LAC DMH
LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH
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Medical Director

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

41 June 14, 2016

LORI GLASGOW
EXECUTIVE OFFICER

June 14, 2016

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:

APPROVAL TO ENTER INTO TWO SOLE SOURCE INDIGENT - ACUTE PSYCHIATRIC INTENSIVE INPATIENT HOSPITAL SERVICES AGREEMENTS (SUPERVISORIAL DISTRICTS 4 AND 5) (3 VOTES)

SUBJECT

Request approval to enter into two Indigent – Acute Psychiatric Intensive Inpatient Hospital Services Agreements to provide mental health services for uninsured individuals in need of hospitalization in Service Areas 3 and 7.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Acting Director of Mental Health (Acting Director), or her designee, to prepare, sign and execute a sole source agreement, substantially similar to Attachment A, to the Indigent – Acute Psychiatric Inpatient Hospital Services Agreements (Hospital Services Agreements) with College Hospital-Cerritos (College Hospital) and Aurora Charter Oak – Los Angeles, LLC (Aurora Charter Oak). These Hospital Services Agreements will be effective July 1, 2016, through June 30, 2017, with provisions for two automatic one-year extension periods through June 30, 2019. The Maximum Contract Amount (MCA) for Fiscal Years 2016-17, 2017-18, and 2018-19 is $1,794,800 for Aurora Charter Oak and $1,366,400 for College Hospital for each fiscal year. Both Hospital Services Agreements are fully funded by 2011 Realignment revenue and 2011 Realignment Assembly Bill (AB) 109 funds.

2. Delegate authority to the Acting Director, or her designee, to prepare, sign, and execute amendments to College Hospital and Aurora Charter Oak, and establish as a new MCA, the aggregate of the original MCA and all amendments provided that: 1) the County's total payments to each contract provider for each fiscal year do not exceed an increase of ten percent from the

applicable MCA; 2) any such increase will be used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes and new agreements; 4) approval of County Counsel, or her designee, is obtained prior to any such amendments or new agreements; 5) the County and Contractor may, by written amendment, reduce programs or services without reference to the ten percent limitation and decrease the applicable MCA; and 6) the Acting Director, or her designee, notifies your Board and the Chief Executive Office (CEO) of agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current Hospital Services Agreements with College Hospital and Aurora Charter Oak to provide acute inpatient services for uninsured adults ages 18 to 54 years transported by law enforcement in Service Areas (SAs) 3 and 7, respectively, will expire on June 30, 2016. The recommended actions will enable the Department of Mental Health (DMH) to enter into new Hospital Services Agreements to ensure uninterrupted, medically necessary acute psychiatric inpatient hospital services for uninsured individuals in SAs 3 and 7 requiring hospitalization under Welfare and Institutions Code (WIC) Section 5150 et seq. In addition, the Hospital Services Agreement with Aurora Charter Oak enables DMH to purchase up to three beds for youth detained under WIC Section 5585.

As part of the Psychiatric Emergency Services (PES) Relief Plan approved by your Board in July 2005 to address overcrowding in the PES at County hospitals, DMH, in cooperation with the Department of Health Services (DHS), identified SAs 3 and 7 as strategic areas of the County where there was a critical need for additional acute care psychiatric inpatient beds for indigent adults and sought acute psychiatric inpatient facilities willing to contract for such beds. College Hospital and Aurora Charter Oak are Lanterman-Petris-Short (LPS) designated to evaluate and treat individuals detained by law enforcement agencies or DMH staff under WIC Section 5150. These hospitals have successfully provided these acute inpatient services, and there is a continuing need for these services in SAs 3 and 7 to prevent patients from remaining in the psychiatric emergency departments pending availability of a County hospital inpatient bed.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the County's Strategic Plan Goal 3, Integrated Services Delivery.

FISCAL IMPACT/FINANCING

The total cost of the Agreement with Aurora Charter Oak for FY 2016-17 is $1,794,800, fully funded by $1,744,800 in 2011 Realignment revenue and $50,000 in 2011 Realignment AB 109 funds. The total cost of the Agreement with College Hospital is $1,366,400, fully funded by $1,316,400 in 2011 Realignment revenue and $50,000 in 2011 Realignment AB 109 funds. The funding for the Hospital Services Agreements are included in the DMH's FY 2016-17 Recommended Budget.

Funding for FYs 2017-18 and 2018-19 will be requested through DMH's annual budget request process.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

As part of the strategic plan to address overcrowding in the psychiatric emergency rooms at County hospitals, which was approved by your Board on July 19, 2005, DMH, in collaboration with DHS, identified strategic areas of the County where there was a critical need for additional acute care psychiatric inpatient beds for uninsured patients on involuntary holds and sought acute inpatient facilities willing to contract for such beds. Two hospitals – Aurora Charter Oak and College Hospital – responded at the time. Aurora Charter Oak is located at 1161 East Covina Boulevard, Covina, CA 91724, in Supervisorial District 5. College Hospital is located at 10802 College Place, Cerritos, CA 90703, in Supervisorial District 4. Aurora Charter Oak remains the only hospital in SA 3 willing to contract for these services, and College Hospital remains the only hospital in SA 7 qualified to provide this service.

The attached agreement format (Attachment A) has been approved as to form by County Counsel. DMH administrative staff will continue to administer and monitor contractors' adherence to the agreement and evaluate programs to ensure that quality services are provided to clients.

The required Sole Source Checklists (Attachments B and C), approved by the CEO, are also attached.

CONTRACTING PROCESS

DMH intends to enter into sole source agreements with the Aurora Charter Oak and College Hospital for the provision of acute psychiatric hospital services in the two critical service areas, SA 3 and SA 7, respectively.

DMH contacted all six hospitals acute psychiatric inpatient hospitals located in SA 3 to seek out interested providers of acute psychiatric inpatient hospital services for uninsured individuals requiring hospitalization. Aurora Charter Oak is the only hospital willing to enter into a contract with the County for these services in SA 3. None of the other hospitals expressed interest in contracting with the County.

College Hospital is the only acute psychiatric inpatient hospital in SA 7 authorized to involuntarily detain and treat individuals who are dangerous to self or others or are gravely disabled due to mental disorder.

In accordance with the Board of Supervisors Policy Manual, Section 5.100, Sole Source Contracts, DMH presented the Sole Source Notifications to the Health Cluster Agenda Review on May 4, 2016. The Board memoranda dated May 11, 2016 (Attachments D and E) were sent to your Board following the Health Cluster Agenda Review.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will continue to alleviate the overcrowding in the County's hospitals' emergency rooms and inpatient units and allow existing contractors to provide uninterrupted and accessible mental health services to uninsured persons in need of hospitalization residing in Los Angeles County.

Respectfully submitted,

Robin Kay, Ph.D

ROBIN KAY, Ph.D.
Acting Director of Mental Health

RK:DM:AB:SK:lb

Enclosures

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

ATTACHMENT A

DEPARTMENT OF MENTAL HEALTH
INDIGENT — ACUTE PSYCHIATRIC INTENSIVE
INPATIENT HOSPITAL SERVICES

CONTRACTOR:

_____ _____
Contract Number

_____ _____
Vendor Number

Business Address:

_____ _____
Reference Number(s)

_____ _____
Legal Entity Number

Provider Number(s) _____

Contractor Headquarters' Supervisorial District _____

Mental Health Service Area(s) _____ OR Countywide _____

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

DISTRIBUTION

(Please type in the applicable name for each)

Deputy Director _____ Lead Manager _____

K: S ____ --or-- U ____

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DEPARTMENT OF MENTAL HEALTH

INDIGENT — ACUTE PSYCHIATRIC INTENSIVE

INPATIENT HOSPITAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this **1st** day of **July** 2016, by and between the County of Los Angeles (hereafter "County"), and _____ _____ (hereafter "Contractor") with the following business address at _____ _____ _____.

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

WHEREAS, County desires through the County's Request for Statement of Qualification (RFSQ) process to provide to those persons in Los Angeles County who qualify therefore certain mental health services contemplated and authorized by the Mental Health Service Act (MHSA) adopted by the California electorate on November 2, 2004; and

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

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

WHEREAS, these services shall be provided by Contractor in accordance with all applicable federal, State and local laws, required licenses, ordinances, rules, regulations, manuals, guidelines, and directives, which may include, but are not necessarily limited to, the following: Bronzan-McCorquodale Act, WIC Section 5600 et seq., including, but not limited to, Sections 5600.2, 5600.3, 5600.4, 5600.9, 5602, 5608, 5651, 5670, 5670.5, 5671, 5671.5, 5672, 5705, 5709, 5710, 5751.2, and 5900 et seq.; Medi-Cal Act, WIC Section 14000 et seq., including, but not limited to, Section 14705.5, 14705.7, 14706, 14710, and 14132.44; WIC Section 15600 et seq., including Section 15630; WIC Section 17601 et seq.; California Work Opportunities and Responsibilities to Kids Act, WIC Section 11200 et seq.; California Government Code Sections 26227 and 53703; Title XIX of the Social Security Act, 42 United States Code Section 1396 et seq.; Part B of Title XIX of the Public Health Service Act, 42 United States Code Section 300x et seq.; Title XXI of the Social Security Act; California Penal Code Section 11164 et seq.; Title 9 and Title 22, including, but not

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limited to, Sections 51516, 70001, 71001, 72001 et seq., and 72443 et seq. of the California Code of Regulations (CCR); 45 Code of Federal Regulations Parts 160 and 164 and WIC Section 5328 et seq.; California Department of Health Care Services (DHCS) Mental Health Plan Agreement; Los Angeles County Department of Mental Health (DMH) Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services; State's Cost and Financial Reporting System Instruction Manual; Federal Office of Management and Budget (OMB) Uniform Guidance, Subpart E: Cost Principles and Subpart F: Single Audit Requirement; County of Los Angeles Auditor-Controller Contract Accounting and Administration Handbook; policies and procedures developed by County; State's Medicaid Plan; and policies and procedures which have been documented in the form of Policy Letters issued by DHCS; and

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

NOW, THEREFORE, Contractor and County agree as follows:

1. **TERM**:

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

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

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

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

C. Six Months Notification of Agreement Expiration: Contractor shall notify County when this Agreement is within six (6) months of expiration. Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 70 (NOTICES).

D. Contractor Alert Reporting Database (CARD): The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

2. **TERMINATION WITHOUT CAUSE**: This Agreement may be terminated by either party at any time without cause by giving at least 30 calendar days prior written notice to the other party. Any termination of this Agreement by County pursuant to this Paragraph 2 shall be approved by County's Board of Supervisors.

3. **IMMEDIATE TERMINATION BY COUNTY**:

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

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

(2) Contractor has failed to comply with any of the provisions of Paragraphs 18 (NONDISCRIMINATION IN SERVICES), 19 (NONDISCRIMINATION IN EMPLOYMENT), 21 (INDEMNIFICATION AND INSURANCE), 22 (WARRANTY AGAINST CONTINGENT FEES), 23 (CONFLICT OF INTEREST), 28 (DELEGATION AND ASSIGNMENT BY CONTRACTOR), 29 (SUBCONTRACTING), 34 (CHILD SUPPORT COMPLIANCE PROGRAM), 48 (CERTIFICATION OF DRUG-FREE WORK PLACE), 54 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM) and/or 64 (CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM); or

(3) In accordance with Paragraphs 35 (TERMINATION FOR INSOLVENCY), 36 (TERMINATION FOR DEFAULT), 37 (TERMINATION FOR IMPROPER CONSIDERATION), 49 (COUNTY LOBBYISTS), and/or 65 (TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM).

B. In the event that this Agreement is terminated, including termination as provided for in Paragraph 2 (TERMINATION WITHOUT CAUSE), then:

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

(2) Upon issuance of any notice of termination, Contractor shall make immediate and appropriate plans to transfer or refer all patients/clients receiving services under this Agreement to other agencies for continuing services in accordance with the patient's/client's needs. Such plans shall be subject to prior written approval of Director or her designee, except that in specific cases, as determined by Contractor, where an immediate patient/client transfer or referral is indicated, Contractor may make an immediate transfer or referral. If Contractor terminates this Agreement, all

costs related to all such transfers or referrals as well as all costs related to all continuing services shall not be a charge to this Agreement nor reimbursable in any way under this Agreement; and

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

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

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

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

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

Contractor shall be responsible for delivering 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 shall provide 30 calendar days prior notice to County. Contractor shall also thereafter make referrals of new patients/clients to County or other appropriate agencies.

Contractor shall not be required to provide the notice in the preceding paragraph when County reduces funding to Contractor, either at the beginning of or during the fiscal year. In addition, when County eliminates the funding for a particular program provided by Contractor, Contractor shall not be responsible for continuing services for those patients/clients linked to that funding but shall make referrals of those patients/clients to County or other appropriate agencies.

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

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

Contractors shall not be eligible to provide mental health services claimable under the Mental Health Services Act (MHSA) unless Contractor has been found to be eligible to provide mental health services as follows: (1) Contractor has submitted to the County a Statement of Qualifications (SOQ) in response to County's Request For Statement of Qualifications (RFSQ) for the provision of such services; Contractor has met the minimum qualifications listed in the RFSQ and has been selected for recommendation for placement on a MHSA Master Agreement eligibility list; and Contractor has demonstrated experience and training in its specialized field and has been selected to provide MHSA services pursuant to a solicitation process approved by County, or (2) Contractor intends to transform a portion of its services to MHSA services, Contractor has submitted a mid-year change to the Negotiation Package outlining the planned transformation and County has approved Contractor to provide MHSA services through the transformation process. Placement on the Master Agreement eligibility list does not guarantee that Contractor will be selected to provide mental health services claimable as MHSA services. In order to provide mental health services claimable as MHSA services, a provider must have been selected to provide MHSA services pursuant to a solicitation process approved by County, or be approved by County to provide MHSA service through the transformation process.

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

7. **PRIOR AGREEMENT(S) SUPERSEDED**:

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

TITLE	COUNTY AGREEMENT NUMBER	DATE OF EXECUTION

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

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

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

_____

DOLLARS ($_____); and for Fiscal Year _____ shall not exceed _____

_____

DOLLARS ($_____); and for Fiscal Year _____ shall not exceed _____

_____

_____ DOLLARS ($_____).

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

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

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

A. Staff providing services under this Agreement shall be qualified and shall 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, SDMH Policy Letters, DHCS Policy Letters, and shall only function within the scope of practice as dictated by licensing boards/bodies.

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

C. At all times during the term of this Agreement, Contractor shall have available and shall provide upon request to authorized representatives of County, a list of all persons by name, title, professional degree, language capability(ies), and experience, who are providing any services under this Agreement.

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

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

10. **PROGRAM SUPERVISION, MONITORING AND REVIEW**:

A. Pursuant to WIC Section 5608 and CCR Title 9, Section 521, all services hereunder shall be provided by Contractor under the general supervision of Director. Director shall have the right to monitor and specify the kind, quality, appropriateness, timeliness, and amount of services, and the criteria for determining the persons to be served.

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

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

D. To assure compliance with this Agreement and for any other reasonable purpose relating to performance of this Agreement, and subject to the provisions of State and federal law, authorized County, State, and/or federal representatives and designees shall have the right to enter Contractor's premises (including all other places where duties under this Agreement are being performed), with or without notice, to: inspect, monitor and/or audit Contractor's facilities,

programs and procedures, or to otherwise evaluate the work performed or being performed; review and copy any records and supporting documentation pertaining to the performance of this Agreement; and elicit information regarding the performance of this Agreement or any related work. The representatives and designees of such agencies may examine, audit and copy such records at the site at which they are located. Contractor shall provide access to facilities and shall cooperate and assist County, State, and/or federal representatives and designees in the performance of their duties. Unless otherwise agreed upon in writing, Contractor must provide specified data upon request by County, State, and/or federal representatives and designees within three (3) business days.

11. **PERFORMANCE STANDARDS AND OUTCOME MEASURES**: The Contractor shall comply with all applicable federal, State, and County policies and procedures relating to performance standards and outcome measures, including but not limited to those performance standards and outcome measures required by specific federal, State, and/or County rules, directive, and guidelines for entities receiving their funding. Examples of such performance standards and/or outcome measures include, but are not limited to, those identified in Attachment IX and those reflected in County and/or program Service Exhibits and practice parameters; as well as performance standards and/or outcomes measures related to the Patient Protection and Affordable Care Act (ACA) and Cal MediConnect Program.

Performance standards and/or outcome measures will be used as part of the determination of the effectiveness of the services delivered by Contractor. Substandard performance or outcomes by Contractor may be grounds for contract review and a corrective action plan (CAP).

12. **QUALITY MANAGEMENT PROGRAM**:

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

B. The Contractor's Quality Management Program shall be consistent with Department's Quality Improvement Program Policy No. 105.1 including the Department's Quality

Improvement Work Plan and participation in Service Area Quality Assurance and Quality Improvement Committee meetings as outlined in Policy No. 105.1.

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

D. The Contractor's Quality Management Program shall be consistent with the Department's Quality Assurance requirements for Contract Providers as outlined in Policy 104.09.

E. The Contractor's level of performance under this Agreement shall be evaluated by the County no less than annually. Contractor's failure to meet performance and program outcomes standards may place Contractor's Agreement in jeopardy; performance and outcomes deficits that are not remedied by Contractor will be reported to the Board of Supervisors. The report shall include improvement/corrective action measures taken by the County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Agreement or invoke other remedies such as funding reductions as specified in this Agreement.

13. **RECORDS AND AUDITS**:

A. Records:

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

(a) Patient/Client Records (Direct Services): Contractor shall maintain treatment and other records for each individual patient/client of all direct services (e.g., 24-hour services, day services, targeted case management, mental health services, medication support, and crisis intervention) in accordance with all applicable County, State and federal requirements. Such treatment and other records shall include, but not be limited to, patient/client identification number,

demographic information, all data elements required by the County's claims processing information system, consent for treatment form, assessment, treatment plan, progress notes, and any other applicable information. The required data elements shall be in accordance with the Organizational Provider's Manual. All patient/client records shall be maintained by Contractor at a location in Los Angeles County for a minimum period that is at least equivalent to the later of any of the following:

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

2) For minors, until such time as the minor reaches 25 years of age;

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

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

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

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

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

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

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

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

(2) Financial Records: Contractor shall prepare and maintain, on a current basis, accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles, with the procedures set out in the State's Cost and Financial Reporting System (CFRS) Instruction Manual, and with all applicable federal, State and County requirements, guidelines, standards, and procedures. Minimum standards for accounting principles are set forth in County's Auditor-Controller's Contract Accounting and Administration Handbook which shall be furnished to Contractor by County upon request. The above financial records shall include, but are not limited to:

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

(b) Reports, studies, statistical surveys or other information Contractor used to identify and allocate indirect costs. "Indirect costs" shall mean those costs as described by the guidelines, standards, and procedures which may be provided by County in writing to Contractor, the Centers for Medicare and Medicaid Provider Reimbursement Manual Parts 1 and 2 (Publications #15-1 and #15-2), and the OMB Uniform Guidance, Subpart E: Cost Principles.

