COUNTY OF LOS ANGELES

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

Chief Deputy Director
RODERICK SHANER, M.D.
Medical Director

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

BOARD OF SUPERVISORS
GLORIA MOLINA
YVONNE B. BURKE
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.info

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

December 28, 2006

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

26 JAN - 9 2007

SACHI A. HAMAI
EXECUTIVE OFFICER

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

Dear Supervisors:

APPROVAL OF PERFORMANCE CONTRACT NO. 06-76123-000 WITH THE CALIFORNIA DEPARTMENT OF MENTAL HEALTH FOR FISCAL YEAR 2006-2007 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Accept and approve the California Department of Mental Health's (State) Performance Contract No. 06-76123-000, substantially similar to Attachment I, with the County of Los Angeles - Department of Mental Health (DMH), making DMH responsible for establishing community mental health services in the County of Los Angeles, effective July 1, 2006 through June 30, 2007.

2. Approve and authorize the Chair of your Board to sign and execute an original Resolution (Attachment II), specifying that your Board has approved the State Performance Contract for Fiscal Year (FY) 2006-2007.

3. Instruct the Director of Mental Health or his designee to sign two (2) copies of the Performance Contract, substantially similar to Attachment I, with original signatures and forward them to the State.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Board approval is required to accept the Performance Contract between the State and DMH for FY 2006-2007. An annual performance contract is required by California statute, as part of the Brosnan-McCorquodale Act. The Performance Contract is

retroactive to July 1, 2006, as a result of the late submission of the Agreement to the County by the State. The submission was delayed because of a Contract revision by the State to address the mental health services in the Tri-City area. The requested Board actions are consistent with your Board's policy on timely submission for Board approval, as noted in the Chief Administrative Officer's (CAO) memo dated September 7, 2000, to your Board under paragraph heading, Overall Policies, Circumstance No. 2, "The County is receiving funds (normally from a higher level of government)."

Implementation of Strategic Plan Goals

The recommended Board actions are consistent with the principles of the Countywide Strategic Plan, Organizational Goal No. 7, "Health and Mental Health." The approved action will allow the County to fulfill its statutory duties regarding community mental health services.

FISCAL IMPACT/FINANCING

Funding for the implementation of this Agreement is included in DMH's FY 2006-2007 Adopted Budget. This Performance Contract will allow the County to access and use State and Federal funds allocated for FY 2006-2007 to be expended to maintain mental health programs for the residents of Los Angeles County. All of the mental health services funded by Realignment funds are handled through Statutory Trust Accounts and are not included in the State's total contract encumbrance amount to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Performance Contract between the State and the County is mandated under Section 5650 of the Welfare and Institutions Code. The Performance Contract and the Resolution are approved by your Board each fiscal year.

The Performance Contract sets forth County authority for the implementation of County mental health programs and summarizes the provisions for each of the local mental health programs. Each summary contains a brief description of the program, the scope of work or work plan, budget requirements, and accountability. Additionally, the Performance Contract outlines the requirements the County must satisfy to justify receipt of allocations but does not specify the actual amounts. The Performance Contract also indicates the performance conditions for the County programs, including any other contract requirements.

The Contract includes language, agreed to by County Counsel and State Counsel, clarifying the County's responsibility for the provision of mental health services in the Tri-City area within Los Angeles County. This is because Tri-City Mental Health Center (Tri-City MHC), which filed for bankruptcy on February 13, 2004, still has the responsibility for mental health services in the Tri-City service area. Since Tri-City MHC receives Realignment funding, it will be responsible for non-Medi-Cal mental health services in the Tri-City service area. If Tri-City MHC ceases to exist, County will assume responsibility for non-Medi-Cal mental health services in the Tri-City service area. If Tri-City MHC continues in existence, but information indicates that it is unable to continue providing an adequate range of non-Medi-Cal mental health services in an acceptable manner, State and DMH will meet and negotiate as to what action or actions, if any, should be taken, including, but not limited to, what mental health services and funding, if any, should be shifted to the County. A mutual agreement reached to shift service responsibilities and funding to the County will require an amendment to the Performance Contract.

The Resolution has been approved as to form by County Counsel. County Counsel and the CAO have reviewed and approved the proposed actions.

DMH's clinical and administrative staff are assigned to supervise and administer agreements, monitor contract compliance, evaluate programs to ensure that quality services are being provided to clients, and ensure that Agreement provisions and departmental policies are being followed.

IMPACT ON CURRENT SERVICES

The Performance Contract will enable DMH to maintain quality mental health programs for Los Angeles County residents.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board's actions and one (1) certified copy of the attached Resolution. It is requested that the Executive Officer of the Board notify the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684 when these documents are available.

Respectfully submitted,

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

MJS:JDC:RK:MI

Attachments (2)

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

FM:MI:H\Performance Contract FY 2006-2007\Board Letter

ATTACHMENT I

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev 06/03)

AGREEMENT NUMBER	
06-76123-000	
REGISTRATION NUMBER	

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
Department of Mental Health

CONTRACTOR'S NAME
Los Angeles County Mental Health

2. The term of this Agreement is: July 01, 2006, or upon final approval, through June 30, 2007

3. The maximum amount of this Agreement is: $ 0.00 Zero Dollars

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Whereas pursuant to Section 5602 of the California Welfare and Institutions Code, the County is responsible for establishing community mental health services to cover the entire area of the County; and

Whereas the County is committed to providing an integrated and coordinated range of services appropriate to the needs of each client; and

Whereas the State is agreeable to the rendering of such services on the terms and conditions hereinafter set forth;

Now Therefore in consideration of the mutual promises and covenants stated by this Contract, the County and the State agree as follows: The documents attached hereto and incorporated herein by this reference do hereby constitute the Fiscal Year 2006/2007 mandated County Performance Contract as mandated by Section 5650 of the Welfare and Institutions Code.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME *(if other than an individual, state whether a corporation, partnership, etc.)*
Los Angeles County Mental Health

BY *(Authorized Signature)* ✍ | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS
550 South Vermont, 12th Floor
Los Angeles, CA 90020

STATE OF CALIFORNIA

AGENCY NAME
Department of Mental Health

BY *(Authorized Signature)* ✍ | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING
Terrie Tatosian, Procurement and Contracting Officer
Administrative Services

ADDRESS
1600 9th Street
Sacramento, CA 95814

California Department of General Services Use Only

EXEMPT from Department of General Services Approval Process

☐ Exempt per:

