County of Los Angeles
CHIEF EXECUTIVE OFFICE
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LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
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WILLIAM T FUJIOKA
Chief Executive Officer

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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October 30, 2007

13 OCT 30 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:

DEPARTMENT OF MENTAL HEALTH: APPROVAL OF TERMINATION OF THE AGREEMENTS WITH CENTER FOR HEALTHY AGING EFFECTIVE UPON MERGER BETWEEN WISE SENIOR SERVICES AND CENTER FOR HEALTHY AGING APPROVAL OF NEW AGREEMENTS WITH WISE & HEALTHY AGING (SUPERVISORIAL DISTRICT 3) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Mental Health or his designee to terminate the Department of Mental Health's (DMH) Legal Entity Agreement (LE Agreement) No. MH120200 and DMH Consultant Services Agreement No. MH050018 with Center for Healthy Aging, contingent upon implementation of a mutually agreed upon merger by and between Center for Healthy Aging and WISE Senior Services, anticipated by November 1, 2007.

2. Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute a new DMH LE Agreement, substantially similar to Attachment I, with WISE & Healthy Aging for the provision of outpatient mental health services to adult clients, ages 55 years or older residing in Service Area 5, effective contingent upon the merger, but no sooner than November 1, 2007. The term will include two automatic one-year renewal periods for Fiscal Years (FY) 2008-09 and 2009-10. The Maximum Contract Amount (MCA) for FY 2007-08 will be pro-rated for eight months at $267,734, based on the annualized MCA of $401,600 for FYs 2008-09 and 2009-10.

3. Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute a new DMH Consultant Services Agreement, substantially similar to Attachment II, with WISE & Healthy Aging for the provision of the Mental Health Services Act (MHSA) Older Adult Certificate Training Program for FY 2007-08, in a Total Compensation Amount (TCA) of $225,000, fully funded by MHSA Community Services and Supports (CSS) funds.

4. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to the LE Agreement and/or Consultant Services Agreement with WISE & Healthy Aging and establish as a new MCA/TCA the aggregate of the original Agreements and all amendments, provided that: 1) the County's total payments to the Contractor under the Agreement for each fiscal year shall not exceed an increase of 20 percent from the applicable revised MCA/TCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Executive Officer (CEO) or their designee is obtained prior to any such Amendment; 5) the parties may, by written Amendment, reduce programs or services without reference to the 20 percent limitation; and 6) the Director of Mental Health shall notify the CEO's office after execution of the Amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

To effectuate and implement the merger of WISE Senior Services and Center for Healthy Aging (Attachment III), the recommended actions will allow for the termination of Center for Healthy Aging's DMH LE Agreement No. MH120200 and its DMH Consultant Services Agreement No. MH050018, and the execution of a new LE Agreement and a new Consultant Services Agreement with the new entity, WISE & Healthy Aging.

The Center for Healthy Aging will cease to exist as a separate entity and will be merged into the new entity, WISE & Healthy Aging. It is understood that the merger will not diminish the quantity and quality of services provided separately by Center for Healthy Aging, and that WISE & Healthy Aging will be fiscally responsible for all of Center for Healthy Aging's obligations, past, present, and future. In particular, and without limiting the scope of the financial obligations assumed, WISE & Healthy Aging understands and agrees: (1) that it will be entirely responsible for any and all audit exceptions applied at any time against the previous entity, Center for Healthy Aging, through any of its agreements with County or any Department thereof, whether assessed by Federal, State, or County audit(s); and (2) that these audit exceptions may arise and become payable before and/or after the effective date of the merger and the cessation of

existence of Center for Healthy Aging. The parties agree that all applicable review and dispute resolution procedures under the contract at issue shall apply.

Implementation of Strategic Plan Goals

The recommended Board actions are consistent with the principles of the Countywide Strategic Plan Organizational Goal No. 1, "Service Excellence," Goal No. 6, "Community Services," and Programmatic Goal No. 7, "Health and Mental Health." Board approval of these actions will allow for continuity of services currently provided by Center for Healthy Aging LE Agreement and will allow Center for Healthy Aging Consultant Services Agreement to develop and implement an Older Adult Certificate Training Program that will enhance the County's commitment to the well-being of older adults.

FISCAL IMPACT/FINANCING

There is no increase in net County cost.

The MCA for FY 2007-08 will be pro-rated for eight months at $267,734, based on the FY 2007-08 annualized MCA of $401,600 for Center for Healthy Aging. The annualized MCA in the amount of $401,600 for FYs 2008-09 and 2009-10 will be requested during DMH's annual budget process.