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

(d) A listing of all County remittances received.

(e) Patient/client financial folders clearly documenting:

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

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

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

(g) Employment records.

(3) The entries in all of the above financial records must be readily traceable to applicable source documentation (e.g., remittance invoices, vendor invoices, employee timecards, signed by employee and countersigned by supervisor, subsidiary ledgers and journals, appointment logs, patient ledger cards, etc.). Any apportionment of costs shall be made in accordance with the requirements of the State's CFRS Instruction Manual, the Federal Centers for Medicare and Medicaid Provider Reimbursement Manual Parts 1 and 2 (Publications #15–1 and #15–2), and Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services. All such records shall be

maintained by Contractor at a location in Los Angeles County for a minimum period that is at least equivalent to the later of any of the following:

(a) Seven (7) years following the expiration or earlier termination of this Agreement;

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

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

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

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

B. Audits:

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

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

(3) Audit Reports: In the event that any audit of any or all aspects of this Agreement is conducted by any federal or State auditor, or by any auditor or accountant employed

by Contractor or otherwise, then Contractor shall file a copy of such audit report(s) with DMH's Contracts Development and Administration Division within 30 calendar days of Contractor's receipt thereof, unless otherwise provided by applicable federal or State law or under this Agreement. Contractor shall promptly notify County of any request for access to information related to this Agreement by any other governmental agency.

(4) California Department of Health Care Services (DHCS) Access to Records: Contractor agrees that for a period of seven (7) years following the furnishing of services under this Agreement; three (3) years after final audit is completed including appeals, or seven (7) years after termination of this Agreement; whichever occurs later, Contractor shall maintain and make available to the DHCS , the Secretary of the United States Department of Health and Human Services (HHS), or the Controller General of the United States, and any other authorized federal and State agencies, or to any of their duly authorized representatives, the contracts, books, documents and records of Contractor which are necessary to verify the nature and extent of the cost of services hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of TEN THOUSAND DOLLARS ($10,000) or more over a 12-month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor as provided in Paragraph 10 and in this Paragraph 13.

(5) Federal Access to Records: Grant-funded programs require audits and compliance with federal guidelines pursuant to OMB Uniform Guidance, Subpart F: Single Audit Requirements. If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 United States Code Section 1395x(v)(1)(I)) is applicable, Contractor agrees that for a period of seven (7) years following the furnishing of services under this Agreement, three (3) years after final audit is completed including appeals, or seven (7) years after termination of this Agreement; whichever is later Contractor shall maintain and make available to the Secretary of the United States Department of HHS, or the Controller General of the United States, or to any of their duly authorized representatives, the contracts, books, documents and records of Contractor which are necessary to verify the nature and extent of the cost of services hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of TEN THOUSAND DOLLARS ($10,000) or more over a 12-month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontractor shall provide for such access to the subcontract, books, documents and records of the subcontractor as provided in Paragraph 10 and in this Paragraph 13.

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14. **REPORTS**:

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

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

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

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

C. County Claims Processing Information System:

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

(2) Notwithstanding any other provision of this Agreement, the only units of service which shall be considered valid and reimbursable at Annual Cost Report Reconciliation and Settlement, Cost Report Audit Settlement, or at any other time otherwise shall be those units of service that are submitted by Contractor into the County's claims processing information system by the County's year-end cutoff date in accordance with the terms of this Agreement and its attachments thereto, including but not limited to Attachment II, Financial Exhibit A (Financial Provisions), and which are not voided, replaced and/or denied for any reason, except due to the fault of the County. Notwithstanding any other provision of this Agreement, claims entered into the County's claim processing information system shall be attributed to a specific Funded Program and Subprogram based upon the plan identified by Contractor when submitting the claim into the County's claims processing information system.

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

15. **CONFIDENTIALITY**: Contractor shall maintain the confidentiality of all records and information, including, but not limited to, claims, County records, patient/client records and

information, and County claims processing information system records, in accordance with WIC Sections 5328 through 5330, inclusive, and all other applicable County, State, and federal laws, ordinances, rules, regulations, manuals, guidelines, and directives, relating to confidentiality and privacy. Contractor shall require all its officers, employees, and agents providing services hereunder to acknowledge, in writing, understanding of, and agreement to fully comply with, all such confidentiality and privacy provisions. Contractor shall indemnify and hold harmless County, its officers, employees, and agents, from and against any and all loss, damage, liability, and expense arising from any disclosure of such records and information by Contractor, its officers, employees, or agents.

Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Attachment X -1.

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

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

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

B. Minor Children Abuse: Contractor and all persons employed or subcontracted by Contractor, shall comply with California Penal Code Section 11164 et seq. and shall report all known or suspected instances of child abuse to an appropriate child protective agency, as mandated by California Penal Code Sections 11164, 11165.9, and 11166. Contractor and all persons employed or subcontracted by Contractor, shall make the report on such abuse, and shall submit all required information, in accordance with California Penal Code Sections 11166 and 11167.

C. Contractor Staff:

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

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

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

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

18. **NONDISCRIMINATION IN SERVICES**:

A. Contractor shall not discriminate in the provision of services hereunder because of race, religion, national origin, ancestry, gender, age, marital status, sexual orientation and/or physical or mental handicap or medical conditions (except to the extent clinically appropriate), in accordance with requirements of federal and State law. For the purpose of this Paragraph 18, discrimination in the provision of services may include, 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 shall take affirmative steps to ensure that those persons who qualify for services under this Agreement are provided services without regard to ability to pay or source of payment, race, religion, national origin, ancestry, gender, age, marital status, sexual orientation and/or physical or mental handicap, or medical conditions.

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

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

19. **NONDISCRIMINATION IN EMPLOYMENT**:

A. Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to, or because of, race, color, religion, national origin, ancestry, gender, age (over 40), marital status, sexual orientation, condition of physical handicap (including HIV and AIDS) or mental handicap, disability, medical condition (e.g., cancer), denial of family care leave, political affiliation, status as a disabled veteran or veteran of the Vietnam era and 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 Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

B. Contractor shall certify to, and comply with, the provisions of Attachment XI – Contractor's Equal Employment Opportunity (EEO) Certification.

C. Contractor shall take affirmative steps to ensure that qualified applicants are employed, and that employees are treated during employment without regard to race, color, religion, national origin, ancestry, gender, age (over 40), marital status, sexual orientation, condition of physical handicap (including HIV and AIDS) or mental handicap, disability, medical condition (e.g., cancer), denial of family care leave, political affiliation, status as a disabled veteran or veteran of the Vietnam era and in compliance with all applicable federal and State anti-discrimination laws and regulations. Such treatment shall include, but is not limited to, the following actions: employment, upgrading, promotion, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, selection for training, including apprenticeship, and granting or denying family care leave. Contractor shall not discriminate against or harass, nor shall it permit harassment of, its employees during employment based upon race, color, religion, national origin, ancestry, gender, age (over 40), marital status, sexual orientation, condition of physical handicap (including HIV and AIDS) or mental handicap, disability, medical condition (e.g., cancer), denial of family care leave, or political affiliation, status as a disabled veteran or veteran of the Vietnam era and in compliance with all applicable federal and State anti-discrimination laws and regulations. Contractor shall 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.).

D. Contractor shall deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, national origin, ancestry, gender, age, marital status, sexual orientation, condition of physical handicap (including HIV and AIDS) or mental handicap, disability, medical condition (e.g., cancer), denial of family care leave, political affiliation, status as a disabled veteran or veteran of the Vietnam era and in compliance with all applicable federal and State anti-discrimination laws and regulations. Further, Contractor shall give written notice of its obligations under this Paragraph 19 to labor organizations with which it has a collective bargaining or other agreement.

E. Contractor shall allow State and/or County representative's access to its books, accounts, and records during regular business hours to verify compliance with the provisions of this Paragraph 19 when so requested by Director.

F. If County finds that any of the above provisions has been violated, the same shall constitute a material breach of this Agreement upon which County may immediately terminate, cancel, or suspend this Agreement. The County reserves the right to determine independently that

the anti-discrimination provisions of this Agreement have been violated. In addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or federal anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.

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

H. Contractor shall include the provisions of this Paragraph 19 in every subcontract or purchase order unless otherwise expressly exempted.

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

21. **INDEMNIFICATION AND INSURANCE**:

A. Indemnification: Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

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

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(1) Evidence of Coverage and Notice to County

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

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

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

(d) Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

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

Los Angeles County - Department of Mental Health
Contracts Development and Administration Division
550 S. Vermont Ave., 5th Floor
Los Angeles, CA 90020

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

(2) Additional Insured Status and Scope of Coverage

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

(3) Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall 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. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

(4) Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

(5) Insurer Financial Ratings

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

(6) Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County

maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

(7) Waivers of Subrogation

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

(8) Subcontractor Insurance Coverage Requirements

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

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

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

(10) Claims Made Coverage

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

(11) Application of Excess Liability Coverage

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

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(12) Separation of Insureds

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

(13) Alternative Risk Financing Programs

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

(14) County Review and Approval of Insurance Requirements

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

C. Insurance Coverage:

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

General Aggregate:	$2 million
Products/Completed Operations Aggregate:	$1 million
Personal and Advertising Injury:	$1 million
Each Occurrence:	$1 million

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

(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 shall 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, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's

operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

(4) Unique Insurance Coverage

(a) Sexual Misconduct Liability

Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than $2 million per claim and $2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

(b) Professional Liability/Errors and Omissions

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

(c) Property Coverage

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

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

23. **CONFLICT OF INTEREST**:

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

County's approval, or ongoing evaluation, of such services, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

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

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

25. **INDEPENDENT STATUS OF CONTRACTOR**:

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

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

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

D. Contractor shall obtain and maintain on file an executed Contractor Employee Acknowledgement And Confidentiality Agreement, in the form as contained in Attachment X – 2 for this Agreement, for each of its employees performing services under this Agreement. Such Acknowledgments shall be executed by each such employee and non-employee on or immediately after the commencement date of this Agreement but in no event later than the date such employee first performs services under this Agreement.

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

27. **CONSIDERATION FOR HIRING GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT**:

A. Should Contractor require additional or replacement personnel after the effective date of this agreement, contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' GAIN Program or GROW Program who meet Contractor's minimum qualifications for the open position. If Contractor decides to pursue consideration of GAIN/GROW participants for hiring, Contractor shall provide information regarding job openings and job requirements to Department of Public Social Services' GAIN/GROW staff at GAINGROW@dpss.lacounty.gov. County will refer GAIN/GROW participants, by job category, to Contractor.

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

28. **DELEGATION AND ASSIGNMENT BY CONTRACTOR**:

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

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

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

29. **SUBCONTRACTING**:

A. No performance of this Agreement, or any portion thereof, shall be subcontracted by Contractor without the prior written consent of County as provided in this Paragraph 29. Any attempt by Contractor to subcontract any performance, obligation, or responsibility under this Agreement, without the prior written consent of County, shall be null and void and shall constitute a material breach of this Agreement. Notwithstanding any other provision of this Agreement, in the event of any such breach by Contractor, this Agreement may be terminated forthwith by County. Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement.

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

(1) The reasons for the particular subcontract.

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

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

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

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

"This contract is a subcontract under the terms of the prime contract with the County of Los Angeles and shall be subject to all of the provisions of such prime contract, including those related to ensuring high quality of services and outcomes."

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

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

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

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

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

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

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

F. In the event that County consents to any subcontracting, such consent shall be subject to County's right to give prior and continuing approval of any and all subcontractor personnel providing services under such subcontract. Contractor shall assure that any subcontractor personnel not approved by County shall be immediately removed from the provision of any services under the particular subcontract or that other action is taken as requested by County. County shall

not be liable or responsible in any way to Contractor, to any subcontractor, or to any officers, employees, or agents of Contractor or any subcontractor, for any liability, damages, costs or expenses arising from or related to County's exercise of such right.

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

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

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

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

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

L. In the event that County consents to any subcontracting, Contractor shall obtain and maintain on file an executed Contractor Non-Employee Acknowledgement And Confidentiality Agreement, in the form as contained in Attachment X - 3 of this Agreement, for each of the subcontractor's employees performing services under the subcontract. Such Acknowledgments shall be obtained and maintained on file and made available upon request on or immediately after the commencement date of the particular subcontract but in no event later than the date such employee first performs any services under the subcontract.

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

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

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

31. **COMPLIANCE WITH APPLICABLE LAW**:

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

B. Contractor shall be governed by and comply with all contractual obligations of the DHCS' Mental Health Plan Agreement with the County.

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

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

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

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

33. **LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES**:

A. Contractor shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates (including, but not limited to, certification as a Short-Doyle/Medi-Cal and/or Medicare provider if Title XIX Short-Doyle/Medi-Cal and/or Medicare services are provided hereunder), as required by all federal, State, and local laws, ordinances, rules, regulations, manuals, guidelines, and directives, which are applicable to Contractor's facility(ies) and services under this Agreement. Contractor shall further ensure that all of its officers, employees, and agents, who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate (including, but not limited to, certification as a Short-Doyle/Medi-Cal and/or Medicare provider if Title XIX Short-Doyle/Medi-Cal and/or Medicare services are provided hereunder) as required by all applicable federal, State, and local laws, ordinances, rules, regulations, manuals, guidelines and directives shall be retained and current updates of such documents shall be maintained, and made available upon request, not to exceed three (3) business days after the initial request, for inspection, review, and/or audit by authorized representatives and designees of County, State, and/or federal governments during the term of this Agreement and during the applicable period of records retention.

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

C. Contractor shall ensure that any independent contractors (i.e., individuals who are not employees but who are contracted by Contractor to perform services hereunder) who prescribe medications, in addition to obtaining and maintaining all licenses, permits, registrations, accreditations, and certificates which are applicable to their performance hereunder, are credentialed by DMH and maintain such credentialing in effect during the term of this Agreement.

34. **CHILD SUPPORT COMPLIANCE PROGRAM**:

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

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable

provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 United States Code (USC) Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

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

35. **TERMINATION FOR INSOLVENCY**:

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

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

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

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

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

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

36. **TERMINATION FOR DEFAULT**:

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

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

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

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

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

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

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

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

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

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

40. **ALTERATION OF TERMS**:

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

B. Administrative Amendments: Modifications to this Agreement may be accomplished using an administrative amendment process for the following purposes:

- Change of Contractor's name
- Change of Contractor's headquarter's address
- Change, revision, addition, or deletion of Provider site address.
- Change, revision, addition, or deletion of Provider site number.
- Change, revision, addition, or deletion of Provider site name.
- Change, revision, addition, or deletion of services previously approved within the Legal Entity for an existing or new Provider site.
- Technical Corrections
- Shifting of funds between currently contracted Funded Programs so long as such shifting will not cause Contractor to increase its Maximum Contract Amount.

(1) 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.

41. **ENTIRE AGREEMENT**: The body of this Agreement, all attachments, Financial Exhibit A (Financial Provisions), Financial Summary(ies), Fiscal Years _____
Service Delivery Site Exhibit, and Service Exhibit(s) _____
_____
_____,
attached hereto and incorporated herein by reference, and Contractor's Negotiation Package for this Agreement, as approved in writing by Director, including any addenda thereto as approved in writing by Director, which are hereby incorporated herein by reference but not attached, shall constitute the complete and exclusive statement of understanding between the parties which supersedes all

previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, or schedule, or the contents or description of any service or other work, or otherwise, between the body of this Agreement and the other referenced documents, or between such other documents, such conflict or inconsistency shall be resolved by giving precedence first to the body of this Agreement and its definitions and then to such other documents according to the following priority:

A. Financial Exhibit A (Financial Provisions)

B. Financial Summary(ies)

C. Service Delivery Site Exhibit

D. Service Exhibit(s)

E. Required Supplemental Documents

F. Contractor's Negotiation Package

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

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

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

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45. **PURCHASES**:

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

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

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

D. Protection of Property in Contractor's Custody: Contractor shall maintain vigilance and take all reasonable precautions, to protect all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds, against any damage or loss by fire, burglary, theft, disappearance, vandalism or misuse. In the event of any burglary, theft, disappearance, or vandalism of any item of furniture, fixtures, equipment, materials, and supplies,

Contractor shall immediately notify the police and make a written report thereof, including a report of the results of any investigation which may be made. In the event of any damage or loss of any item of furniture, fixtures, equipment, materials, and supplies, from any cause, Contractor shall immediately send Director a detailed, written report. Contractor shall contact DMH's Administrative Services Division for instructions for disposition of any such property which is worn out or unusable.

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

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

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

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

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

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

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

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

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

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

B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other Agreements which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent

if warranted by the circumstances, and terminate any or all existing Agreements the Contractor may have with the County.

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

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

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

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

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

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

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

J. These terms shall also apply to subcontractors of County Contractors.

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

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

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

Permissive exclusions may be based on: (1) conviction of a misdemeanor related to fraud or financial misconduct involving a government program; (2) obstructing an investigation; (3) failing to provide access to documents or premises as required by federal health care program officials; (4) conviction of a misdemeanor related to controlled substances; (5) failing to disclose information about the entity itself, its subcontractors or its significant business transactions; (6) loss of a State license to practice a health care profession; (7) default on a student loan given in connection with education in a health profession; (8) charging excessive amounts to a federally funded health care program or furnishing services of poor quality or which are substantially in excess of the needs of the patients; (9) paying a kickback or submitting a false or fraudulent claim. Persons controlling or managing excluded entities who knew of the conduct leading to the exclusion can themselves be excluded, and entities which are owned and controlled by excluded individuals can also be excluded. Mandatory exclusions under State law from Medi-Cal are similar but also include convictions of a misdemeanor for fraud or abuse involving the Medi-Cal program or a Medi-Cal beneficiary.

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

Contractor shall also comply with DMH Policy "Contractors Eligibility to Provide Goods and Services to Federally Funded Health Care Programs and to Secure Federally Funded 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.

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

55. **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**:

A. The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996, its implementing regulations (HIPAA), and subtitle D, Privacy, of the

Health Information Technology for Economic and Clinical Health Act (HITECH). Contractor understands and agrees that it is a *"Covered Entity"* under HIPAA and, as such, has obligations with respect to the confidentiality, privacy, and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.