Contract No.: 06-76123-000
Contractor: Los Angeles County Mental Health

COUNTY/CITY PERFORMANCE CONTRACT - STATE FISCAL YEAR 2006-2007

ARTICLE I - PERFORMANCE CONDITIONS

PART A - GENERAL ASSURANCES AND PROGRAM PRINCIPLES	1
Section 1 – Maintenance of Effort	1
Section 2 – Administrative Assurances	1
Section 3 – Routine Information Needs	2
Section 4 – Program Principles	2
Section 5 – Program Reimbursement Methods	2
Section 6 – Utilization Review/Quality Assurance	2
Section 7 – Performance Outcomes for Realignment Accountability	3
Section 8 – Cost Reporting	3
Section 9 – Restriction of Inpatient Psychiatric Treatment of Minors with Adults	3
Section 10 – Assisted Outpatient Treatment Demonstration Project Act of 2002 (AOT)	3
PART B - SPECIFIC PROVISIONS	4
ARTICLE II - LOCAL MENTAL HEALTH PROGRAMS	7
CHILDREN'S SYSTEM OF CARE (CSOC)	7
Section 1 – Program Reference	7
Section 2 – Scope of Work Plan and Budget Requirements	8
Section 3 – Accountability	8
PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH) PROGRAM	9
Section 1 – Program Reference	9
Section 2 – Application and Budget Requirements	10
Section 3 – Accountability	11
COMMUNITY MENTAL HEALTH SERVICES GRANT (SAMHSA) PROGRAM	12
Section 1 – Program Reference	12
Section 2 – Application and Budget Requirements	13
Section 3 – Accountability	13
INTEGRATED SERVICES FOR HOMELESS ADULTS WITH SEVERE MENTAL ILLNESS AB 34, AB 2034 AND AB 334	14
Section 1 – Program Reference	14
Section 2 – Work Plan and Budget Requirements	14
Section 3 – Accountability	15
ARTICLE III - GENERAL PROVISIONS	
A. Term	16
B. Budget Contingencies	16
C. Confidentiality	17
D. Nondiscrimination	21
E. Statement of Compliance	21
F. Patients' Rights	22
G. Record Keeping	22

H. Relationship of the Parties 22
I. Reports 22
J. Severability 22
K. Subcontracting 22
L. Waiver of Default 23
M. Drugfree Workplace Certification 23
N. Child Support Compliance 23

ATTACHMENT A
Request for Waiver Pursuant to Section 5751.7 of the Welfare and Institutions Code 24

ATTACHMENT B
CA Department of Mental Health, County Operations Regional Listing 25

ARTICLE I - PERFORMANCE CONDITIONS

Part A - General Assurances and Program Principles

Section 1 - Maintenance of Effort

The County/City is in compliance with the requirements of Welfare and Institutions Code (WIC), § 17608.05.

Section 2 - Administrative Assurances

Article I of this agreement includes the following County/City assurances:

a. When applicable, the County/City shall comply with all requirements necessary for Short–Doyle/Medi–Cal reimbursement for mental health services provided to Medi–Cal eligible individuals, including, but not limited to, the provisions set forth in WIC, § 5718 through 5724. If the County/City has entered into a Contract with the State Department of Mental Health (DMH) under WIC, § 5775, to provide Medi–Cal Specialty Mental Health Services, the County/City shall comply with the requirements of that Contract and the provisions of Title 9, California Code of Regulations (CCR), Division 1, Chapter 11. Medi–Cal Specialty Mental Health Services are those services described in Title 9, CCR, §1810.247 and 1810.345.

b. The County/City attests that the Local Mental Health Board or Commission has reviewed and approved procedures ensuring citizen and professional involvement in the planning process.

c. The County/City shall provide other information required, pursuant to State or Federal statutes.

d. The County/ City shall comply with all requirements to provide mental health services to pupils with disabilities in accordance with California Government Code Chapter 26.5, Division 7, Title 1, and California Code of Regulation Title 2, Division 9, Chapter 1.

e. The County/City is in compliance with the expenditure requirements of WIC, § 5704.5 and 5704.6.

f. The County/City and its subcontractors shall provide services in accordance with all applicable federal and State statutes and regulations.

g. The County/City has a certification review hearing procedure in force, which shall comply with applicable State statutes. (WIC § 5250 et seq.)

h. The County/City assures that all recipients of services are provided information in accordance with provisions of WIC, § 5325 through 5331 pertaining to their rights as patients, and that the County/City has established a system whereby recipients of service may file a complaint for alleged violations of their rights. The County/City further assures compliance with Title VI of the Civil Rights Act of 1964 and Federal regulations at 45 CFR, Parts 80 and 84.

i. The County/City agrees to pursue a culturally competent system of care.

j. The State and the County recognize that, pursuant to Sections 5615 and 5616 of the Welfare and Institutions Code, the Tri-City Mental Health Center exists, receives realignment funding, and provides mental health services to the Tri-City area, which is within Los Angeles County. State and the County agree that, with regard to specialty mental health services not reimbursed through Medi-Cal, as long as the Tri-City Mental Health Center continues to exist and to provide adequate services in its service area, County is not responsible for non-Medi-Cal mental health services in the Tri-City service area. If Tri-City continues in existence, but information indicates that it will be unable to continue providing an adequate range of non-Medi-Cal mental health services in an acceptable manner, State and County agree to meet, confer, and negotiate as to what action or actions, if any, should be taken, including but not limited to what mental health service responsibilities and/or funding, if any, should be shifted to County. If an agreement is reached to shift service responsibilities and funding to the County, this contract shall be amended to implement the agreed upon action or actions.

Section 3 – Routine Information Needs

a. Pursuant to WIC § 5610 (a), the County/City shall submit Client and Service Information (CSI) data to DMH for the term of this agreement, in accordance with the requirements set forth in the Department's CSI Data Dictionary.

   1. The County/City shall report monthly CSI data to DMH within 60 days after the end of the month.
   2. The County/City is expected to report within 60 days or be in compliance with an approved plan of correction with the Department's CSI Unit.
   3. The County/City shall make diligent efforts to minimize errors on the CSI error file.
   4. The County/City shall notify DMH 90 days prior to any change in reporting system and/or change of automated system vendor.

b. The County/City and its subcontractors shall submit a fiscal year-end cost report, due December 31, 2007, in accordance with WIC, § 5651(a)(4), 5664(a) and (b), 5705(b)(3), 5718(c) and guidelines established by DMH.

Section 4 – Program Principles

DMH and the County/City agree that, to the extent funds are available, the program principles and the array of treatment options shall be in accordance with WIC, § 5600.2 through 5600.9.

Section 5 – Program Reimbursement Methods

Methods of County/City reimbursement are described in Article I, Part B, Section 4 of this agreement during fiscal year 2006-07. If the County participates in Medi-Cal mental health programs or receives Medi-Cal reimbursement for mental health services to Medi-Cal eligible persons, the County shall comply with the requirements and provisions applicable to Medi-Cal Mental Health Managed Care contained or referenced in regulations, policies and statute, and Medi-Cal Mental Health Plan Contract.

Section 6 – Utilization Review/Quality Assurance

a. The County/City and its subcontractors shall establish and maintain systems to review the quality and appropriateness of services in accordance with applicable Federal and State statutes and regulations and guidelines operative during the term of this Contract. If the

County/City has a Contract with DMH under WIC, § 5775, the County/City shall also comply with the terms of that Contract.

b. DMH may review the existence and effectiveness of the County/City's utilization review systems in accordance with applicable Federal and State laws and regulations. DMH may review the existence and effectiveness of any utilization review systems of the County/City's subcontractors as necessary.

Section 7 – Performance Outcomes for Realignment Accountability

The County/City agrees to implement California's mental health performance outcomes systems for children and youth, adults, and older adults.

Section 8 – Cost Reporting

The County shall submit a fiscal year-end cost report, due no later than December 31st following the close of the fiscal year in accordance with WIC, § 5651(a)(4), 5664(a) and (b), 5705(b)(3), 5718(c) and guidelines established by DMH. Data submitted shall be full and complete. The County shall also submit a reconciled cost report certified by the mental health director and the county's auditor-controller as being true and correct, no later than April 1st of the following fiscal year.

