establish or maintain CalAIM initiatives. The CalAIM Behavioral Health Payment Reform initiative was established to move counties away from cost-based reimbursement to enable value-based reimbursement structures that reward better care and quality of life for Medi-Cal Beneficiaries. Payment Reform transitions counties from cost-based reimbursement funding via Certified Public Expenditures (CPEs) to fee for services reimbursement funded via Intergovernmental Transfers (IGTs) eliminating the need for reconciliation to actual costs.

In addition to the impacts of payment reform, the State Proposition 1, Behavioral Health Services Program and Bond Measure has passed and will affect the MHSA by diverting roughly one third of all county MHSA funding currently used to provide mental health services to housing and personalized support services, i.e., employment assistance and education. Therefore, the upcoming MHSA Plan will be for two years through June 30, 2026. Extending the existing Contracts will allow DMH time to adjust for the impacts of CalAIM and to manage current service levels with the passage of Proposition 1.

Attachment I is the amendment to the existing LE Contracts and has been approved as to form by County Counsel.

Attachment II lists the LE Contractors, Supervisorial District(s), and the annual MCAs.

On April 19th, 2024, DMH requested exemption to Board Policy No. 5.120 (Authority to Approve Increase to Board-Approved Contract Amounts) (Attachment III) from your Board for Medi-Cal funding in DMH's LE Contracts, and in accordance with the Policy, DMH considers this request approved, as we did not hear otherwise.

Since Medi-Cal is a federal entitlement, the need to amend as expeditiously as possible is essential in order to meet the federal requirement under the Parity Rule, provided that the County has sufficient funds to match these federal funds. Therefore, the delegated authority to increase the MCA up to 25% will allow DMH to amend the LE Contracts in a timely manner for the continuous provision and expansion of mental health services without interruption to clients who are in need of these services/programs.

Under Board Policy No. 5.100 (Sole Source Contracts and Amendments), DMH is required to notify your Board six months in advance of amendments to existing contracts when DMH does not have delegated authority to increase the maximum amount of the current contract. As DMH LE Contracts provide a federal entitlement to beneficiaries, the need to amend as expeditiously as possible is essential. Therefore, DMH is requesting that your Board make an exemption to the six-month advance notification requirement for DMH LE Contracts only.

This exemption will allow DMH to meet the federal requirement under the Parity Rule and allow DMH to amend the LE Contracts in a timely manner for the continuous provision and expansion of mental health services without interruption to clients who are in need of the services/programs.

As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure compliance with all contract terms and performance standards.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

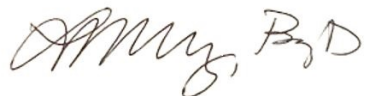
The Honorable Board of Supervisors

5/7/2024

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Board approval of the recommended actions will allow DMH to continue to provide SMHS and allow DMH to efficiently incorporate changes to LE Contracts in a timely manner.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Amy, Psy.D.", written in dark ink.

LISA H. WONG, Psy.D.

Director

LHW:CDD:KN:SK:ZW:atm

Enclosures

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

CONTRACT NO. _____

AMENDMENT NO. ____

THIS AMENDMENT is made and entered into this ____ day of _____, 2024, by and between the COUNTY OF LOS ANGELES (hereafter "County"), and _____ (hereafter "Contractor").

WHEREAS reference is made to that certain document entitled "Department of Mental Health (DMH) Legal Entity Contract", dated July 1, 2021, and further identified as County Contract No. _____, and any amendments hereto (hereafter collectively "Contract"); and

WHEREAS, on May 7, 2024, the County Board of Supervisors delegated authority to the Director of Mental Health, or designee, to execute an amendment to the Contract to extend the term of the Contract, add/delete/revise language, and make certain designated changes; and

WHEREAS, said Contract provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties; and

WHEREAS, County and Contractor intend to amend this Contract only as described hereunder; and

WHEREAS, Contractor warrants that it continues to possess the competence, expertise, and personnel necessary to provide services consistent with the requirements of the Contract, and consistent with the professional standard of care for these services.

NOW, THEREFORE, County and Contractor agree as follows:

1. This amendment is hereby incorporated into the original Contract, and all its terms and conditions, including capitalized terms defined therein, will be given full force and effect as if fully set forth herein.
2. This amendment is effective July 1, 2024.
3. For Fiscal Year (FY) 2024-25, the Maximum Contract Amount (MCA) is \$_____.
4. The term “beneficiaries” will be deleted and replaced with the term “members,” throughout the Contract and Exhibits.
5. Exhibit A (FINANCIAL PROVISIONS)- *revised on May 24, 2023*, Exhibit A-1 (Contractor Claims Certification for Title XIX Short-Doyle Medi-Cal and Title XXI Medicaid Children’s Health Insurance Programs Reimbursements), Exhibit E – (County’s Administration), Exhibit L (Required Supplemental Documents) - ___, Exhibit M (Performance Standards and Outcome Measures) are deleted and replaced by Exhibit A - *revised on* __ ___, 2024 (FINANCIAL PROVISIONS), Exhibit A-1_ (Contractor Claims Certification for Title XIX Short-Doyle Medi-Cal and Title XXI Medicaid Children’s Health Insurance Programs Reimbursements), (Exhibit E – __ (County’s Administration), Exhibit L - ___ (Required Supplemental Documents), and Exhibit M - __ (Performance Standards and Outcome Measures), attached hereto and incorporated herein by reference.
6. Financial Summaries (Exhibits B) for FYs 2024-25 and 2025-26 are added to the Contract, attached hereto and incorporated herein by reference.
7. Exhibit V (Mental Health Services Act Issue Resolution Process Guidelines), will be added to the Contract, attached hereto and incorporated herein by reference.
8. Paragraph 3.1 of the Contract (Work Requirements of Contractor), is amended to add subparagraph 3.1.1:

“3.1.1 Contractor is responsible for accessing and adhering to the applicable “Policies, Procedures, and Parameters,” on the DMH website at the following link: LAC Department of Mental Health Public Portal (compliancebridge.com).”

9. Paragraph 3.3 of the Contract (Description of Services/Activities), subparagraph 3.3.2, is deleted in its entirety and replaced as follows:

“3.3.2 Contractor will deliver services to new patients/clients to the extent that funding is provided by County. Where Contractor determines that services to new patients/clients can no longer be delivered, Contractor will notify DMH as soon as it is known that criteria are met to no longer accept new clients in accordance with DMH Policy 302.14. Contractor will also thereafter make referrals of new patients/clients to County or other appropriate agencies in accordance with DMH Policy 302.14.”

10. Paragraph 3.5 of the Contract (Nondiscrimination in Services), subparagraph 3.5.1, is deleted in its entirety and replaced as follows:

“3.5.1 Contractor will not discriminate in the provision of services hereunder because of race and/or ethnicity, spirituality or religious affiliation, nationality, ancestry, gender identity, gender expression, age, marital or living partnership status, sexual orientation, physical and/or intellectual disabilities, mental health condition(s), or medical condition(s) (except to the extent clinically appropriate), in accordance with requirements of federal and State law. For the purpose of this Paragraph 3.5.1, discrimination in the provision of services includes, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service or benefit to any person which is different or is provided in a different manner or at a different time from that provided to others; subjecting any person to segregation or separate treatment in any matter related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment, eligibility, membership, or any other requirement or condition which persons must meet in order to be provided any service or benefit. Contractor will take affirmative steps to ensure that those persons who qualify for services under this Contract

are provided services without regard to ability to pay or source of payment or cultural background inclusive of race and/or ethnicity, spirituality or religious affiliation, nationality, ancestry, preferred language, literacy, communication needs, gender identity, gender expression, age, marital or living partnership status, sexual orientation, physical and/or intellectual disability(ies), mental health condition(s), or medical condition(s).”

11. Paragraph 3.8 of the Contract (Staffing), subparagraph 3.8.1.1, is deleted in its entirety and replaced as follows:

“3.8.1.1 Staff providing services under this Contract must be qualified and must possess all appropriate licenses in accordance with WIC Section 5751.2 and all other applicable requirements of the California Business and Professions Code, WIC, CCR, Los Angeles County DMH Organizational Provider’s Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services, California Department of Health Care Services (DHCS) Behavioral Health Notices, and must only function within the scope of practice as dictated by licensing boards/bodies and Policy 600.08.”

12. Paragraph 4.1 of the Contract (TERM) will be revised to add subparagraph 4.1.5 to the Contract as follows:

“4.1.5 Extension Periods:

(3) First Extension Period: The First Extension Period will commence on **July 1, 2024**, and will continue in full force and effect through **June 30, 2025**.

(4) Second Extension Period: The Second Extension Period will commence on **July 1, 2025**, and will continue in full force and effect through **June 30, 2026**.

4.1.5.1 Optional Extension Period: This Contract may be extended for one additional period:

- (5) Optional Extension Period: The optional extension period if exercised will commence on **July 1, 2026**, and will continue in full force and effect through **June 30, 2027**.

13. Exhibit H – Jury Service Ordinance will be deleted in its entirety.

14. Paragraph 8.8. (Jury Service Program) of the Contract, subparagraph 8.8.1 is deleted in its entirety and replaced as follows:

“8.8.1 This Contract is subject to the provisions of the County’s ordinance entitled Contractor Employee Jury Service (“Jury Service Program”) as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.”

15. Paragraph 8.11 of the Contract (Consideration of Hiring GAIN/GROW Participants) is deleted in its entirety and replaced as follows:

“8.11 Consideration of Hiring GAIN /START Participants

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor will give consideration for any such employment openings to participants in the County’s Department of Public Social Services Greater Avenues for Independence (GAIN) Skills and Training to Achieve Readiness for Tomorrow (START) Program who meet the contractor’s minimum qualifications for the open position. For this purpose, consideration will mean that the Contractor will interview qualified candidates. The County will refer GAIN /START participants by job category to the Contractor. Contractors must report all job openings with job requirements to: gainstart@dpss.lacounty.gov and BSERVICES@OPPORTUNITY.LACOUNTY.GOV and DPSS will refer qualified GAIN/START job candidates.

8.11.2 In the event that both laid-off County employees and GAIN /START participants are available for hiring, County employees must be given first priority.”

16. Paragraph 8.15 of the Contract (County's Quality Assurance Plan), subparagraphs 8.15.2, 8.15.3 and 8.15.5 are deleted in their entirety and replaced as follows:

"8.15.2 The Contractor's Quality Management Program will be consistent with Department's Quality Improvement Program Policy No. 1100.1 including the Department's Quality Improvement Work Plan and participation in Quality Assurance and Quality Improvement Committee meetings as outlined in Policy No. 1100.1.

8.15.3 The Contractor's Quality Management Program will be consistent with the Department's Cultural Competence Plan. Contractor will ensure that 100% of Contractor's staff, including clerical/support, administrative/management, clinical, subcontractors, and independent contractors receive **annual** cultural competence training.

Contractor will monitor, track, document (e.g., training bulletins/flyers, sign-in sheets specifying name and function of staff, and/or individual certificates of completion, etc.) and make available upon request by the federal, State and/or County government the annual cultural competence training provided to Contractor's staff, including clerical, administrative/ management, clinical, subcontractors, and independent contractors.

Additionally, per the Federal Managed Care Network Adequacy Final Rule requirements, 100% of direct service practitioners (psychotherapists, psychiatrists, case managers, etc.) must complete cultural competence training within the past 12 months to meet annual reporting requirements. This information needs to be entered and updated in the Network Adequacy: Provider and Practitioner Administration application (<https://lacdmhnact.dynamics365portals.us/>) based on each

practitioner specifying the hours of cultural competence training completed.

“8.15.5 Contractor will maintain accurate and up-to-date information on its Organization (Legal Entity), Provider Site(s), and Practitioners within Network Adequacy: Provider and Practitioner Administration application (<https://lacdmhnact.dynamics365portals.us/>) designed to support compliance with the network adequacy, access-to-care, and provider directory reporting requirements associated with the Medicaid Managed Care Final Rule. Contractor will develop and implement policies and procedures for ensuring the required information is properly reported into the Application in accord with instructions provided by the Department’s Quality Assurance Unit - Quality, Outcomes and Training Division. Failure by Contractor to submit the requested information, documents or materials within the indicated deadline and after County issues a final notice of compliance, may result in the withholding of payments or other contract actions, including but not limited to contract suspension or termination.”

17. Paragraph 8.20 of the Contract (Force Majeure), subparagraph 8.20.1, is deleted in its entirety and replaced as follows:

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

18. Paragraph 8.25 of the Contract (Insurance Coverage), subparagraph 8.25.3, is deleted in its entirety and replaced as follows:

“8.25.3 Workers Compensation and Employers’ Liability insurance or qualified self- insurance satisfying statutory requirements, which includes Employers’ Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also must include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer. The written notice must be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. If applicable to Contractor’s operations, coverage also must be arranged to satisfy the requirements of any federal workers or workmen’s compensation law or any federal occupational disease law.”

19. Paragraph 8.28 of the Contract (Nondiscrimination and Affirmative Action), subparagraphs 8.28.1, 8.28.3, 8.28.4, and 8.28.5, are deleted in their entireties and replaced as follows:

“8.28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race and/or ethnicity, color, spirituality or religious affiliation, ancestry, national origin, language, gender, gender identity, gender expression, sexual orientation, age (over 40), marital status, physical disability (including HIV and AIDS) and/or intellectual disabilities, or mental health condition, medical conditions (e.g. cancer), denial of family care leave, or political affiliation, status as a veteran with a disability or veteran of the Vietnam era in compliance with all

applicable federal and State anti-discrimination laws and regulations. The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Contract.