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

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

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

(1) County has a Guide to Procedure Codes available at http://lacdmh.lacounty.gov/hipaa/index.html which includes a "crosswalk" of DMH activity codes to Current Procedural Terminology (CPT) and Health Care Procedure Coding System (HCPCS) codes.

(2) County has electronic Data Interchange (EDI) Agreement forms available at http://lacdmh.lacounty.gov/hipaa/edi_homepage.html and http://lacdmh.lacounty.gov/hipaa/IBHIS_EDI_homepage.htm which includes information about the applicable HIPAA transactions that can be processed in the County's Integrated System (IS) and the Integrated Behavioral Health Information System (IBHIS) respectively.

(3) Contractor acknowledges that County is transitioning from the IS to IBHIS in which clinical, demographic, administrative, financial, claims, outcomes, and other information

will be exchanged between DMH and contract providers exclusively through the use of EDI transactions.

(4) As County defines standard formats for each EDI transaction and determines the method by which each transaction is to be exchanged between Contractor and County, County shall notify Contractor of the effective date(s) by which Contractor shall be required to implement each newly defined EDI transaction through County's release of revised Companion Guides. Revised Companion Guides shall be released prior to the effective date(s) upon which each newly defined EDI transaction is required in accordance with the schedule below and in accordance with County's estimate of the effort required to implement each newly defined EDI transaction, unless earlier effective date(s) are imposed by law or regulation, or earlier effective dates(s) are established by mutual agreement between County and Contractor.

(a) 120 days for new EDI transactions requiring major development and testing

(b) 90 days for new EDI transactions requiring moderate development and testing

(c) 60 days for new EDI transactions requiring minimal development and testing.

(5) Contractor acknowledges that County may modify EDI transactions as needed. County shall notify Contractor of the effective dates(s) by which Contractor shall be required to comply with each modified EDI transaction in accordance with County's revised EDI transaction requirements through County's release of revised Companion Guides. Revised Companion Guides shall be released prior to the effective date(s) upon which each modified EDI transaction is required in accordance with the schedule below and in accordance with County's estimate of the effort required to implement each revised EDI transaction, unless earlier effective dates(s) are imposed by law or regulation, or earlier effective dates(s) are established by mutual agreement between County and Contractor.

(a) 90 days for moderately modified EDI transactions

(b) 60 days for minimally modified EDI transactions.

(6) Contractor agrees to comply with the exchange of all EDI transactions specified by County and the method by which these transactions are to be exchanged between Contractor and County as of the effectives date(s) specified by County.

(7) County has Trading Partner Agent Authorization Agreements available at http://lacdmh.lacounty.gov/hipaa/edi_homepage.html and http://lacdmh.lacounty.gov/hipaa/IBHIS_EDI_homepage.htm which includes the Contractor's

authorization to its Agent(s) to submit HIPAA-compliant transactions on behalf of Contractor to the IS and IBHIS respectively.

E. Contractor understands that County operates an informational website http://dmh.lacounty.gov/wps/portal/dmh related to the services under this Agreement and the parties' HIPAA obligations, and agrees to undertake reasonable efforts to utilize said website to obtain updates, other information, and forms to assist Contractor in its performance.

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

G. Contractor further understands and agrees that the terms and conditions of the current IS and IBHIS Trading Partner Agreements (TPA) available at http://lacdmh.lacounty.gov/hipaa/edi_homepage.html and http://lacdmh.lacounty.gov/hipaa/IBHIS_EDI_homepage.htm

respectively, shall apply to this Agreement and that said Terms and Conditions are incorporated by reference as though fully set forth herein.

H. Contractor acknowledges that County participates in the Meaningful Use of Electronic Health Records Incentive Program (MU Program) under the HITECH Act which requires the annual submission of data documenting the compliance of eligible professionals with certain MU measures.

I. County and Contractor further understand and agree that mutual cooperation in the collection and reporting of MU Program measures may be required in cases in which both County and Contractor have employed or contracted the professional medical services of the same eligible professional during any calendar year in which the MU Program is in effect. In such cases, the requesting party shall deliver to the receiving party a letter on agency letterhead indicating the specific information requested, the format in which the information is to be delivered to the requesting party, and the required date of delivery of the information requested. The receiving party shall have thirty (30) days from receipt of the request to deliver the requested information to the requesting party in the format specified by the requester.

56. **TECHNOLOGY REQUIREMENTS**:

A. Contractor shall acquire, manage, and maintain Contractor's own information technology and systems and/or services in order to meet all functional and EDI transaction requirements as specified by County.

B. Contractor shall ensure that all individuals using electronic methods to sign electronic health records in the performance of work specified under this Agreement complete an Electronic Signature Agreement annually.

(1) Contractor shall maintain a copy of each Electronic Signature Agreement and make them available for inspection by County upon request.

(2) Contractor shall submit to County a Legal Entity Electronic Signature Certification to certify compliance with this provision of this Agreement. Contractors who implement electronic methods to sign electronic health records subsequent to the execution of this Agreement shall submit to County a Legal Entity Electronic Signature Certification immediately upon implementation.

(3) County has a Legal Entity Electronic Signature Certification and a sample Electronic Signature Agreement available at http://lacdmh.lacounty.gov/hipaa/edi_homepage.html

57. **COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM**:

A. Jury Service Program: This Agreement 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.

B. Written Employee Jury Service Policy:

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

(2) For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has an Agreement with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County Agreements or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per week or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90

days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract Agreement and a copy of the Jury Service Program shall be attached to the Agreement.

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

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

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

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

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

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

61. **CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE**: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the certification in Attachment VIII, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both (County Code Chapter 2.202).

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

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

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

of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

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

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

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

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

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the State, the Department of Consumer and Business Affairs and Internal Services Department (ISD) of this information prior to responding to a solicitation or accepting a contract award.

63. **FORCE MAJEURE**:

A. Neither party shall 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 sub-paragraph as "force majeure events").

B. Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet its obligations under this agreement. As used in this sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

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

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

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

66. **PUBLIC RECORDS ACT**:

A. Any documents submitted by the Contractor; 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 13 - Record and Audits of this Agreement; as well as those documents which were required to be submitted in response to any solicitation conducted by the County for any services and/or programs for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall 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.

(1) County shall notify Contractor upon receipt of a request for such marked documents.

B. In the event the County is required to defend an action on a Public Records Act request, following notification to Contractor, 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.

67. **SECURITY AND BACKGROUND INVESTIGATION**:

A. All Contractor staff performing services under this Contract who are in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of Contractor's staff passes or fails the background investigation.

B. If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.

C. County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.

D. Disqualification of any member of Contractor's staff pursuant to this Paragraph 67 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

68. **TIME OFF FOR VOTING**: The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

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

For the County, please use the following contact information:

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

For the Contractor, please use the following contact information:

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Attention: _____

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

COUNTY OF LOS ANGELES

By _____
ROBIN KAY, Ph.D.
Acting Director of Mental Health

_____
CONTRACTOR

By _____

Name_____

Title_____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Interim Chief, Contracts Development and Administration Division

DEFINITIONS

The following terms, as used in this Agreement, shall have the following meanings:

A. "ACA" means the Patient Protection and Affordable Care, Public Law 111–148, comprehensive health care reform passed by Congress and then signed into law by the President on March 23, 2010;

B. "Cal MediConnect" means the Centers for Medicare & Medicaid Services (CMS) and the State of California's three-year demonstration project to promote coordinated health care delivery to seniors and people with disabilities who are dually eligible for both of the State Medi-Cal program and the federal Medicare program;

C. "CalWORKs" means California Work Opportunities and Responsibilities to Kids Act, which under California Welfare and Institutions Code Section 11200 et seq. provides for mental health supportive services to eligible welfare recipients. CalWORKs funding consists of both federal and State funds;

D. "Cash Flow Advance" means County General Funds (CGF) furnished by County to Contractor for cash flow purposes in expectation of Contractor repayment pending Contractor's rendering and billing of eligible services/activities;

E. "CCR" means the California Code of Regulations;

F. "CDSS" means California Department of Social Services;

G. "CGF" means County General Funds;

H. "Cost Reimbursement" or "CR" means the arrangement for the provision of mental health services based on the reasonable actual and allowable costs of services provided under this Agreement, less all fees paid by or on behalf of patients/clients and all other revenue, interest and return resulting from the same services;

I. "County's Claims Processing Information System" means the current system employed by the Department of Mental Health to submit and process claims;

J. "Countywide Maximum Allowances" or "CMA" means County established maximum reimbursement rates for specialty mental health services provided by the Los Angeles County Department of Mental Health Legal Entity Contractors;

K. "CPT" means Physicians' Current Procedural Terminology as referenced in the American Medical Association standard edition publication;

DEFINITIONS CONTINUED

L. "Day(s)" means calendar day(s) unless otherwise specified;

M. "DCFS" means County Department of Children and Family Services;

N. "DHCS" means California Department of Health Care Services;

O. "Director" means County's Director of Mental Health or his authorized designee;

P. "DMH" means County's Department of Mental Health;

Q. "DPSS" means County's Department of Public Social Services;

R. "EOB" means `Explanation of Balance' for Title XIX Short-Doyle/Medi-Cal services which is the State Department of Health Services adjudicated claim data and `Explanation of Benefits' for Medicare which is the Federal designated Fiscal Intermediary's adjudicated Medicare claim data;

S. "EPSDT" means the Early and Periodic Screening, Diagnosis, and Treatment program, which is a requirement of the Medicaid program to provide comprehensive health care. Such State funds are specifically designated for this program;

T. "FFP" means Federal Financial Participation for Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities as authorized by Title XIX of the Social Security Act, 42 United States Code Section 1396 et seq.;

U. "Fiscal Intermediary" means County acting on behalf of the Contractor and the Federally designated agency in regard to and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities;

V. "Fiscal Year" means County's Fiscal Year which commences July 1 and ends the following June 30;

W. "Funded Program" means a set of services paid through a particular funding source for the benefit of a specific beneficiary (e.g., Medi-Cal/Healthy Families or Non-Medi-Cal/Non-Healthy Families). The Funded Program Amount is the basis for the provisional payment to the Contractor per Paragraph E of the Financial Exhibit A of the LAC-DMH LE Agreement. A Funded Program is made up of one or more Subprograms;

X. "Gross Program Budget" is the sum total of the Net Program Budget and all "Third Party Revenues" shown in the Financial Summary;

DEFINITIONS CONTINUED

Y. "GROW" means General Relief Opportunities for Work;

Z. "IMD" means Institutions for Mental Disease and includes hospitals, nursing facilities or other institutions of more than 16 beds that are primarily engaged in providing diagnosis, treatment or care of persons with mental disease, including medical attention, nursing care and related services;

AA. "Legal Entity" means a provider of mental health services as is described in Title 9 CCR section 1840.100;

BB. "Master Agreement List" means a list of contractors who have submitted a Statement of Qualifications (SOQ) in response to County's Request for Statement of Qualifications (RFSQ), and have met the minimum qualifications listed in the RFSQ, and who have an executed Master Agreement;

CC. "Maximum Contract Amount" is the sum total of all "Allocations" shown in the Financial Summary; except that the "Maximum Contract Amount" shall not include "Third Party Revenue" shown in the Financial Summary;

DD. "Medicaid Expansion under ACA in California" means expansion of Medi-Cal eligibility to additional low-income adults;

EE. "Mental Health Services Act" ("MHSA") means the initiative originally adopted by the California electorate on November 2, 2004, and as subsequently amended, which creates a new permanent revenue source, administered by the State, for the transformation and expanded delivery of mental health services provided by State and County agencies and which requires the development of integrated plans for prevention, innovation, and system of care services;

FF. "MHRC" means Mental Health Rehabilitation Centers certified by the DHCS;

GG. "Organizational Provider's Manual" is the Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services;

HH. "PATH" means Projects for Assistance in Transition from Homelessness Federal grant funds;

DEFINITIONS CONTINUED

II. "PHF" means a Psychiatric Health Facility. A Psychiatric Health Facility is a health facility licensed by the State Department of Mental Health, that provides 24 hour acute inpatient care on either a voluntary or involuntary basis to mentally ill persons; such care includes the following basic services: psychiatry, clinical psychology, psychiatric nursing, social work, rehabilitation, drug administration, and appropriate food services for those persons whose physical health needs can be met in an affiliated hospital or in outpatient settings;

JJ. "Request for Services" ("RFS") is a second solicitation process to Contractors on a pre-qualified Master Agreement that requests specific and detailed services as defined in a Statement of Work at a time when such services are needed;

KK. "Request for Statement of Qualifications" ("RFSQ") means a solicitation based on establishing a pool of qualified vendors/contractors to provider services through a Master Agreement;

LL. "SAMHSA" means Substance Abuse and Mental Health Services Administration Federal block grant funds;

MM. "Sensitive Position" means, per Resolution of the Board of Supervisors of the County, any position involving duties which pose a potential threat or risk to the County or to the public when performed by persons who have a criminal history incompatible with those duties, whether those persons are employees of the County or perform those services pursuant to contract;

NN. "SDMH" means State Department of Mental Health; – Assembly Bill 102, signed by Governor Brown on June 28, 2011, directs the transfer of Medi-Cal related mental health services to DHCS therefor any reference to SDMH in Agreement should mean DHCS; unless otherwise specifically stated to mean "SDMH";

OO. "SFC" means Service Function Code, as defined by Director, for a particular type of mental health service, and/or Title XIX Medi-Cal administrative claiming activity;

PP. "SNF-STP" mean Skilled Nursing Facility licensed by the DHCS, with an added Special Treatment Program certified by the California Department of Public Health;

QQ. "State" means the State of California;

DEFINITIONS CONTINUED

RR. "Statement of Qualifications" ("SOQ") means a contractor's response to an RFSQ;

SS. "Statement of Work" ("SOW") means a written description of services desired by County for a specific Work Order;

TT. "Subprogram" means a set of services for a specific purpose. The Subprogram Amounts are allocated and/or awarded based on Contractors' areas of expertise and their ability to provide specific services and/or serve specific populations. The Subprogram Amounts will be used to monitor the provision of mental health services within the Funded Program and will not be used at cost settlement;

UU. "Title IV" means Title IV of the Social Security Act, 42 United States Code Section 601et seq.;

VV. "Title XIX" means Title XIX of the Social Security Act, 42 United States Code Section 1396 et seq.;

WW. "Title XXI" means Title XXI of the Social Security Act, 42 United States Code Section 1396 et seq.;

XX. "UMDAP" means DHCS's Uniform Method of Determining Ability to Pay;

YY. "WIC" means the California Welfare and Institutions Code; and

ZZ. "Work Order" means a document, which includes a Statement of Work, requesting Bids for specific services from a pre-qualified pool of Contractors that have Master Agreements. An executed Work Order becomes part of the Master Agreement.

#41 OF JUN 14 2016

ATTACHMENT II

FINANCIAL EXHIBIT A
(FINANCIAL PROVISIONS)

FINANCIAL EXHIBIT A

(FINANCIAL PROVISIONS)

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EXHIBIT

EXHIBIT 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

FINANCIAL EXHIBIT A
FINANCIAL PROVISIONS

A. GENERAL

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

(a) For the purposes of the Agreement, 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 beneficiary or program (e.g., Medi-Cal or Non-Medi-Cal) as identified on a row on the Financial Summary.

(b) For the purposes of the Agreement, the "Funded Program Amount" is the amount identified in the last column of the Financial Summary for each Funded Program.

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

(d) The Contractor understands and agrees that the Medi-Cal Funded Program Amount(s) in the Financial Summary is provided based on Contractor's ability to provide specific services and/or serve specific populations, which may include but is 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); existing Title XIX Short-Doyle/Medi-Cal Program for individuals with low income and resources such as children and families, pregnant women, seniors, and persons with disabilities; and Medicaid (Medi-Cal in California) Coverage Expansion under the Affordable Care Act, as set forth in the Negotiation Package. Therefore, Contractor shall ensure

access and provision of a full array of Specialty Mental Health Services to all eligible beneficiaries based on client needs as set forth in the Negotiation Package under this Agreement.

(e) The Contractor understands and agrees that the Financial Summary is the aggregation of funds provided under distinct subprograms that are allocated or awarded based on Contractor's areas of expertise and its ability to provide specific services and/or serve specific populations through specialized programs as indicated in Contractor's Subprogram Schedule in the Negotiation Package, which must be approved by the Director. The Contractor understands and agrees that this aggregation of funds is intended to facilitate provisional payments to the Contractor for eligible services rendered under this DMH Legal Entity Agreement and to facilitate the ability of the County to obtain reimbursement from its funding sources, including federal and State reimbursement for eligible services to Medi-Cal beneficiaries.

(f) The Contractor understands and agrees that this aggregation of funds in the Financial Summary is not intended to allow Contractor to redirect funds that were originally allocated or awarded for the benefit of a specific population or for specific types of services.

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

(3) In order to reduce County costs, the Contractor shall comply with all applicable provisions of the Welfare and Institutions Code (WIC) and/or California Code of Regulations (CCR) related to reimbursement by non-County and non-State sources, including, but not limited to, collecting reimbursement for services from clients (which shall be the same as patient fees established pursuant to WIC Section 5710) and from private or public third-party payers. In addition, Contractor shall ensure that, to the extent a recipient of services under this Agreement is eligible for coverage under Medicaid or Medicare or any other federal or State funded program (an eligible beneficiary), services provided to such eligible beneficiary is properly identified and claimed to the Funded Program responsible for such services to said eligible beneficiary.

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

(b) To the extent that the County determines Contractor has improperly claimed 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 the said services to the appropriate Funded Program and/or require Contractor to void said claimed services and replace/resubmit said services for payment from the correct Funded Program, if applicable.

(4) The Countywide Maximum Allowances (CMA) are in effect during the Initial Period, the First Automatic Renewal Period, or the Second Automatic Renewal Period, or any part thereof, and shall be applicable to this Agreement as of the date adopted by DMH.

B. <u>LIMITATIONS ON MAXIMUM REIMBURSEMENT</u>

(1) The total maximum reimbursement that will be paid by County to Contractor under this Agreement, including Cash Flow Advances if applicable, for the Initial Period, First Automatic Renewal Period, the Second Automatic Renewal Period shall be, in no event, more than the Maximum Contract Amount (MCA) specified in Agreement, for the Initial Period, First Automatic Renewal Period, and the Second Automatic Renewal Period, respectively, of this Agreement.