In addition, of the $225,000 allocated for the provision of the MHSA Older Adult Certificate Training Program for FY 2007-08, $25,000 will be used to provide training to peers, family members, and other individuals interested in working with older adults and who will serve as "Service Extenders" providing recovery-oriented, supportive services to older adults throughout the County. The $225,000 is fully funded by MHSA CSS funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Center for Healthy Aging, through its current contract with DMH, provides an array of mental health services for adults, 55 years and older residing in Supervisorial District 3. The agency has been providing these services since 1991. In-home psychotherapy is available as needed for eligible clients. The service delivery site remains at 1527 4th Street, Second Floor, Santa Monica, CA 90401.

The treatment components offered by Center for Healthy Aging under the DMH LE Agreement include:

- targeted case management services
- outpatient mental health services
- medication support
- crisis intervention

In addition, Center for Healthy Aging has a separate MHSA Consultant Services Agreement in the amount of $225,000, of which $200,000 is allocated to the provision of a comprehensive Older Adult certificated training program and $25,000 is allocated to provide training to Service Extenders. The Older Adult training program will provide two classes, 96 hours each, for 80 students. The curriculum addresses the unique developmental, physical, social and emotional needs of older adults, ages 60 and above. This training will enable clinicians to appropriately evaluate, assess, diagnose and treat the serious mental health disorders commonly found in this population.

The Service Extender training program will provide two classes, 12 hours each, for 60 students, and will be offered in English and Spanish. This program will train people to be knowledgeable and sensitive to the unique needs and challenges faced by older adults. Further, it will establish a network of Service Extenders who will be part of interdisciplinary teams that will provide services to older adults in clinic settings, in homes, and in community locations often preferred by older adults.

WISE Senior Services headquarters remains at the same location of 1527 4th Street, Second Floor, Santa Monica, CA 90401, in Los Angeles County. WISE Senior Services is a nonprofit, social services organization which provides comprehensive social services for older adults with roots dating back to 1968. Services have been delivered under the current business name since 1988. WISE Senior Services delivers an array of social services to older adults. These services include:

- adult day care
- case management
- long-term care Ombudsman
- elder abuse prevention
- transportation and mobility program
- retired and senior volunteer opportunities

The proposed merger of Center for Healthy Aging with WISE Senior Services will result in administrative and service delivery efficiencies that will benefit the communities and clients currently being served by Center for Healthy Aging. Center for Healthy Aging will benefit from WISE's substantial investment in systems and infrastructure and from

economies of scale. The consolidation of administrative functions will include streamlining of tasks and elimination of redundant administrative positions that result from this proposed merger. This streamlining of administrative overhead and elimination of redundancy will result in a shift of available resources to increase service delivery capacity without additional net County cost. Finally, the proposed merger creates the opportunity to bring WISE Senior Service's expertise in a wide range of innovative support services designed to meet the needs of a diverse clientele in Los Angeles County.

The new LE Agreement with WISE & Healthy Aging will be effective upon the merger, but no sooner than November 1, 2007, with two automatic one-year renewal periods for FYs 2008-09 and 2009-10. After the proposed merger, WISE & Healthy Aging will continue to deliver the same array of services at the Medi-Cal certified site currently used by Center for Healthy Aging. This will minimize any unintended consequences related to continuity of care for clients and service delivery staff.

The new Consultant Services Agreement with WISE & Healthy Aging will be effective upon the merger, but no sooner than November 1, 2007 through June 30, 2008.

The proposed actions have been approved by the CEO and County Counsel.

CONTRACTING PROCESS

To comply with your Board's policy on Contractor Mergers/Acquisitions adopted on December 13, 2005, DMH worked closely with: 1) WISE Senior Services, 2) Center for Healthy Aging, 3) Department of Community and Senior Services (DCSS), 4) County Counsel, and 5) CEO to utilize the criteria established in the policy in the review and analysis of the proposed merger between Center for Healthy Aging and WISE Senior Services and its impact upon the contractual relationship with the County of Los Angeles.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Under the merger of Center for Healthy Aging and WISE Senior Services into Wise & Health Aging, Board approval of these actions will allow for a smooth transition in service provision, with Center for Healthy Aging's clients being able to continue to receive services at the same location and from their same clinicians. It is anticipated that service levels and quality will be maintained so that there will be no negative impact on current services.