- 8.28.3 The Contractor must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race and/or ethnicity, color, spirituality or religious affiliation, ancestry, national origin, gender, gender identity, gender expression, sexual orientation, language, age (over 40), marital status, physical disability (including HIV and AIDS) and/or intellectual disabilities, or mental health condition, medical conditions (e.g., cancer), denial of family care leave, or political affiliation, status as a disabled veteran with a disability or veteran of the Vietnam era in compliance with all applicable federal and State anti-discrimination laws and regulations. Such action must include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship, and granting or denying family care leave. Contractor will not discriminate against or harass, nor will it permit harassment of, its employees during employment based upon race and/or ethnicity, color, spirituality or religious affiliation, national origin, ancestry, language, gender, age (over 40), marital or living partnership, sexual orientation, physical disability (including HIV and AIDS) and/or intellectual disabilities, mental health condition, medical conditions (e.g.,

cancer), denial of family care leave, or political affiliation, status as a veteran with a disability or veteran of the Vietnam era and in compliance with all applicable Federal and State anti-discrimination laws and regulations. Contractor will ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment and will comply with the provisions of the Fair Employment and Housing Act (Government Code section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.).

8.28.4 The Contractor certifies and agrees that it will deal with its

subcontractors, bidders, or vendors without regard to or because of race and/or ethnicity, color, spirituality/religious affiliation, ancestry, national origin, language, gender, gender identity, gender expression, sexual orientation, age, physical disability (including HIV and AIDS) and/or intellectual disability, mental health condition, medical conditions (e.g., cancer), denial of family care leave, marital status, or political affiliation, status as a veteran with a disability or veteran of the Vietnam era and in compliance with all applicable federal and State anti-discrimination laws and regulations. Further, Contractor must give written notice of its obligations under this paragraph 8.28 to labor organizations with

8.28.5 ~~The Contractor certifies and agrees that it, its affiliates, subsidiaries, and/or holding companies will comply with all applicable federal and State laws and regulations to the end that no person will, on the grounds of race and/or ethnicity, color, spirituality or religious affiliation, ancestry, national origin, language, gender, gender identity, gender expression, sexual orientation, age, physical disability (including HIV and AIDS) and/or intellectual disability, mental health condition, medical~~ which it has a collective bargaining or other Contract.”

conditions (e.g., cancer), denial of family care leave, marital status, or political affiliation, status as a veteran with a disability or veteran of the Vietnam era be excluded from participation in, be denied the benefits of, or be otherwise subjected to, discrimination under this Contract or under any project, program, or activity supported by this Contract.”

20. Paragraph 8.36 of the Contract (Public Records Act) subparagraph 8.36.1 and 8.36.3 are deleted in their entirety and replaced as follows:

“8.36.1

Contractor acknowledges that the County is a public "local entity" subject to the California Public Records Act, Government Code section 7921 et seq. Any documents submitted by the Contractor and all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Paragraph 8.38 (Record Retention and Inspection-Audit Settlement) of this contract become the exclusive property of the County. All such documents become a matter of public record and will be regarded as public records. Exceptions will be those elements in the California Government Code Section 7921 et seq. (Public Records Act), and which are marked "trade secret", "confidential", or "proprietary". Upon receipt of a Public Records Act request, County will use reasonable efforts to notify Contractor prior to disclosing any sensitive Contractor information provided to County in connection with this Contract. To the extent reasonably practicable, County will give Contractor the opportunity to identify exemptions from disclosure for any Contractor documents included in records responsive to a Public Records Act request. Notwithstanding anything to the contrary contained in this Contract, nothing in this Contract is intended to supersede, modify, or diminish in any respect whatsoever any of the County's rights, obligations, and defenses under the Public Records Act. The

County will not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked “trade secret,” “confidential”, or “proprietary”, the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney’s fees, in action or liability arising under the Public Records Act.”

21. Paragraph 8.58 of the Contract (COVID-19 Vaccinations of County Contractor Personnel) is deleted in its entirety from the Contract.

22. Paragraph 8.59 of the Contract (Injury and Illness Prevention Program) is added to the Contract as follows:

“8.59 Contractor will be required to comply with the State of California’s Cal OSHA’s regulations. California Code of Regulations Title 8 Section 3203 requires all California employers to have a written, effective Injury and Illness Prevention Program (IIPP) that addresses hazards pertaining to the particular workplace covered by the program.”

23. Paragraph 9.6 of the Contract (Data Destruction) is deleted in its entirety and replaced as follows:

“9.6 Contractor(s) that have maintained, processed, or stored the County data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled Guidelines for Media Sanitization. Available at :

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88>
[Rev.%201](#)

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within 20 business days of data destruction, a signed document from Contractor that certifies and validates the data and information containing PHI and PII were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Contractor must certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special Publication SP-800-88, Guidelines for Media Sanitization. Contractor(s) must provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all County data was destroyed and is unusable, unreadable, and/or indecipherable."

24. Paragraph 9.11 of the Contract (Contractor's Exclusion From Participation In A Federally Funded Program), subparagraph 9.11.6 is deleted in its entirety and replaced as follows:

"9.11.6 Contractor will also comply with DMH Policy 106.04 (Contractors Eligibility to Participate in and Secure Federally Funded Health Care Program Contracts) which includes the following topics: 1) Contractor's responsibility for any and all Civil Monetary Penalties associated with repayments for claims submitted for excluded or suspended agencies or individuals, and 2) Contractor's responsibility

to provide employee identification information within three (3) business days should DMH or its representatives request it related to sanction list screening compliance. “

25. Paragraph 9.17 (Mental Health Services Act Issue Resolution) is added to the Contract as follows:

“9.17 The California State Department of Health Care Services (DHCS) guidelines require that all Mental Health Service Act (MHSA) issues be documented by DMH. This MHSA Issue Resolution Process (Exhibit Q), developed in collaboration with various public mental health stakeholders, provides information regarding the resolution process to address local issues related to MHSA, access to services and MHSA requirements.”

26. Paragraph 10.0 (Survival) is added to the Contract as follows:

“10.0 In addition to any terms and conditions of this Contract that expressly survive expiration or termination of this Contract by their terms, the following provisions will survive the expiration or termination of this Contract for any reason:

Paragraph 1.0	Applicable Documents
Paragraph 2.0	Definitions
Paragraph 3.0	Work
Paragraph 7.6	Confidentiality
Paragraph 8.1	Amendments
Paragraph 8.2	Assignment and Delegation/Mergers or Acquisitions
Paragraph 8.6	Compliance with Applicable Law
Paragraph 8.19	Fair Labor Standards
Paragraph 8.20	Force Majeure
Paragraph 8.21	Governing Law, Jurisdiction, and Venue
Paragraph 8.23	Indemnification
Paragraph 8.24	General Provisions for all Insurance Coverage
Paragraph 8.25	Insurance Coverage

Paragraph 8.34	Notices
Paragraph 8.38	Record Retention and Inspection-Audit Settlement
Paragraph 8.42	Termination for Convenience
Paragraph 8.43	Termination for Default
Paragraph 8.50	Validity
Paragraph 8.51	Waiver
Paragraph 8.57	Prohibition from Participation in Future Solicitation(s)
Paragraph 10.0	Survival

27. Contractor shall provide services in accordance with Contractor's FY 2024-25 Service Delivery Plan for the Contract, and any addenda thereto approved in writing by the County's Director of Mental Health or designee.
28. Except as provided in this amendment, all other terms and conditions of the Contract will 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 or designee, and Contractor has caused this amendment to be subscribed on its behalf by its duly authorized officer, on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
LISA H. WONG, Psy.D.
Director
County of Los Angeles
Department of Mental Health

CONTRACTOR

By _____
Name _____
Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: RACHEL KLEINBERG
Senior Deputy County Counsel

DMH LE CONTRACT
Exhibit A

EXHIBIT A
FINANCIAL EXHIBIT
(FINANCIAL PROVISIONS)

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ATTACHMENT:

ATTACHMENT A-1: COUNTY OF LOS ANGELES DEPARTMENT OF MENTAL HEALTH
CONTRACTOR CLAIMS CERTIFICATION FOR TITLE XIX SHORT-
DOYLE MEDI-CAL AND TITLE XXI MEDICAID CHILDREN'S
HEALTH INSURANCE PROGRAM REIMBURSEMENTS

EXHIBIT A
FINANCIAL EXHIBIT
(FINANCIAL PROVISIONS)

A. GENERAL

- (1) The County will pay Contractor in arrears for eligible services provided under the Department of Mental Health (DMH) Legal Entity Contract (Contract) and in accordance with the terms of this Financial Exhibit A (FINANCIAL PROVISIONS) up to the amounts identified for each Funded Program as shown in Exhibit B, the Financial Summary, and as otherwise may be limited under the DMH Legal Entity Contract and the exhibits thereto, including, but not limited to, this Financial Exhibit A (FINANCIAL PROVISIONS) and Exhibit B, the Financial Summary.
 - (a) For purposes of the Contract, a “Funded Program” is a set of services and/or activities (including invoiced services and activities) paid through a particular funding source for the benefit of a specific member group or program (e.g., Medi-Cal or Non-Medi-Cal) as identified on a row of the Financial Summary.
 - (b) For purposes of the Contract, the “Funded Program Amount” is the amount identified in the last column of Exhibit B, the Financial Summary, for each Funded Program.
 - (c) For purposes of the Contract, “Non-Medi-Cal” includes funding for services not eligible for reimbursement under the State Medi-Cal programs.
 - (d) The Contractor understands and agrees that the Medi-Cal Funded Program Amount(s) in Exhibit B, the Financial Summary, is/are provided based on Contractor’s ability to provide specific services and/or serve specific populations, which may include, but are not limited to, Medi-Cal beneficiaries eligible under Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program; Title XXI Medicaid Children’s Health Insurance Program (MCHIP); Title XIX Short-Doyle/Medi-Cal (SD/MC) Program for low-income individuals who are age 65 or older, blind, disabled, or members of families with dependent children or qualified pregnant women or children; Senate Bill (SB) 75; and Medicaid (Medi-Cal in California) Coverage Expansion under the Affordable Care Act, as set forth in the Service Delivery Plan. Therefore, Contractor must ensure access and provision of a full array of Specialty Mental Health Services (SMHS) to all eligible beneficiaries based on client needs, as set forth in the

applicable Service Delivery Plan, Statement(s) of Work (SOW), and/or Service Exhibit(s) (SE) under the Contract.

- (e) Total reimbursement provided for a Funded Program will be for the support of services and/or activities that benefit a specific member group or program served under the Contract.
- (2) The Contractor must comply with all requirements necessary for reimbursement as established by federal, State, and local statutes, laws, ordinances, rules, regulations, manuals, policies, guidelines and directives.
- (3) In order to reduce County costs, the Contractor must comply with all applicable provisions of the Welfare and Institutions Code (WIC) and/or California Code of Regulations (CCR) related to reimbursement by non-County and non-State sources, including, but not limited to, collecting reimbursement for services from clients (which must be the same as patient fees established pursuant to WIC Section 5710) and from private or public third-party payers. In addition, Contractor will ensure that, to the extent a recipient of services under the Contract is eligible for coverage under Medi-Cal, Medicare or any other federal or State funded program (an eligible member), services provided to such eligible member are billed appropriately.
- (a) To the extent that the County determines Contractor has improperly billed for services to a particular Funded Program, County, in its discretion, may disallow payment of said services and/or may make corrective accounting entries to post the payment of said services to the appropriate Funded Program and/or require Contractor to void said claimed services and/or replace/resubmit said services for payment from the correct Funded Program, if applicable.

B. REIMBURSEMENT FOR INITIAL PERIOD

- (1) The MCA for the Initial Period of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Legal Entity Contract must not exceed _____
DOLLARS (\$_____) and will consist of Funded Programs as shown in Exhibit B, Financial Summary.

C. REIMBURSEMENT IF CONTRACT IS AUTOMATICALLY RENEWED AND EXTENDED

- (1) Reimbursement For First Automatic Renewal Period: The MCA for the First Automatic Renewal Period of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Legal Entity Contract must not exceed

DOLLARS (\$_____) and will consist of Funded Programs as shown in Exhibit B, Financial Summary.

- (2) Reimbursement For Second Automatic Renewal Period: The MCA for the Second Automatic Renewal Period of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Legal Entity Contract must not exceed _____

DOLLARS (\$_____) and will consist of Funded Programs as shown in Exhibit B, Financial Summary.

- (3) Reimbursement for First Extension Period: The MCA for the First Extension of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Legal Entity Contract must not exceed _____

_____ DOLLARS (\$_____) and will consist of Funded Programs as shown in Exhibit B, Financial Summary.

- (4) Reimbursement for Second Extension Period: The MCA for the First Extension of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Legal Entity Contract must not exceed _____

_____ DOLLARS (\$_____) and will consist of Funded Programs as shown in Exhibit B, Financial Summary.

- (5) Optional Extension Period (if exercised): The MCA for the Optional Extension Period of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Legal Entity Contract must not exceed _____

_____ DOLLARS (\$_____) and will consist of Funded Programs as shown in Exhibit B, Financial Summary.

D. REIMBURSEMENT BASIS

- (1) Reimbursement Rates for Mental Health Services: For mental health services claimed and billed through the County's claims processing information system, and except as further limited elsewhere in the Contract, Contractor will utilize fixed rates specified in the rate schedule published annually, except as may be provided under Subparagraph D (2) of this Exhibit A (FINANCIAL PROVISIONS) and Paragraph L (PATIENT/CLIENT ELIGIBILITY, UMDAP FEES, AND THIRD-PARTY REVENUES). The rate schedule will be published within 30 calendar days of receipt of new rates or official information

on new rates from State Department of Health Care Services (DHCS). Whenever possible, DMH will publish the rate schedule on or prior to April 1 of each year.

- (2) Reimbursement of Other Costs and Direct Charges: Certain Funded Programs may provide for and allow Contractor to submit requests for reimbursement to the County for specific expenses that cannot be claimed through the County's claims processing information system. These expenses will be referred to as a "Direct Charge." Such reimbursement will be based on actual costs plus an indirect cost rate, if applicable, expressed as a percentage of actual costs. To the extent an indirect cost rate is charged, a copy of Contractor's indirect cost allocation plan may be required to be submitted to County for program review and/or audit.
 - (a) Startup Costs: During the initial year that the contract is in effect, the MCA, as identified in Paragraph B (REIMBURSEMENT FOR INITIAL PERIOD), may include startup costs for a period not to exceed [## of months]. Startup costs are those necessary to plan, prepare for, and assume operation of the eligible [Program Name], specified in the Contract. The startup costs must be reasonable and allowable, and will only be provided to Contractor on a one-time basis, subject to Director's review and approval. Once Contractor begins providing eligible direct services, startup cost is no longer available, and reimbursement is based on claims for eligible mental health services.
- (3) Unique Funded Program: To the extent that the Contract includes a Funded Program which has billing and payment requirements that are not consistent with the provisions of this Paragraph D (REIMBURSEMENT BASIS), the special billing and payment requirements must be set forth in an amendment or other written form of addenda to this Financial Exhibit A (FINANCIAL PROVISIONS), Statement(s) of Work, and/or Service Exhibit(s) memorializing the specific billing and payment requirement which will be signed by Contractor and Director.