(a) In addition to the general limitation of Paragraph B (1) of this Financial Exhibit A, in no event shall the maximum reimbursement that will be paid by County to Contractor under this Agreement for any Funded Program be more than the amount identified as the Funded Program Amount for each Funded Program, as stated on the Financial Summary for the Initial Period, First Automatic Renewal Period and the Second Automatic Renewal Period, as applicable.

(2) Contractor shall immediately provide written notice to the County when, based on the Contractor's own internal records, it has billed for services/activities under this

Agreement in an amount equal to seventy-five (75) percent of the total MCA or seventy-five (75) percent of the Funded Program Amount(s) during the Initial Period, First Automatic Renewal Period or the Second Automatic Renewal Period of this Agreement.

(a) Contractor shall send such notice to those persons and addresses which are set forth in the DMH Legal Entity Agreement, Paragraph 69 (NOTICES).

(b) Failure of Contractor to comply with Subparagraph (2) of this Paragraph B (LIMITATIONS ON MAXIMUM REIMBURSEMENT) will be considered a breach of this Agreement.

(3) Except as otherwise provided in this Agreement, the total MCA and/or the Funded Program Amount(s) for any of the periods specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraphs C (REIMBURSEMENT FOR INITIAL PERIOD) and D (REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED) may not be increased or decreased without a properly executed amendment to this Agreement. 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.

C. <u>REIMBURSEMENT FOR INITIAL PERIOD</u>

(1) The MCA for the Initial Period of this Agreement as described in Paragraph 1 (TERM) of the Legal Entity Agreement shall not exceed _____

_____

_____ DOLLARS ($_____) and shall consist of Funded Programs as shown on the Financial Summary.

D. REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED

(1) Reimbursement For First Automatic Renewal Period: The MCA for the First Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) of the DMH Legal Entity Agreement shall not exceed _____

_____

_____ DOLLARS ($_____) and shall consist of Funded Programs as shown on the Financial Summary.

(2) Reimbursement For Second Automatic Renewal Period: The MCA for the Second Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) of the DMH Legal Entity Agreement shall not exceed _____

_____

_____ DOLLARS ($_____) and shall consist of Funded Programs as shown on the Financial Summary.

E. 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 this Agreement, Contractor will utilize provisional rates based on a Cost Reimbursement methodology under this Agreement, except as may be provided under Subparagraph (4) of this Paragraph E (REIMBURSEMENT BASIS) of this Financial Exhibit A.

(a) Contractor shall calculate its requested provisional rates in accordance with the terms and limitations set forth in DMH Policy, *Provisional Rate Setting.*

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

(c) Notwithstanding any other provision of this Agreement, in no event may Contractor request a provisional rate that exceeds the CMA or request a provisional rate that exceeds Contractor's published charge(s) to the general public except if the Contractor is a Nominal Charge Provider.

(d) All provisional rates are subject to prior review and approval of the County consistent with the DMH Policy, *Provisional Rate Setting.*

(e) County's approval of Contractor's provisional rates does not guarantee payment at the provisional rate.

(f) Contractor shall be reimbursed provisionally based on Contractor's provisional rate, subject to and in accordance with the terms of this Agreement.

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

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

(4) 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 shall be referred to as a "Direct Charge." Such reimbursement shall be based on actual costs plus an administrative fee, if applicable, expressed as a percentage of actual costs, which shall be reviewed and approved in advance by the County.

(5) Unique Funded Program: To the extent that Contractor's Agreement includes a Funded Program which has billing and payment requirements that are not consistent with the provisions of this Paragraph E (REIMBURSEMENT BASIS), the special billing and

payment requirements shall be set forth in an amendment or other written from of addenda to this Financial Exhibit A memorializing the specific billing and payment requirement which shall be signed by Contractor and Director.

F. BILLING PROCEDURES

(1) If Title XIX Short-Doyle/Medi-Cal services, and/or MAA, and/or Title XXI MCHIP services are provided under this Agreement, Contractor authorizes County to serve as the Mental Health Plan for State claiming and reimbursement and to act on Contractor's behalf with SDHCS in regard to claiming.

(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 the MAA data base system and/or claims for actual costs submitted as Direct Charges to County for any Funded Program covered by this Agreement are true and accurate to the best of Contractor's knowledge.

(b) Contractor shall annually provide the additional certification set forth in the "Contractor Claims Certification for Title XIX Short-Doyle/Medi-Cal and Title XXI Medicaid Children's Health Insurance Program Reimbursements" (Exhibit A–1 to this Attachment II) related to the Contractor's compliance with specific State and federal statutory and regulatory requirements which are conditions for the reimbursement of Title XIX Short-Doyle/Medi-Cal and/or MAA and/or Title XXI MCHIP claims.

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

(a) Contractor must submit claims within thirty (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 Short-Doyle/Medi-Cal or under Title XXI MCHIP, within six (6) 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 (ii) a replacement claim for services under Title XIX

Short-Doyle/Medi-Cal or under Title XXI MCHIP within nine (9) 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) Notwithstanding Subparagraph (3) (a) of this Paragraph (F) (BILLING PROCEDURES), 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.

(c) In addition to all other limitations provided in this Paragraph F (BILLING PROCEDURES), claims for all services provided through June 30th of a given fiscal year under Categorically Funded Programs as set forth in the Financial Summary shall be entered into the County's claims processing information system no later than July 15th of the subsequent fiscal year.

(d) In the event the State or federal government denies any or all claims submitted by County on behalf of Contractor, County will not be responsible for any payment obligation and, accordingly, Contractor shall not seek or retain payment from County and shall 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 Subparagraphs (3) (a) and (b) of this Paragraph F (3) (BILLING PROCEDURES), except any claims which are denied due to the fault of the County. Any controversy or dispute arising from such State or federal denied claims shall be handled by Contractor in accordance with the applicable State and/or federal administrative appeal process

(e) Contractor shall, as soon as practicable, notify County of any delay in meeting the timeframe for submitting claims specified in Subparagraph (3) of this Paragraph F (BILLING PROCEDURES) in the event Contractor is not able to make timely data entry 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 shall be pursuant to the DMH Legal Entity Agreement, Paragraph 69 (NOTICES), and such

notification shall also be made by Contractor to the DMH Chief Information Office Bureau's Help Desk.

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

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

(g) 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 shall 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 F (BILLING PROCEDURES) shall be extended by the number of calendar days reasonably based on the time the system is inactive.

(4) Institutions for Mental Diseases (IMD): If Contractor is an IMD, Contractor shall, no later than the 15th of each month, submit an invoice to the County for patient days approved in writing by the County for the previous month. Said invoice shall be in a form as specified by the County, and will include an itemized accounting of all charges for each

patient day. Invoices shall be submitted to the persons and at the address identified in Paragraph Y (PAYMENT AND INVOICE NOTIFICATIONS).

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

(a) County may modify the County's MAA data base 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 shall notify Contractor in writing prior to implementing any such modification and the reason, if known, for the modification and the planned implementation date of the modification.

(6) Direct Charges: Contractor shall submit invoices for Direct Charges within sixty (60) calendar days of the end of the month in which the eligible expense was incurred. Such invoice shall be in the form and include the content specified by County for each Funded Program. Invoices shall be submitted to the persons and at the address identified in Paragraph Y (PAYMENT AND INVOICE NOTIFICATIONS) of this Financial Exhibit A. Failure to comply with the terms specified in Subparagraph (6) of this Paragraph F (BILLING PROCEDURES) may result in non-payment of said invoice.

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

G. <u>COUNTY PAYMENT FOR SERVICES RENDERED</u>

(1) <u>General</u>: County agrees to reimburse Contractor for services rendered under Funded Programs during the term of this Agreement based on the provisional rates approved to in writing by the County for the Initial Period, First Automatic Renewal Period and Second Automatic Renewal Period, as applicable, subject to all of the rules, regulations and policies established by the County, State and/or federal governments regarding

payment and reimbursement of services, and in accordance with the terms of this Agreement.

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

(a) County shall 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 this Agreement, but no more than sixty (60) calendar days after submission and approval. County shall 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 shall be paid no more than sixty (60) calendar days after receipt of a complete and accurate invoice, subject to the limitations and conditions specified in this Agreement.

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

H. BILLING AND PAYMENT LIMITATIONS

(1) Provisional Payments: County payments to Contractor for performance of eligible services hereunder are provisional until the completion of all settlement activities and audits, as such payments are subject to future County, State and/or federal adjustments. County adjustments to provisional payments to Contractor will be based upon the local match funds amount specified in the Financial Summary, County's claims processing information system data, MAA data base information, State adjudication of Medi-Cal claims files, contractual limitations of this Agreement, annual cost report, 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, all of which take precedence over monthly claim reimbursements provided by County. County and Contractor acknowledge that the references in this Paragraph H

(BILLING AND PAYMENT LIMITATIONS) represent examples only and are not intended, nor shall be construed, to represent all of the circumstances or conditions that may result in adjustments to provisional payments.

(2) Other Limitations for Certain Funded Programs: In addition to all other limitations provided in this Paragraph H (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 shall 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 delivery of appropriate and associated services. If the County reasonably determines from a review of Contractor's service and billing records that the Contractor failed to deliver required services associated with such Direct Charge(s), County shall have the right to adjust and/or recover provisional payment(s) associated with such Direct Charge(s). The recovery from Contractor shall 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 S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY) and Paragraph Y (PAYMENT AND INVOICE NOTIFICATIONS).

(3) Adjustment of Claims Based on Other Data and Information: The County shall 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, 835 data, and Contractor's annual Cost Report, all of which shall supersede and take precedence over the claimed amount submitted by Contractor.

(4) Adjustment of Claims for Agreement Compliance: Director, in his/her sole discretion and at any time and without prior written notice to Contractor, may take any necessary actions required to ensure that Contractor shall not be paid a sum in excess of the amount due to the Contractor under the terms and conditions of this Agreement. 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 provisional 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 shall provide Contractor with written notice of the County's decision to take such action(s), including the reason(s) for the action. Thereafter, Contractor may, within ten (10) calendar days of Contractor's receipt of the notification, request reconsideration of the County's decision. Contractor may request in writing, and shall 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 shall, within fifteen (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 fifteen (15) calendar days of said meeting, County shall, 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.

(d) In the event of failure of Contractor to timely notify County of its intended disposition of questioned claims, County reserves the right to take such action as is necessary as to preserve possible reimbursement of said claims from a funding source. 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) <u>County Withhold of Payment for Contractor Lapse in Providing Service Data</u>: If Contractor fails to submit service data as required by County, then the County may, in its discretion, withhold all or a portion of its payment until County is in receipt of complete and correct service data and such service data has been reviewed and approved by Director.

(a) Prior to withholding payment, Director shall provide Contractor with at least thirty (30) calendar days written notice of the County's decision to withhold payment, including the reason(s) for the intended action and the identification of the incomplete or

incorrect service data. Thereafter, Contractor may, within fifteen (15) calendar days, request reconsideration of the County's decision.

(b) Upon receiving a request for reconsideration from Contractor, County shall, within fifteen (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 a date for submitting the complete and correct data.

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

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

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

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

(b) Upon receiving a request for reconsideration from Contractor, County shall, within fifteen (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 fifteen (15) calendar days of said meeting, County shall, in writing, notify Contractor of its final decision. The decision of the Director will be final.

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

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

(b) Upon receiving a request for reconsideration from Contractor, County shall, within fifteen (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 fifteen (15) calendar days of said meeting, County shall, in writing, notify Contractor of its final decision. The decision of the Director will be final.

(8) No Payment for Services Rendered Following Expiration/Termination of Agreement: Contractor shall 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 this Agreement or any part thereof. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

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

I. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

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

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

(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 unilaterally reduce its payment obligation under this Agreement to implement such Board of Supervisors reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement, and the services to be provided by the Contractor under this Agreement shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such action. Except as set forth above in Subparagraph (3) of this Paragraph I (LIMITATIONS OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS) and Subparagraph (5) of Paragraph J (CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS), the Contractor shall continue to provide all of the services set forth in this Agreement.

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

(5) Notwithstanding any other provision of this Agreement, 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 shall 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 shall be effected by a duly executed amendment to this Agreement.

J. CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS

(1) Funds under this Agreement are provided for the delivery of mental health services to eligible beneficiaries under each of the Funded Programs identified in the 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 this Agreement as outlined in DMH Policy, *Shifting Guidelines for the Legal Entity Agreement.*

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

(4) Contractor also shall not charge services delivered to an eligible beneficiary for Medi-Cal to the Non-Medi-Cal Funded Program Amount except in such cases where a client's eligibility for benefits is being established or determined. 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 shall void the original claims for services provided on or after the effective date that Medi-Cal services became eligible for reimbursement, and replace/resubmit such claims for Medi-Cal under the correct Funded Program.

(5) Contractor shall be responsible for delivering 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 shall provide thirty (30) calendar days prior

written notice to County. Contractor shall thereafter refer clients to County or to another appropriate Contractor.

(a) Contractor shall not be required to provide the notice required under Subparagraph (5) of this Paragraph J (CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS) if the County reduces funding to the Contractor under Paragraph I (LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS) whether such reductions occur at the beginning or during a fiscal year. In addition, if County reduces or eliminates funding for a specific Funded Program, or portion thereof, Contractor shall not be responsible for continuing services for those clients served by the Funded Program, or portion thereof.

K. <u>CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS</u>

(1) County and Contractor may by written amendment reduce programs or services and revise the applicable Maximum Contract Amount and/or Funded Program Amount. The Director shall provide fifteen (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 shall be effected by a formal amendment or administrative amendment by Director to this Agreement.

(2) Contractor shall be responsible for delivering and monitoring services so that Contractor can provide continued and uninterrupted provision of quality eligible services to eligible beneficiaries as specified in this Agreement, to the extent funding is provided by County. Notwithstanding Subparagraph (1) of this Paragraph K (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS), if the County reasonably determines the Contractor will not meet expectations listed in Subparagraph (3), County may notify Contractor to discuss and determine whether a corrective action plan (CAP) will be required.

(3) Without limiting Contractor's obligations under this Agreement, Contractor shall meet the following expectations:

(a) Contractor will not deviate twenty-five (25) percent or more from its projected claim amount for any provider number/funding source based on a quarterly review of Schedule 8 (Legal Entity Mental Health Plan) of the approved Negotiation Package;

(b) Contractor will not deviate fifteen (15) percent or more from any projected subprogram amount, based on a quarterly review of Schedule 9 (Subprogram Schedule) of the approved Negotiation Package; and

(c) Contractor will meet performance and/or outcome expectations that are specified in the Agreement and/or any Service Exhibit, that may be developed with contractors' input and are specified in program Service Exhibits, and/or are set forth in Department guidelines, directives, and/or practice parameters.

(4) If a CAP is issued and Contractor fails to comply with such CAP, County may implement options listed in subdivions (a), (b), and/or (c) to safeguard County's mission to ensure access to quality services for all client populations and to ensure the types of services and supports necessary to assist clients in achieving hope, wellness, and recovery.

(a) Restrict Contractor from expending any more funds allocated for the program(s) at issue and the County's intent to reallocate funds to another program budget category for the same period within this Agreement, and/or reallocate such funds for the efficient use of such funds.

(b) Decrease the amount of funds allocated in subsequent fiscal years for the program(s) at issue and reallocate such funds for the efficient use of such funds;

(c) Terminate specific programs within the Contractor's Agreement and/or the Contractor's Agreement in its entirety for failure to meet performance and/or outcome expectations as specified in program service exhibits and/or Department guidelines, directives, and practice parameters.

Prior to implementing options (a), (b), and/or (c) of Subparagraph (4), County shall provide fifteen (15) business days prior written notification to Contractor of County's intent to implement one or more such options. Such notification shall include an explanation of how the County reached the conclusion that Contractor not meeting the expectations listed in Subparagraph (3) copies of relevant data, such as but not limited to County information system reports used by County in making this decision; the nature and amount of proposed

funding changes; and any proposed changes in the amount of services to be provided by Contractor.

(5) In the event Contractor believes that an adjustment under Subparagraph (4) of this Paragraph K (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS) is unjustified, Contractor may, within the fifteen (15) business days notice period, so notify the Director in writing, and request a meeting with County to review County's documentation. Any such meeting shall be held within thirty (30) calendar days of the initial written notification. If Contractor fails to meet with County in this period of time, and County has provided an opportunity to meet within that time period, Contractor is deemed to have waived its opportunity to meet with County and accepts County recommended changes to its MCA; Funded Program Amount; and/or program/service delivery up to and including termination of specific programs and/or the entire Agreement.

If, after any such meeting, it is still determined that an adjustment under this Subparagraph (4) of Paragraph K (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS) is justified, the County shall take the appropriate action, as provided above. Director shall provide final prior written notice to Contractor of such action(s), including any changes in the amount of services to be received by County, and the determination of the Director will be final. Any such change in Contractor's Agreement, including termination of programs with the Agreement and/or the entire Agreement shall be effected by an administrative amendment to this Agreement issued by Director. Changes that are based on one-time circumstances will be applicable to the current contract year only and shall not result in reductions (or increases) of MCA and/or Funded Program Amount in subsequent 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.

The determination by the Director shall be effective upon the receipt of such final prior written notice by Contractor and the changes to funding and services shall be incorporated into this Agreement as of the date of receipt. 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 this Agreement. By executing this Agreement, Contractor specifically consents to the prospective adjustments set forth in this provision up to and including termination of programs and/or the Agreement.

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

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

Contractor shall 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 this Agreement for these Funded Programs, does so as the Mental Health Plan for the State and federal governments.

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

(4) County, as the Mental Health Plan, shall submit to the State in a timely manner claims for Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI MCHIP services only for those services/activities identified and

entered into the County's claims processing information system and/or into the Medi-Cal Administrative Activities data base system, as appropriate, which are compliant with State and federal requirements. County shall make available to Contractor any subsequent State approvals or denials of such claims within thirty (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 Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI MCHIP services is contingent upon reimbursement from the State and federal governments and that County's provisional payment for said services does not render County in any way responsible for payment of, or liable for, Contractor's claims for payment for these services.

(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 this Agreement, Contractor shall 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 shall repay to County the amount paid by County to Contractor for Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI MCHIP services/activities which are subsequently denied or disallowed by the County, State, and/or federal governments. In no event shall County be liable or responsible to Contractor for any State approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, 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 Short-Doyle/Medi-Cal services and/or Title XXI MCHIP services and/or MAA under federal requirements consists of federal and local match, and such local match may consist of County and/or State funds. Contractor acknowledges that if such services are subsequently denied, voided, and/or disallowed,

County shall make a full recovery of such payments, including State and local match amounts.