If the County does not submit the cost reports by the reporting deadlines the Department may withhold payments of the funds described in Part B (Specific Provisions) to the Contractor.

Section 9 – Restriction of Inpatient Psychiatric Treatment of Minors with Adults

a. The County/City is aware that WIC, § 5751.7 establishes an absolute prohibition against minors being admitted for inpatient psychiatric treatment into the same treatment ward as any adult receiving treatment who is in custody of any jailer for a violent crime, or is a known registered sex offender, or has a known history of, or exhibits inappropriate, sexual or other violent behavior which would present a threat to the physical safety of minors.

b. The County/City agrees to ensure that minors shall not be admitted into inpatient psychiatric treatment with adults if the health facility has no specific separate housing arrangements, treatment staff, and treatment programs designed to serve children or adolescents.

c. If the requirements of 8 b. create an undue hardship for the County/City, the County/City may be granted a waiver if requested. See Attachment A.

d. If the County/City has not been granted a waiver, it must comply with the provision of 8 b.

e. WIC, § 5751.7 delineates a procedure by which a County/City may request a waiver from the Director of DMH. County/City waiver requests may only be submitted at the time this agreement is originally signed and returned to DMH for execution. Attachment A and items 1 and 2 of Attachment A must be completed and affixed to this agreement upon receipt by DMH. See Attachment A for additional submission information.

Section 10 – Assisted Outpatient Treatment Demonstration Project Act of 2002 (AOT)

AB 1421 (Chapter 1017, Statutes of 2002) established the Assisted Outpatient Treatment (AOT) Demonstration Project Act of 2002. Counties/Cities that choose to participate in the

program shall be required to comply with all statutory provisions including, but not limited to, the Welfare and Institutions Code Sections 5345 to 5349.5. In addition, participating counties/cities shall be required to submit to DMH any documents that may be requested as part of the Department's statutory responsibilities in accordance with DMH Letter No.: 03-01 dated March 20, 2003.

Part B - Specific Provisions

1. DMH has designated the Deputy Director, Systems of Care, to be its Project Coordinator for all issues relating to Article I Performance Conditions of this Contract. Except as otherwise provided herein, all communication concerning Article I Performance Conditions of this Contract shall be with the Project Coordinator:

   Deputy Director
   Systems of Care
   Department of Mental Health
   1600 9th Street
   Sacramento, CA 95814
   (916) 654-3551

2. DMH shall make allocations to the County/City, in relation to conditions in Article I, from budget sources as follows:

   a. 4440–101–0001(a) COMMUNITY SERVICES – OTHER

   b. 4440–103–0001 MEDI-CAL MENTAL HEALTH MANAGED CARE (except for Sierra County, Berkeley City and Tri-City)

   c. 4440–101–0890 FEDERAL TRUST FUND

   These allocations shall be consistent with the statutory provisions governing their allocation and the County's expenditure of these funds shall be consistent with the statutory provisions governing their expenditure.

3. DMH agrees to make payment to the County/City as follows:

   a. 4440–101–0001(a) COMMUNITY SERVICES – OTHER :
   Upon the effective date of the agreement, completion of the State budget, and negotiated Work Plans, if applicable, DMH shall pay to the County/City, at the beginning of each month, 1/12 of 95 percent of the funds allocated by DMH in accordance with the budget for the current fiscal year for the allocations described in Section 2.a. above. *(WIC 5713)* The remaining 5 percent shall be paid out to the County/City as a result of the year-end cost settlement process.

   b. 4440-103-0001 MEDI-CAL MENTAL HEALTH MANAGED CARE:
   (except for Sierra County, Berkeley City and Tri-City)
   DMH shall pay to the County/City in one lump sum, at the beginning of the contract period, 100% of the funds allocated by DMH in accordance with the budget for the current fiscal year for the allocations described in Section 2.b. above. *(WIC 5778(e))*. Sierra County's funding is included with Placer County because Placer County acts as the Mental Health Plan (MHP) for Sierra; Alameda County acts as the MHP for Berkeley City; and Los Angeles County acts as the MHP for Tri-City.

c. 4440–101–0890 FEDERAL TRUST FUND:
The County/City agrees that all funds paid out by DMH pursuant to this agreement and any interest accrued locally shall be used exclusively for providing mental health services, including defraying operating and capital costs and allowable County/City overhead. DMH shall pay to the County/City, at the beginning of each month, 1/12 of 100 percent of the funds allocated by DMH in accordance with the budget for the current fiscal year for the allocations described in Section 2.c. above. Monthly payments begin after the renewal application is approved. Payments may be suspended or adjusted if the County/City payment/expenditure ratio is above 15 percent for the quarter. Payments will be discontinued if the County/City is delinquent in submitting quarterly expenditure reports and/or cost reports, and will resume when the required documents are received.

4. The County agrees that if it accepts Federal PATH and/or SAMHSA Block Grant funds, the County shall abide by the specific conditions of § 290aa et seq. and Section 300xx et seq. of Title 42 of the United States Code as well as those conditions established by other Federal and State laws, regulations, policies, and guidelines.

5. In November 2004, California voters approved Ballot Proposition 63 and the Mental Health Services Act (MHSA) became state law effective January 1, 2005. The MHSA requires each participating county mental health program that applies for MHSA funding to prepare and submit a three-year work plan, to be updated at least annually, and approved consistent with MHSA guidelines.

6. If the County/City chooses to reimburse Short–Doyle/Medi–Cal subcontractors or Medi–Cal Specialty Mental Health organizational providers using negotiated rates, the County/City must adhere to the DMH Information Notice, "NEGOTIATED RATES FOR SHORT–DOYLE/MEDI–CAL (SD/MC) SERVICES FOR FISCAL YEAR (FY) 2006–2007." DMH shall issue a final approval letter to the County/City pursuant to the DMH Information Notice. The approval letter shall be binding on the County/City for negotiated rates for FY 2006–07 regardless of the issue date of the letter.

7. Any funds allocated for conditions specified within Article I PERFORMANCE CONDITIONS of this Contract that by Federal or State legislative requirement, regulation or DMH policy are to be expended in specified program categories shall be spent only in accordance with these requirements.

8. Should a dispute arise relating to any issue within Article I PERFORMANCE CONDITIONS of this Contract, the County/City shall, prior to exercising any other remedies which may be available, provide written notice within a thirty–day period of the particulars of such dispute to:

Deputy Director
Administrative Services
Department of Mental Health
1600 9th Street
Sacramento, CA 95814

Such written notice shall contain the Contract number. The Director, or his/her designee, shall meet with the County/City, review the factors in the dispute, and recommend a means of resolving the dispute before a written response is given to the County/City. The Director, or his/her designee, shall provide a written response within thirty days of receipt of the County/City written notice.

9. If the County/City chooses to participate in the Mental Health Medi–Cal Administrative Activities (MAA) claiming process, the County/City agrees to submit claims only for those activities included and defined in the County/City's Mental Health MAA Claiming Plan as approved by DMH, the Department of Health Services, and the federal Center for Medicare and Medicaid Services (CMS). The County/City agrees to comply with all applicable federal statutes and regulations and, with the exception of the approved MAA activities and claiming polices that are unique for mental health programs, agrees in all other respects to comply with WIC, § 14132.47 and MAA Regulations promulgated by the Department of Health Services in Title 22 of the CCR.