E. BILLING PROCEDURES

- (1) If Title XIX SD/MC services, and/or Title XXI MCHIP services are provided under the Contract, Contractor hereby agrees and understands that County DMH is the Mental Health Plan and as such must act on the Contractor's behalf with DHCS in regard to State claiming and reimbursement purposes.
- (2) Claims Certification and Program Integrity:
 - (a) Contractor hereby certifies that all units of service entered by Contractor into the County's claims processing information system and/or claims for actual costs submitted as Direct Charges to County

for any Funded Program covered by the Contract are true and accurate to the best of Contractor's knowledge.

- (b) Contractor must annually provide the additional certification set forth in the "Contractor Claims Certification for Title XIX SD/MC and Title XXI Medicaid Children's Health Insurance Program Reimbursements" (Exhibit A-1 to this Exhibit A) related to the Contractor's compliance with specific State and federal statutory and regulatory requirements which are conditions for the reimbursement of Title XIX SD/MC and/or Title XXI MCHIP claims.
- (3) Mental Health Services: Claims for all mental health services, including services funded by Title XIX SD/MC and Title XXI MCHIP, must be entered into the County's claims processing information system within 30 calendar days of the end of the month in which services are delivered, except as otherwise provided in this Paragraph E (BILLING PROCEDURES).
- (a) With the exception of CalWORKs MHS Non-MC and GROW Non-MC Funded Programs, Contractor must submit claims within 30 calendar days as specified above unless there is a reasonable justification, in which case Contractor must submit (i) an initial or original (non-replacement) claim, including claims for services under Title XIX SD/MC or under Title XXI MCHIP, within six months after the end of the month in which the services were rendered, to the extent doing so would not preclude payment from a funding source; (ii) replacement claims for services under Title XIX SD/MC or under Title XXI MCHIP within nine months after the end of the month in which the services were rendered, to the extent doing so would not preclude payment from a funding source; and (iii) any Non-Medi-Cal claims within eight months after the end of the month in which the services were rendered, to the extent doing so would not preclude payment from a funding source.
 - (b) For CalWORKs MHS Non-MC and GROW Non-MC funded programs, Contractor must submit all eligible claims, including replacement claims, routinely and frequently, and no later than one week after the end of the month in which the eligible services are rendered. For example, claims for eligible July services must be submitted by the first week of August. Any late billings falling outside of the date approved and specified by DMH may preclude payment from the Department of Public Social Services, which may result in non-payment.
 - (c) Notwithstanding Subparagraphs (3) (a) and (b) of this Paragraph E (BILLING PROCEDURES), for Title XIX SD/MC and Title XXI MCHIP claims, good cause justification for late claim submission is governed

by applicable federal and State laws and regulations and is subject to approval by the State and/or County.

- (d) In addition to all other limitations provided in this Paragraph E (BILLING PROCEDURES), claims for all services provided through June 30th of a given fiscal year under Categorically Funded Programs as set forth in Exhibit B, Financial Summary, must be entered into the County's claims processing information system no later than July 15th of the subsequent fiscal year, or as agreed to by the Director.
- (e) In the event the State or federal government or any funding source agency denies any or all claims submitted by County on behalf of Contractor, County will not be responsible for any payment obligation and, accordingly, Contractor will not seek or retain payment from County and must indemnify and hold harmless County from any and all liabilities for payment of any or all denied claims, including those denied claims that were submitted outside the period of time specified in Subparagraph (3) of this Paragraph E (BILLING PROCEDURES), except any claims which are denied due to the fault of the County. Any controversy or dispute arising from the denial of claims from the State, federal government, or other agencies must be handled by Contractor in accordance with the applicable State, federal, or other agency's administrative appeal process.
- (f) Contractor must, as soon as practicable, notify County of any delay in meeting the timeframe for submitting claims specified in Subparagraph (3) of this Paragraph E (BILLING PROCEDURES). In the event Contractor is not able to make timely submission into the County's claims processing information system due to no fault on the part of Contractor, such Contractor notification should be immediate upon Contractor's recognition of the delay and must include a specific description of the problem that the Contractor is having with the County's claims processing information system. Notification will be pursuant to the DMH Legal Entity Contract, Subparagraph 8.34 (NOTICES), and such notification will also be made by Contractor to the DMH Chief Information Office Bureau's (CIOB) Help Desk.
 - i. Contractor must be responsible for ensuring all response files (e.g., Health Care Claim Status Response/277 Claim Acknowledgment File, TA1, 999, and 835 files) are received, reviewed, and dispositioned within the time frame(s) established by DMH CIOB.
- (g) The County will notify Contractor in writing as soon as practicable of any County issue(s) which will prevent the submission by Contractor of claiming information into the County's claims processing information

system, and County, if appropriate, will waive the requirement of Subparagraph (3) of this Paragraph E (BILLING PROCEDURES) in the event of any such County issue(s). Once County has notified Contractor that its issues are resolved, Contractor will enter billing information into the County's claims processing information system within 30 calendar days of County's notice unless otherwise agreed to by County and Contractor.

To the extent that issues identified pursuant to Subparagraph (3) (f) of this Paragraph E (BILLING PROCEDURES) require that Contractor modify its procedures for entering claims into the County's claims processing information system, Contractor will consult with County regarding a reasonable time required to implement such modifications and, upon approval by County, the 30 calendar days required by Subparagraph (3) (f) of this Paragraph E (BILLING PROCEDURES) must be extended by the amount of time required to implement such modifications.

(h) County may modify the County's claims processing information system at any time in order to comply with changes in, or interpretations of, State or federal laws, rules, regulations, manuals, guidelines, and directives. County will notify Contractor in writing of any such modification and the reason, if known, for the modification and the planned implementation date of the modification. To the extent that such modifications create a delay in Contractor submitting claims into the County's claims processing information system for a period of time, the timelines under this Paragraph E (BILLING PROCEDURES) will be extended by the number of calendar days reasonably based on the time the system is inactive.

- (4) Direct Charges: Contractor must submit invoices for Direct Charges by the dates as indicated in the table below, unless otherwise required to comply with grant and/or funding source requirement, in which case DMH will provide written notification to Contractor. If the 'Last Day to Submit' as indicated in the table below falls on a weekend or holiday, invoice(s) must be submitted by the following business day. Contractor must assign a unique invoice number to each invoice. Such invoice will be in the form and include the content specified by County for each Funded Program. Invoices must be submitted pursuant to Paragraph U (PAYMENT AND INVOICE NOTIFICATIONS). Failure to comply with the terms specified in Subparagraph (4) of this Paragraph E (BILLING PROCEDURES) may result in non-payment of said invoice.

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Month Expenses Incurred or Accrued:	Last Date to Submit:
July	September 15 th
August	October 15 th
September	November 15 th
October	December 15 th
November	January 15 th
December	February 15 th
January	March 15 th
February	April 15 th
March	May 15 th
April	June 15 th
May	July 15 th
June	August 15 th (July 15 th for Categorical Funded Programs per Paragraph E(4)(a))

- (a) In addition to all other limitations provided in this Paragraph E (BILLING PROCEDURES), Direct Charges for all services provided through June 30th of a given fiscal year under Categorically Funded Programs as set forth in Exhibit B, Financial Summary, will be submitted to the persons and at the addresses identified in Paragraph U (PAYMENT AND INVOICE NOTIFICATIONS) no later than July 15th of the subsequent fiscal year, or as agreed to by the Director.

F. COUNTY PAYMENT FOR SERVICES RENDERED

- (1) County Payments: After Director's review and approval of the billing (i.e., claim or invoice), County will pay Contractor in accordance with the following:
- (a) County will make good faith efforts to make payments for services billed through the County's claims processing information system as soon as possible after submission and approval, subject to the limitations and conditions specified in the Contract, but within 60 calendar days after submission and approval. County will make available a schedule of anticipated payment dates for claims submitted by Contractor into the County's claims processing information system on or prior to July 1 of each year.
- (b) Payments for services or Direct Charges billed through invoices will be paid within 60 calendar days after receipt of a complete and accurate

invoice, subject to the limitations and conditions specified in the Contract.

G. BILLING AND PAYMENT LIMITATIONS

- (1) County payments to Contractor for performance of eligible services hereunder are subject to limitations of the Contract; application of various County, State and/or federal reimbursement limitations; application of any County, State and/or federal policies, procedures and regulations; and/or County, State or federal audits.
- (2) The total maximum reimbursement that will be paid by County to Contractor under the Contract, including Cash Flow Advances (CFA), if applicable, for the Initial Period, First Automatic Renewal Period, Second Automatic Renewal Period and any Extension Periods must not be more than the Maximum Contract Amount (MCA) specified in Contract for the Initial Period, First Automatic Renewal Period, Second Automatic Renewal Period, and any Extension Periods respectively.
 - (a) In addition to the general limitation of Paragraph G (2), above, in no event must the maximum reimbursement that will be paid by County to Contractor under the Contract for any Funded Program be more than the amount identified as the Funded Program Amount for each Funded Program, as stated on Exhibit B, the Financial Summary, for the Initial Period, First Automatic Renewal Period, Second Automatic Renewal Period and any Extension Period, as applicable.
 - (b) Contractor will immediately provide written notice to the County when, based on the Contractor's own internal records, it has billed for services/activities under the Contract in an amount equal to 60 percent of the total MCA or 60 percent of the Funded Program Amount(s) during the Initial Period, First Automatic Renewal Period, Second Automatic Renewal or any Extension Period of the Contract.
 - (i) Contractor will send such notice to those persons and addresses which are set forth in the DMH Legal Entity Contract, Subparagraph 8.34 (NOTICES).
 - (ii) Failure of Contractor to comply with this Subparagraph G (2) (b) will be considered a breach of the Contract.
- (3) Except as otherwise provided in the Contract, the total MCA and/or the Funded Program Amount(s) for any of the periods specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraphs B (REIMBURSEMENT FOR INITIAL PERIOD) and C (REIMBURSEMENT IF CONTRACT IS AUTOMATICALLY RENEWED) will not be increased or decreased without a properly executed amendment to the Contract. The Parties acknowledge that

the actual number of individuals seeking care from Contractor who are eligible under a particular Funded Program may differ from the estimated number upon which the Funded Program Amounts were based, and that it may be appropriate to increase Contractor's responsibility to provide services to certain eligible individuals while decreasing its responsibilities to provide services to other eligible individuals. Any such modification in Contractor's responsibilities, along with commensurate changes in the appropriate Funded Program Amounts, may be accomplished through a formal amendment or administrative amendment for shifting of funds, completed in advance of the provision of services and as outlined in the DMH Policy *Shifting Guidelines for the Legal Entity Agreement*. In case of an administrative amendment, such administrative amendment may be executed by Director under delegated authority from the Board of Supervisors without prior approval of County Counsel. Such administrative amendment may be initiated by the County, with Contractor's written consent. Contractor's signature will be required to make such administrative amendment effective.

- (a) County and Contractor may, by written amendment, reduce programs or services and revise the applicable MCA and/or Funded Program Amount. The Director must provide 15 business days' prior written notice of such funding changes to Contractor, including any changes in the amount of services to be received by County. Any such change in any applicable MCA and/or Funded Program Amount will be effected by a written amendment to the Contract, prepared by Director or designee, and executed by both parties.
- (4) Other Limitations for Certain Funded Programs: In addition to all other limitations provided in this Paragraph G (BILLING AND PAYMENT LIMITATIONS), reimbursement for services rendered under certain Funded Programs may be further limited by rules, regulations, and procedures applicable only to that Funded Program. Contractor must be familiar with said rules, regulations, and procedures and submit all claims in accordance therewith.
 - (a) Reimbursement of certain Direct Charges such as, but not limited to, capital improvement, are contingent upon the completion of appropriate deliverable(s). If the County reasonably determines from a review of Contractor's service, billing, and other records that the Contractor failed to deliver required deliverable(s) associated with such Direct Charge(s), County will have the right to adjust and/or recover payment(s) associated with such Direct Charge(s). The recovery from Contractor must be made through cash payment made by Contractor to County and/or County offsets to County payment(s) of Contractor's approved claim(s) in accordance with the terms of Paragraph P (PAYMENTS BY CONTRACTOR TO COUNTY) and Paragraph U (PAYMENT AND INVOICE NOTIFICATIONS).

- (5) Adjustment of Claims Based on Other Data and Information: The County will have the right to adjust claims based upon data and information that may include, but is not limited to, County's claims processing information system reports, remittance advices, State adjudication of Medi-Cal claims, and 835 data, all of which will supersede and take precedence over the claimed amount submitted by Contractor.
- (4) Adjustment of Claims for Contract Compliance: The Director, in their sole discretion and at any time and without prior written notice to Contractor, may take any necessary actions required to ensure that Contractor will not be paid a sum in excess of the amount due to the Contractor under the terms and conditions of the Contract. Such actions may include, but are not limited to, reimbursing claims submitted through the claims processing information system at an amount less than that amount that would be calculated using Contractor's rates, denying claims for payment; holding claims for Medi-Cal services from being forwarded for adjudication by the State; withholding payment of certain claims; and/or demanding repayment from Contractor.
- (a) Concurrent with any such action, Director must provide Contractor with written notice of the County's decision to take such action(s), including the reason(s) for the action(s). Thereafter, Contractor may, within 10 calendar days of Contractor's receipt of the notification, request reconsideration of the County's decision. Contractor may request in writing, and will receive if requested, County's computations for making a determination that such action was necessary, including any amount(s) held, denied or reduced.
- (b) Upon receiving a request for reconsideration from Contractor, County will, within 15 calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or documentation relevant to the circumstances that led the County to take such actions and may propose alternative actions.
- (c) Within 15 calendar days of said meeting, County will, in writing, notify Contractor of its final decision which may include County's request to Contractor to void said claims in the County's claim processing information system. The decision of the Director will be final.
- Should the County grant reconsideration, such reconsideration will only be applicable to claims paid and processed to the appropriate funding sources after the date that said reconsideration is granted.
- (5) No Payment for Services Rendered Following Expiration/Termination of Contract: Contractor must have no claim against County for payment of any money, or reimbursement of any kind whatsoever, for any service provided

by Contractor after the expiration or other termination of the Contract or any part thereof. Should Contractor receive any such payment, it must immediately notify County and must immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of the Contract will not constitute a waiver of County's right to recover such payment from Contractor. This provision will survive the expiration or other termination of the Contract.