(10) Notwithstanding any other provision of this Agreement, 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 L (LIMITATION ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES, MEDI-CAL ADMINISTRATIVE ACTIVITIES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM). Such demand for repayment and Contractor's repayment shall be in accordance with Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE 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 shall 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 L (LIMITATION ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES, MEDI-CAL ADMINISTRATIVE ACTIVITIES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM) shall be construed to limit Contractor's rights to appeal State and federal settlement and/or audit findings in accordance with the applicable State and federal regulations.

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

(1) Contractor shall 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 Welfare and Institutions Code Sections 5709 and 5710.

(b) The eligibility of patients/clients for Short-Doyle/Medi-Cal, 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 shall pursue and report collection of all patient/client and other revenue.

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

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

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

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

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

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

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

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

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

(1) The Cash Flow Advance (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 this Agreement during the applicable period.

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

(3) CFA disbursement(s), if any, shall be part of the total maximum reimbursement, which is limited to the MCA as specified in Paragraph B (LIMITATIONS ON MAXIMUM REIMBURSEMENT).

(4) CFA is intended to provide cash flow to Contractor pending Contractor's rendering and billing of eligible services/activities, as identified in DMH Legal Entity Agreement Paragraph 5 (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) No CFA will be given if a Contractor has not been certified as an eligible Medi-Cal service provider unless otherwise agreed to by County.

(6) Notwithstanding any other provision to the contrary, funding for Wraparound Case Rate (i.e., Specialized Foster Care Wraparound Invoice Funded Program) shall not be included when computing monthly CFA amount(s).

(7) 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 County on or before the 15th of that month (i.e., for the month of July 2014, the request must be received by July 15, 2014).

i. If the letter requesting CFA is received by the County from the Contractor after the 15th 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 mail, fax or email (PDF file) to the Department of Mental Health Financial Services Bureau – Accounting Division, Provider Reimbursement Section (PRS).

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

(c) Upon receipt of a request, Director, in his/her sole discretion, shall 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 ten (10) business days of the decision, including the reason(s) for non-approval. Thereafter, Contractor may, within fifteen (15) calendar days, request reconsideration of the decision.

(8) 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 of claims received from Contractor. The County's claims payment process is initiated immediately upon County receipt from Contractor of a reimbursement claim.

(9) Business Rules for the Determination of the Maximum Amount of the Cash Flow Advance Request:

(a) For each of the first two (2) months of each period that this Agreement 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 shall 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 shall the monthly CFA requested by Contractor

exceed 1/12th of MCA as identified on the Financial Summary as of the specified month the CFA is requested.

(b) In case the Agreement is amended to increase or reduce the Maximum Contract Amount during the first two months during which the Contractor may request and receive CFA, the CFA amount shall be recalculated for the remaining month(s) based on the effective date of the amendment. For the month in which the amendment is executed, the revised CFA amount shall be based on the effective date of the amendment, and if such effective date falls between the first and the 15th of the month, the revised CFA amount will be adjusted based on the total amount of the change in the MCA; and if the effective 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 (9) (a) of this Paragraph N (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 F (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 his/her sole discretion, to constitute an extraordinary circumstance beyond Contractor's control. The County in its sole discretion shall 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 shall respond accordingly within fifteen (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.

(10) Recovery of Cash Flow Advances: If Contractor has received any CFA pursuant to this Paragraph N (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED), then recovery from Contractor's monthly

claims shall be made through cash payment made by Contractor to County and/or County offsets to County payment(s) of Contractor's approved claim(s) as follows:

(a) Generally, when Contractor rendering 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's rendering and submitting of appropriate services and activities into the County's claims processing information system and/or the submission of invoices for direct charges. The determination to begin recovery of CFA balance in July of the following fiscal year, or at such time as payments to Contractor, including the CFA, reach the MCA, is based on the presumption that when a contractor is meeting its contractual levels, then the Contractor will have rendered sufficient services/activities and entered such services/activities into the County's claims processing information system by September 30 following the end of the fiscal year. September 30 is the date by which all or a substantial portion of the Contractor's prior fiscal year's claims should have been received from Contractor and processed by County.

(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 N (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED) prior to July 1. If County intends to initiate recovery of the CFA prior to July 1, County will give Contractor thirty (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 September 30 following the fiscal year close. Contractor may, within fifteen (15) calendar days of the receipt of County's written notice, request reconsideration of the County's decision.

(c) Should a Contractor have any remaining CFA balance for a particular fiscal year at such time as the State SD/MC Cost Report is complete, County will perform an analysis to determine the amount of unearned CFA balance based on the SD/MC Cost Report and Contractor repayment of the unearned CFA balance shall be conducted as

specified in Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY) unless otherwise agreed to by County.

(11) When Contractor's CFA balance is zero in any fiscal year of the term of this Agreement, any County and/or State and/or federal government(s) approved Contractor reimbursement claims for eligible services/activities will be disbursed in accordance with the terms and conditions of this Agreement.

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

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

O. ANNUAL COST REPORTS

(1) For each fiscal year or portion thereof that this Agreement is in effect, Contractor shall provide County with two (2) copies of an accurate and complete Annual Cost Report, along with a statement of expenses and revenue, and a Cost Report Certification. The statement of expenses and revenue and Cost Report Certification must be signed by a Contractor's executive official or designee, by the due date specified in Subparagraph (4) of this Paragraph O (ANNUAL COST REPORTS).

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

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

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

(a) Failure by Contractor to submit an Annual Cost Report within thirty (30) calendar days after the due date specified in above Subparagraph (4) of this Paragraph O (ANNUAL COST REPORTS) shall constitute a breach of this Agreement.

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

(A) In such instance that Contractor does not submit an Annual Cost Report(s) by such thirty (30) calendar days after the applicable due date specified in Subparagraph (4) of this Paragraph O (ANNUAL COST REPORTS), then all amounts covered by the outstanding Annual Cost Report(s) and paid by County to Contractor for the fiscal year for which the Annual Cost Report(s) is (are) outstanding shall be due by Contractor to County. Contractor shall pay County according to the method described in Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY). Such payments shall be submitted to the persons and at the address identified in Paragraph Y (PAYMENT AND INVOICE NOTIFICATIONS).

(B) If this Agreement is automatically renewed as provided in DMH Legal Entity Agreement Paragraph 1 (TERM), then County may opt to suspend payments to Contractor under this Agreement until the Annual Cost Report(s) is (are) submitted. County shall give Contractor at least fifteen (15) business days written notice of its intention to suspend payments hereunder, including the reason(s) for its intended action. Thereafter, Contractor shall have fifteen (15) business days either to correct the deficiency, or to request reconsideration of the decision to suspend payments. Payments to Contractor shall not be suspended during said fifteen (15) business days provided to correct the deficiency or, if reconsideration is requested, pending the results of the reconsideration process.

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

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

ii. Liquidated damages shall be assessed commencing on September 16th or on the seventy-sixth (76th) day following the expiration or earlier termination of this Agreement and shall continue until the outstanding Annual Cost Report(s) is (are) received.

iii. Upon written request from the County, Contractor shall, within thirty (30) calendar days, submit to the County payment for said damages. Said Payment shall be submitted to the persons and at the address identified in Paragraph Y (PAYMENT AND INVOICE NOTIFICATIONS).

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

(5) Each Annual Cost Report shall be prepared by Contractor in accordance with the Centers for Medicare and Medicaid Services' Publications #15-1 and #15-2; "The Provider Reimbursement Manual Parts 1 and 2;" the State's Cost and Financial Reporting System (CFRS) Instruction Manual; and any other written guidelines that shall be provided to Contractor at the Cost Report training, to be conducted by County on or before June 30 of the fiscal year for which the Annual Cost Report is to be prepared.

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

(b) Failure by the Contractor to attend the Cost Report Training shall be considered a breach of this Agreement that will result in damages being sustained by the County. County and Contractor agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to attend the Cost Report Training. The County and Contractor hereby agree that a reasonable estimate of said damages is $100 per occurrence. Therefore, County may, in its sole discretion, assess

liquidated damages in the amount of $100 for Contractor's non-attendance at the Cost Report Training. Said Payment shall be submitted to the persons and at the address identified in Paragraph Y (PAYMENT AND INVOICE NOTIFICATIONS).

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

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

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

P. <u>OTHER REQUIREMENTS FOR CONTRACTORS PROVIDING TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES, MEDI-CAL ADMINISTRATIVE ACTIVITIES AND/OR TITLE XXI MEDICAID CHILDREN'S HEALTH INSURANCE PROGRAM SERVICES</u>

(1) Contractor shall maintain records documenting all Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI MCHIP services for a period of seven (7) years from the end of the fiscal year in which such services were provided or until three (3) years after final resolution of any audits or appeals, whichever occurs later.

(2) Contractor shall complete and certify, in accordance with State and County instructions, and provide DMH with two (2) copies of an accurate and complete Specialty Mental Health Services (SMHS) Reconciliation Report, also referred to as Title XIX Short-Doyle/Medi-Cal Reconciliation Report, at the legal entity level by the due date set by the State for the applicable fiscal year.

(a) Should Contractor fail to provide County with the SMHS Reconciliation Report by the due date, then Director, in his/her sole discretion, shall determine which State

approved Short-Doyle/Medi-Cal services shall be used by County for completion of the SMHS Reconciliation Report.

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

Q. SPECIALTY MENTAL HEALTH SERVICES RECONCILIATION AND SETTLEMENT

(1) Based on the Annual Cost Report(s) submitted pursuant to Paragraph O (ANNUAL COST REPORTS) and the most updated State Medi-Cal approvals and County claims information, at the end of each fiscal year or portion thereof that this Agreement is in effect, the State and County will perform an SMHS Reconciliation and Settlement.

(a) Upon initiation and instruction by the State, County will begin the SMHS Reconciliation process with Contractors.

(b) County will perform settlement upon receipt of State Reconciliation Settlement to the County.

(2) Such reconciliation and settlement will be subject to the terms and conditions of this Agreement and any other applicable State and/or federal statutes, regulations, policies, procedures and/or other requirements pertaining to cost reporting and settlements for Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI MCHIP, and other applicable federal and/or State programs.

(3) SMHS Reconciliation Settlement shall be subject to the limitations contained in the Financial Summary. Such limitations include, but are not limited to:

(a) Available Match funds as indicated in Column D of the Financial Summary;

(b) Actual submitted and approved claims to those third-parties providing funds in support of specific Funded Programs;

(c) Funded Program Amounts;

(4) County shall issue its SMHS Reconciliation Settlement results no later than 180 calendar days after the receipt by County from the State of the State's Cost Report Settlement package and payment for a particular fiscal year.

(a) As part of its SMHS Reconciliation Settlement, County shall identify any amounts due to Contractor by the County or due from the Contractor to the County.

(b) Upon issuance of the County's SMHS Reconciliation Settlement results, Contractor may, within thirty (30) calendar days, submit a written request to the County for review of the SMHS Reconciliation Settlement results.

i. Upon receipt by County of the Contractor's written request, the County shall, within thirty (30) calendar days, meet with the Contractor to review the SMHS Reconciliation Settlement results and to consider any documentation or information presented by the Contractor. Contractor may waive such meeting and elect to proceed based on written submission at its sole discretion.

ii. Within thirty (30) calendar days of the meeting specified above in Subparagraph (4) (i) of this Paragraph Q (SPECIALTY MENTAL HEALTH SERVICES RECONCILIATION AND SETTLEMENT), County shall issue a response to the Contractor including confirming or adjusting any amounts due to Contractor by the County or due from Contractor to the County.

(5) In the event that the SMHS Reconciliation Settlement indicates that the Contractor is due payment from the County, County shall initiate the payment process to Contractor within thirty (30) calendar days following the expiration of the date to request a review as specified above in Subparagraph (4) (b) of this Paragraph Q (SPECIALTY MENTAL HEALTH SERVICES RECONCILIATION AND SETTLEMENT) or issuance of the County response as specified above in Subparagraph (4) (b) (ii) of this Paragraph Q (SPECIALTY MENTAL HEALTH SERVICES RECONCILIATION AND SETTLEMENT), whichever is later.

(6) In the event that the SMHS Reconciliation Settlement indicates that the Contractor owes payment to the County, Contractor shall make payment to the County in accordance with the terms of Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY). Said payment shall be submitted to the persons and at the address identified in Paragraph Y (PAYMENT AND INVOICE NOTIFICATIONS).

(7) Regardless of any other provision of this Paragraph Q (SPECIALTY MENTAL HEALTH SERVICES RECONCILIATION AND SETTLEMENT), reimbursement to Contractor shall not exceed the MCA and shall not exceed the Funded Program Amount, as identified on the Financial Summary.

R. AUDITS, AUDIT APPEALS AND POST-AUDIT APPEAL SHORT-DOYLE/MEDI-CAL (SD/MC) SETTLEMENT

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

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

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

(a) County shall issue Post-Audit SD/MC Settlement to Contractor for any amount due County or due to Contractor no later than ninety (90) calendar days after the State issues its audit report to the County.

(b) If the Post-Audit SD/MC Settlement determines that the amount paid by County to Contractor for any units furnished hereunder are more than the amounts allowable pursuant to this Agreement, then the difference shall be due by Contractor to County upon the State and/or federal collection from County of the amount due, or after exhausting all appeals, if any, whichever occurs first. Contractor shall make payment to the County in accordance with the terms of Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY). Said payment shall be submitted to the persons and at the address identified in Paragraph Y (PAYMENT AND INVOICE NOTIFICATIONS).

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

(d) In the event that Post-Audit SD/MC Settlement indicates that Contractor is due payment from County, County shall initiate the payment process to Contractor within thirty (30) days of settlement issuance date.

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

(4) SD/MC Audit Appeals: Contractor may appeal any such audit findings in accordance with the audit appeal process established by the party performing the audit.

(a) For federal audit exceptions, federal audit appeal processes shall be followed.

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

(5) Post-Audit Appeal SD/MC Settlement:

(a) If at any time the Appeal process results in a revision to the audit findings, and the State recalculates the audit settlement of the SD/MC cost report for a particular year and settles with County, County will perform a post-audit appeal Short-Doyle/Medi-Cal re-computed settlement after the State issues its revised settlement with the County, based on the State appeal resolution.

i. If the post-audit appeal SD/MC re-computed settlement results in amounts due to Contractor by the County, County shall initiate the payment process to Contractor within thirty (30) calendar days of issuing the post-audit appeal SD/MC re-computed settlement to Contractor.

ii. If the post-audit appeal SD/MC re-computed settlement results in amounts due from Contractor to the County, Contractor shall make payment to the County in accordance with the terms of Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY). Said payment shall be submitted to the persons and at the address identified in Paragraph Y (PAYMENT AND INVOICE NOTIFICATIONS).

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

(6) County Audits: Should the auditing party be the County, Contractor will have thirty (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 shall indicate the persons and address to which the appeal should be directed. County shall consider all information and argument provided by Contractor with its appeal, and will issue its decision on the appeal after such consideration. Such decision is final. County will issue an invoice for any amount due County fifteen (15) calendar days after County has notified Contractor of the County's audit appeal findings. Contractor shall make payment to the County in accordance with the terms of Section S (PAYMENT OF AMOUNTS DUE TO COUNTY). Said payment shall be submitted to the persons and at the address identified in Paragraph Y (PAYMENT AND INVOICE NOTIFICATIONS).

S. METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY

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

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

(b) Deducted from future claims over a period not to exceed three (3) months;

(c) Deducted from any amounts due from County to Contractor whether under this Agreement or otherwise over a period not to exceed three (3) months;

(d) Paid by cash payment(s) by Contractor to County over a period not to exceed three (3) months; or

(e) A combination of any or all of the above.

(2) If Contractor does not so notify County within such ten (10) days, or if Contractor fails to make payment of any such amount to County as required, then Director, in his/her sole discretion, shall determine which of the above five payment options shall be used by County for recovery of such amount from Contractor.

(3) Under extraordinary circumstances, Contractor may request in writing an extension of the payment period referenced in Subparagraph (1) of Paragraph S (METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY). If approved by County, any such amount due by Contractor to County shall be paid by cash payments and/or deducted from future claims or any amounts due from County to Contractor over a period not to exceed twelve (12) months.

(a) In such instance that Contractor can not meet the timeline approved by the County, Contractor shall provide County and its authorized representatives access to and the right to audit pertinent financial records relating to this Agreement.

T. INTEREST CHARGES ON DELINQUENT PAYMENTS

(1) If Contractor, without good cause as determined in the sole judgment of Director, fails to pay County any amount due to County under this Agreement within sixty (60) calendar days after the due date, then Director, after written notice to Contractor, may assess interest charges on such late payment.

(a) The amount of said interest charge shall be calculated at a rate equal to County's Treasury Pool Rate, as determined by County's Auditor-Controller, on the delinquent amount due commencing on the sixty-first (61st) calendar day after the due date.

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

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

U. FINANCIAL SOLVENCY

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

V. COUNTY AND CONTRACTOR REQUESTED CHANGES

(1) If Contractor desires any change in the terms and conditions of this Agreement, Contractor shall request such change in writing prior to April 1 of the fiscal year for which the change would be applicable, except as otherwise provided in Paragraph X

(SURVIVAL: AMENDMENTS TO MAXIMUM CONTRACT AMOUNT AND FINANCIAL SUMMARY (ATTACHMENT III) or unless otherwise agreed to by County.

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

(b) All changes requested by the Contractor shall be followed by a Mid-Year Change to the last approved Negotiation Package to be submitted by the Contractor, which must be approved by the Director as specified in DMH Notice, *Negotiation Package Submission Procedures.*

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

(a) Contactor's request for consideration of an increase in the MCA or in the 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 shall be in the form of an executed amendment to this Agreement. Director will make best efforts to expedite the amendments provided under this Subparagraph (2) (a) of this Paragraph V (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 shall not be responsible for payment, 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 or Second Automatic Renewal Period, respectively.

(3) If County requires changes per options (a) and/or (b) as specified in Paragraph K (CONTRACTOR'S RESPONSIBILITY TO ENSURE QUALITY OF SERVICES AND TO MONITOR SERVICE PLAN AND COUNTY'S RIGHT TO RE-ALLOCATE FUNDS), Contractor must submit a Mid-Year Change to the last approved Negotiation Package as specified in DMH Notice, *Negotiation Package Submission Procedures.*

(4) If County requires changes per Paragraph I (LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS), Contractor must submit a Mid-Year Change to the last approved Negotiation Package.