ARTICLE II – LOCAL MENTAL HEALTH PROGRAMS

CHILDREN'S SYSTEM OF CARE (CSOC)

Article 1 – Performance Conditions

Section 1 – Program Reference

Submission of Proposals

Authorized under the Children's Mental Health Services Act, Welfare and Institution (W&I) Codes, § 5850 – § 5883

Title XIX Part B of the Public Health Service Act

Program Description:
The Children's System of Care: An Interagency Enrollee-Based Program (CSOC-IEBP) promotes the development of comprehensive county or regional interagency service systems for seriously emotionally disturbed (SED) children, adolescents and their families. For FY 2006-07, the counties of Stanislaus, Merced, and Monterey are defined as "fully funded" system of care counties. These counties must comply with the requirements under State and federal law by implementing and maintaining:

1. A defined range of interagency services, blended programs and program standards that facilitate appropriate service delivery in the least restrictive environment as close to home as possible. The system should use available and accessible intensive home and school–based alternatives;
2. Defined mechanisms that ensure that services are child–centered and family–focused with parental participation in all aspects of the planning and delivery and evaluation of service;
3. A formalized multi–agency policy and planning committee that collaborates to provide a coordinated, goal-directed system of care for the service populations;
4. A defined interagency case management system designed to ensure identification of appropriate children and youth, and to facilitate services to the defined service populations. The roles and responsibilities of these groups are specified in Interagency Agreements (IA) or Memoranda of Understanding (MOU), or both;
5. A roster of enrolled SED children and youth who have a history of, or are at risk of, out of home placement, hospitalization, incarcerated or school nonattendance who are the focus of this effort;
6. Annual enrolled client and cost performance goals and expected levels of attainment, and,
7. Defined mechanisms to ensure that services are culturally competent.

For FY 2006-07, the following counties are defined as "partially funded": Los Angeles, San Luis Obispo, Humboldt, and Placer.

Counties which are "Partially funded" as defined by DMH will be required to meet those elements of above stated requirements which are agreed upon by DMH and the county as appropriate and achievable considering their specific level of funding through the CSOC-IEBP Scope of Work Plan and Budget Requirements process.

Section 2 – Scope of Work Plan and Budget Requirements

Under § 5855.5 of the W&I Code, the County must submit an annual Scope of Work Plan and corresponding budget and budget narrative for each fiscal year that funding is received for County participation. The CSOC-IEBP Scope of Work Plan should outline the County's major strategies for achieving the overall infrastructure requirements, outcome goals and core activities.

The work plans and budgets and any subsequent updates are not attached to the contract but are incorporated herein and made a part hereof by this reference. DMH or the County may update these work plans and budgets periodically as required by program and/or budget directives. DMH shall provide the County with said work plans and budgets under separate cover. The County shall maintain on file all work plans and budgets and any subsequent periodic updates referenced herein.

Counties as recipients of SAMHSA Community Mental Health Services Block Grant funds must abide by specific conditions of Title XIX Part B of the Public Health Service Act, as well as those conditions established by other Federal and State laws, regulations, policies, and guidelines. Counties are required to submit an application, prepared in accordance with the SAMHSA Planning Estimate and Renewal Application Instructions. The Block Grant funds are allocated to seven Children's System of Care programs.

Section 3 – Accountability

Pursuant to § 5880 of the W&I Code, expected levels of attainment of the CSOC-IEBP include improved child functioning, reduced interactions with juvenile justice, reduced out–of–home placement costs, reduced out–of–home placements of special education pupils, and reduced use of psychiatric hospitals. Assuring quality outcomes for children and youth requires the integration of the activities of multiple child–serving agencies and systems to ensure the provision of necessary services to include mental health, substance abuse, special education, child welfare, social services, public health, and increasingly, juvenile justice services.

PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH) PROGRAM

Article 1 - Performance Conditions

Part A - General Assurances and Program Principles

Section 1 - Program Reference

Title V, Part C, § 521 of the Public Health Service Act

Program Description:
Counties receiving federal PATH funds can create new services, as well as augment and enhance services that are currently available to the target population. All PATH funding must pertain to one or more of the following services:

1. Outreach services
2. Screening and diagnostic treatment services
3. Habilitation and rehabilitation services (relating to training and education to improve the individual's functioning in the community)
4. Community mental health services
5. Alcohol and/or drug treatment services
6. Staff training (for individuals who work in shelters, mental health clinics, substance abuse programs, and other sites where individuals require homeless services)
7. Case management services
8. Supportive and supervisory services in residential settings
9. Referrals for primary health services, job training, educational services, and relevant housing services
10. Housing services including: (limited to 20 percent of the PATH grant)
    a. Minor renovation, expansion, and repair of housing
    b. Planning of housing
    c. Technical assistance in applying for housing assistance
    d. Improving the coordination of housing services
    e. Security deposits
    f. Costs associated with matching eligible homeless individuals with appropriate housing situations
    g. One-time rental payments to prevent eviction

Grant payments may not be expended:

a. To support emergency shelters or construct housing facilities.
b. For inpatient psychiatric treatment costs or inpatient substance abuse treatment costs.
c. To make cash payments to intended recipients of mental health or substance abuse services.

DMH awards the PATH funding to participating counties based on, but not limited to, a legislated formula. The goal of this formula allocation is to provide a stable funding base that the counties can use to develop innovative programs or augment existing programs within their systems of care, as long as the programs meet specific PATH requirements.

In an effort to ensure compliance and ongoing quality improvement in the local mental health programs related to the PATH grant program, policies and procedures have been established. These policies and procedures define the program requirements, process for monitoring and oversight, and technical assistance information. Refer to the PATH Planning Estimate and

Renewal Application for PATH Grant Funds (sent out by DMH as numbered PATH Letter), which shall be sent to the County under separate cover, for applicable policies and procedures.

Annual allocations for County programs operating under the terms and conditions of this contract shall not be determined until final approval of the Budget Act for Fiscal Year 2006-07 and any associated trailer bills that impact program funding. Funding is contingent on the availability of funds and successful compliance with the Application and Budget requirements.

Counties are required to make available (directly or indirectly) nonfederal contributions toward the cost of services in the amount of one dollar ($1) for each three dollars ($3) of federal PATH funds provided. Nonfederal contributions may be in cash or in-kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the federal government, including services assisted or subsidized by the federal government, shall not be included in determining the amount of such nonfederal contributions.

The PATH Planning Estimate and Renewal Application Letter for PATH Grant funds shall be sent to participating Counties under separate cover. This PATH Letter transmits the Planning Estimate Worksheet, which provides the County's proposed total expenditure level for the State Fiscal Year, and the renewal application instructions (with all appropriate forms) for the grant. An application with the required documentation is due to DMH by the date specified in this PATH Letter.

Section 2 – Application and Budget Requirements

In order to receive the allocation, the County is required to submit to DMH an annual application for the PATH Grant funds. The application must include a narrative that details the County's intended use of the funds. In addition, the County application must include signed certifications and assurances accepting the grant dollars under the conditions established by governing federal and state laws, regulations and guidelines, as well as specific conditions included in the County application.

Program Narrative:
Refer to the PATH Planning Estimate and Renewal Application Letter for PATH Grant funds (PATH Letter), which shall be sent to the County under separate cover, for specific application submission requirements, including Program Narrative requirements and page limitations.