CONCLUSION

The Department of Mental Health will need one copy of the adopted Board's action. It is requested that the Executive Officer, Board of Supervisors, notify the Department of Mental Health, Contracts Development and Administration Division, at (213) 738-4684 when this document is available.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Office

WTF:SRH:SAS
DRJ:DS:bjs

Attachments (3)

c: County Counsel
Director, Department of Mental Health
Chairperson, Mental Health Commission

103007_DMH_Wise & Healthy

ATTACHMENT I

DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

CONTRACTOR:
WISE & Healthy Aging

Contract Number

Business Address:
2125 Arizona Avenue, 2nd Floor

(MH120200-Center for Healthy Aging)
Reference Number(s)

Santa Monica, CA 90404

Legal Entity Number

Provider Number(s) TBA

Contractor Headquarters' Supervisorial District 3

Mental Health Service Area(s) 5 OR Countywide _____

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

DISTRIBUTION

(Please type in the applicable name for each)

Deputy Director Cathy Warner Lead Manager Karen Williams

K: S X --or-- U____

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DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2007, by and between the County of Los Angeles (hereafter "County"), and WISE & Healthy Aging (hereafter "Contractor") with the following business address at 1527 4th Street, 2nd Floor, Santa Monica, CA 90401.

WHEREAS, County desires to provide to those persons in Los Angeles County who qualify therefor 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 therefor 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, California Welfare and Institutions Code 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, 5716, 5719, 5721, 5722, 5751.2, and 5900 et seq.; Medi-Cal Act, California Welfare and Institutions Code Section 14000 et seq., including, but not limited to, Section 14132.44; California Welfare and Institutions Code Section 15600 et seq., including Section 15630; California Welfare and Institutions Code Section 17601 et seq.; California Work Opportunities and Responsibilities to Kids Act, California Welfare and Institutions Code

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 (PC) Section 11164 et seq.; Title 9 and Title 22, including, but not limited to, Sections 51516, 70001, 71001, 72001 et seq., and 72443 et seq. of the California Code of Regulations; State Department of Mental Health's (SDMH) Cost Reporting/Data Collection Manual (CR/DC); Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services; State Department of Mental Health's Cost and Financial Reporting System Instruction Manual; Federal Office of Management and Budget Circular A-122 (Cost principles for non-profit organizations); Federal Office of Management and Budget Circular A-133 (Audits of States, local governments, and non-profit organizations); 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 State Department of Mental Health; and/or for State Department of Health Services; 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:

PREAMBLE

For over a decade, the County has collaborated with its community partners to enhance the capacity of the health and human services system to improve the lives of children and families. These efforts require, as a fundamental expectation, that the County's contracting partners share the County and community's commitment to provide health and human services that support achievement of the County's vision, goals, values, and adopted outcomes. Key to these efforts is the integration of service delivery systems and the adoption of the Customer Service and Satisfaction Standards.

The County of Los Angeles' Vision is to improve the quality of life in the County by providing responsive, efficient, and high quality public services that promote the self-sufficiency, well-being and prosperity of individuals, families, businesses and communities.

This philosophy of teamwork and collaboration is anchored in the shared values of:

- Responsiveness
- Professionalism
- Accountability
- Compassion
- Integrity
- Commitment
- A Can-Do Attitude
- Respect for Diversity

These shared values are encompassed in the County Mission to enrich lives through effective and caring service and the County Strategic Plan's eight goals: 1) Service Excellence; 2) Workforce Excellence; 3) Organizational Effectiveness; 4) Fiscal Responsibility; 5) Children and Families' Well-Being; 6) Community Services; 7) Health and Mental Health; and 8) Public Safety. Improving the well-being of children and families requires coordination, collaboration, and integration of services across functional and jurisdictional boundaries, by and between County departments/agencies, and community and contracting partners.

The basic conditions that represent the well-being we seek for all children and families in Los Angeles County are delineated in the following five outcomes, adopted by the Board of Supervisors in January 1993.

- Good Health;
- Economic Well-Being;
- Safety and Survival;
- Emotional and Social Well-Being; and
- Education and Workforce Readiness.

Recognizing no single strategy - in isolation - can achieve the County's outcomes of well-being for children and families, consensus has emerged among County and community leaders that making substantial improvements in integrating the County's health and human services system is necessary to significantly move toward achieving these outcomes. The County has also established the following values and goals for guiding this effort to integrate the health and human services delivery system:

- ✔ Families are treated with respect in every encounter they have with the health, educational, and social services systems.
- ✔ Families can easily access a broad range of services to address their needs, build on their strengths, and achieve their goals.
- ✔ There is no "wrong door": wherever a family enters the system is the right

place.