(5) If County and Contractor agree to make a funding and/or service plan change relevant to this Agreement, Contractor must submit a Mid-Year Change to the last approved Negotiation Package as specified in DMH Notice, *Negotiation Package Submission Procedures.*

W. DELEGATED AUTHORITY

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

(a) County's total payments to Contractor under this Agreement, for each fiscal year of the term of this Agreement, does not exceed an increase of more than the Board of Supervisor-approved percentage of the current applicable MCA; and

(b) Any such MCA amendment increase or amendment change shall only be for the provision of additional services; for the provision of new services as reflected on Attachment V (SERVICE EXHIBITS); to ensure continuity of care; or to reflect program and/or policy changes that affect this Agreement; and

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

(d) Approval of County Counsel, or the designee, is obtained prior to any such amendment to this Agreement.

(e) Director shall notify County's Board of Supervisors and the Chief Executive Officer of all Agreement changes in writing within thirty (30) calendar days following execution of any such amendment(s).

X. SURVIVAL: AMENDMENTS TO MAXIMUM CONTRACT AMOUNT AND FINANCIAL SUMMARY (ATTACHMENT III)

(1) Due to the length of the State reconciliation and audit processes, County and contractor acknowledge that the final determination of the amounts that may be owed by the Parties to each other will occur during First and/or Second Automatic Renewal Period as described in Legal Entity Agreement, Paragraph 1 (TERM) and/or after the expiration or

termination of Agreement. Therefore, the parties agree that all provisions of Agreement related to effectuating payment, including, but not limited to, provisions related to cost reporting, settlement, and audit, including such provisions in Attachment II, Exhibit A, Financial Provisions, survive the First and/or Second Automatic Renewal Period as described in Legal Entity Agreement, Paragraph 1 (TERM) and/or expiration or termination of Agreement. This Paragraph X shall not be interpreted to imply that other provisions of Agreement do not survive its expiration, if the Parties intent, as demonstrated by language, circumstances, law, or practice, is that the provision should survive.

(2) To maximize the use of federal and other funding, Contractor, no later than thirty (30) calendar days after the Annual Cost Report due date for the applicable fiscal year, may submit in writing a request to shift and/or increase funds on the Financial Summary (Attachment III). Such shifting and/or increase of funds request shall reflect maximization of federal and other funding based on Contractor's complete and accurate Annual Cost Report submitted in accordance with Paragraph O (ANNUAL COST REPORTS) and in accordance with terms and limitations set forth in DMH Policy, Shifting Guidelines for the Legal Entity Agreement. To the extent that County approves the shifting of funds request, such approval shall be in the form of an executed amendment to this Agreement. In addition, the Director, at his/her sole discretion, may propose and, with the agreement of Contractor, execute a written amendment (a) to modify the distribution of funds identified for each Funded Program as shown on the Financial Summary (Attachment III); (b) to change, including increase, the amount of federal or State funds on the Financial Summary (Attachment III); or (c) to increase the MCA to include additional federal or State funds, 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 Period as described in Legal Entity Agreement, Paragraph 1 (TERM) and/or after the Agreement has expired or terminated and shall be effective irrespective of whether the Agreement is in the Automatic Renewal Period or has expired or terminated.

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Y. PAYMENT AND INVOICE NOTIFICATIONS

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

County of Los Angeles Department of Mental Health
Financial Services Bureau – Accounting Division
550 S. Vermont Avenue, 8th Floor
Los Angeles, CA 90020
Attn: Provider Reimbursement Section

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

County of Los Angeles Department of Mental Health
Financial Services Bureau – Accounting Division
550 S. Vermont Avenue, 8th Floor
Los Angeles, CA 90020
Attn: Accounts Receivable

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: July 1, _____ through June 30, _____ .

I HEREBY CERTIFY under penalty of perjury that I am the official responsible for the administration of the mental health services in and for said claimant; that the amounts for which reimbursement will be claimed for Medi-Cal and 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 the terms and conditions of the Legal Entity Agreement; and that to the best of my knowledge and belief each claim will be in all respects true, correct, and in accordance with State and federal law and regulation. I agree and shall certify under penalty of perjury that all claims for services to be provided to county mental health clients will be provided to the clients by this Legal Entity. The services will be provided in accordance with the client's written treatment plan. This Legal Entity also certifies that all information submitted to the County Department of Mental Health will be accurate and complete. I and this Legal Entity understand that payment of these claims will be from County, State and federal funds, and any falsification or concealment of a material fact may be prosecuted under federal and/or State laws. The Legal Entity agrees to keep for a minimum period of as specified in its Legal Entity Agreement with County a printed representation of all records which are necessary to disclose fully the extent of services furnished to the client. The Legal Entity agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California, to the County of Los Angeles Department of Mental Health, California Department of Health Care Services; the 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, religion, color, national or ethnic origin, sex, age, or physical or mental disability.

FURTHER, I HEREBY CERTIFY under penalty of perjury to the following: An assessment of the beneficiary will be conducted in compliance with the requirements established in the County's Mental Health Plan (MHP) contract with the California Department of Health Care Services (State DHCS). The beneficiary will be determined to be eligible to receive Medi-Cal services at the time the services are provided to the beneficiary. The services to be included in the claims during the above indicated period will actually be provided to the beneficiary. Medical necessity will be established for the beneficiary as defined under Title 9, California Code of Regulations, Division 1, Chapter 11, for the service or services to be provided, for the timeframe in which the services will be provided. A client plan will be developed and maintained for the beneficiary that meets all client plan requirements established in the County's MHP contract with the State DHCS. For each beneficiary with day rehabilitation, day treatment intensive, or EPSDT supplemental specialty mental health services to be included in the claim during said period, all requirements for payment authorization for day rehabilitation, day treatment intensive, and EPSDT supplemental specialty mental health services will be met, and any reviews for such service or services will be conducted prior to the initial authorization and any re-authorization periods as established in the County's MHP contract with the State DHCS.

Date: _____ Signature: _____

Executed at _____, California

I CERTIFY under penalty of perjury that I am a duly qualified and authorized official of the herein Legal Entity claimant responsible for the examination and settlement of accounts. I further certify that this Legal Entity claimant will provide from the eligible designated funds in the Financial Summary of the Legal Entity Agreement with County, the local share of payment for Short-Doyle/Medi-Cal and/or 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

Please forward the completed form to the Department of Mental Health (DMH):

Los Angeles County – Department of Mental Health
Attn: Contract Development and Administration Division
550 S. Vermont Ave.,
5th Floor, RM 500
Los Angeles, CA 90020

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Financial Summary (Attachment III)

Contractor Name:
Agreement Number:
Agreement Period:
Financial Summary:

Amendment No.:
Amendment Date:
LE Number:
Fiscal Year:

A	B	C	D	E
Rank	Funded Programs	Medi-Cal Reimbursable (Y/N)[1]	Local Match Funds	Funded Program Amount (Gross)
	Categorically Funded Programs			
100N	Family Preservation Program	N		
130N	Specialized Foster Care - DCFS MAT Non-Medi-Cal (Non-MC)	N		
130.1M	Specialized Foster Care Enhanced Mental Health Svcs Medi-Cal (MC)	Y		
130.2M	Specialized Foster Care MAT MC	Y		
130.4M	Specialized Foster Care TFC MC	Y		
130.3M	Specialized Foster Care Wraparound MC	Y		
130.3N	Specialized Foster Care Wraparound Invoice	N		
300N	DCFS Medical Hub Non-MC	N		
301M	DCFS PHF MC	Y		
304M	DCFS 2011 Realignment MC	Y		
131N	Group Home Aftercare Services Non-MC	N		
131M	Group Home Aftercare Services MC	Y		
132N	First 5 Non-MC	N		
	First 5 Invoice	N		
132M	First 5 MC	Y		
140N	Comprehensive SOC Program (SAMHSA, CFDA #93.958) Non-MC	N		
	Comprehensive SOC Program (SAMHSA, CFDA #93.958) Invoice	N		
142N	Family Wellness Network (SAMHSA, CFDA #93.243) Invoice	N		
150N	Juvenile Justice Program (STOP) Non-MC	N		
151N	Juvenile Justice Program (JJCPA-MHSAT) Non-MC	N		
152N	Juvenile Justice Program (JJCPA - MST) Non-MC	N		
153N	Juvenile Justice Program (COD) Non-MC	N		
154N	Juvenile Justice Program (FFT) Non-MC	N		
154M	Juvenile Justice Program (FFT) MC	Y		
155N	Juvenile Day Reporting Center Non-MC	N		
320N	Juvenile Justice Program/Title IV-E MST Non-MC	N		
320M	Juvenile Justice Program/Title IV-E MST MC	Y		
160N	PATH McKinney, CFDA #93.150 Non-MC	N		
	PATH McKinney, CFDA #93.150 Invoice	N		
160M	PATH McKinney MC	Y		
170N	Homeless Services Non-MC	N		
	Homeless Services Invoice	N		
170M	Homeless Services MC	Y		
172N	Diversion Program Non-MC	N		
	Diversion Program Invoice	N		
172M	Diversion Program MC	Y		
173N	CARE Program (2nd Chance-BJA Grant, CFDA#16.812) Non-MC	N		
	CARE Program (2nd Chance-BJA Grant, CFDA#16.812) Invoice	N		
180N	CalWORKs MHS Non-MC	N		
183N	CalWORKs Homeless Family Solution System Invoice	N		
182N	GROW Non-MC	N		
171N	Post-Release Community Supervision-Community Reintegration Prog Non-MC	N		
	Post-Release Community Supervision-Comm Reintegration Prog Invoice	N		
171M	Post-Release Community Supervision-Community Reintegration Prog MC	Y		
310N	DPH Dual Diagnosis Non-MC	N		
350N	DCSS Forensic Center Services Invoice	N		
200N	SB82 Mobile Triage Non-MC	N		
	SB82 Mobile Triage Invoice	N		
200M	SB82 Mobile Triage MC	Y		
202N	SB82 Mobile Triage - Crisis Transition Specialist Non-MC	N		
202M	SB82 Mobile Triage - Crisis Transition Specialist MC	Y		
201N	SB82 Urgent/Crisis Services Non-MC	N		
	SB82 Urgent/Crisis Services Invoice	N		
201M	SB82 Urgent/Crisis Services MC	Y		
210N	DHS EPIC Program Non-MC	N		
210M	DHS EPIC Program MC	Y		

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Financial Summary (Attachment III)

Contractor Name:
Agreement Number:
Agreement Period:
Financial Summary:

Amendment No.:
Amendment Date:
LE Number:
Fiscal Year:

	Federal/State Revenue			
360M	Federal/State Revenue MC	Y		
	CGF Funded Programs			
400N	DMH Mental Health Services Non-MC	N		
	DMH Mental Health Services Invoice	N		
400M	DMH Mental Health Services MC	Y		
190N	PES Relief Plan Non-MC	N		
	PES Relief Plan Invoice	N		
190M	PES Relief Plan MC	Y		
340N	CGF IMD Step Down Non-MC	N		
	CGF IMD Step Down Invoice	N		
340M	CGF IMD Step Down MC	Y		
	MHSA Funded Programs			
500N	MHSA Full Service Partnership Non-MC	N		
	MHSA Full Service Partnership Invoice	N		
500M	MHSA Full Service Partnership MC	Y		
501N	MHSA Family Support Services Non-MC	N		
	MHSA Family Support Services Invoice	N		
502M	MHSA Full Service Partnership Wraparound MC	Y		
510N	MHSA Field Capable Clinical Services Non-MC	N		
	MHSA Field Capable Clinical Services Invoice	N		
510M	MHSA Field Capable Clinical Services MC	Y		
520N	MHSA Wellness Center Non-MC	N		
	MHSA Wellness Center Invoice	N		
520M	MHSA Wellness Center MC	Y		
530.1N	MHSA Enriched Residential Services Non-MC	N		
	MHSA Enriched Residential Services Invoice	N		
530.1M	MHSA Enriched Residential Services MC	Y		
530.2N	MHSA Urgent Care Center Non-MC	N		
	MHSA Urgent Care Center Invoice	N		
530.2M	MHSA Urgent Care Center MC	Y		
540N	MHSA IMD Step Down Non-MC	N		
	MHSA IMD Step Down Invoice	N		
540M	MHSA IMD Step Down MC	Y		
550N	MHSA Integrated Care Program Non-MC	N		
	MHSA Integrated Care Program Invoice	N		
550M	MHSA Integrated Care Program MC	Y		
800N	MHSA Probation Camp Program Non-MC	N		
810N	MHSA Jail Transition & Linkage Invoice	N		
820N	MHSA Planning, Outreach, & Engagement Non-MC	N		
	MHSA Planning, Outreach, & Engagement Invoice	N		
600N	MHSA Prevention & Early Intervention Non-MC	N		
	MHSA Prevention & Early Intervention Invoice	N		
600M	MHSA Prevention & Early Intervention MC	Y		

Maximum Contract Amount (MCA) $ -

[1]Medi-Cal reimbursable reflects DMH program guidelines in addition to applicable state and federal regulations.

V5/10/16

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ATTACHMENT IV

Service Delivery Site Exhibit

CONTRACTOR NAME: _____

LEGAL ENTITY NO.: _____ PERIOD: _____

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

*Legend: Adult Systems of Care (A)
Child, Youth, & Family Program Administration (C)
Critical Care (CC)
Court Programs (CP)
Older Adult Program (OA)
Transition Age Youth (TAY)
Homeless (H)
Managed Care (MC)

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SERVICE EXHIBITS

A duplicate original of the Service Exhibit(s) will be on file in the Department of Mental Health's Contracts Development and Administration Division and is deemed incorporated herein by reference as though fully set forth, and will be made available to interested persons upon request.

DESCRIPTION	CODES	
Targeted Case Management Services (Rehab. Option)	104-A	
Short-Term Crisis Residential Services (Forensic)	201	
Crisis Stabilization Services (Rehab. Option)	202-A	
Vocational Services	304-A	
Day Rehabilitation Services (Adult) (Rehab. Option)	308-B	
Day Rehabilitation Services (Children/Adolescents) (Rehab. Option)	309-B	
Day Treatment Intensive Services (Adult) (Rehab. Option)	310-B	
Day Treatment Intensive Services (Children/Adolescents) (Rehab. Option)	311-B	
Mental Health Services (Rehab. Option)	402	
Medication Support Services (Rehab. Option)	403	
Crisis Intervention Services (Rehab. Option)	404-A	
Mental Health Service Treatment Patch (La Casa)	405	
Therapeutic Behavioral Services	406-A	
Outreach Services	501-A	
Outreach Services (Suicide Prevention Services)	502-A	
American Indian Life Skills (United American Indian Involvement, Inc.)	503-A	
Intensive Skilled Nursing Facility Services	601	
Mental Health Rehabilitation Centers (La Casa Mental Health Rehabilitation Center)	602	
Intensive Skilled Nursing Facility Services (La Paz)	603	
Intensive Skilled Nursing Facility Services Forensic Treatment	604	
Skilled Nursing Facilities (Psychiatric Services)	605	
Skilled Nursing Facility – Special Treatment Program Services (SNF-STP/Psychiatric Services)	608	
Intensive Skilled Nursing Facility Services – Enhanced Treatment Program (ETP)	609	
Socialization Services	701-A	
Life Support Services	801	
Case Management Support Services	802-A	
Case Management Support Services (Forensic)	803-A	
Case Management Support Services (Children & Youth)	804-A	
Life Support Services (Forensic)	805	
Independent Living Services	901	

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Local Hospital Services	902	
Semi-Supervised Living Services	904	
Adult Residential Treatment Services (Transitional) (MSHA)	912	
Adult Residential Treatment Services (Long Term)	913	
Non-Hospital Acute Inpatient Services (La Casa PHF)	914	
Comprehensive Adult Residential Treatment Services (Bio-Psycho-Social Services)	915	
Assertive Community Treatment Program (ACT)	921	
Psychiatric Inpatient Hospital Services	930	
Primary Linkage and Coordination Program	1001	
Service Provisions (Organizational Provider Only)	1003	
Consumer Run/Employment Program	1005	
Client Supportive Services (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1010-A	
Mental Health 24-Hour Services Interim Placement Funding for Basic Care Services	1011	
Mental Health 24-Hour Services Children Under Age 18 Basic Services	1012	
Supportive Services – Residential Programs (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1013	
Client Supportive Services-Mental Health Services Act Programs (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1014-A	
Full Service Partnership (FSP)	1015	
Supportive Services – Intensive Residential Program (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1016	
Client Supportive Services (New Directions) (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1018	
Family Support Services	1019	
Service Extender Stipend Program Mental Health Services Act Programs (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1020	
Client Supportive Services Field Capable Clinical Services (FCCS) Mental Health Services Act Programs (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1021	
Intensive In-Home Mental Health Services	1022	
Intensive Treatment Foster Care	1025	
One-Time Expenses Associated with Program Development for Intensive In-Home Evidence Based Practices (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1026	
Outreach and Engagement Services (MHSA Only)	1027	
Enriched Residential Services (Alternative Crisis) (Adults)	1028	
IMD Step-Down Programs (Adults)	1029	

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Urgent Care Centers (Alternative Crisis) (Adults)	1030	
Client Supportive Services Homeless CalWORKs Families Project (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1031	
Star View-PHF-Supplemental Financial Support	1032	
Star View-CTF-Supplemental Financial Support	1033	
Field Capable Clinical Services (FCCS)	1035	
Suicide Prevention Program Mental Health Services Act (MHSA) Prevention and Early Intervention (PEI) Plan	1036	
One-Time Expenses Associated with Starting a new MHSA Program for PEI Early Start Suicide Prevention Program (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1037	
One-Time Expenses Associated with Starting a New MHSA Program for Urgent Care Center – Exodus Recovery, Inc. (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1038	
PEI Early Intervention EBP programs for Children & TAY	1039	
Exodus Recovery, Inc. Urgent Care Center	1040	
Client Supportive Services for MHSA (CSS Manual Billing Service Exhibit) (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1042	
One-Time Expenses Associated with Implementing a New MHSA Program for Prevention and Early Intervention (PEI) Program (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement***)	1046	
Prevention and Early Intervention (PEI) Program (***Includes Attachment A - MHSA PEI Programs Core Interventions and Ancillary Services Guide and Attachment B - PEI Evidenced Based Practices (EBP) Outcome Measures***)	1047	
One-Time Expenses Associated with Starting A New Mental Health Services Act Innovation Program (***Includes Attachment A***)	1052	
Client Supportive Services For Mental Health Services Act Innovation Plan Programs Integrated Clinic Model (***Includes Attachment A***)	1059	
Statement of Work (SOW) CalWORKs Program (***Exhibits 1-7***)	1060	
One-Time Expenses Associated with Starting A New Mental Health Services Act Prevention And Early Intervention Integrated School Health Centers Program (***Includes Attachment A - Reimbursement Procedures and Attachment B – Reimbursement Claim***)	1061	
SAMHSA Project ABC - Family Wellness Network	1062	
Family Support Services Enhanced Respite Care Pilot	1063	
MHSA Innovation – Integrated Peer Run Model: Peer Run Integrated Services Management (SHARE and MHALA Only)	1064	
MHSA Innovation – Integrated Peer Run Model: Peer Run Respite Care Home (SHARE and MHALA Only)	1065	
Intensive Enhanced Field Capable Clinical Services (IFCCS)	1066	