Program Budget:
In order to receive the allocation, the County is required to submit to DMH a Federal Grant Detailed Provider Budget (MH 1779) and separate budget narrative for each program. This form shall be included in the PATH Planning Estimate and Renewal Application Letter for PATH Grant funds (PATH Letter), which shall be sent under separate cover.

Program Goals and Objectives:
See Program Narrative.

DMH shall provide procedures to the County regarding applications and budgets under separate cover. The applications and budgets and any subsequent updates are not attached to the contract but are incorporated herein and made a part hereof by this reference. DMH or the County may make mutually agreed upon revisions to these applications and budgets periodically as required by program and/or budget directives. The County shall maintain on file all work plans and budgets and any subsequent periodic updates.

Section 3 – Accountability

DMH shall monitor the PATH Grant for:

1. Use of funds in accordance with Federal Program Reference Public Law 101–645, 42 U.S.C. 290cc–21 et seq., the Stewart B. McKinney Homeless Assistance Act of 1990, Public Health Services Act, sections 521 through 535.
2. Program design, implementation, and service array (PL 101–645, Public Health Services Act, Part C, Sections 521–525).
3. Use of funds for administrative purposes (State Mental Health 1779 Budget).

Site Visits and Monitoring:
DMH maintains oversight of the PATH Grant funds through a review of the County's application and on–site reviews. DMH shall conduct program performance reviews of the larger County programs through site visits every other year. For other counties, DMH staff with County homeless coordinators and County fiscal staff discuss program progress, with on–site reviews scheduled on an as–needed basis. PATH review criteria are delineated in the Public Health Service Act, Part C, Section 521–535.

Progress Reports:
Each County provides financial reporting on a quarterly basis and also an annual cost report. Demographic and general fiscal information are reported to SAMHSA annually via the on–line Year End PATH Report. This information is, in turn, reported in summary form to DMH.

COMMUNITY MENTAL HEALTH SERVICES GRANT (SAMHSA) PROGRAM

Article I – Performance Conditions

Part A – General Assurances and Program Principles

Section 1 – Program Reference

Title 42 U.S.C. 300x-1 et seq. Part B of the Public Health Service Act

Program Description:
Community Mental Health Services Block Grant funds (known as SAMHSA Block Grant funds) are allocated to 58 Local County mental health agencies. Those mental health agencies provide a broad array of treatment services within their System of Care. These programs are providing services to the following target populations: children and youth with serious emotional disturbances (SED), adults and older adults with serious mental illnesses (SMI).

DMH's goal is to use the Block Grant to assist participating Counties in providing an appropriate level of community mental health services to the most needy residents who have a mental health diagnosis, and/or residents who have a mental health diagnosis with a co–occurring substance abuse disorder. The services are provided through an intensive coordination process and include targeting persons with a mental illness who are: 1) homeless, 2) minorities, or 3) within the criminal justice system.

DMH awards the SAMHSA funding to each County based on, but not limited to, a legislated formula and/or for special projects, and/or programs awarded through a competitive process. The goal is to provide a stable, flexible, and non–categorical funding base that the Counties can use to develop innovative programs or augment existing programs within their Systems of Care (SOC).

Federal law does not permit the use of SAMHSA funds for any of the following purposes:

- To provide inpatient services
- To make cash payments to intended recipients of health services
- To purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment
- To satisfy any requirement for the expenditure of non–Federal funds as a condition for the receipt of federal funds
- To provide financial assistance to any entity other than a public or nonprofit private entity

In an effort to ensure compliance and ongoing quality improvement in the local mental health programs related to funding provided to them by the SAMHSA Block Grant program, policies and procedures have been established. Refer to the SAMHSA Planning Estimate and Renewal Application Letter for SAMHSA Block Grant funds (sent out by DMH as a numbered SAMHSA Letter), which shall be sent to the County under separate cover, for applicable policies and procedures.

Annual allocations for County programs operating under the terms and conditions of this contract shall not be determined until final approval of the Budget Act for FY 2006-07 and any associated trailer bills that impact program funding. Funding is contingent on the availability of funds and successful compliance with the Work Plan and Budget requirements.

Federal SAMHSA Funds: The SAMHSA Planning Estimate and Renewal Application Letter for SAMHSA Block Grant funds shall be sent to each County under separate cover. This SAMHSA Letter shall transmit the Planning Estimate Worksheet, which provides the County's proposed total expenditure level for the State Fiscal Year, and the renewal application instructions (with all appropriate forms) for the Block Grant. Payments shall not be made until all documents are received and the application has been approved.

Section 2 – Application And Budget Requirements

In order to receive the formula allocation, the County is required to submit to DMH an annual application for the SAMHSA Block Grant funds. The application must include a narrative that details the County intended use of the funds. In addition, the County application must include a Federal Grant Detailed Provider Budget for each program and signed assurances accepting the Block Grant dollars under the conditions established by governing Federal and State laws, regulations and guidelines, as well as specific conditions included in their County application.

Program Narrative:
Refer to the SAMHSA Planning Estimate and Renewal Application Letter for SAMHSA Block Grant funds, which shall be sent to the County under separate cover, for specific application submission requirements, including Program Narrative requirements and page limitations.

DMH shall provide procedures to the County regarding the application and budget requirements under separate cover. Those procedures and any subsequent updates are not attached to the contract but are incorporated herein and made a part hereof by this reference. DMH or the County may make mutually agreed upon revisions to these applications and budgets periodically as required by program and/or budget directives. The County shall maintain on file all applications and budgets and any subsequent periodic updates.

Section 3 – Accountability

Federal law requires that Federal grant recipients substantiate their own and their sub–recipients' compliance with the use of federal grant funds. Pursuant to Public Laws (PL) 98–509, 100–690 and 102–321, DMH, as the recipient of Substance Abuse and Mental Health Services Administration (SAMHSA) Federal Block Grant funds, shall monitor sub–recipient grant programs for compliance with Federal and State requirements, on which the grants are contingently allocated.

Site Visits and Monitoring:
DMH maintains oversight of the SAMHSA Grant funds through a review of the County's application and on–site Program Performance Reviews.

Progress Reports:
Each County is required to provide financial reporting on a quarterly basis as well as an annual cost report. Expenditure Reports are provided to SAMHSA annually by DMH.

INTEGRATED SERVICES FOR HOMELESS ADULTS WITH SEVERE MENTAL ILLNESS - AB 34, AB 2034 AND AB 334

Article I - Performance Conditions

Part A - General Assurances and Program Principles

Section 1 - Program Reference

AB 34 – Chapter 617, Statutes of 1999
AB 2034 – Chapter 518, Statutes of 2000
AB 334 – Chapter 454, Statutes of 2001
Welfare & Institutions Code § 5804, 5806, 5807, 5809, 5811, 5814, & 5814.5

Program Description:
Programs established pursuant to AB 34/2034/334, deliver integrated comprehensive services to a target population that includes adults and young adults (18 to 25 years of age), and older adults with serious mental illness who are homeless or at risk of homelessness, recently released from a County jail or state prison, or others who are untreated, unstable or at imminent risk of incarceration or homelessness unless treatment is provided. Planned services for this target population include providing housing for clients that is immediate, transitional, permanent, or all of these.