- ✔ Families receive services tailored to their unique situations and needs.
- ✔ Service providers and advocates involve families in the process of determining service plans, and proactively provide families with coordinated and comprehensive information, services, and resources.
- ✔ The County service system is flexible, able to respond to service demands for both the Countywide population and specific population groups.
- ✔ The County service system acts to strengthen communities, recognizing that just as individuals live in families, families live in communities.
- ✔ In supporting families and communities, County agencies work seamlessly with public and private service providers, community-based organizations, and other community partners.
- ✔ County agencies and their partners work together seamlessly to demonstrate substantial progress towards making the system more strength-based, family-focused, culturally-competent, accessible, user-friendly, responsive, cohesive, efficient, professional, and accountable.
- ✔ County agencies and their partners focus on administrative and operational enhancements to optimize the sharing of information, resources, and best practices while also protecting the privacy rights of families.
- ✔ County agencies and their partners pursue multi-disciplinary service delivery, a single service plan, staff development opportunities, infrastructure enhancements, customer service and satisfaction evaluation, and revenue maximization.
- ✔ County agencies and their partners create incentives to reinforce the direction toward service integration and a seamless service delivery system.
- ✔ The County human service system embraces a commitment to the disciplined pursuit of results accountability across systems. Specifically, any strategy designed to improve the County human services system for children and families should ultimately be judged by whether it helps achieve the County's five outcomes for children and families: good health, economic well-being, safety and survival, emotional and social well-being, and education and

workforce readiness.

The County, its clients, contracting partners, and the community will continue to work together to develop ways to make County services more accessible, customer friendly, better integrated, and outcome-focused. Several departments have identified shared themes in their strategic plans for achieving these goals including: making an effort to become more consumer/client-focused; valuing community partnerships and collaborations; emphasizing values and integrity; and using a strengths-based and multi-disciplinary team approach. County departments are also working to provide the Board of Supervisors and the community with a better understanding of how resources are being utilized, how well services are being provided, and what are the results of the services: is anyone better off?

The County of Los Angeles health and human service departments and their partners are working together to achieve the following ***Customer Service And Satisfaction Standards*** in support of improving outcomes for children and families.

Personal Service Delivery

The service delivery team – staff and volunteers – will treat customers and each other with courtesy, dignity, and respect.

- Introduce themselves by name
- Listen carefully and patiently to customers
- Be responsive to cultural and linguistic needs
- Explain procedures clearly
- Build on the strengths of families and communities

Service Access

Service providers will work proactively to facilitate customer access to services.

- Provide services as promptly as possible
- Provide clear directions and service information
- Outreach to the community and promote available services
- Involve families in service plan development
- Follow-up to ensure appropriate delivery of services

Service Environment

Service providers will deliver services in a clean, safe, and welcoming environment, which supports the effective delivery of services.

- Ensure a safe environment
- Ensure a professional atmosphere

- Display vision, mission, and values statements
- Provide a clean and comfortable waiting area
- Ensure privacy
- Post complaint and appeals procedures

The basis for all County health and human services contracts is the provision of the highest level of quality services that support improved outcomes for children and families. The County and its contracting partners must work together and share a commitment to achieve a common vision, goals, outcomes, and standards for providing services.

1. TERM:

A. Initial Period: The Initial Period of this Agreement shall commence on November 1, 2007 and shall continue in full force and effect through June 30, 2008.

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 at 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 N/A and shall continue in full force and effect through N/A.

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

C. Termination:

(1) 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.

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

(a) If County determines that:

i. Any Federal, State, and/or County funds are not available for this Agreement or any portion thereof; or

ii. Contractor has failed to initiate delivery of services within 30 calendar days of the commencement date of this Agreement; or

iii. Contractor has failed to comply with any of the provisions of Paragraphs 17 (NONDISCRIMINATION IN SERVICES), 18 (NONDISCRIMINATION IN EMPLOYMENT), 20 (INDEMNIFICATION AND INSURANCE), 21 (WARRANTY AGAINST CONTINGENT FEES), 22 (CONFLICT OF INTEREST), 27 (DELEGATION AND ASSIGNMENT), 28 (SUBCONTRACTING), 33 (CHILD SUPPORT COMPLIANCE PROGRAM), 47 (CERTIFICATION OF DRUG-FREE WORK PLACE), and/or 53 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM); or

(b) In accordance with Paragraphs 34 (TERMINATION FOR INSOLVENCY), 35 (TERMINATION FOR DEFAULT), 36 (TERMINATION FOR IMPROPER CONSIDERATION), and/or 48 (COUNTY LOBBYISTS).

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

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

(a) 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, including a statement of expenses and revenues, which shall be submitted pursuant to Attachment II, Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph L (Annual Cost Reports), within 75 calendar days of the date of termination. Such preliminary settlement shall not exceed the Maximum Monthly Payment (see Attachment II, Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (6) (Maximum Monthly and Year-to-Date and Other Payment Limitations) multiplied by the actual number of months or portion thereof during which this Agreement was in effect during the particular Fiscal Year; and

(b) 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 his 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

(c) If Contractor is in possession of any equipment, furniture, removable fixtures, materials, or supplies owned by County as provided in Paragraph 44 (PURCHASES), the same shall be immediately returned to County.