Client Supportive Services – Homeless Programs (***Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost***

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Reimbursement)	1069	
Exodus Foundation dba Exodus Foundation for Recovery. MLK JR. Psychiatric UCC	1070	
VIP Community Mental Health Center, Inc. – Forensic Center Services	1071	
Psychiatric Inpatient Hospital Services	1072	
Non-Hospital Acute Inpatient Services (Exodus Recovery Psychiatric Health Facility)	1073	
The Center for Assessment and Prevention of Prodromal States Prevention and Early Intervention Program for Transition Age Youth Ages 16-25	1074	
Assisted Outpatient Treatment – Los Angeles IMD Step Down Programs (Adults) (***Includes Attachment I***)	1076	
Assisted Outpatient Treatment – Los Angeles Full Service Partnership (***Includes Attachment I***)	1077	
Projects for Assistance in Transition From Homelessness (PATH) Program ***(Includes Attachment A – One-time Expense Claim)***	1078	
Client Supportive Services Field Capable Clinical Services (FCCS) Mental Health Services Act Programs ***(Includes Attachment A – Reimbursement Procedures and Attachment B – Reimbursement Claim (Medicaid Coverage Expansion))***	1079	
Intensive Care Coordination (ICC) and Intensive Home Based Services (IHBS)	1080	
Integrated Care Program-Community Designed integrated Service Management Model (ICP-ISM)	1081	
Integrated Care Program-Integrated Clinics (ICP-IC)	1082	
Integrated Mobile Health Team-Full Service Partnership (IMHT-FSP)	1083	
Crisis Residential Treatment Services (Adult)	1084	
Comprehensive Adult Reentry Program	1085	
Alternative To Custody IMD Step Down Program (Adults)	1086	
Parent – Child Interaction Therapy 2-5 YRS (PCIT)	1087	

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SERVICE EXHIBIT __

PSYCHIATRIC INPATIENT HOSPITAL SERVICES

(MODE OF SERVICE 05)

1. GENERAL: Psychiatric Inpatient Hospital Services include Acute Psychiatric Inpatient Hospital Services and Administrative Day Services. Each Contractor facility that renders Psychiatric Inpatient Hospital Services shall: (1) be either a licensed acute psychiatric hospital or a distinct acute psychiatric part of a licensed general acute care hospital, (2) be secure, (3) meet all CCR Titles 9 and 22 staffing standards for inpatient services, (4) provide a twenty-four hour psychiatric treatment program and (5) be designated by County as a facility to hold patients under WIC Section 5150.

Psychiatric Inpatient Hospital Services shall not include any services related to alcohol or drugs and these services shall not be reimbursable under this Agreement, except where the services related to alcohol or drugs are incidental to a primary diagnosis of mental illness. Where alcohol and drugs, and mental illness, are dually diagnosed, Psychiatric Inpatient Hospital Services may be reimbursed under this Agreement only if the primary diagnosis is mental illness.

Notwithstanding any other provision of this Agreement, except as specifically approved in writing by Director, Contractor shall assure that at no time: (1) shall any child or adolescent under the age of 18 years receive any Psychiatric Inpatient Hospital Services in a ward or unit designated for adults receiving Psychiatric Inpatient Hospital Services and (2) shall any adult receive any Psychiatric Inpatient Hospital Services in a ward or unit designated for children or adolescents under the age of 18 years receiving Psychiatric Inpatient Hospital Services.

2. SERVICE LOCATION(S):

Except as authorized by County pursuant to Paragraph 29 (SUBCONTRACTING), Contractor shall provide all Psychiatric Inpatient Hospital Services under this Agreement only at the following Contractor facility(ies):_____. Contractor shall obtain the prior written consent of Director at least seventy days before terminating services at any such location(s) and/or before commencing such services at any other location(s).

/

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3. PERSONS TO BE SERVED:

Contractor shall provide Acute Psychiatric Inpatient Hospital Services to those Non-Medi-Cal clients: (1) who are in need of Acute Psychiatric Inpatient Hospital Services, (2) who have the characteristics described in Contract Package and any addenda thereto, as approved in writing by Director, (3) for whom County is responsible for determining eligibility accordance with CCR Title 22, and (4) who are referred to Contractor and are admitted with the consent of Director.

The duration of any Client's Acute Psychiatric Inpatient Hospital Services hereunder shall not exceed the lesser of: (1) those days necessary to ensure that the Client is not a danger to self or others or gravely disabled due to a mental disability or (2) those days authorized by Director.

4. EMERGENCY MEDICAL TREATMENT: Beneficiaries who are provided services hereunder and who require emergency medical care for physical illness or accident shall be transported to an appropriate medical facility. The cost of such transportation as well as the cost of any emergency medical care shall not be a charge to, nor reimbursable under, this Agreement. Contractor shall establish and post written procedures describing appropriate action to be taken in the event of a medical emergency. Contractor shall also post and maintain a disaster and mass casualty plan of action in accordance with CCR Title 22, Section 80023. Such plan and procedures shall be submitted to DMH's Contracts Development and Administration Division at least ten days prior to the commencement of services under this Agreement.

5. NOTICE OF ACTION AND STATE FAIR HEARING PROCESS: Pursuant to the Medi-Cal Psychiatric Inpatient Hospital Services Consolidation Emergency Regulations issued by SDMH, Contractor shall give a Beneficiary a written notice of action whenever reimbursement for a planned admission is denied or whenever continued stay services are reduced or terminated by County (mental health plan) while the Beneficiary remains in Contractor's facility(ies). The procedures and requirements for State's fair hearing process shall be the same as CCR Title 22, Section 51014.1 and shall be in accordance with DMH's Quality Management Plan.

6. NOTIFICATION OF DEATH: Contractor shall immediately notify Director upon becoming aware of the death of any Beneficiary provided services hereunder. Notice shall be made by Contractor immediately by telephone and in writing upon learning of such a death. The verbal and written notice shall

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include the name of the deceased, the deceased's IS identification number, the date of death, a summary of the circumstances thereof, and the name(s) of all Contractor's staff with knowledge of the circumstances.

7. QUALITY IMPROVEMENT: Contractor shall comply with all applicable provisions of WIC, CCR, Code of Federal Regulations, SDHS policies and procedures, SDMH policies and procedures, and DMH quality improvement policies and procedures, to establish and maintain a complete and integrated quality improvement system. In conformance with these provisions, Contractor shall establish: (1) a utilization review process; (2) an interdisciplinary peer review of the quality of Beneficiary care; and (3) monitoring of medication regimens of Beneficiaries. Medication monitoring shall be conducted in accordance with County policy. A copy of Contractor's quality improvement system plan shall be available to DMH's Quality and Outcome Bureau for review and written approval prior to Contractor's submission of any claims for services hereunder.

8. BENEFICIARY EVALUATION OF CONTRACTOR'S SERVICES: Contractor shall provide a written questionnaire to certain Beneficiaries at the time of admission in accordance with DMH policies and procedures. The questionnaire shall be approved by SDHS and offer the Beneficiary the opportunity to evaluate the care given. The questionnaire shall be collected at the time of discharge and maintained in Contractor's file for at least four years and shall be made available to authorized agents of County, State and/or Federal governments.

9. PROGRAM ELEMENTS FOR ACUTE PSYCHIATRIC INPATIENT HOSPITAL SERVICES: Contractor shall provide Acute Psychiatric Inpatient Hospital Services to Beneficiaries in accordance with Contract Package and any addenda thereto, as approved in writing by the Director, for the term of this Agreement.

Acute Psychiatric Inpatient Hospital Services consist of twenty-four hour intensive service in a facility, which is a licensed acute psychiatric hospital or a distinct acute psychiatric part of a licensed general acute care hospital, that provides psychiatric treatment with the specific intent to ameliorate the symptoms of danger to self, others, or the inability to provide for food, clothing and shelter due to a mental disability as determined by qualified mental health professional staff of the facility. Twenty-four hour psychiatric care may be necessary to relieve recent and serious dysfunction in social, occupational

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or family relations where a less secure environment may lead to a deterioration in dysfunction and in turn lead to symptoms of danger to self, others, or grave disability due to a mental disability as determined by qualified mental health professional staff of the facility. Grave disability is defined as the inability to provide for food, clothing, shelter or access to other resources without which the Beneficiary is in grave danger to self.

Acute Psychiatric Inpatient Hospital Services shall include, but are not limited to:

A. Admission services twenty-four hours a day, seven days a week;

B. Safe and clean living environment with adequate lighting, toilet and bathing facilities, hot and cold water, toiletries, and a change of laundered bedding;

C. Three balanced and complete meals each day;

D. Twenty-four hour supervision of all Beneficiaries by properly trained personnel. Such supervision shall include, but is not limited to, personal assistance in such matters as eating, personal hygiene, dressing and undressing, and taking of prescribed medications;

E. Physical examination and medical history within twenty-four hours of admission;

F. Laboratory services when medically indicated;

G. X-Rays;

H. Electrocardiograms (EKG) and electroencephalograms (EEG);

I. Medication supervision and/or maintenance program;

J. Support to psychiatric treatment services, including, but not limited to, daily patient review;

K. Support to psychological services;

L. Social work services;

M. Nursing services;

N. Recreational therapy services;

O. Occupational therapy services;

P. Electroconvulsive therapy services when appropriate in accordance with WIC Section 5326.7 et seq.;

Q. Recommendation for further treatment, conservatorship, or referral to other existing

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programs, as appropriate (i.e., day care, outpatient, etc.), relative to Beneficiary needs;

R. Prior to discharge of any Beneficiary, preparation and transmittal of a written aftercare plan in accordance with California Health and Safety Code Section 1284 and WIC Section 5622. Each aftercare plan shall be submitted to Director at the time of discharge of the Beneficiary; and

S. Maintain daily attendance log for each day of service provided hereunder.

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ATTACHMENT VI

ATTESTATION REGARDING FEDERALLY FUNDED PROGRAMS

In accordance with the DMH Legal Entity Agreement's Paragraph 54 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM):

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

I further certify as the official responsible for the administration of Legal Entity Name (hereafter "Contractor") that all of its officers, employees, agents and/or sub-contractors are not presently excluded from participation in any federally funded health care programs, nor is there an investigation presently pending or recently concluded of any such officers, employees, agents and/or sub-contractors which is likely to result in an exclusion from any federally funded health care program, nor are any of its officers, employees, agents and/or sub-contractors otherwise likely to be found by a federal or state agency to be ineligible to provide goods or services under the federally funded health care programs.

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

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

Name of authorized official (Official Name) _____
Please print name

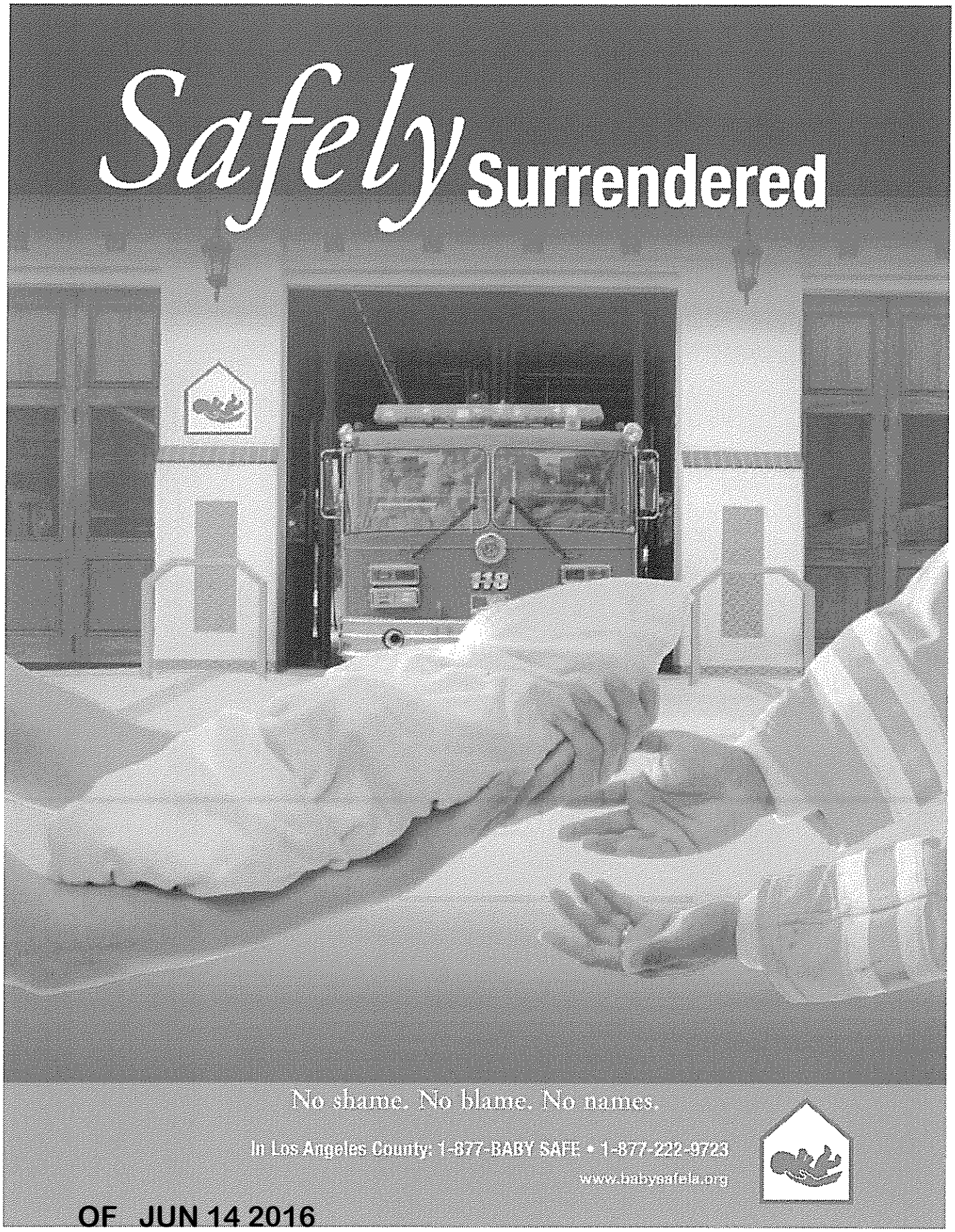
Signature of authorized official _____ Date _____

ATTACHMENT VII

SAFELY SURRENDERED BABY LAW

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

www.babysafela.org



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In Los Angeles County: 1-877-BABY SAFE (1-877-222-9723)
www.babysafela.org

Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?
California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

How does it work?
A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?
Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

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

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

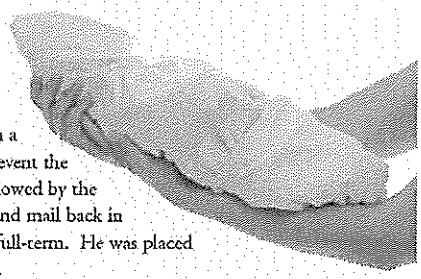
Does the parent or surrendering adult have to tell anything to the people taking the baby?
No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby.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

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

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

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

A baby's story



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

#41 OF JUN 14 2016

Ley de Entrega de Bebés *Sin Peligro*

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

Sin pena. Sin culpa. Sin nombres.

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

www.babysafela.org

#41 OF JUN 14 2016

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

Ley de Entrega de Bebés *Sin Peligro*

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

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

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

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

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

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

¿Sólo los padres podrán llevar al recién nacido?

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

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

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

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

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

¿Qué pasará con el bebé?

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

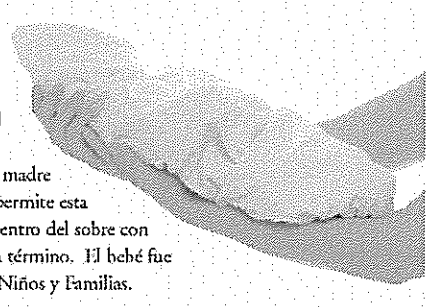
¿Qué pasará con el padre/madre o adulto que entregue al bebé?

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

¿Por qué se está haciendo esto en California? ?

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

Historia de un bebé



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

#41 OF JUN 14 2016

ATTACHMENT VIII

CHARITABLE CONTRIBUTIONS CERTIFICATION

_____
Company Name

_____
Address

_____
Internal Revenue Service Employer Identification Number

_____
California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

Check the Certification below that is applicable to your company.

☐ Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

☐ Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.

_____ _____
Signature Date

_____
Name and Title of Signer (Official Name, Official Title) Please print

PERFORMANCE STANDARDS AND OUTCOME MEASURES EXHIBIT

CONTRACTOR (Legal Entity Name): _____

Legal Entity Number: _____

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

Line ID	Outcomes Domains	Performance Outcomes Targets	Method of Data Collection	Required Outcome (check)
1		State mandated (California Welfare and Institutions Code (WIC) § 5612 and WIC § 5613)	California Consumer's Perception Survey - MHSIP[1], YSS[2] and YSS-F[3] survey instruments.	✓
Performance Outcomes Project:				
2	Access to Services	Client received continuity of care by being seen within 7 calendar days of discharge from an acute psychiatric hospital. (Systemwide benchmark is 46% or more of the clients are seen within the seven (7) days).	County DMH's claims processing information system data repository.	
3	Access to Services	90% or more of responding clients were able to receive services at convenient times and location.	MHSIP, YSS and YSS - F survey instruments.	
4	Access to Services	Client received continuity of care by being seen within 14 calendar days time of discharge from mental health residential treatment program/institutional setting. (Only applicable to residential/institutional service providers. Unplanned discharges are excepted from the 14 day requirement). (Systemwide benchmark is 59% or more of the clients are seen within the seven (7) days).	County DMH's claims processing information system data repository.	
5	Client Satisfaction	80% or more of responding clients report that they had someone to talk to when they were troubled.	MHSIP, YSS and YSS-F survey instruments.	
6	Client Satisfaction	80% or more of responding clients reported that staff were sensitive to the client's cultural/ethnic background.	MHSIP, YSS and YSS-F survey instruments.	
7	Clinical Effectiveness	70% or more of responding child/youth get along better with family members.	YSS and YSS-F survey instruments.	
8	Clinical Effectiveness	70% or more of responding child/youth in a crisis, have the support they need from family or friends.	YSS and YSS-F survey instruments.	
9	Clinical Effectiveness	75% or more of responding child/youth are doing better in school and/or work.	YSS and YSS-F survey instruments.	
10	Clinical Effectiveness	65% or more of responding Transitional Age Youth are doing better in school and/or work.	MHSIP, YSS, YSS-F	
11	Clinical Effectiveness	60% or more of responding adult clients are doing better in school and/or work.	MHSIP, YSS and YSS-F survey instruments.	
12	Clinical Effectiveness	75% or more of responding adult/older adult clients report they deal more effectively with daily problems and/or 65% report that their symptoms are not bothering them as much.	MHSIP, YSS and YSS-F survey instruments.	