- (6) Contractor agrees to hold harmless both the State and member in the event County cannot or will not pay for services performed by Contractor pursuant to the Contract.

H. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

- (1) The Contract is subject to any restrictions, limitations, or conditions imposed by State which may in any way affect the provisions or funding of the Contract, including, but not limited to, those contained in State's Budget Act.
- (2) The Contract is also subject to any additional restrictions, limitations, or conditions imposed by the federal government which may in any way affect the provisions or funding of the Contract.
- (3) In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in County contracts, the County reserves the right to reduce its payment obligation under the Contract corresponding with that fiscal year and any subsequent fiscal year during the term of the Contract (including any extensions), and the services to be provided by the Contractor under the Contract will also be reduced accordingly. The County's notice to the Contractor regarding said reduction in payment obligation must be provided within 30 calendar days of the Board's approval of such action. Except as set forth above in Subparagraph (3) of this Paragraph H (LIMITATIONS OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS) and Subparagraph (5) of Paragraph I (CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS), the Contractor must continue to provide all of the services set forth in the Contract.
- (4) Notwithstanding any other provision of the Contract, County will not be obligated for Contractor's performance hereunder or by any provision of the Contract during this or any of County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for the Contract in County's Budget for each such fiscal year. In the event funds are not appropriated for the Contract, then the Contract will terminate as of June 30th of the last fiscal year for which funds were appropriated. County will notify Contractor of any such non-appropriation of funds at the earliest possible date.

- (5) Notwithstanding any other provision of the Contract, for the purposes of any special grants such as Substance Abuse and Mental Health Services Administration (SAMHSA) and discretionary funds received from the Board of Supervisors, any unspent amounts of such grants and/or discretionary funds, if so authorized by the grantor or the Board of Supervisors, may be rolled over from one fiscal year to the next by decreasing the Funded Program Amount and MCA for the fiscal year in which the funds were unspent and increasing the Funded Program Amount and MCA by the same amount in the following fiscal year. Such roll over of funds will not, in any event, allow Contractor to receive reimbursement for services/activities paid by these grants and/or discretionary funds in excess of the total allotment of such grants and discretionary funds over the period covered by such grants and discretionary funds. Any such change in the MCA due to such roll over of funds must be effected by a duly executed amendment to the Contract.

I. CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS

- (1) Funds under the Contract are provided for the delivery of mental health services to eligible beneficiaries under each of the Funded Programs identified in Exhibit B, Financial Summary. Each Funded Program has been established in accordance with the requirements and restrictions imposed by each respective County, State and/or federal payer source contributing to the Funded Program.
- (2) Contractor may not redirect funds from one Funded Program to another Funded Program, except through a duly executed amendment to the Contract as outlined in DMH Policy *Shifting Guidelines for the Legal Entity Contract*.
- (3) Contractor may not charge services delivered to an eligible member under one Funded Program to another Funded Program unless the recipient is also an eligible member under the second Funded Program. When a recipient of services is an eligible member under more than one Funded Program, Contractor must charge the services to the Funded Program under which the County will receive maximum reimbursement from non-County sources, provided that Contractor has available funds under the appropriate Funded Program.
- (4) Contractor also must not charge services delivered to an eligible member for Medi-Cal to the Non-Medi-Cal Funded Program Amount except in such cases when a client's eligibility for benefits is being established or determined, or when the client is eligible for Medi-Cal minor consent, or when DMH has given advance approval to use the Non-Medi-Cal Funded Program Amount. Upon confirming that said client is approved for Medi-Cal benefits, or in such case that the County may determine that a service paid originally through the Non-Medi-Cal Funded Program Amount was to a client approved for Medi-Cal, Contractor must void the original claims for services provided on or after the

effective date that Medi-Cal services became eligible for reimbursement, and resubmit such claims for Medi-Cal under the correct Funded Program, to the extent the claim submission complies with the timeline specified in Subparagraph E (3).

- (5) Contractor will deliver services to clients to the extent that funding is provided by the County. Where Contractor determines that services to clients can no longer be delivered, Contractor must provide 30 calendar days prior written notice to County. Contractor will thereafter refer clients to County or to another appropriate Contractor.
 - (a) Contractor will not be required to provide the notice required under Subparagraph (5) of this Paragraph I (CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS) if the County reduces funding to the Contractor under Paragraph H (LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS) whether such reductions occur at the beginning of, or during, a fiscal year. In addition, if County reduces or eliminates funding for a specific Funded Program, or portion thereof, Contractor will not be responsible for continuing services for those clients served by the Funded Program, or portion thereof.

J. CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN

- (1) Contractor must deliver and monitor services so that Contractor can provide continued and uninterrupted provision of quality eligible services to eligible beneficiaries as specified in the Contract, to the extent funding is provided by County. If the County reasonably determines the Contractor will not meet expectations listed in Subparagraph (2) of this Paragraph J (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN), County may notify Contractor to discuss and determine whether a corrective action plan (CAP) will be required.
 - (a) If a CAP is issued and Contractor fails to comply with such CAP, County may implement remedies specified in Subparagraph (2) of Paragraph V (COUNTY REMEDIES FOR CONTRACTOR DEFAULT OR NON-COMPLIANCE).
- (2) Without limiting Contractor's obligations under the Contract, Contractor must meet performance and/or outcome expectations that are specified in the Contract, Statement(s) of Work, Service Exhibit(s), approved Service Delivery Plan (SDP), and/or Department guidelines, directives, and practice parameters.

- (a) County will contact Contractor to discuss and determine remedies for late submission of an SDP.

K. LIMITATION ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM

- (1) If, under the Contract, Contractor has Funded Programs that include Title XIX SD/MC services, and/or Title XXI MCHIP services, Contractor must certify annually, no later than July 10th of each year, in writing, that all necessary documentation will exist at the time any claims for Title XIX SD/MC services and/or Title XXI MCHIP are submitted by Contractor to County.

Contractor will be solely liable and responsible for all service data and information submitted by Contractor.

- (2) Contractor acknowledges and agrees that the County, in undertaking the processing of claims and payment for services rendered under the Contract for these Funded Programs, does so as the Local Mental Health Plan for the State and federal governments.
- (3) Contractor must submit to County all Title XIX SD/MC and/or Title XXI MCHIP claims or other State required claims data within the timeframe(s) prescribed by the Contract to allow the County to meet the timeframes prescribed by the State and federal governments. County will have no liability for Contractor's failure to comply with the timeframes established under the Contract and State and federal timeframes, except to the extent that such failure was due to the fault of the County.
- (4) County, as the Mental Health Plan, must submit to the State in a timely manner, claims for Title XIX SD/MC services and/or MAA, and/or Title XXI MCHIP services only for those services/activities identified and entered into the County's claims processing information system, which are compliant with State and federal requirements. County must make available to Contractor any subsequent State approvals or denials of such claims within 30 days of receipt thereof.
- (5) Contractor acknowledges and agrees that County's final payment for services and activities claimed by Contractor for Title XIX SD/MC services and/or Title XXI MCHIP services is contingent upon reimbursement from the State and federal governments and that County will re-coup any payments for said services that are not ultimately reimbursable.

- (6) Contractor's ability to retain payment for such services and/or activities is entirely dependent upon Contractor's compliance with all laws and regulations related to same.
- (7) Notwithstanding any other provision of the Contract, Contractor will hold County harmless from and against any loss to Contractor resulting from the denial or disallowance of claims for or any audit disallowances related to said services by the County, State or federal governments, or other applicable payer source, unless the denial or disallowance was due to the fault of the County.
- (8) Contractor must repay to County the amount paid by County to Contractor for Title XIX SD/MC and/or Title XXI MCHIP services/activities which are subsequently denied or disallowed by the County, State, and/or federal governments. In no event will County be liable or responsible to Contractor for any State approved Title XIX SD/MC and/or Title XXI MCHIP services/activities that are subsequently denied or disallowed by County, State, and/or federal governments unless the denial or disallowance was due to the fault of the County.
- (9) The total County payment for Title XIX SD/MC services and/or Title XXI MCHIP services under federal requirements consists of federal financial participation, County, State and/or other grant funds. Contractor acknowledges that if such services are subsequently denied, voided, and/or disallowed, County will make a full recovery of such payments, as applicable.
- (10) Notwithstanding any other provision of the Contract, Contractor agrees that the County may offset future payments to the Contractor and/or demand repayment from Contractor when amounts are owed to the County pursuant to above Subparagraphs (7) and (8) of this Paragraph K (LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM). Such demand for repayment and Contractor's repayment must be in accordance with Paragraph P (PAYMENTS BY CONTRACTOR TO COUNTY), except for denials reflected on the State's 835 files, which will be offset immediately from the County's next payment to Contractor.
- (11) Contractor must comply with all written instructions provided to Contractor by Director, State, or other applicable payer source regarding claiming and documentation.
- (12) Nothing in this Paragraph K (LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM) will be construed to limit

Contractor's rights to appeal State and federal audit findings in accordance with the applicable State and federal regulations.

L. PATIENT/CLIENT ELIGIBILITY, UMDAP FEES, AND THIRD-PARTY REVENUES

- (1) Contractor must comply with all County, State, and federal requirements and procedures relating to:
 - (a) The determination and collection of patient/client fees for services hereunder based on the Uniform Method of Determining Payment (UMDAP), in accordance with State guidelines and WIC Sections 5709 and 5710.
 - (b) The eligibility of patients/clients for SD/MC, Medicare, private insurance, or other third-party revenue, and the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. Contractor will pursue and report collection of all patient/client and other revenue.
 - (c) Contractor must not charge the client's financial responsibility for a service to the Non-Medi-Cal Funded Program Amount.
- (2) All fees paid by patients/clients receiving services under the Contract and all fees paid on behalf of patients/clients receiving services hereunder must be utilized by Contractor only for the delivery of mental health services/activities specified in the Contract.
 - (a) To the extent patient/client fees and third party revenues, are collected and are not adjusted in the applicable claim(s), Contractor will report and repay such patient/client fees and third party revenues by September 30th following the end of fiscal year, in accordance with Paragraph P (PAYMENT BY CONTRACTOR TO COUNTY).

M. CASH FLOW ADVANCE (CFA) IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED

- (1) The CFA, if approved by County, is an advance of funds to be repaid by Contractor through direct payment of cash and/or through the provision of appropriate services/activities under the Contract during the applicable period.
- (2) For each month of each period of the Contract, County will reimburse Contractor based upon Contractor's submitted claims for rendered services/activities subject to claim edits and future audit processes. However, for each month of the first two months of the Initial Term, the First Automatic Renewal Period, the Second Automatic Renewal Period or any Extension

Period, Contractor may request in writing from County a monthly County General Fund CFA as herein described.

- (3) CFA disbursement(s), if any, will be part of the total maximum reimbursement, which is limited to the MCA as specified in Paragraph G (BILLING AND PAYMENT LIMITATIONS).
- (4) A CFA is intended to provide cash flow to Contractor pending Contractor's rendering and billing of eligible services/activities, as identified in the DMH Legal Entity Contract Subparagraph 3.3 (DESCRIPTION OF SERVICES/ACTIVITIES), and County payment thereof. Contractor may request each monthly CFA only for such services/activities and only to the extent that there is no reimbursement from any public or private sources for such services/activities.
- (5) Notwithstanding any other provision to the contrary, funding for Wraparound Case Rate (i.e., Specialized Foster Care Wraparound Invoice Funded Program), Full Service Partnership Incentives, and Startup Costs must not be included when computing monthly CFA amount(s).
- (6) Cash Flow Advance Request Letter: For each month for which Contractor is eligible to request and receive a CFA, Contractor must submit to the County a letter requesting a CFA and the amount of CFA Contractor is requesting.
 - (a) In order to be eligible to receive a CFA, the letter requesting a CFA must be received by the Director on or before the 15th day of that month (e.g., for the month of July, the request must be received by July 15).
 - i. If the letter requesting CFA is received by the County from the Contractor after the 15th day of the month, Contractor will not be eligible to receive a CFA for that month.
 - (b) The signed letter requesting a CFA must be sent via email (PDF file) to the Department of Mental Health Financial Services Bureau – FSB Administration at: FSB@dmh.lacounty.gov.
 - i. FSB staff will determine whether Contractor is eligible to have its request considered based on the date the request letter is received by DMH and not the date on the request letter.
 - (c) Upon receipt of a request, Director, in their sole discretion, will determine whether to approve the CFA and, if approved, whether the request is approved in whole or in part.
 - i. If a CFA is not approved, Director will notify Contractor within 10 business days of the decision, including the reason(s) for

non-approval. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the decision.