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

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

E. 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 61 (NOTICES).

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

3. DESCRIPTION OF SERVICES/ACTIVITIES: Contractor shall provide mental health services in the form as identified on the Financial Summary(ies) and Service Exhibit(s) and in the Program Description of Contractor's Negotiation Package for this Agreement as approved in writing by Director or his designee, including any addenda thereto as approved in writing by Director or his designee. 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 clients to the extent that funding is provided by County. Where Contractor determines that services to new clients can no longer be delivered, Contractor shall provide 30 calendar days prior notice to County. Contractor shall also thereafter make referrals of new 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 or during the fiscal year. In addition, when County cuts the funding for a particular program provided by Contractor, Contractor shall not be responsible for continuing services for those clients linked to that funding. Contractor shall also thereafter make referrals of those 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.

If, during Contractor's provision of services under this Agreement, there is any need for substantial deviation from the services as described in Contractor's Negotiation Package for this Agreement, as approved in writing by Director or his designee, including any addenda thereto as approved in writing by Director or his designee, then Contractor shall submit a written request to Director or his designee for written approval before any such substantial deviation may occur. A 30% variance of actual services from those projected and shown by Contractor in the Negotiation Package will be considered a substantial deviation in service delivery. The following language applies only to *Contractors found eligible to provide mental health services claimable under the Mental Health Services Act (MHSA):* Contractor has been found to be eligible to provide mental health services claimable as MHSA services. Contractor has demonstrated experience and training in its specialized field and has submitted to the County a Statement of

Qualifications (SOQ) in response to County's RFSQ for the provision of such services, and 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. 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 Request for Services.

4. 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.

5. COUNTY'S OBLIGATION FOR CURRENT AND FUTURE FISCAL YEARS: Notwithstanding any other provision of this Agreement, this Agreement shall not be effective and binding upon the parties unless and until County's Board of Supervisors appropriates funds for purposes hereof in County's Budget for County's current Fiscal Year. Further, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future Fiscal Years unless and until County's Board of Supervisors appropriates funds for purposes hereof in County's Budget for each such future Fiscal Year. In the event that 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.

6. PRIOR AGREEMENT(S) SUPERSEDED:

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

TITLE	COUNTY AGREEMENT NUMBER	DATE OF EXECUTION
N/A	N/A	N/A

The parties agree that the provisions of such prior Agreement(s), and all Amendments thereto, shall be entirely superseded as of N/A, ____, 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 N/A ____, ____, 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 6.A, the total reimbursement by County to Contractor under all these Agreements for Fiscal Year **2007-08** shall not exceed **TWO HUNDRED SIXTY SEVEN THOUSAND SEVEN HUNDRED THIRTY-FOUR** DOLLARS ($**267,734**); and for Fiscal Year **N/A** shall not exceed **N/A** DOLLARS ($ **N/A**); and for Fiscal Year **N/A** shall not exceed **N/A** DOLLARS ($ **N/A**).

The supersession of this Agreement is not intended to supersede ongoing programs and/or special provisions (such as, deeds, leases, rentals, or space use) which are implemented by special amendments 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) N/A. (If applicable, this attachment has been included under the Table of Contents in the Attachments Section.)

7. STAFFING: Contractor shall operate throughout the term of this Agreement with staff, including, but not limited to, professional staff, that approximates the type and number as indicated in Contractor's Negotiation Package for this Agreement, as approved in writing by Director or his designee, including any addenda thereto as approved in writing by Director or his designee and as required by WIC and CCR. Such staff shall be qualified and shall possess all appropriate licenses in accordance with WIC Section 5603 and all other applicable requirements of the California Business and Professions Code, WIC, CCR, CR/DC Manual, 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, and function within the scope of practice as dictated by licensing boards/bodies. If vacancies occur in any of Contractor's staff that would reduce Contractor's ability to perform any services under the Agreement, Contractor shall promptly notify Director or his designee of such vacancies. During the term of this

Agreement, Contractor shall have available and shall provide upon request to authorized representatives of County, a list of all persons by name, title, professional degree, and experience, who are providing any services under this Agreement.

8. STAFF TRAINING AND SUPERVISION: Contractor shall institute and maintain an in-service training program of treatment review and case conferences in which all its professional, para-professional, intern, student and clinical volunteer personnel shall participate. Contractor shall institute and maintain appropriate supervision of all persons providing services under this Agreement with particular emphasis on the supervision of para-professionals, interns, students, and clinical volunteers in accordance with Departmental clinical supervision policy. Contractor shall be responsible for the provision of federal mandatory training for all staff at the time of employment and for subsequent updates 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, CR/DC Manual (as applicable), 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 as required by State or Federal law.