Additional services to be provided include but are not limited to outreach, supported housing and employment, alcohol and drug services, transportation, mental health services including medications, referrals to other physical healthcare, money management assistance including accessing and obtaining federal income and housing supports and/or Medi-Cal/Medicare insurance, and linkage to veterans' services. AB 34/2034/334 programs also provide outreach and services to adults voluntarily or involuntarily hospitalized due to severe mental illness and require that the program's service planning and delivery process provide for persons who have been suffering from an untreated serious mental illness for less than one year. Adult System of Care programs require detailed monthly data collection and reporting that is focused on client and system outcomes and is unique to these programs.

Annual allocations for County/City programs operating under the terms and conditions of this contract shall not be determined until final approval of the Budget Act for Fiscal Year 2006-07 and any associated trailer bills that impact program funding. Funding is contingent on the availability of funds and successful compliance with the Work Plan and Budget requirements.

Section 2 - Work Plan and Budget Requirements

Ongoing Programs:
A county/city annual work plan, or update, if applicable, is required from ongoing programs within timeframes identified by DMH. These plans, or updates, if applicable, include, but may not be limited to: project narratives describing the target population to be served and program goals and strategies; a description of the services to be provided including any changes from the previous year; a general description of program staff available (County/City and contract) including information about the staff to client ratio for Personal Services Coordinators; a specific description of certain program elements (24/7 coverage, housing, employment, collaboration with other agencies, etc.); a description of the County/City's data collection and reporting

process; and a line–item budget. These work plan, or update, if applicable, requirements may vary from year to year and may be customized for each County/City depending on past program performance. Guidelines for work plan, or update, if applicable, and budget submissions shall be provided by DMH annually under separate cover.

The work plans and budgets and any subsequent updates are not attached to the contract but are incorporated herein and made a part hereof by this reference. DMH or the County/City may update these work plans and budgets periodically as required by program and/or budget directives. DMH shall provide the County/City with said work plans and budget directives under separate cover. The County/City shall maintain on file all work plans and budgets and any subsequent periodic updates referenced herein.

Section 3 - Accountability

Data Information and Reporting:
Pursuant to W & I Code, § 5814 (b), each County/City selected to receive a grant pursuant to this section shall provide data as the department may require, that documents client and system outcomes associated with clients enrolled in these adult system of care programs. All programs shall be required to submit monthly data as required within specified DMH timelines. Additional information shall be provided by County/City programs within specified timelines, when requested by DMH.

Site Visits and Monitoring:
Pursuant to W & I Code, § 5804 (c), 5805 & 5806, DMH shall monitor program performance through review of annual work plan documents, review of outcome data reported, site reviews, on–going communication with local program staff, attendance at meetings and trainings, and other continuing events. Local programs shall comply with monitoring requirements and assist DMH program staff by actively participating in monitoring activities.

Article III - General Provisions

A. Term

The term of the Fiscal Year 2006-07 County/City Performance Contract shall be July 1, 2006, through June 30, 2007.

B. Budget Contingencies

All parties agree that the Contract is based upon the following:

1. Federal Budget
   a. It is mutually understood between the parties that this Contract may have been written before ascertaining the availability of congressional appropriation of funds. This was done to avoid program and fiscal delays, which would occur if it were written after that determination was made.
   b. It is mutually agreed that, if the Congress does not appropriate sufficient funds for the program, the State has the option to void the Contract or to amend the Contract to reflect any reduction of funds. Such amendment, however, shall require County/City approval.
   c. The Contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms, or funding of this Contract in any manner.
   d. The State and the County/City agree that if Congress enacts such changes during the term of this Contract, both parties shall meet and confer to renegotiate the terms of this Contract affected by the restrictions, limitations, conditions, or statute enacted by Congress.
2. State Budget
   a. This Contract is subject to any restrictions, limitations, or conditions enacted by the Legislature and contained in the Budget Act or any statute enacted by the Legislature which may affect the provisions, terms, or funding of this Contract in any manner. The State and the County/City mutually agree that if statutory or regulatory changes occur during the term of this Contract which affect this Contract, both parties may renegotiate the terms of this Contract affected by the statutory or regulatory changes.
   b. This Contract may be amended upon mutual consent of the parties. A duly authorized representative of each party shall execute such amendments.
   c. It is mutually agreed that if the Budget Act does not appropriate sufficient funds for the program, this Contract shall be void and have no further force and effect. In such an event, the State shall have no further liability to pay any funds whatsoever to the County/City or to furnish any other considerations under this Contract, and the County/City shall not be obligated to perform any provisions of this Contract or to provide services intended to be funded pursuant to this Contract.
3. General Terms and Conditions
   a. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreements is binding on any of the parties.
   b. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
   c. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records

for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).

d. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
e. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
f. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
g. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
h. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC201 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
i. TIMELINESS: Time is of the essence in this Agreement.
j. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
k. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be effected thereby.

C. Confidentiality of Client Information and Medical Records

1. The Contractor shall comply with applicable laws and regulations, including but not limited to Sections 14100.2 and 5328 et seq. of the Welfare and Institutions Code, Section 431.300 et seq. of Title 42, Code of Federal Regulations, and the Health Insurance Portability and Accountability Act (HIPAA), including but not limited to Section 1320 D et seq, of Title 42, United States Code and it's implementing regulations (including but not limited to Title 45, CFR, Parts 142, 160, 162 and 164) regarding the confidentiality and security of patient information.
2. The Contractor shall protect, from unauthorized disclosure, names and other identifying information concerning persons receiving services pursuant to this Contract, except for statistical information. This pertains to any and all persons receiving services pursuant to a DMH-funded program. The Contractor shall not use such identifying information for any purpose other than carrying out The Contractor's obligations under this Contract.
3. The Contractor shall not disclose, except as otherwise specifically permitted by this Contract, authorized by law or authorized by the client/patient, any such identifying

information to anyone other than the State without prior written authorization from the State in accordance with State and Federal Laws.

4. For purposes of the above paragraphs, identifying information shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print, or a photograph.
5. Notification of Electronic Breach or Improper Disclosure: During the term of this Agreement, Contractor shall notify DMH, immediately upon discovery of any breach of Medi-Cal Protected Health Information (PHI) and/or data, where the information and/or data is reasonably believed to have been acquired by an unauthorized person. Immediate notification shall be made to the DMH Information Security Officer within two business days of discovery at (916) 651-6776. The Contractor shall take prompt corrective action to cure any deficiencies and any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations. The Contractor shall investigate such breach and provide a written report of the investigation to the DMH Information Security Officer, postmarked within thirty (30) working days of the discovery of the breach to the address below:

Information Security Officer
Office of HIPAA Compliance
California Department of Mental Health
1600 9th Street, Room 150
Sacramento, CA 95814

6. *Safeguards.* The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the protected health information, including electronic PHI, that it creates, receives, maintains or transmits on behalf of DMH; and to prevent use or disclosure of PHI other than as provided for by this Agreement. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities. Contractor shall provide DMH with information concerning such safeguards as DMH may reasonably request from time to time.

   The Contractor shall implement strong access controls and other security safeguards and precautions as noted in the following to restrict logical and physical access to confidential, personal (e.g., PHI) or sensitive data to authorized users only.