- (7) Reduction of Cash Flow Advance Amount by Actual Adjudicated Claims: The CFA amount available to Contractor for any particular month will be reduced by County payments for claims received from Contractor. The County's claims payment process is initiated immediately upon County's receipt of reimbursement claim from Contractor.
- (8) Business Rules for the Determination of the Maximum Amount of the Cash Flow Advance Request:
- (a) For each of the first two months of each period that the Contract is in effect, Contractor may request in writing from County a monthly County General Fund CFA for any funds which may be part of the MCA for such period as identified in the Financial Summary. Contractor must specify in its request the amount of the monthly CFA it is requesting, not to exceed \$_____ for the first month and \$_____ for the second month, if applicable. In no event will the monthly CFA requested by Contractor exceed 1/12th of the annualized MCA as identified on Exhibit B, Financial Summary, as of the specified month the CFA is requested.
 - (b) In case the Contract is amended to increase or reduce the MCA during the first two months during which the Contractor may request and receive CFA, the CFA amount will be recalculated for the remaining month(s) based on the executed date of the amendment. For the month in which the amendment is executed, the revised CFA amount will be based on the executed date of the amendment, and if such executed date falls between the 1st and the 15th of the month, the revised CFA amount will be adjusted based on the total amount of the change in the MCA. If the executed date falls between the 16th and the end of the month, the revised CFA amount will be calculated based on one half (1/2) of the total change in the MCA.
 - (c) The Contractor may request in writing from County, consistent with above Subparagraph (8) (a) of this Paragraph M (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED), for additional monthly CFA to accommodate extraordinary circumstances that are beyond Contractor's control, including but not limited to, Contractor's inability to submit claims to the County as described in Subparagraph (3) of Paragraph E (BILLING PROCEDURES) or due to procedural matters associated with transitioning Contractor to County's new claims processing information system, County's inability to process claims due to extended disruption in the County's claims processing information system, or any other

circumstance determined by the Director, in their sole discretion, to constitute an extraordinary circumstance beyond Contractor's control. The County, in its sole discretion, will review Contractor's request including but not limited to, the amount of CFA requested and the amount of CFA requested in relation to the number of months remaining in the fiscal year, and must respond accordingly within 15 business days from the receipt of such request.

- i. Additional monthly CFA is subject to approval by the Director, County Auditor-Controller, County Counsel and County Chief Executive Office.

(9) Recovery of Cash Flow Advances: If Contractor has received any CFA pursuant to this Paragraph M (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED), then recovery from Contractor's monthly claims will be made through cash payment made by Contractor to County and/or through County offsets to County payment(s) of Contractor's approved claim(s) as follows:

- (a) Generally, when Contractor renders services at a level that would indicate it will utilize all or a substantial portion of its MCA, County initiates recovery of the CFA balance, if any, for a particular fiscal year in July following the close of such fiscal year or at such time as payments to Contractor, including the CFA, reach the MCA. Such recovery is initiated through the Contractor rendering and submitting appropriate services and activities into the County's claims processing information system and/or the submission of invoices for direct charges.
- (b) If at any time during the fiscal year, County determines that Contractor is not rendering services at a level that would utilize all of its MCA, County may initiate recovery of the CFA as specified above in Subparagraph (9) (a) of this Paragraph M (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED) prior to November 30th of the following fiscal year. If County intends to initiate recovery of the CFA prior to that November 30th date, County will give Contractor 30 calendar days' prior written notice, including the reason(s) for the intended actions, to ensure Contractor renders and submits sufficient services/activities to have repaid all, or a substantial portion of the CFA, by November 30th. Contractor may, within 15 calendar days of the receipt of County's written notice, request reconsideration of the County's decision.
- (c) Notwithstanding any other provisions of the Contract, if CFA balance remains by November 30th of the following fiscal year, County will initiate recovery of the outstanding CFA balance within 30 calendar

days. Repayment by Contractor will be in accordance with Paragraph P (PAYMENT BY CONTRACTOR TO COUNTY).

- (10) When Contractor's CFA balance is zero in any fiscal year of the term of the Contract, any County and/or State and/or federal government-approved Contractor reimbursement claims for eligible services/activities will be disbursed in accordance with the terms and conditions of the Contract.
- (11) Should Contractor request and receive a CFA, Contractor will exercise cash management of such CFA in a prudent manner.

N. OTHER REQUIREMENTS FOR CONTRACTORS

- (1) Contractor must maintain records documenting all Title XIX SD/MC services and/or Title XXI MCHIP services for a period of 10 years from the end of the fiscal year in which such services were provided or until three years after final resolution of any audits or appeals, whichever occurs later.
- (2) County may require, and Contractor must submit, financial data/reports related to this Contract in the format and timeline specified by County, for the purposes of evaluating MCA, Funded Program Amount, shifting of funds, and/or program review and audit. County may collect from Contractor financial data/reports related to this Contract in the format and timeline specified by County for the purpose of evaluating contract rate(s), if mutually agreed to by the County and Contractor.
- (3) To comply with the Federal Medicaid Managed Care Final Rule and Federal Mental Health and Substance Use Disorder Services Parity Final Rule requirements related to the recovery and reporting of overpayment(s) due to fraud, waste, or abuse (CMS-2390-P), Contractor must void any claims associated with such overpayment(s) within 30 calendar days of discovery of such overpayment(s).
 - (a) To comply with the reporting requirement in Title 42 of Code of Federal Regulations, Part 438, and Centers for Medicare and Medicaid Services' (CMS) Final Rule, CMS-2390-P, Contractor must submit a report quarterly detailing the reasons for all voids requested as specified in DMH Policy 813.05 and in DMH Central Business Office (CBO) Bulletins NGA 20-009R, NGA 20-013, NGA 20-017, and any subsequent CBO Bulletin(s) related to Reporting of Overpayments (published in <https://dmh.lacounty.gov/for-providers/cbo-bulletins/>). Submission deadlines will be published in CBO Bulletins. Contractor bears the responsibility of all penalties or

consequences resulting from submitting reports after the published due date unless otherwise notified.

O. AUDIT AND AUDIT APPEAL

- (1) At any time during the term of the Contract or after the expiration or termination of the Contract, in accordance with State and federal law including, but not limited, to Welfare and Institutions Code (WIC) Section 14170 et seq., authorized representatives from the County, State or federal governments may conduct an audit of Contractor regarding the services/activities provided under the Contract.
- (2) Settlement of audit findings and appeals will be conducted according to the auditing party's procedures in place at the time of the audit.
 - (a) County must follow all applicable federal, State, and County laws, regulations, manuals, guidelines and directives in recovering any over-payments from Contractor.
 - (b) If the audit findings result in an amount due to County by the Contractor, Contractor will make payment to the County in accordance with the terms of Paragraph P (PAYMENTS BY CONTRACTOR TO COUNTY). Payment will be submitted to the persons and at the address identified in Paragraph U (PAYMENT AND INVOICE NOTIFICATIONS).
 - (c) If the audit findings result in an amount due to Contractor by the County, County will initiate the payment process to Contractor within 30 days of receiving the audit report.
- (3) County Audits:
 - (a) Should the auditing party be the County, Contractor will have 30 calendar days from the date of the audit report within which to file an appeal with County. The letter providing the Contractor with notice of the audit findings must indicate the persons and address to which the appeal should be directed. County must consider all information presented by Contractor with its appeal, and will issue its decision on the appeal after such consideration. Such decision is final. County will issue a written notification of the amount due within 30 calendar days of the appeal decision. Contractor must make payment to the County as instructed in the written notification of the amount due.
 - (b) If applicable, Director, in their sole discretion, will determine the need to revise certain reports/forms as needed to reflect the audit disallowance related to costs and expenditures as agreed by Contractor. To the extent such revisions are made, County will inform

Contractor of such action and provide Contractor with a copy of the revised reports/forms.

- (4) At times, it may be necessary for County to negotiate a settlement with the Contractor outside of the appeals and hearing process with the State or another auditing party. In those cases, County will execute a separate written agreement with Contractor to formalize mutually agreed upon terms.

P. PAYMENTS BY CONTRACTOR TO COUNTY

Payment Amount: If it is determined that the Contractor owes County under this Contract, including repayment to County as a result of non-compliance, and/or County, State, and federal audit, Contractor agrees to pay County the total amount due upon receipt of written notification by County. County will first apply any amounts owed by Contractor to offset any amounts owed by County to Contractor. If there is a remaining amount owed to County after applying the offset, County will initiate recovery of the outstanding balance within 30 calendar days, and repayment by Contractor will be due within 30 calendar days from the date of the written notification from County.

Q. FINANCIAL SOLVENCY

- (1) Contractor must maintain adequate provisions to meet the solvency/working capital criteria specified in DMH Policy *Financial Responsibility Requirements for Existing DMH Contractors*.

R. COUNTY AND CONTRACTOR REQUESTED CHANGES

- (1) If Contractor desires any change in the terms and conditions of the Contract, Contractor will request such change in writing prior to March 1st of the fiscal year for which the change would be applicable, except as otherwise provided in Paragraph T (SURVIVAL: AMENDMENTS TO MAXIMUM CONTRACT AMOUNT AND FINANCIAL SUMMARY (EXHIBIT B)) or unless otherwise agreed to by County.
 - (a) All changes requested by Contractor and approved by County will be made by an amendment pursuant to the DMH Legal Entity Contract Subparagraph 8.1 (AMENDMENTS).
 - (b) All changes requested by the Contractor will be followed by a Mid-Year Change to the last approved Service Delivery Plan to be submitted by the Contractor, which must be approved by the Director as specified in DMH Policy *Service Delivery Plan Submission Procedures*.
- (2) If Contractor requests an increase or decrease in the MCA or in the Funded Program Amount, Contractor will provide all reports, data, and other information requested by the County within 15 calendar days of County's request.

- (a) Contactor's request for consideration of an increase in the MCA or in a Funded Program Amount must be made and approved prior to Contractor rendering services that exceed the MCA or the Funded Program Amount. To the extent that County agrees to increase MCA or a Funded Program Amount, such approval will be in the form of an executed amendment to the Contract. Director will make best efforts to expedite the amendments provided under this Subparagraph (2) (a) of this Paragraph R (COUNTY AND CONTRACTOR REQUESTED CHANGES).
- (b) Requests received after the Contractor has rendered services in excess of the MCA or the Funded Program Amount will only be considered on a prospective basis for payment of services rendered after the effective date of any executed amendment. The County will not be responsible for payment of, nor otherwise be liable for, services/activities that Contractor provided in excess of the MCA or the Funded Program Amount during any part of the Initial Period, First Automatic Renewal Period, Second Automatic Renewal Period, or any Extension Period, respectively.
- (3) If County requires changes per Paragraph V (COUNTY REMEDIES FOR CONTRACTOR DEFAULT OR NON-COMPLIANCE) and/or Paragraph H (LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS), Contractor must submit a Mid-Year Change to the last approved Service Delivery Plan as specified in DMH Policy *Service Delivery Plan Submission Procedures*.
- (4) If County and Contractor agree to make a funding and/or service plan change relevant to the Contract, Contractor must submit a Mid-Year Change to the last approved Service Delivery Plan as specified in DMH Policy *Service Delivery Plan Submission Procedures*.

S. DELEGATED AUTHORITY

- (1) Notwithstanding any other provision of the Contract, the Director may, without further action by County's Board of Supervisors, prepare and sign amendments to the Contract under the following conditions:
 - (a) County's total payments to Contractor under the Contract, for each fiscal year of the term of the Contract, does not exceed an increase of more than the 25 percent of the Board of Supervisor-approved MCA; and
 - (b) Amendments may add, delete, modify, or replace the Service Exhibits and/or Statements of Work; reflect federal, State, and County regulatory and/or policy changes; and/or roll over certain

federal and/or State grant funds from one FY to the next FY, as appropriate; or allow shifting of funds pursuant to Paragraph T (SURVIVAL: AMENDMENTS TO MAXIMUM CONTRACT AMOUNT AND FINANCIAL SUMMARY (Exhibit B)); and

- (c) Sufficient funds are available for all changes described in each such amendment to the Contract; and
- (d) Approval of County Counsel, or designee, is obtained prior to any such amendment to the Contract.
 - i. Director, or designee will notify County's Board of Supervisors and the Chief Executive Officer of all Contract changes in writing.

T. SURVIVAL: AMENDMENTS TO MAXIMUM CONTRACT AMOUNT AND FINANCIAL SUMMARY (EXHIBIT B)

- (1) Due to the length of the DHCS SD/MC UOS claiming processes, County and Contractor acknowledge that the final determination of the amounts owed by the Parties to each other will occur during First and/or Second Automatic Renewal/Extension Period(s) as described in the DMH Legal Entity Contract, Paragraph 4 (TERM OF CONTRACT) and/or after the expiration or termination of the Contract. Therefore, the parties agree that all provisions of the Contract related to effectuating payment, including such provisions in this Exhibit A, Financial Provisions, survive the First and/or Second Automatic Renewal/Extension Period(s) as described in the DMH Legal Entity Contract, Paragraph 4 (TERM OF CONTRACT) and/or expiration or termination of the Contract. This Paragraph T must not be interpreted to imply that other provisions of Contract do not survive its expiration if the Parties' intent, as demonstrated by language, circumstances, law, or practice, is that the provision(s) should survive.
- (2) To maximize the use of federal/State funding and other revenues, and to align Financial Summary funded program amounts with actual, eligible services, Contractor, by September 30th following the fiscal year close, may submit in writing, a request to shift and/or increase funds on the Financial Summary (Exhibit B). Such shifting and/or increase of funds request must reflect maximization of federal and other funding based on Contractor's actual, eligible services provided and submitted in accordance with the terms and conditions of the Contract and in accordance with terms and limitations set forth in DMH Policy *Shifting Guidelines for the Legal Entity Contract*. To the extent that County approves the shift of funds request, such approval will be in the form of an executed amendment to the Contract. In addition, the Director, at their sole discretion, may propose and, with the agreement of Contractor, execute a written amendment to (a) modify the distribution of

funds identified for each Funded Program as shown on the Financial Summary (Exhibit B); (b) change, including increase, the amount of federal or State funds on the Financial Summary (Exhibit B); or (c) increase the MCA to include additional federal or State funds for Medi-Cal services, but only to the extent that such amendment is necessary for Contractor to be reimbursed for otherwise uncompensated care. Such amendment may be executed during First and/or Second Automatic Renewal/Extension Period(s) as described in the DMH Legal Entity Contract, Paragraph 4 (TERM OF CONTRACT) and/or after the Contract has expired or terminated.