9. 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 or his designee. Director or his designee shall have the right to monitor and specify the kind, quality, appropriateness, timeliness, amount of services, and the criteria for determining the persons to be served. Upon receipt of any contract monitoring report pertaining to services/activities under this Agreement, Contractor shall respond in writing to the particular DMH Contract Monitor within the time specified in the contract monitoring report either acknowledging the reported deficiencies or presenting contrary evidence, and, in addition, submitting a plan for immediate correction of all deficiencies. In the event of a State audit of this Agreement, if State auditors disagree with County's 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.

B. 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 ten (10) State business days for monitoring purposes.

10. 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. This is applicable whenever specific Federal or State funding, which has policies or procedures for performance standards and/or outcome measures has been included as part of the Contractor's contract and shall apply for all County policies, procedures, or departmental bulletins approved by the Director or his designee for performance standards and/or outcome measures. County will notify Contractor whenever County policies or procedures are to apply to this contract provision (e.g., AB 2034 grant) at least, where feasible, 30 calendar days prior to implementation.

These Federal, State or County performance standards and/or outcome measures will be used as part of the determination of the effectiveness of the services

delivered by the Contractor.

11. COUNTY'S QUALITY ASSURANCE PLAN: The County or its agent will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will 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 impose other financial deductions as specified in this Agreement.

12. 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 the various professional, para-professional, intern, student, volunteer and other personnel to fully document all services provided under this Agreement and in sufficient detail to permit an evaluation and audit of such services. All such records shall be retained, maintained, and made immediately available for inspection, program 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. Such access shall include 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, program review, and/or audit at such other location. In addition to the requirements in this Paragraph 12, 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 of all direct services (i.e., 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 on each individual patient/client which shall include, but not be limited to, patient/client identification number, patient/client face sheet, all data elements required by the County's information system, consent for treatment form, initial evaluation form, treatment plan, progress notes and discharge summary. All patient/client records shall be maintained by Contractor at a location in Los Angeles County for a minimum period of seven (7) years following discharge of the patient/client or termination of services (except that the records of unemancipated minors shall be kept at least one year after such minor has reached the age of 18 years and in any case not less than seven (7) years), or until County, State and/or Federal audit findings applicable to such services are fully resolved, whichever is later. During such retention period, all such records shall be immediately available and open during County's normal business hours to authorized representatives and designees of County, State, and/or Federal governments for purposes of inspection, program review, and/or audit.

(b) Case Management Support Services and Outreach 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 of seven years following the expiration or termination of this Agreement, or until County, State and/or Federal audit findings applicable to such services are fully resolved, whichever is later. During such retention period, all such records shall be immediately available and open during normal business hours to authorized representatives and designees of County, State, and/or Federal governments for purposes of inspection and/or audit.

(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 Department of Mental Health's Cost and Financial Reporting System (CFRS) Instruction Manual, and with all guidelines, standards, and procedures which shall be furnished to Contractor by County upon request. 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 among Contractor's various modes of service. "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, and the Federal Office of Management and Budget Circular A-122 (Cost principles for non-profit organizations).

(c) Bronzan-McCorquodale/County statistics and total facility statistics (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:

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

ii. Contractor's reasonable efforts to collect charges from the patient/client, his 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 in ink, 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 Department of Mental Health Cost and Financial Reporting System (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 of seven (7) years following the expiration or termination of the Agreement, or until County, State and/or Federal audit findings are fully resolved, whichever is later. During such retention period, all such records shall be immediately available and open during County's normal business hours to authorized representatives and designees of County, State, and/or Federal governments for purposes of inspection, program 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 thereafter, Director of SDMH and Director or his designee shall be notified thereof by Contractor in writing of all arrangements made by Contractor for preservation of all the patient/client, financial, and other records referred to in this Paragraph 12.

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 of Contractor 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) State Department of Mental Health Access to Records: Contractor agrees that for a period of seven (7) years or until final audit is completed, which ever occurs later, following the furnishing of services under this Agreement, Contractor shall maintain and make available to the State Department of Mental Health, the Secretary of the United States Department of Health and Human Services 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 9 and in this Paragraph 12.

(5) Federal Access to Records: Grant-funded programs require audits and compliance with Federal guidelines pursuant to Circular A-133 issued by the Federal Office of Management and Budgets (OMB), 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, Contractor shall maintain and make available to the Secretary of the United States Department of Health and Human Services 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 subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor as provided in Paragraph 9 and in this Paragraph 12.