[1] MHSIP means Mental Health Statistics Improvement Program and is used for adult and older adult surveys.

[2] YSS means Youth Services Survey for Youth.

[3] YSS-F means Youth Services Survey for Families.

REQUIRED SUPPLEMENTAL DOCUMENTS

INSTRUCTIONS ON SUBMISSION OF DOCUMENTS

For Contracts up for renewal (submit every three years): ***All the documents listed below must be submitted to DMH's Contracts Development Administration Division at 550 S. Vermont Ave., 5th Floor, Los Angeles, CA 90020, at the time of execution of Contract, but no later than ten (10) business days after July 1st of the fiscal year in which Contract is being renewed (for new Contracts with an effective date other than July 1st, these documents must be submitted ten (10) business days after the effective date of the Contract). Documents must be submitted in a one-subject binder in sequence as listed below. Contractor must give a good cause justification, in writing, for not submitting the documents in the time period described above. The written justification must be addressed to the DMH lead District Chief overseeing the Contract.***

For Contracts that will be superseded (submit annually if necessary): ***The documents listed below, with the exception of No. 3 Financial Responsibility Requirements, No. 10 Indemnification and Insurance, and No. 14 Contractor Acknowledgement and Confidentiality Agreement, must be resubmitted to DMH only if there are any updates or revisions after the initial period of submission. See above for submission instructions.***

1. **Corporation Documents**
   Provide a copy of the following:

   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: The imprint/copy of the Corporate Seal if the organization is a corporation is to be **affixed to the copy of the Articles of Incorporation. The Corporate Seal must read the same as the organization's name. An explanation for any difference, if any, between the Corporate Seal and the organization's name as used in the Negotiation Package is to be provided; and**

   c. By-Laws/Amendments.

2. **Organizational Chart** – Attach a current/proposed organizational chart, showing all existing and proposed mental health and substance abuse programs/subprograms irrespective of DMH funding.

3. **Financial Responsibility Requirements**

   The Contractor must comply with Department'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: http://lacdmh.lacounty.gov/ContractorsPolicies/Documents/800/813_04.pdf

4. **Rent and Lease Agreements** specifying all Terms and Conditions **shall be made available within three (3) business days should DMH or its representative request the documents**.
   Such agreements if requested are to include: 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.

5. **Fully Executed Contracts** (e.g., Consultants, professional services, etc.) **shall be made available within three (3) business days should DMH or its representative request the documents**.

6. **Equipment Lease(s)** copies for equipment, including automobiles, photocopiers, etc. **shall be made available within three (3) business days should DMH or its representative request the documents**.

7. **Maintenance Agreement(s)** for equipment and other items **shall be made available within three (3) business days should DMH or its representative request the documents**.

8. **Non-Discrimination in Services and Employment Policy Statement** – Submit the following:

   a. Policy statement of non-discrimination in delivery of services and employment practices;
   b. Non-discrimination in Employment Complaint Procedures. Include a copy of such procedures which are to be posted by contractor; and
   c. Written procedures to address complaints concerning non-discrimination in services. Include a copy of such procedures which are to be posted by contractor in the facility(ies).

9. **Other Government Contracts** (Attachment X – 4) – Provide a list of **all** contracts with other County, State, and federal departments/agencies and the amount of each contract.

10. **Indemnification and Insurance** – Contractor must comply with and submit insurance verification documents per Contract Paragraph 21.

11. **Subcontract(s)** – List of all subcontractors.

    Contractors must have **prior written approval** from DMH in order to enter a particular subcontract.

12. **County of Los Angeles Community Business Enterprises (CBE) Program**

    The Community Business Enterprise Program was established to allow business enterprises owned by minorities, women, the disadvantaged, and disabled veterans to take advantage of opportunities in government and private-sector procurement programs.

    Your business must be certified as any one of the following: 1) Minority Business Enterprise (MBE); 2) Women Business Enterprise; 3) Disadvantaged Business Enterprise (DBE); and/or 4) Disabled Veteran Business Enterprise (DVBE).

    For more information please visit this website: http://dcba.lacounty.gov

13. **County of Los Angeles Local Small Business Enterprise (LSBE) Preference Program**

    Eligibility and Requirements

    Businesses that are eligible to participate in the Local Small Business Enterprise Preference Program, have been certified as a small business enterprise with the State of California; and have been certified by the County's Internal Services Department as holding a principal office located within the County of Los Angeles for at least the previous 12 months.

    OR

    Where geographic preferences are precluded by federal funding restrictions, businesses are eligible to participate in the Local Small Business Enterprise Preference Program if they are certified by the federal Small Business Administration (SBA) or are registered as small on the federal System for Award Management (SAM) database. Information about the federal SBA guidelines and the federal Central Contractor Registration data base is available at: www.sam.gov.

    Small Business and Disabled Veteran Business Enterprise (DVBE) Certification information, guidelines and applications can be accessed online from this link: http://www.dgs.ca.gov/pd/Home.aspx

Detailed eligibility requirements, policies, and procedures for participating in the Local Small Business Enterprise (LSBE) Preference Program can be accessed online from this link: http://osb.lacounty.gov

14. **Contractor Acknowledgement and Confidentiality Agreement** – Attachment X - 1

    Purpose: The organization acknowledges awareness that its employees, contractors, subcontractors and vendors are its sole responsibility, are not employees of the County, while performing services under the contract, and will not acquire any rights or benefits from the County of Los Angeles pursuant to any Agreement between any persons or entity and the County of Los Angeles. The organization also acknowledges its responsibility regarding the confidentiality of certain information.

15. **Contractor Employee Acknowledgement and Confidentiality Agreement** – Attachment X – 2

    This form will be required for each contractor employee. Such form **shall be made available within three (3) business days should DMH or its representative request the documents**.
    Purpose: The Contractor's employee acknowledges awareness that he/she is not an employee of the County, while performing services under the contract, and will not acquire any rights or benefits from the County of Los Angeles pursuant to any Agreement between any persons or entity and the County of Los Angeles.

16. **Contractor Non-Employee Acknowledgement and Confidentiality Agreement** – Attachment X – 3

    This form will be required for each contractor's subcontractor employee. Such form **shall be made available within three (3) business days should DMH or its representative request the documents**.
    Purpose: The Subcontractor's employee acknowledges awareness that he/she is not an employee of the County, while performing services under the subcontract, and will not acquire any rights or benefits from the County of Los Angeles pursuant to any Agreement between any persons or entity and the County of Los Angeles.

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR NAME_____. Contract No. _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any Protected Health Information (PHI) and confidential clinical data obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any confidential clinical data or PHI received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: _____/_____/_____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note – for Contractor's record; shall be made available within three (3) business days upon DMH request)

Contractor Name _____ Contract No._____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any confidential clinical data or PHI obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any confidential clinical data or PHI received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____ DATE: _____/_____/_____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note – for Contractor's record; shall be made available within three (3) business days upon DMH request)

Contractor Name _____ Contract No._____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any confidential clinical data or PHI obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

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Attachment X - 4

LIST OF OTHER GOVERNMENT CONTRACTS

OTHER GOVERNMENT CONTRACTS

Contracts with other County (other than DMH), State, Federal Agencies/Departments, and School Districts
(Within the past three (3) years):

DEPARTMENT (IDENTIFY)	CONTRACT PERIOD	TYPE OF PROGRAM	NET CONTRACT AMOUNT

ATTACHMENT XI

CONTRACTOR'S EEO CERTIFICATION

_____
Contractor Name

_____
Address

_____
Internal Revenue Service Employer Identification Number Vendor Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

1.	The Contractor has a written policy statement prohibiting discrimination in all phases of employment.	Yes ☐	No ☐
2.	The Contractor periodically conducts a self-analysis or utilization analysis of its work force.	Yes ☐	No ☐
3.	The Contractor has a system for determining if its employment practices are discriminatory against protected groups.	Yes ☐	No ☐
4.	Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.	Yes ☐	No ☐

_____
Authorized Official's Printed Name and Title

_____ _____
Authorized Official's Signature Date

Attachment B

SOLE SOURCE CHECKLIST
AURORA CHARTER OAK – LOS ANGELES, LLC.
ACUTE PSYCHIATRIC HOSPITAL SERVICES

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS *Identify applicable justification and provide documentation for each checked item.*
✓	➢ **Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. Monopoly is an "Exclusive control of the supply of any service in a given market. If more than one source is a given market exists, a monopoly does not exist."** As part of the Board of Supervisors-approved Psychiatric Emergency Services (PES) Relief Plan to address overcrowding in the PES at County hospitals, Service Area 3 was identified as one of the strategic areas of the County where there was a critical need for additional acute care psychiatric inpatient beds for indigent adults and sought acute psychiatric inpatient facilities willing to contract for such beds. In SA 3 there are six qualified hospitals with the ability to provide acute psychiatric services to indigent adults. DMH contacted all six hospitals acute psychiatric inpatient hospitals located in SA 3 to seek out interested providers of acute psychiatric inpatient hospital services for uninsured individuals requiring hospitalization. Aurora Charter Oak is the only hospital willing to enter into a contract with the County for these services in SA 3.
	➢ **Compliance with applicable statutory and/or regulatory provisions.**
	➢ **Compliance with State and/or federal programmatic requirements.**
	➢ **Services provided by other public or County-related entities.**
	➢ **Services are needed to address an emergent or related time-sensitive need.**
	➢ **The service provider(s) is required under the provisions of a grant or regulatory requirement.**
	➢ **Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.**
	➢ **Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.**
	➢ **It is more cost-effective to obtain services by exercising an option under an existing contract.**

Martha McKay

Authorized Representative,
Chief Executive Office

6/2/16

Date

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Attachment C

SOLE SOURCE CHECKLIST
COLLEGE HOSPITAL - CERRITOS
ACUTE PSYCHIATRIC HOSPITAL SERVICES

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS *Identify applicable justification and provide documentation for each checked item.*
✓	➢ **Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. Monopoly is an "Exclusive control of the supply of any service in a given market. If more than one source is a given market exists, a monopoly does not exist."** As part of the Board of Supervisors-approved Psychiatric Emergency Services (PES) Relief Plan to address overcrowding in the PES at County hospitals, Service Area 7 was identified as one of the strategic areas of the County where there was a critical need for additional acute care psychiatric inpatient beds for indigent adults and sought acute psychiatric inpatient facilities willing to contract for such beds. Services require being authorized under Section 5150 of the Welfare and Institutions Code to hold patients referred by law enforcement agencies or Department of Mental Health (DMH) staff to provide acute inpatient services for uninsured adults ages 18 to 54 years. College Hospital – Cerritos is the only acute psychiatric inpatient hospital in Service Area 7 authorized to involuntarily detain and treat individuals who are dangerous to self or others or are gravely disabled due to mental disorder, and thus is the only hospital able to fulfill this service need in this service area at this time.
	➢ **Compliance with applicable statutory and/or regulatory provisions.**
	➢ **Compliance with State and/or federal programmatic requirements.**
	➢ **Services provided by other public or County-related entities.**
	➢ **Services are needed to address an emergent or related time-sensitive need.**
	➢ **The service provider(s) is required under the provisions of a grant or regulatory requirement.**
	➢ **Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.**
	➢ **Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.**
	➢ **It is more cost-effective to obtain services by exercising an option under an existing contract.**

Matthew McKay

Authorized Representative,
Chief Executive Office

6/2/16

Date

#41 OF JUN 14 2016

LAC DMH
LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH
550 S. VERMONT AVE., LOS ANGELES, CA 90020 HTTP://DMH.LACOUNTY.GOV

ROBIN KAY, Ph.D.
Acting Director
DENNIS MURATA, M.S.W.
Acting Chief Deputy Director
RODERICK SHANER, M.D.
Medical Director

May 11, 2016

TO: Each Supervisor

FROM: Robin Kay, Ph.D.
Acting Director

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO ENTER INTO SOLE SOURCE CONTRACT NEGOTIATIONS WITH AURORA CHARTER OAK, LLC**

This memorandum is to comply with the Board of Supervisors Policy Manual, Section 5.100, Sole Source Contracts, by notifying the Board of our need to initiate a sole source contract. It is the Los Angeles County Department of Mental Health's (DMH) intent to enter into sole source contract negotiations with Aurora Charter Oak, LLC (Aurora Charter Oak), located at 1161 East Covina Boulevard, Covina, CA 91724, to provide acute inpatient services for uninsured adults 18 to 54 years of age and youth 13 to 17 years of age brought to the hospital by law enforcement or DMH staff authorized to detain individuals in Service Area (SA) 3.

As part of the Psychiatric Emergency Services (PES) Relief Plan approved by your Board in July 2005 to address overcrowding in the PES at County hospitals, DMH, in cooperation with the Department of Health Services (DHS), identified SA 3 as a strategic area of the County where there was a critical need for additional acute care psychiatric inpatient beds for indigent adults and sought acute psychiatric inpatient facilities authorized under California Welfare and Institutions Code Section 5150 to detain and treat individuals who are dangerous to self or others or are gravely disabled due to a mental disorder and which were willing to contract with the County for such beds. Aurora Charter Oak responded to this request, and since then, Aurora Charter Oak has provided acute psychiatric inpatient hospital services for uninsured adults.

The current Hospital Services Agreement with Aurora Charter Oak, a critical component of the PES Relief Plan, is due to expire on June 30, 2016. There remains a need for these contracted acute psychiatric inpatient beds to prevent patients from remaining in the County PES pending availability of County hospital inpatient beds. In SA 3 there are six qualified hospitals with the ability to provide acute psychiatric services to indigent adults: 1) Silverlake Medical Center, 2) BHC Alhambra Hospital, 3) Aurora Las Encinas Hospital, 4) Citrus Valley Medical Center, 5) Huntington Hospital, and 6) Aurora Charter Oak. DMH contacted each of these hospitals to determine their interest in contracting with the County for the provision of psychiatric inpatient hospital services. Of the six

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hospitals, Aurora Charter Oak is the only hospital that is willing to contract with the County for the acute psychiatric services in SA 3.

A new Hospital Services Agreement with Aurora Charter Oak will ensure the uninterrupted availability of medically necessary acute psychiatric inpatient hospital services for uninsured individuals in SA 3.

Unless otherwise instructed by your Board office within two weeks, DMH will proceed with negotiating a sole source contract with Aurora Charter Oak.

If you have any questions, please contact me, or your staff may contact Mary Marx, Clinical Program Manager, at (213) 738-4775.

RK:MM:SK:lb

c: Executive Office, Board of Supervisors
Chief Executive Office
Mental Health Deputies
County Counsel
Dennis Murata, M.S.W.
Mary Marx, L.C.S.W.
Angel Baker

LAC DMH
LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH
550 S. VERMONT AVE., LOS ANGELES, CA 90020 HTTP://DMH.LACOUNTY.GOV

ROBIN KAY, Ph.D.
Acting Director
DENNIS MURATA, M.S.W.
Acting Chief Deputy Director
RODERICK SHANER, M.D.
Medical Director

May 11, 2016

TO: Each Supervisor

FROM: Robin Kay, Ph.D.
Acting Director

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO ENTER INTO SOLE SOURCE CONTRACT NEGOTIATION WITH COLLEGE HOSPITAL-CERRITOS**

This memorandam memo is to comply with the Board of Supervisors Policy Manual, Section 5.100, Sole Source Contracts, by notifying the Board of our need to initiate a sole source contract. It is the Los Angeles County Department of Mental Health's (DMH) intent to enter into sole source contract negotiations with College Hospital-Cerritos, located at 10802 College Place, Cerritos, CA 90703, to provide acute inpatient services for uninsured adults 18 to 54 years of age brought to the hospital by law enforcement or DMH staff authorized to detain individuals in Service Area (SA) 7.

As part of the Psychiatric Emergency Services (PES) Relief Plan approved by your Board in July 2005 to address overcrowding in the PES at County hospitals, DMH, in cooperation with the Department of Health Services, identified SA 7 as a strategic area of the County where there was a critical need for additional acute care psychiatric inpatient beds for indigent adults and sought acute psychiatric inpatient facilities authorized under California Welfare and Institutions Code (WIC) Section 5150 to detain and treat individuals who are dangerous to self or others or are gravely disabled due to a mental disorder and which were willing to contract with the County for such beds. College Hospital-Cerritos responded to this request and since then, College Hospital-Cerritos has provided acute psychiatric inpatient hospital services for uninsured adults.

The current Hospital Services Agreement with College Hospital-Cerritos, a critical component of the PES Relief Plan, is due to expire on June 30, 2016. There remains need for these contracted acute psychiatric inpatient beds to prevent patients from remaining in the County PES pending availability of County hospital inpatient beds. College Hospital-Cerritos is the only provider in SA 7 authorized under the WIC to involuntarily detain and treat individuals who are dangerous to self or to others or are gravely disabled due to a mental disorder. A new Hospital Services Agreement with College Hospital-Cerritos will ensure the uninterrupted availability of medically necessary acute psychiatric inpatient hospital services for uninsured individuals in SA 7.

Unless otherwise instructed by your Board office within two weeks, DMH will proceed with negotiating a sole source contract with College Hospital-Cerritos.

If you have any questions, please contact me, or your staff may contact Mary Marx, Clinical Program Manager, at (213) 738-4775.

RK:MM:SK:lb

c: Executive Office, Board of Supervisors
Chief Executive Office
Mental Health Deputies
County Counsel
Dennis Murata, M.S.W.
Mary Marx, L.C.S.W.
Angel Baker