U. PAYMENT AND INVOICE NOTIFICATIONS

- (1) Contractor must submit all Invoices, including any supporting documentation, to their assigned Provider Reimbursement Section (PRS) liaison and to Contract Management and Monitoring Division (CMMD), except as otherwise provided under Subparagraph (1) (a) of this Paragraph U (PAYMENT AND INVOICE NOTIFICATIONS).
 - (a) In the event the Invoice Funded Program is set up to be billed electronically, invoices will be submitted in the specified electronic tracking system.
- (2) Contractor will submit all remittances and payments for amounts due to the County under the Contract to the following:

County of Los Angeles Department of Mental Health
Financial Services Bureau – Accounting Division
P.O. Box 514780
Los Angeles, CA 90051-4780
Attn: Cash Collections Section

V. COUNTY REMEDIES FOR CONTRACTOR DEFAULT OR NON-COMPLIANCE

- (1) General Remedies:
 - (a) County may immediately, without prior written notice, suspend payments to Contractor for good cause, if the Director determines that Contractor is in default of any Contract provisions due to alleged fraud or similar intentional wrongdoing.
 - i. Thereafter, Contractor may request reconsideration of Director's decision to suspend payment.
 - (b) County may suspend all, or a portion, of its payment if the Director determines that Contractor is in default of any Contract provisions due to noncompliance with, or failure to respond to, requests, policies, procedures, guidance, or other similar instructions from the County as

required and until such time as the Contractor complies and such response has been reviewed and approved by Director.

- i. Notwithstanding any other provision of the Contract, examples of noncompliance include, but are not limited to:
 - a. Insufficient documentation of clinical work that does not meet federal, State, and County written standards;
 - b. Failure to timely provide outcomes data; and/or
 - c. Failure to comply with a Corrective Action Plan (CAP).
- (c) County may also withhold all, or a portion, of its payment if there is a reasonable determination that Contractor is or may become insolvent.
- (d) To the extent that the County intends to suspend all, or a portion, of its payment for reasons other than fraud or intentional wrongdoing:
 - i. Director will provide Contractor with at least 30 calendar days' prior written notice of such suspension that includes the reason(s) for such suspension.
 - ii. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the County's decision.
 - iii. Upon receiving a request for reconsideration from Contractor, County will, within 15 calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present information or documentation to the County relevant to the circumstances that led the County to take such actions and may propose alternative action(s).
 - iv. Within 15 calendar days of said meeting, County will, in writing, notify Contractor, of its final decision. The decision of the Director will be final.
 - v. Upon determination that Contractor is no longer in noncompliance with the Contract provision(s) that resulted in the suspension of payment, County will release withheld payments within 30 calendar days of such determination, unless otherwise prohibited by federal, State, and/or local statutes, laws, ordinances, rules, regulations, manuals, policies, guidelines, and/or directives.

(2) Additional Remedies imposed for Failure to Comply with CAP:

- (a) If a CAP is issued and Contractor fails to comply with such CAP, County may impose the following remedies in addition to the general remedies identified in Subparagraph (1) of this Paragraph V (COUNTY REMEDIES FOR CONTRACTOR DEFAULT OR NON-COMPLIANCE):
 - i. Restrict Contractor from expending any more funds allocated for the program(s) at issue by de-obligating previously allocated funds.
 - ii. Decrease the amount of funds allocated in subsequent fiscal years for the program(s) at issue.
 - iii. Terminate specific program(s) within the Contractor's LE Contract and/or terminate the Contractor's LE Contract in its entirety for failure to meet performance and/or outcome expectations as specified in the Contract, Statement(s) of Work, Service Exhibit(s), approved Service Delivery Plan, and/or Departmental guidelines, directives, and practice parameters.
- (b) To the extent that the County intends to impose such additional remedies:
 - i. Director will provide Contractor with at least 30 calendar days' prior written notice of its intent to take such action, which will include an explanation of how the Contractor is not meeting the expectations identified in Paragraph J (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN); copies of relevant data, if applicable; the nature and the amount of the proposed funding allocation change; and any associated changes to the amount of services to be provided by Contractor.
 - ii. Thereafter, Contractor may, within 15 calendar days, request written reconsideration of the County's decision. Contractor's request must clearly indicate the reason why County's action is unjustified.
 - iii. Upon receiving a request for reconsideration from Contractor, County will, within 15 calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or documentation relevant to the circumstances that

led the County to take such actions and may propose alternative action(s).

- a. If Contractor fails to meet with County in this period of time, and County has provided an opportunity to meet within the time period, Contractor is deemed to have waived its opportunity to meet with County and accepts County recommended actions.
- iv. Within 15 calendar days of said meeting, County will, in writing, notify Contractor of its final decision. The decision of the Director will be final and any remedies will be effective upon receipt of notification by Contractor.
- (c) Any change in the Contract, including termination of specific program(s) and/or termination of the entire LE Contract, will be effected by an administrative amendment to the Contract or notice of termination issued by Director.
- (d) Changes that are based on one-time circumstances will be applicable to the current contract fiscal year only and will not result in reductions (or increases) of MCA and/or Funded Program Amount in subsequent fiscal years, while changes that are based on clearly documented ongoing historical trends may result in ongoing reductions (or increases) of MCA and/or Funded Program Amount in subsequent years.
- (e) Contractor understands and agrees that its MCA and/or Funded Program Amount may be reduced as a result of the adjustments authorized by this provision, and further acknowledges that County has relied upon this flexibility in establishing the MCA and/or Funded Program Amount for the Contract. By executing the Contract, Contractor specifically consents to the prospective adjustments set forth in this provision, up to and including termination of program(s) and/or the Contract.

**COUNTY OF LOS ANGELES DEPARTMENT OF MENTAL HEALTH CONTRACTOR CLAIMS
CERTIFICATION FOR TITLE XIX SHORT-DOYLE MEDI-CAL and TITLE XXI MEDICAID CHILDREN'S
HEALTH INSURANCE PROGRAM REIMBURSEMENTS**

Legal Entity: _____

Legal Entity Number: _____

Claims for services/activities with dates of services: _____ through _____.

I HEREBY CERTIFY under penalty of perjury that I am the official responsible for the administration of the mental health services in and for said Legal Entity claimant; that the amounts for which reimbursement will be claimed for Medi-Cal and Medicaid Children's Health Insurance Program (MCHIP) services to be rendered during the above indicated fiscal year and to be claimed to the County of Los Angeles Department of Mental Health will be in accordance with the terms and conditions of the Legal Entity Contract; and that to the best of my knowledge and belief, each claim will be in all respects true, correct, and in accordance with State and federal law and regulation. I agree and certify under penalty of perjury that all claims for services to be provided to county mental health clients will be provided to the clients by this Legal Entity. The services will be provided in accordance with the client's written treatment plan. I agree and certify under penalty of perjury that no services will be submitted for the Legal Entity, nor any of its staff members who are restricted, excluded, and/or suspended from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part. This certification covers staff members who are directly included on the claim or any staff member whose time is included on the claim, but whose identifying Name and National Provider ID are not included if they were a co-practitioner in the service. This Legal Entity also certifies that all information submitted to the County Department of Mental Health will be accurate and complete. This Legal Entity and I understand that payment of these claims will be from County, State and federal funds, and any falsification or concealment of a material fact may be prosecuted under federal and/or State laws. The Legal Entity agrees to keep a printed representation of all records for a minimum period specified in its Legal Entity Contract with County, which must completely reflect the extent of services furnished to the client. The Legal Entity agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California, to the County of Los Angeles Department of Mental Health, California Department of Health Care Services Medi-Cal Fraud Unit, California Department of Justice, Office of the State Controller, U.S. Department of Health and Human Services, or their duly authorized representatives. The Legal Entity also agrees that services will be offered and provided without discrimination based on race and/or ethnicity, spirituality or religious affiliation, nationality, ancestry, preferred language, literacy, communication needs, gender identity, gender expression, age, marital or living partnership status, sexual orientation, physical and/or intellectual disability(ies), mental health condition(s), or medical condition(s).

FURTHER, I HEREBY CERTIFY under penalty of perjury to the following:

1. Services provided will be medically necessary as defined under DHCS BHIN 21-073.
2. The member will be determined to be eligible to receive Medi-Cal services at the time the services are provided to the member.
3. The services to be included in the claims will actually be provided to the member.
4. For any services that require authorization as indicated in DHCS BHIN 22-016, all authorization requirements will be met prior to service delivery.

Date: _____

Signature: _____

Executed at _____, California

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

Date: _____

Signature: _____

Executed at _____, California

Financial Summary (Exhibit B)

LE Name:

Amendment No.:

Agreement No:

LE No:

Fiscal Year:

Fin Sum No:

A	B	C	E
Rank	Funded Programs	Medi-Cal Reimbursable ¹	Funded Program Amount (Gross)
Categorically Funded Programs			
1	Family Preservation Program Non-Medi-Cal (Non-MC)	N	
2	Family Preservation Program Medi-Cal (MC)	Y	
3	Specialized Foster Care - DCFS MAT Non-MC	N	
4	Specialized Foster Care Enhanced Mental Health Svcs MC	Y	
5	Specialized Foster Care MAT MC	Y	
6	Specialized Foster Care TFC MC	Y	
7	Specialized Foster Care Wraparound Non-MC	N	
8	Specialized Foster Care Wraparound Invoice	N	
9	Specialized Foster Care Wraparound MC	Y	
10	DCFS Medical Hub Non-MC	N	
11	DCFS PHF MC	Y	
12	Comprehensive SOC Program (SAMHSA, CFDA #93.958) Non-MC	N	
13	Comprehensive SOC Program (SAMHSA, CFDA #93.958) Invoice	N	
14	Juvenile Justice Program (STOP) Non-MC	N	
15	Juvenile Justice Program (JJCPA-MHSAT) Non-MC	N	
16	Juvenile Justice Program (JJCPA - MST) Non-MC	N	
17	Juvenile Justice Program (JJCPA - MST) MC	Y	
18	Juvenile Justice Program (JJCPA - New Directions) Non-MC	N	
19	Juvenile Justice Program (JJCPA - New Directions) MC	Y	
20	Juvenile Justice Program (COD) Non-MC	N	
21	CalWORKs MHS Non-MC	N	
22	CalWORKs Coordinated Entry System Invoice	N	
23	Post-Release Community Supervision-Community Reintegration Prog Non-MC	N	
24	Post-Release Community Supervision-Community Reintegration Prog Invoice	N	
25	Post-Release Community Supervision-Community Reintegration Prog MC	Y	
26	DPH Dual Diagnosis Non-MC	N	
27	Mobile Crisis Outreach Teams (MCOT) Non-MC	N	
28	Mobile Crisis Outreach Teams (MCOT) Invoice	N	
29	Mobile Crisis Outreach Teams (MCOT) Startup Fund Invoice	N	
30	Mobile Crisis Outreach Teams (MCOT) MC	Y	
Federal/State Revenue			
31	Federal/State Revenue MC	Y	
Realignment Funded Programs			
32	DMH Mental Health Services Non-MC	N	
33	DMH Mental Health Services Invoice	N	
34	DMH Mental Health Services Startup Fund Invoice	N	
35	DMH Mental Health Services MC	Y	
36	DMH IMD Step Down Non-MC	N	
37	DMH IMD Step Down Invoice	N	
38	DMH IMD Step Down MC	Y	
39	DMH Intensive Subacute - High Acuity Services Non-MC	N	
MHSA Funded Programs			
40	MHSA Full Service Partnership Non-MC	N	
41	MHSA Full Service Partnership Invoice	N	
42	MHSA Adult Full Service Partnership Incentives Invoice	N	
43	MHSA Child Full Service Partnership Incentives Invoice	N	
44	MHSA Full Service Partnership Startup Fund Invoice	N	
45	MHSA Full Service Partnership MC	Y	
46	MHSA Outpatient Care Services Non-MC	N	
47	MHSA Outpatient Care Services Invoice	N	
48	MHSA Outpatient Care Services Startup Fund Invoice	N	
49	MHSA Outpatient Care Services MC	Y	
50	MHSA Alternative Crisis Services Non-MC	N	
51	MHSA Alternative Crisis Services Invoice	N	
52	MHSA Alternative Crisis Services Patch Invoice	N	
53	MHSA Alternative Crisis Services Startup Fund Invoice	N	
54	MHSA Alternative Crisis Services MC	Y	
55	MHSA Housing Supportive Services Program Non-MC	N	
56	MHSA Housing Supportive Services Program Invoice	N	
57	MHSA Housing Supportive Services Program MC	Y	
58	MHSA Linkage Services Invoice	N	
59	MHSA Planning, Outreach, & Engagement Non-MC	N	
60	MHSA Prevention & Early Intervention (PEI) Non-MC	N	
61	MHSA PEI Invoice	N	
62	MHSA PEI Startup Fund Invoice	N	
63	MHSA PEI MC	Y	
Maximum Contract Amount (MCA)			\$ -

¹Medi-Cal reimbursable (Y/N) reflects DMH program guidelines in addition to applicable state and federal regulations.

v4/9/2024

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

DIRECTOR OF MENTAL HEALTH:Name: Lisa H. Wong, Psy.DTitle: DirectorAddress: 510 S. Vermont AvenueLos Angeles, CA 90020Telephone: (213) 947-6670E-Mail Address: LWong@dmh.lacounty.gov**COUNTY MONITORING MANAGER:**

Name: _____

Title: _____

Address: 510 S. Vermont Avenue, 15th FloorLos Angeles, CA 90020

Telephone: _____

E-Mail Address: _____

CONTRACT LEAD:

Name: _____

Title: _____

Address: _____

Telephone: _____ Facsimile: _____

E-Mail Address: _____

COUNTY CONTRACT ADMINISTRATOR

Name: _____

Title: _____

Address: _____

Telephone: _____ Facsimile: _____

E-Mail Address: _____

REQUIRED SUPPLEMENTAL DOCUMENTS

In accordance with the Contract, the Contractor must submit via email required supplemental documents within certain timelines, as instructed below, to the Contract Administrator listed in Exhibit E (County's Administration).