13. REPORTS:

A. Contractor shall make reports as required by Director or his designee or by State 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 or his designee'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 Information System:

(1) Contractor shall submit all required data to the County's Information System, as required by Director or his designee. Contractor shall report to County, all program, patient/client, staff, and other data and information about Contractor's services, within the specified time periods as required by County Chief Information Office's Training Manuals, IS Bulletins, and Reports Reference Guide and any other County requirements; in no event, no later than 40 calendar days after the close of each fiscal year in which the services were provided.

(2) 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. All units of service generated during the Start-Up Period, if any, shall be submitted by Contractor into the County's claims processing information system.

(3) Notwithstanding any other provision of this Agreement, the only units of service which shall be considered legitimate and reimbursable at Annual Cost Report adjustment and settlement time or otherwise shall be those units of service as submitted by Contractor into the County's claims processing information system.

(4) Contractor shall train its staff in the operation, procedures, policies, and all related use, of the County's 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.

14. 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 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. 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 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.

15. 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.

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16. 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 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 (hereafter "PC") 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 11164, 11165.8 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 PC 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 a statement on a form provided by Contractor in accordance with the above code sections to the effect that such person has knowledge of, and will comply with, these code sections.

(2) Contractor shall assure that clerical and other nontreatment staff who are not legally required to directly 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, or shall take other appropriate action to fully protect all persons receiving services under this Agreement concerning, 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.

17. NONDISCRIMINATION IN SERVICES:

A. Contractor shall not discriminate in the provision of services hereunder because of race, religion, national origin, ancestry, sex, age, marital status, or physical or mental handicap or medical conditions, in accordance with requirements of Federal and State law. For the purpose of this Paragraph 17, 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 quota, 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 action to ensure that intended beneficiaries of this Agreement are provided services without regard to ability to pay or source of payment, race, religion, national origin, ancestry, sex, age, marital status, 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 (i.e., 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 a conspicuous place, available and open to the public, in each of Contractor's facilities where services are provided under this Agreement.

18. 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, sex, age, marital status, condition of physical disability (including HIV and AIDS) or mental disability, medical condition (cancer), denial of family care leave, or political affiliation, and in compliance with all applicable Federal and State anti-discrimination laws and regulations.

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

disability (including HIV and AIDS) or mental disability, medical condition (cancer), denial of family care leave, or political affiliation in compliance with all applicable Federal and State anti-discrimination laws and regulations. Contractor shall insure 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.).

C. Contractor shall deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, national origin, ancestry, sex, age, marital status, condition of physical disability (including HIV and AIDS) or mental disability, medical condition (cancer), denial of family care leave, or political affiliation. Further, Contractor shall give written notice of its obligations under this Paragraph 18 to labor organizations with which it has a collective bargaining or other agreement.

D. Contractor shall allow County representatives access to its employment records during regular business hours to verify compliance with the provisions of this Paragraph 18 when so requested by Director.

E. 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 or suspend this Agreement. While 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.

F. In the event that Contractor violates any of the anti-discrimination provisions of this Paragraph 18, 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.

19. 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.

20. INDEMNIFICATION AND INSURANCE:

A. Indemnification: Contractor shall indemnify, defend and hold harmless County, and its Special Districts, elected and appointed officers, employees, and agents 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 or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

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

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

(a) Specifically identify this Agreement.

(b) Clearly evidence all coverages required in this Agreement.

(c) Contain the express condition that County is to be given written notice by mail at least 30 days in advance of cancellation for all policies evidenced on the certificate of insurance.

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

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

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

3) Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

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

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

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

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

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

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

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

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

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

C. Insurance Coverage Requirements:

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

General Aggregate:	Two Million Dollars	($2,000,000)
Products/Completed Operations Aggregate:	One Million Dollars	($1,000,000)
Personal and Advertising Injury:	One Million Dollars	($1,000,000)
Each Occurrence:	One Million Dollars	($1,000,000)

2) Automobile Liability: Insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than One Million Dollars ($1,000,000) for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

3) Workers Compensation and Employers' Liability: Insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. If Contractor's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other Federal law for which Contractor is responsible. In all cases, the

above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	One Million Dollars	($1,000,000)
Disease – policy limit:	One Million Dollars	($1,000,000)
Disease – each employee:	One Million Dollars	($1,000,000)

4) Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement.

5) Property Coverage: Such insurance shall be endorsed naming the County of Los Angeles as loss payee, provide deductibles of no greater than 5% of the property value, and shall include:

Real Property and All Other Personal Property: – Special form (all-risk) coverage for the full replacement value of County-owned or leased property.