   The Contractor shall enforce the following administrative and technical password controls on all systems used to process or store confidential, personal, or sensitive data:
   a. Passwords must not be:
      i. shared or written down where they are accessible or recognizable by anyone else, such as taped to computer screens, stored under keyboards, or visible in a work area
      ii. a dictionary word
      iii. stored in clear text
   b. Passwords must be:
      i. 8 characters or more in length
      ii. changed every 90 days
      iii. changed immediately if revealed or compromised

iv. composed of characters from at least three of the following four groups from the standard keyboard:
(1) Upper case letters (A-Z);
(2) Lower case letters (a-z);
(3) Arabic numerals (0 through 9); and
(4) Non-alphanumeric characters (punctuation symbols)

The Contractor shall implement the following security controls on each workstation or portable computing device (e.g., laptop computer) containing confidential, personal, or sensitive data:

a. network-based firewall and/or personal firewall
b. continuously updated anti-virus software
c. patch management process including installation of all operating system/software vendor security patches

The Contractor shall utilize a commercial encryption solution that has received FIPS 140-2 validation to encrypt all confidential, personal, or sensitive data stored on portable electronic media (including, but not limited to, CDs and thumb drives) and on portable computing devices (including, but not limited to, laptop and notebook computers).

The Contractor shall not transmit confidential, personal, or sensitive data via e-mail or other internet transport protocol unless the data is encrypted by a solution that has been validated by the National Institute of Standards and Technology (NIST) as conforming to the Advanced Encryption Standard (AES) Algorithm.

7. *Mitigation of Harmful Effects.* The Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor or its subcontractors in violation of the requirements of these Provisions.

8. *Contractor's Contractors.* The Contractor shall ensure that any contractors, including subcontractors, to whom Contractor provides PHI received from or created or received by Contractor on behalf of DMH, agree to the same restrictions and conditions that apply to Contractor with respect to such PHI; and to incorporate, when applicable, the relevant provisions of these Provisions into each subcontract or sub award to such agents or subcontractors.

9. *Employee Training and Discipline.* The Contractor shall train and use reasonable measures to ensure compliance with the requirements of these Provisions by employees who assist in the performance of functions or activities on behalf of DMH under this Agreement and use or disclose PHI; and discipline such employees who intentionally violate any provisions of these Provisions, including termination of employment.

10. *Termination for Cause.* Upon DMH's knowledge of a material breach of these Provisions by Contractor, DMH shall either:

(1) Provide an opportunity for Contractor to cure the breach or end the violation and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by DMH; or

(2) Immediately terminate this Agreement if Contractor has breached a material term of these Provisions and cure is not possible.

(3) If neither cure nor termination is feasible, the DMH Privacy Officer shall report the violation to the Secretary of the U.S. Department of Health and Human Services.

11. *Judicial or Administrative Proceedings.* DMH may terminate this Agreement, effective immediately, if (i) Contractor is found guilty in a criminal proceeding for a violation of the HIPAA Privacy or Security Rule or (ii) a finding or stipulation that the Contractor has violated a privacy or security standard or requirement of HIPAA, or (iii), a finding or stipulation in any administrative or civil proceeding that the contractor has violated any privacy or security regulation or law.

12. *Effect of Termination.* Upon termination or expiration of this Agreement for any reason, Contractor shall return or destroy all PHI received from DMH (or created or received by Contractor on behalf of DMH) that Contractor still maintains in any form, and shall retain no copies of such PHI or, if return or destruction is not feasible, it shall continue to extend the protections of these Provisions to such information, and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of subcontractors or agents of Contractor.

13. *Disclaimer.* DMH makes no warranty or representation that compliance by Contractor with these Provisions, HIPAA or the HIPAA regulations will be adequate or satisfactory for Contractor's own purposes or that any information in Contractor's possession or control, or transmitted or received by Contractor, is or will be secure from unauthorized use or disclosure. Contractor is solely responsible for all decisions made by Contractor regarding the safeguarding of PHI.

14. *Amendment.* The parties acknowledge that Federal and State laws relating to electronic data security and privacy are rapidly evolving and that amendment of these Provisions may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon DMH's request, Contractor agrees to promptly enter into negotiations with DMH concerning an amendment to these Provisions embodying written assurances consistent with the standards and requirements of HIPAA, the HIPAA regulations or other applicable laws. DMH may terminate this Agreement upon thirty (30) days written notice in the event (i) Contractor does not promptly enter into negotiations to amend these Provisions when requested by DMH pursuant to this Section or (ii) Contractor does not enter into an amendment providing assurances regarding the safeguarding of PHI that DMH in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.

15. *No Third-Party Beneficiaries.* Nothing express or implied in the terms and conditions of these Provisions is intended to confer, nor shall anything herein confer, upon any person other than DMH or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.

16. *Interpretation.* The terms and conditions in these Provisions shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HIPAA regulations and applicable State laws. The parties agree that any ambiguity in the terms and conditions of these Provisions shall be resolved in favor of a meaning that complies and is

consistent with HIPAA and the HIPAA regulations.

17. *Regulatory References.* A reference in the terms and conditions of these Provisions to a section in the HIPAA regulations means the section as in effect or as amended.

18. *Survival.* The respective rights and obligations of Contractor under Section 6.C of these Provisions shall survive the termination or expiration of this Agreement.

19. *No Waiver of Obligations.* No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

D. Nondiscrimination

1. The State and the County/City shall not employ any unlawful discriminatory practices in the admission of patients, assignment of accommodations, treatment, evaluation, employment of personnel, or in any other respect on the basis of race, color, gender, religion, marital status, national origin, age, sexual preference, or mental or physical handicap, in accordance with the requirements of applicable Federal or State law.
2. During the performance of this Contract, the County/City and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, mental or physical handicap, medical condition, marital status, age, or sex. The County/City and subcontractors shall comply with the provisions of the Americans with Disabilities Act of 1990, the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), and the applicable regulations promulgated there under (Title 2, CCR, Section 7285 et seq.). The County/City shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5, Division 4 of Title 2 of the CCR are incorporated into this Contract by reference and made a part hereof as if set forth in full. The County/City 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.
3. The County/City shall comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in all federally assisted programs or activities, as detailed in regulations signed by the Secretary of Health and Human Services Agency, effective June 2, 1977, and found in the Federal Register, Volume 42, No. 86, dated May 4, 1977.
4. The County/City shall include the nondiscrimination and compliance provisions of this Contract in all subcontracts to perform work under this Contract.
5. The County/City assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

E. Statement of Compliance

The County/City agrees, unless specifically exempted, to comply with Government Code Section 12900 (a–f) and Title 2, Division 4, Chapter 5 of the CCR in matters relating to reporting requirements and the development, implementation and maintenance of a Nondiscrimination Program. County/City agrees not to unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry,

religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave.

F. Patients' Rights

The parties to this 2006-07 County/City Performance Contract shall comply with applicable laws, regulations and State policies relating to patients' rights.

G. Record Keeping

1. The County/City agrees to maintain books, records, documents, and other evidence necessary to facilitate contract monitoring and audits pursuant to Section 640, Title 9, of the CCR and DMH policy.
2. The County/City agrees that the State shall have access to facilities, programs, documents, records, staff, clients/patients, or other material or persons the State deems necessary to monitor and audit services rendered.

H. Relationship of the Parties

The State and the County/City are, and shall at all times be deemed to be, independent agencies. Each party to this Agreement shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Standard Agreement. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between the parties or any of their agents or employees. Each party assumes exclusively the responsibility for the acts of its employees or agents as they relate to the services to be provided during the course and scope of their employment. The State, its agents and employees, shall not be entitled to any rights or privileges of County/City employees and shall not be considered in any manner to be County/City employees. The County/City, its agents and employees, shall not be entitled to any rights or privileges of State employees and shall not be considered in any manner to be State employees.