INSTRUCTIONS ON SUBMISSION OF DOCUMENTS

For Renewed Contracts: Contractor is required to submit via email the specified documents listed below upon first execution of the Contract, and thereafter, only if updates or revisions have been made to such documents since the last submission. Updates or revisions must be submitted via email within 10 business days of the update or revision to the Contract Administrator listed in Exhibit E (County's Administration).

If Contractor does not submit the documents within the time period described above, Contractor must provide a good cause justification, in writing, for not doing so. The written justification must be sent via email to the Contract Administrator listed in Exhibit E (County's Administration).

For Amended Contracts: With the exception of the Financial Statements, the documents listed below must be resubmitted *if and when updates or revisions are made to such documents* at any point during the term of the Contract. However, the following documents must be submitted *annually* during the term of the Contract, *and further resubmitted at any point that updates or revisions are made to such documents*: Financial Statements, Indemnification and Insurance, and Information Security Exhibits. If Contractor does not submit any documents within the time periods described above, Contractor must provide a good cause justification, in writing, for not doing so. The written justification must be sent via email to the Contract Administrator listed in Exhibit E (County's Administration).

1. Corporation Documents

- a. **List of Authorized Persons:** Board minutes authorizing the person(s) and identifying her/his job title that is (are) legally empowered to sign legal documents on behalf of the organization.
- b. **Articles of Incorporation and Corporate Seal:** Articles of Incorporation with the imprint/copy of the Corporate Seal (if the organization is a corporation) affixed to the copy of the Articles of Incorporation. The Corporate Seal must read the same as the organization's name. If there is any difference between the Corporate Seal and the organization's name as used in the Service Delivery Plan, an explanation must be provided.
- c. **By-Laws and Amendments to By-Laws**
- d. **Fictitious Business Name Filings (if using a DBA)**

2. **Organizational Chart** – Current/proposed organizational chart that shows all existing and proposed mental health and substance abuse programs/subprograms irrespective of DMH funding.
3. **Financial Statements** – Current financial statements, as required by DMH's Policy No. 813.04 (Financial Responsibility Requirements for Contracting with the County of Los Angeles Department of Mental Health). This DMH Policy can be accessed in its entirety at the following website:
<https://secure2.compliancebridge.com/lacdmh/public/index.php?fuseaction=print.preview&docID=2365>
4. **Subcontracts List** – List of all subcontractors. Contractors must have *prior written approval* from DMH in order to enter a particular subcontract.

The documents listed five through eight below will be made available ***within three (3) business days should DMH or its representative request the documents:***

5. **Rent and Lease Agreements** – Rent and lease agreements specifying all Terms and Conditions, including term of Agreement; monetary consideration; other leasing consideration; full names and addresses of leaser; and any family/related party relationship between leaser and the organization and its officers and Board of Directors including a full listing of full names of officers, directors, etc. who have any family/related party relationship with leaser.
6. **Fully Executed Contracts** – Fully executed contracts (e.g., consultants, professional services, etc.)
7. **Equipment Leases** – Leases for equipment, including automobiles, photocopiers, etc.
8. **Maintenance Agreements** – Maintenance agreements for equipment and other items.
9. **Exhibit P - Ownership/Controlling Interest Disclosure** – Completion of this form is mandated by the Centers for Medicare and Medicaid Services, Department of Health and Human Services and applicable regulation as found at 42 CFR 455.101 and 42. CFR 455.104. Disclosure must be made at the time of enrollment or contracting with Los Angeles County Department of Mental Health, at the time of survey, or within 35 days of a written request from Los Angeles County Department of Mental Health. It is the provider's responsibility to ensure all information is accurate and to report any changes as required by law by completing a new Ownership/Controlling Interest Disclosure form.

In accordance with Exhibit U (Attestation Regarding Information Security Requirements), it is the responsibility of the Contractor to access the following link: <https://dmh.lacounty.gov/contract-exhibits> **annually and upon notification by DMH of updated Information Security Exhibits to complete, or update, the forms listed below.**

10. **Exhibit N - Business Associate Agreement under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)** – Contractor must access the link above, sign the exhibit, and submit to DMH.
11. **Exhibit Q - Information Security and Privacy Requirements for Contracts** – Contractor must access the link above for updated information annually.
12. **Exhibit R - DMH Contractor's Compliance with Information Security Requirements** – Contractor must access the link above, complete the exhibit in its entirety, sign and submit annually to DMH.
13. **Exhibit S - Confidentiality Oath for Non-DMH Workforce Members** – Contractor must access the link above, sign the exhibit and submit annually to DMH.
14. **Exhibit T - Electronic Data Transmission Trading Partner Exhibit (TPE)** – Contractor must access the link above, sign the exhibit and submit annually to DMH.

Contractor must access the link above, sign, and submit Information Security Exhibits requiring signatures to the Contract Administrator listed in Exhibit E (County's Administration) via email.

PERFORMANCE STANDARDS AND OUTCOME MEASURES

CONTRACTOR: _____

Legal Entity Number: _____

Pursuant to the Legal Entity Contract, Paragraph 8.15 COUNTY'S QUALITY ASSURANCE PLAN, Contractor will be subject to the following standards and outcomes which will be used by County as part of the determination of the effectiveness of services delivered by Contractor. Also, as stated in the Legal Entity Contract, Paragraph 3.0, Contractor may be subject to other specific performance outcomes that are required for Mental Health Service Act (MHSA) programs. MHSA performance outcomes are provided in the respective MHSA service exhibits that are part of the Legal Entity Contract, as applicable.

Line ID	Outcomes Domains	Performance Standards	Method of Data Collection
1		State mandated (California Welfare and Institutions Code (WIC) §§ 5612 and 5613)	California Consumer's Perception Survey - MHSIP ¹ , YSS ² and YSS-F ³ survey instruments.
2	Access to Services	Client received continuity of care by being seen within five business days of discharge from an acute psychiatric hospital.	Service Request Log (SRL), Service Request Tracking System (SRTS), County DMH's claims
3		Clients were able to receive services at convenient times and locations.	MHSIP, YSS and YSS - F survey instruments.
4		Clients and other providers have access to up-to-date provider and practitioner information in order to best support access-to-care. 95% of information is up-to-date within a 30 day period except information that must be updated immediately (e.g., when a provider is no longer available).	Network Adequacy Provider and Practitioner Application (NAPPA)
5		Clients requesting an initial appointment are offered appointments to be seen within 10 business days of request for routine requests, 15 business days of request for psychiatry requests, and 48 hours of request for urgent requests.	Service Request Log (SRL), Service Request Tracking System (SRTS), Claims Data
6		Child/youth and families report that they had someone to talk to when they were troubled.	YSS and YSS-F survey instruments.
7	Client Satisfaction	Clients reported that staff were sensitive to the client's cultural/ethnic background.	MHSIP, YSS and YSS-F surveys.
8	Clinical Effectiveness	Families of child/youth and child/youth get along better with family members.	YSS and YSS-F surveys instruments.
9		Families of child/youth and child/youth in a crisis, have the support they need from family or friends.	YSS and YSS-F survey instruments.
10		Families report child/youth are doing better in school and/or work.	YSS-F survey
11		Transitional Age Youth are doing better in school and/or work.	YSS survey
12		Adult/older adult clients are doing better in school and/or work.	MHSIP survey
13		Adult/older adult clients report they deal more effectively with daily problems and/or report that their symptoms are not bothering them as much.	MHSIP, YSS and YSS-F survey
		Early Intervention services result in symptom reduction	PEI pre and post treatment outcome measures entered in Outcome Measures Application

¹ MHSIP -- Mental Health Statistics Improvement Program and is used for adult and older adult surveys.

² YSS - Youth Services Survey for Youth.

³ YSS-F -Youth Services Survey for Families

**LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH MENTAL
HEALTHSERVICES ACT (MHSA) ISSUE RESOLUTION PROCESS(IRP) GUIDELINES**

A. Los Angeles County Department of Mental Health (local) Issue Resolution Principles:

Issues regarding MHSA should initially be addressed at the local level¹. The local process should be completed in an expedient manner, with decisions being consistent with MHSA statutes and regulations. General principles and processes for a local MHSA issue resolution process should include:

1. The right for an Issue Filer to bring an issue forward.
2. The review of an issue by an impartial body.
3. Written notification of the outcome to the Issue Filer.

B. Issues Appropriate for this Process:

1. Allegations of lack of access to appropriate mental health services;
2. Violation of statute or regulations relating to use of MHSA funds;
3. Non-compliance with the General Standards pursuant to Welfare and Institutions Code §3320²
4. Inconsistency between the approved MHSA Plan and its implementation;
5. Concerns that the local MHSA Community Program Planning Process does not meet requirements of State law and/or regulation; and
6. Allegations that the use of MHSA funds will result in supplantation.

C. How to Submit an MHSA Issue:

A filer has three options to submit an issue:

1. An issue can be filed with a provider/facility.
 - a. The filer will follow the process put in place by the provider/facility.
 - b. All facilities must keep a MHSA issue log that tracks any issues that are filed at the facility related to care provided using MHSA dollars. The log must include the nature of the issue, the disposition of any investigation into the issue, and if the investigation has been closed what was the outcome. A copy of the log needs to be emailed securely to DMH on a quarterly basis (September 30th, December 31st, March 31st and June 30th): mhsadmin@dmh.lacounty.gov.
2. An issue can be filed using the following link: [MHSA Issue Resolution Form](#)
3. An issue can be filed in person at 510 S. Vermont Avenue, 1st floor, Los Angeles, CA 90020.

D. What to Expect When Filing an Issue Using the Portal or In-Person

1. The MHSA Administration & Oversight Division will investigate the issue and try to resolve it.
2. If the issue is resolved, the Issue Filer will receive a notification of resolution in writing.

E. Process if the Filer Does Not Agree with the Local Resolution

If the filer does not agree with the local resolution, the filer may file an appeal with the following agencies:

- Department of Health Care Services (DHCS) at:
 Department of Health Care Services
 Mental Health Services Division
 Attention: MHSA Issue Resolution Process
 1500 Capitol Avenue, MS 2702
 P.O. Box 997413
 Sacramento, CA 95899-7 413
 Phone: (916) 319-9758
 Email: mhsa@dhcs.ca.gov
- Mental Health Services Oversight and Accountability Commission (MHSOAC)
 1325 J Street, Suite 1700
 Sacramento, CA 95814
 Phone: (916) 445-8696
 Fax: (916) 445-4927
 Email: MHSOAC@mhsaac.ca.gov

The IRP is subject to revision as needed.

¹ As a general rule, DHCS will require that the local issue resolution process be accessed and exhausted but understands that, in some instances, this may not be possible. Each case will be reviewed accordingly.

² Community Collaboration. Cultural Competence, Client Driven, Family Driven. Wellness, Recovery, and Resilience Focused, and Integrated Service Experiences for clients and their families.

COUNTY OF LOS ANGELES
DEPARTMENT OF MENTAL HEALTH
LEGAL ENTITY PROVIDERS
FISCAL YEARS 2024-25 AND 2025-26

ATTACHMENT II

Contract Number	LE No.	Supervisory District Service Location	Organization Name	MCA FY 2024-25	MCA FY 2025-26
MH122136	00256	2	1736 Family Crisis Center	405,582	405,582
MH122137	00177	3	Alcott Center for Mental Health Services	6,934,593	6,934,593
MH122138	00173	1,4,5	Alma Family Services	14,562,591	14,562,591
MH122141	00180	1,4	Amanecer Community Counseling Services, a	12,839,097	12,839,097
MH122143	00409	1, 2	ASC Treatment Group dba The Anne Sippi Cl	843,389	843,389
MH122144	01167	2	Asian American Drug Abuse Program, Inc.	261,453	261,453
MH122145	01800	1	Asian Pacific Health Care Venture, Inc.	142,142	142,142
MH122146	00467	4	ASPIRAnet	2,042,659	2,042,659
MH122147	00175	2	Barbour and Floyd Medical Associates	9,878,061	9,878,061
MH122148	01273	4	Bayfront Youth and Family Services	4,475,632	4,475,632
MH122149	01150	1, 3	Behavioral Health Services, Inc.	1,487,132	1,487,132
MH122150	02232	5	Bourne, Inc.	1,426,000	1,426,000
MH122151	02038	1,5	Boys Republic	4,039,000	4,039,000
MH122152	00274	1,3	Braswell Rehabilitation Institute for Developm	7,369,453	7,369,453
MH122153	01192	2, 5	California Institute of Health & Social Services	2,718,701	2,718,701
MH122154	01209	1,5	Center for Integrated Family and Health Servi	2,211,096	2,211,096
MH122155	00210	5	Child and Family Center	14,642,636	14,642,636
MH122156	00207	3, 5	Child and Family Guidance Center	34,285,710	34,285,710
MH122158	00783	4	ChildNet Youth and Family Services, Inc.	20,958,829	20,958,829
MH122159	00668	1,2,4,5	Children's Bureau of Southern California	28,985,925	28,985,925
MH122160	00179	3	Children's Hospital Los Angeles	20,361,747	20,361,747
MH122161	00591	1,2,4	Children's Institute, Inc.	31,357,138	31,357,138
MH122162	00181	4	Community Family Guidance Center	8,372,436	8,372,436
MH122163	00779	2,4,5	Counseling and Research Associates dba Ma	22,541,869	22,541,869
MH122164	00694	5	Counseling4Kids	7,763,472	7,763,472
MH122174	00778	1,5	D' Veal Corporation dba D'Veal Family and Yc	9,359,878	9,359,878
MH122166	02220	2	Dangerfield Institute of Urban Problems, Inc.	3,111,000	3,111,000
MH122169	00183	2	Didi Hirsch Psychiatric Service	37,259,182	37,259,182
MH122170	01285	1,2	Dignity Community Care dba California Hospit	3,870,370	3,870,370
MH122171	00316	2	Disability Community Resource Center	203,903	203,903
MH122172	02230	4	Dream Home Care, Inc.	1,164,000	1,164,000
MH122173	01181	2	Drew Child Development Corporation, Inc.	3,783,286	3,783,286
MH122175	01853	1	Eggleston Youth Centers, Inc.	4,803,955	4,803,955
MH122301	TBD	2	Ehab Yaccob (Brain Health)	10,834,844	10,834,844
MH122176	00185	3	El Centro de Amistad	7,634,988	7,634,988
MH122177	01250	1	El Centro del Pueblo	1,412,751	1,412,751
MH122178	01311	1,2	Emotional Health Association dba SHARE! Th	2,018,573	2,018,573
MH122179	00188	1	ENKI Health Services, Inc.	44,901,836	44,901,836
MH122180	00995	1	Ettie Lee Homes, Inc.	1,767,538	1,767,538