I. Reports

1. Any products or reports, which are produced pursuant to this Contract, shall name the Department of Mental Health, the Contract number, and the dollar amount of the Contract (Government Code, Section 7550).
2. The State reserves the right to use and reproduce all reports and data produced and delivered pursuant to this Contract, and reserves the right to authorize others to use or reproduce such materials, unless of a confidential nature.

J. Severability

If any provision of this Contract or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction, or is found by a court to be in contravention of any Federal or State law or regulation, the remaining provisions of this Contract or the application thereof shall not be invalidated thereby and shall remain in full force and effect, and to that extent the provisions of this Contract are declared severable.

K. Subcontracting

The County/City agrees to place in each of its subcontracts, which are in excess of $10,000 and utilize State funds, the following provision: "The contracting parties shall be subject to the examination and audit of the Auditor General for a period of three years after final payment under Contract (Government Code, Section 8546.7)". The County/City shall also be subject to the examination and audit of the Auditor General for a period of three years after final payment under Contract (Government Code, Section 8546.7).

L. Waiver of Default

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Standard Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Contract.

M. Drug free Workplace Certification

By signing this Contract, the Contractor hereby certifies under penalty of Perjury under the laws of the State of California that the Contractor shall comply with the requirements of the Drug–Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and shall provide a drug–free workplace doing all of the following:

A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
B. Establish a Drug–Free Awareness Program as required by Government Code Section 8355(a), to inform employees about all of the following:
    1. the dangers of drug abuse in the workplace,
    2. the person's or organization's policy of maintaining a drug–free workplace,
    3. any available counseling, rehabilitation and employee assistance programs, and
    4. penalties that may be imposed upon employees for drug abuse violations.
C. Provide as required by Government Code Section 8355(a) that every employee who works on the proposed contract or grant:
    1. shall receive a copy of the company's drug–free policy statement, and
    2. shall agree to abide by the terms of the company's statement as a condition of employment on the contract or grant.

Failure to comply with these requirements may result in suspension of payments under the Contract or termination of the Contract or both and the Contractor may be ineligible for award of any future state contracts if DMH determines that any of the following has occurred: (1) the contractor has made a false certification or, (2) violates the certification by failing to carry out the requirements as noted above.

N. Child Support Compliance

1. The Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8, commencing with Section 5200, of Part 5 of Division 9 of the Family Code.
2. The Contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

ATTACHMENT A

Request For Waiver Pursuant To Section 5751.7 Of The Welfare and Institutions Codes

_____ hereby requests a waiver for the following public or private health facilities pursuant to Section 5751.7 of the Welfare and Institutions Code for the term of this contract. These are facilities where minors may be provided psychiatric treatment with nonspecific separate housing arrangements, treatment staff, and treatment programs designed to serve minors.

The request for waiver must include, as an attachment, the following:
1. A description of the hardship to the County/City due to inadequate or unavailable alternative resources that would be caused by compliance with the state policy regarding the provision of psychiatric treatment to minors.
2. The specific treatment protocols and administrative procedures established by the County/City for identifying and providing appropriate treatment to minors admitted with adults.

Execution of this contract shall constitute approval of this waiver. Any waiver granted in the prior fiscal year's contract shall be deemed to continue until execution of this contract.

ATTACHMENT B

COUNTY OPERATIONS NORTH & SOUTH REGIONAL LISTING

NORTH/BAY REGIONS	SOUTH/CENTRAL REGIONS
Rebecca Kirby, Chief, (916) 657-0291 **Rebecca.Kirby@dmh.ca.gov**	**John Lessley, Chief, (916) 654-3535** **John.Lessley@dmh.ca.gov**
Support Staff: Gina Jones, **(916) 654-2526** **Gina.Jones@dmh.ca.gov**	**Support Staff: Catherine England,** **(916) 654-3168** **Catherine.England@dmh.ca.gov**
Barbara Vick **Barbara.Vick@dmh.ca.gov (916) 654-3589**	**Nicole Serrano** **Nicole.Serrano@dmh.ca.gov (916) 651-6004**
Kathleen Carter Nishimura (Regional Lead) Colusa, *Del Norte, Lake, Mendocino, Plumas, *Santa Cruz **Kathleen.Carter@dmh.ca.gov** **(916) 651-6613**	**Eddie Gabriel (Regional Lead)** Imperial, Los Angeles, Sacramento, San Diego **Eddie.Gabriel@dmh.ca.gov (916) 654-3263**
Susan Brown Lassen, Nevada, San Francisco, *Trinity **Susan.Brown@dmh.ca.gov** **(916) 653-8672**	**Linda Brophy** Alpine, Mariposa, Mono, Tuolumne **Linda.Brophy@dmh.ca.gov (916) 654-7357**
Wanda Kato (Regional Lead) Modoc, Monterey, *Napa, San Benito **Wanda.Kato@dmh.ca.gov (916) 654-2644**	**Iris Frazier** Madera, Orange, Riverside **Iris.Frazier@dmh.ca.gov (916) 651-9867**
Harold Curtis Glenn, *Humboldt, Shasta, Siskiyou, Tehama **Harold.Curtis@dmh.ca.gov (916) 654-1206**	**Lori Hokerson (Regional Lead)** Merced, Placer, Sierra, Stanislaus, Sutter-Yuba **Lori.Hokerson@dmh.ca.gov (916) 651-6296**
Enrica Bertoldo (Regional Lead) *Butte, Inyo, Marin, San Mateo **Enrica.Bertoldo@dmh.ca.gov** **(916) 651-0570**	**Angel Jenkins** Calaveras, Fresno, Kings **Angel.Jenkins@dmh.ca.gov (916) 651-6090**
David Jones (Regional Lead) Alameda, Contra Costa, Santa Clara, Solano, *Sonoma **David.Jones@dmh.ca.gov (916) 654-3623**	**Troy Konarski (Regional Lead)** San Bernardino, San Luis Obispo, Ventura **Troy.Konarski@dmh.ca.gov (916) 654-2643**
* Temporary Assignments	**Bertha MacDonald** Kern, Santa Barbara, Tulare **Bertha.MacDonald@dmh.ca.gov** **(916) 654-0853**
	Donna Ures Amador, El Dorado, San Joaquin, Yolo **Donna.Ures@dmh.ca.gov (916) 653-2634**

ATTACHMENT II

RESOLUTION OF
THE BOARD OF SUPERVISORS OF
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

Now, Therefore, Be It Resolved that the Board of Supervisors of the County of Los Angeles, does hereby authorize Marvin J. Southard, D.S.W., Director of Mental Health, to sign the County Performance Contract No. 06-76123-000 with the State of California for Fiscal Year 2006-2007.

The foregoing Resolution was adopted on the 9th day of January, 2007, by the Board of Supervisors of the County of Los Angeles, and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities, for which said Board so acts.

ATTEST:
SACHI HAMAI, Executive Officer
Board of Supervisors of the
County of Los Angeles

By Sylvia J. Villalobos
Deputy

Chair, Board of Supervisors

APPROVED AS TO FORM:
Office of the County Counsel

By Anita D Lee
Principal Deputy County Counsel

MI:c:\My documents\perf contract fy 2006-2007\resolution