COUNTY OF LOS ANGELES
DEPARTMENT OF MENTAL HEALTH
LEGAL ENTITY PROVIDERS
FISCAL YEARS 2024-25 AND 2025-26

ATTACHMENT II

Contract Number	LE No.	Supervisory District Service Location	Organization Name	MCA FY 2024-25	MCA FY 2025-26
MH122181	01567	2	Exceptional Children's Foundation	2,589,615	2,589,615
MH122182	00527	1,2,4	Exodus Recovery, Inc.	24,345,827	24,345,827
MH122183	02082	NA	Fields Comprehensive Youth Services, Inc.	543,600	543,600
MH122184	00302	1	Filipino-American Service Group, Inc.	86,882	86,882
MH122185	00647	1,5	Five Acres - The Boys' & Girls' Aid Society of	27,896,332	27,896,332
MH122186	02294	2,4,5	Fleming & Barnes, Inc. dba Dimondale Adoles	3,688,000	3,688,000
MH122187	00870	1,2,4	Florence Crittenton Services of Orange Count	11,193,166	11,193,166
MH122188	00724	1,3,5	Foothill Family Service	17,209,934	17,209,934
MH122189	00300	4	For The Child, Inc.	2,205,818	2,205,818
MH122190	02235	1	Garces Residential Care Services	584,751	584,751
MH122191	00190	1	Gateways Hospital and Mental Health Center	20,428,782	20,428,782
MH122192	00174	2,3,4	Hamburger Home dba Aviva Family and Child	16,184,339	16,184,339
MH122193	00192	1,2,3,5	Hathaway-Sycamores Child and Family Servic	85,681,769	85,681,769
MH122194	00697	5	Haynes Family of Programs, Inc.	7,241,011	7,241,011
MH122195	00348	1,5	HealthRIGHT 360	9,222,709	9,222,709
MH122196	01232	1	Helpline Youth Counseling, Inc.	3,715,447	3,715,447
MH122197	00965	2,4,5	Heritage Clinic and The Community Assistanc	12,078,867	12,078,867
MH122198	02194	1,5	Heritage Group Homes, Inc.	3,420,000	3,420,000
MH122199	00321	1,4,5	Hillsides	26,761,397	26,761,397
MH122200	00194	3	Hillview Mental Health Center, Inc.	12,449,094	12,449,094
MH122201	00508	2,4,5	Homes for Life Foundation	1,621,484	1,621,484
MH122202	02205	2	Humanistic Foundation, Inc. dba New Concep	1,042,000	1,042,000
MH122203	01981	2,3,4,5	Institute for Family Centered Services, Inc.	8,991,698	8,991,698
MH122204	00699	1,2,5	Institute for Multicultural Counseling and Educ	11,920,714	11,920,714
MH122205	01521	2,3	Jewish Family Service of Los Angeles	2,602,946	2,602,946
MH122206	01563	1,4	JWCH Institute, Inc.	3,291,456	3,291,456
MH122207	00197	2	Kedren Community Health Center, Inc.	51,132,009	51,132,009
MH122209	01794	3	Korean American Family Services, Inc.	563,741	563,741
MH122210	00326	2	Koreatown Youth and Community Center, Inc	1,794,408	1,794,408
MH122213	00304	3	Los Angeles LGBT Center	1,335,922	1,335,922
MH122292	00315	2,3	Los Angeles Unified School District	8,307,935	8,307,935
MH122214	02083	1	Luvlee's Residential Care, Inc. dba New Dawn	308,000	308,000
MH122289	02289	NA	Mary's Shelter dba Mary's Path	2,122,000	2,122,000
MH122215	01034	5	Maryvale	4,146,136	4,146,136
MH122216	00971	1,5	McKinley Children's Center, Inc. dba McKinley	10,257,490	10,257,490
MH122217	00200	4	Mental Health America of Los Angeles	26,869,913	26,869,913
MH122299	02397	2	Mindful Growth Foundation	795,294	795,294
MH122218	01142	3	New Directions, Inc.	949,319	949,319
MH122135	TBD2	1	Nuevo Amanecer Latino Children's Services	225,000	225,000

COUNTY OF LOS ANGELES
DEPARTMENT OF MENTAL HEALTH
LEGAL ENTITY PROVIDERS
FISCAL YEARS 2024-25 AND 2025-26

ATTACHMENT II

Contract Number	LE No.	Supervisory District Service Location	Organization Name	MCA FY 2024-25	MCA FY 2025-26
MH122219	00518	4,5	Olive Crest	4,455,196	4,455,196
MH122220	00859	4	One In Long Beach, Inc.	296,309	296,309
MH122221	00781	1, 3, 5	Optimist Boys' Home and Ranch, Inc.	11,382,178	11,382,178
MH122222	00579	2,3,4	Pacific Asian Counseling Services	6,502,777	6,502,777
MH122271	00120	1,2,3,4,5, Out of County	Pacific Clinics (Uplift Family Services)	100,932,655	100,932,655
MH122224	01169	1,2	Para Los Ninos	5,030,735	5,030,735
MH122225	01228	5	Pasadena Unified School District	2,660,959	2,660,959
MH122226	00801	N/A	Pathways Community Services LLC	8,279,719	8,279,719
MH122228	00201	3	Penny Lane Centers dba Penny Lane	37,819,353	37,819,353
MH122229	01194	2,5	Personal Involvement Center, Inc.	6,939,974	6,939,974
MH122230	00805	3	Phoenix Houses of Los Angeles, Inc.	4,807,013	4,807,013
MH122231	02286	2	Prime Healthcare Services - St. Francis, LLC	2,003,673	2,003,673
MH122298	02364	2	Project IMPACT Inc.	3,321,298	3,321,298
MH122232	01961	4	Project Return Peer Support Network	6,446,377	6,446,377
MH122233	00217	3	Providence Saint John's Health Center	4,117,505	4,117,505
MH122234	02172	5	Rancho San Antonio Boys Home, Inc.	6,074,000	6,074,000
MH122288	02125	4	Rite of Passage Adolescent Treatment Center	760,000	760,000
MH122235	00208	3	San Fernando Valley Community Mental Health	46,319,485	46,319,485
MH122236	00320	1,5	San Gabriel Children's Center, Inc.	4,610,183	4,610,183
MH122238	00558	2,4	SHIELDS for Families	11,641,485	11,641,485
MH122239	00212	1,5	Social Model Recovery Systems, Inc.	6,207,277	6,207,277
MH122240	00213	2	South Bay Children's Health Center Association	1,625,100	1,625,100
MH122241	00506	2,4	Southern California Health & Rehabilitation Program	36,731,276	36,731,276
MH122242	00214	1,2,3,4,5	Special Service for Groups, Inc.	67,534,186	67,534,186
MH122243	01160	1,4	SPIRITT Family Services, Inc.	3,424,673	3,424,673
MH122244	01186	1,2	St. Anne's Family Services	12,368,627	12,368,627
MH122245	00218	2, 3	St. Joseph Center	10,263,593	10,263,593
MH122246	00543	4	Star View Behavioral Health, Inc.	50,132,327	50,132,327
MH122247	00215	3	Step Up on Second St., Inc.	15,124,671	15,124,671
MH122248	00216	3	Stirling Academy, Inc.	2,670,803	2,670,803
MH122253	01156	3,4,5	Tarzana Treatment Centers, Inc.	26,613,973	26,613,973
MH122254	00108	1, 4	Telecare Corporation	22,964,215	22,964,215
MH122255	01379	2,4,5	Tessie Cleveland Community Services Corporation	21,405,869	21,405,869
MH122256	01066	5	The Children's Center of the Antelope Valley	2,838,859	2,838,859
MH122257	00191	2,4	The Guidance Center	17,251,571	17,251,571
MH122258	00198	2,3	The Help Group Child and Family Center	17,489,632	17,489,632
MH122259	00171	1,5	The Institute for the Redesign of Learning	12,252,022	12,252,022
MH122260	00305	1,3,5	The People Concern	18,568,443	18,568,443
MH122261	00984	3	The Regents of the University of California, Los Angeles	4,603,649	4,603,649

COUNTY OF LOS ANGELES
DEPARTMENT OF MENTAL HEALTH
LEGAL ENTITY PROVIDERS
FISCAL YEARS 2024-25 AND 2025-26

ATTACHMENT II

Contract Number	LE No.	Supervisory District Service Location	Organization Name	MCA FY 2024-25	MCA FY 2025-26
MH122263	01224	3,4	The Village Family Services, Inc.	9,462,027	9,462,027
MH122291	02317	2	The Virtuous Woman, Inc.	396,000	396,000
MH122264	00195	1,4	The Whole Child - Mental Health & Housing S	10,643,391	10,643,391
MH122265	01171	5	Tobinworld	2,557,854	2,557,854
MH122266	00630	5	Topanga-Roscoe Corporation dba Topanga W	1,344,594	1,344,594
MH122268	01026	1	Trinity Youth Services	2,134,889	2,134,889
MH122269	00938	1	United American Indian Involvement, Inc.	2,256,744	2,256,744
MH122270	01806	2	University Muslim Medical Association, Inc.	993,920	993,920
MH122272	00118	5	Victor Treatment Centers, Inc. dba Willow Cre	2,994,247	2,994,247
MH122273	01044	1	VIP Community Mental Health Center, Inc. (V	14,177,119	14,177,119
MH122274	00196	2	Vista Del Mar Child and Family Services	17,998,547	17,998,547
MH122276	01798	2,4	Wayfinder Family Services	5,942,928	5,942,928
MH122277	00199	1,2	Wellnest Emotional Health & Wellness	27,900,433	27,900,433
MH122297	02363	5	ZOE International	396,000	396,000
				-	-
			Total	1,542,507,584	1,542,507,584



DEPARTMENT OF MENTAL HEALTH
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REVISED

LISA H. WONG, Psy.D.
Director

Curley L. Bonds, M.D.
Chief Medical Officer

Connie D. Draxler, M.P.A.
Acting Chief Deputy Director

April 19, 2024

TO: Supervisor Lindsey P. Horvath, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Lisa H. Wong, Psy.D.
Director

Connie D. Draxler

**SUBJECT: REQUEST AN EXEMPTION TO BOARD POLICY NO. 5.120 FOR
DEPARTMENTAL LEGAL ENTITY CONTRACTS THAT PROVIDE
MENTAL HEALTH SERVICES TO MEDI-CAL ELIGIBLE CLIENTS**

In accordance with the Los Angeles County Board of Supervisors' (Board) Policy No. 5.120, the Department of Mental Health (DMH) is required to provide a written notice to your Board, with a copy to the Chief Executive Office, at least two weeks prior to the Board Meetings at which the request to exceed 10 percent of the Maximum Contract Amount (MCA) will be presented.

On May 7, 2024, DMH will be presenting your Board a letter for approval to extend the existing contracts with its network of Legal Entity (LE) providers that deliver Specialty Mental Health Services (SMHS) to both Medi-Cal and non-Medi-Cal clients funded by various federal, State, and County revenues to ensure that services and programs continue to be available to the residents of Los Angeles County. This memo is to request an exemption to the delegated authority limitations under Board Policy No. 5.120 for all DMH LE contracts for SMHS and programs. DMH requests delegated authority for a 25 percent increase of the applicable MCAs for the two fiscal years and the optional extension year, if exercised, of the LE contracts.

JUSTIFICATION

Welfare and Institutions Code (WIC) Section 14712 directs the State to implement and administer the Managed Mental Health Care for Medi-Cal eligible residents for the State. This WIC section requires a contractual agreement between the State and the County to operate as the Mental Health Plan (MHP) responsible for the delivery of SMHS to the

County's eligible Medi-Cal beneficiaries. Through the MHP Agreement, DMH agrees to operate the MHP for the County. The MHP Agreement sets comprehensive requirements for DMH to provide or arrange for the provision of all covered, medically necessary SMHS to Medi-Cal beneficiaries in the County. Additionally, pursuant to WIC Section 5650, DMH is required to enter into a Performance Contract with the State for Short-Doyle Services, as well as those provided under the Mental Health Services Act, other federal grants, and/or County mental health programs. As such, DMH provides such SMHS through its directly-operated clinics as well as contractors through its 131 LE contracts.

On March 30, 2016, the Centers of Medicare and Medicaid Services issued the Parity Rule in the Federal Register to strengthen access to mental health and substance use disorder services for Medi-Cal beneficiaries. The Parity Rule mandates that MHPs ensure access to care through an adequate provider network without unreasonable limitations to the scope or duration of mental health benefits. In order to comply with these requirements, DMH must ensure an adequate network of providers and that services are available throughout the County.

Since Medi-Cal is a federal entitlement, the need to amend expeditiously as possible is in order to meet the requirement under the Parity Rule, provided that the County has sufficient funds to match the federal funds. Exemption of this policy will allow DMH to amend LE contracts in a timely manner for the continued provision of mental health services without interruption to clients who are in need of these services and programs.

NOTIFICATION TIMELINE

Board Policy No. 5.120 requires departments to provide written notice to your Board, with a copy to the Chief Executive Office, at least two weeks prior to the Board Meeting at which the request to exceed ten percent of the MCA will be presented. In compliance with this policy, DMH is notifying your Board of our intent to request delegated authority up to 25 percent increase of the MCAs for the term of the contracts, as applicable, through a Board letter to be presented in May 2024.

If you have any questions, or require additional information, please contact me by email at LWong@dmh.lacounty.gov or (213) 947-6670, or your staff may contact Stella Krikorian, Division Manager, Contracts Development and Administration Division, at SKrikorian@dmh.lacounty.gov or (213) 943-9146.

LHW:CDD:KN
SK:ZW:atm

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