21. 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.

22. 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 hereafter to be 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.

23. 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 6l50) 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 service of all those bar associations within the County of Los Angeles that have such a service.

24. 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 Acknowledgment of Employer, in the form as contained in Contractor's Negotiation Package for this Agreement, for each of its employees performing services under this Agreement. Such Acknowledgments shall be executed by each such 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.

25. 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.

26. CONSIDERATION FOR HIRING GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT: 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' Greater Avenues for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. The County will refer GAIN/GROW participants, by job category, to the Contractor.

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

27. 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 therein. 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 is 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.

28. 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 28. 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."

(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 28 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 28, 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 Subcontractor Employee Acknowledgment of Employer, in the form as contained in Contractor's Negotiation Package for the 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 28, including, but not limited to, consenting to any subcontracting.

29. 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.

30. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with all Federal, 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 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.

C. 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.

D. 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.

31. 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.

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32. 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 provider if Title XIX Short-Doyle/Medi-Cal 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 provider if Title XIX Short-Doyle/Medi-Cal services are provided hereunder) as required by all applicable Federal, State, and local laws, ordinances, rules, regulations, manuals, guidelines and directives shall be provided, in duplicate, to DMH's Contracts Development and Administration Division.

B. If Contractor is a participant in the Short-Doyle/Medi-Cal 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 certification of all its facilities.

33. 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 35 (TERMINATION FOR DEFAULT) and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

34. 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 34 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

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35. 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 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 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.

37. 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.

38. 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.

39. ALTERATION OF TERMS: 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.

40. ENTIRE AGREEMENT: The body of this Agreement, all attachments, Financial Exhibit A (Financial Provisions), Financial Summary(ies), Fiscal Years 2007-08 Service Delivery Site Exhibit, and Service Exhibit(s) 1, 2, 3, 4, 5, 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. Contractor's Negotiation Package.

41. 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 41 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

42. 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.

43. 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.

44. 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.

45. 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.

46. 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.

47. 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.

48. 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.

49. 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 49.

50. 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.

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51. 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.

52. 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.

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.

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

53. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded 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 from participation in a Federally funded health care program; and (2) any exclusionary action taken by any agency of the Federal government 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.

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) has the discretion not to exclude.

The mandatory bases for 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.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any Federal exclusion 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 as part of its obligation under this Paragraph 53.

Failure by Contractor to meet the requirements of this Paragraph 53 shall constitute a material breach of Agreement upon which County may immediately terminate or suspend this Agreement.

54. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT:

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

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 desires to clarify County's information system terminology under this Agreement as it relates to HIPAA, and, accordingly, has set forth in Attachment VIII (Crosswalk Fact Sheet) a "crosswalk" of technical terms, definitions and language to be used with this Agreement.

(2) County desires to clarify other HIPAA-related changes set forth in the DMH Provider Manual and which are incorporated herein by reference as though fully set forth.

(a) County has added to the DMH Provider Manual a Guide to Procedure Codes, which includes a "crosswalk" of DMH activity codes to Current Procedural Terminology (CPT) and Health Care Procedure Coding System (HCPCS) codes.

(b) County has added to the DMH Provider Manual an Electronic Data Interchange Fact Sheet which includes information about the applicable HIPAA transactions that can be processed in the County's claims processing information system. Effective January 2009 Electronic Data Interchange (EDI) will be the only acceptable method by which Contractor or its Subcontractor(s) may submit HIPAA-compliant transactions.

(c) County has added to the DMH Provider Manual a Trading Partner Agent Authorization Agreement which includes the Contractor's authorization to its Subcontractor(s) to submit HIPAA-compliant transactions on behalf of Contractor.

E. Contractor understands that County operates an informational website **http://dmh.lacounty.info/hipaa/index.html** 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 or 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 Trading Partner Agreement (TPA) set forth in the DMH Provider Manual shall apply to this Agreement and that said Terms and Conditions are incorporated by reference as though fully set forth herein.

55. COMPLIANCE WITH 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.

56. 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.

57. 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.

58. COMPLIANCE WITH THE COUNTY'S LIVING WAGE PROGRAM:

(LANGUAGE APPLIES ONLY TO PROP A LIVING WAGE CONTRACTS)

A. Living Wage Program: This Contract is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as *Exhibit K* and incorporated by reference into and made a part of this Contract.

B. Payment of Living Wage Rates:

(1) Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth immediately below, for the Employees' services provided to the County under the Contract:

i. Not less than $9.46 per hour if, in addition to the per-hour wage, the Contractor contributes less than $1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or

ii. Not less than $8.32 per hour if, in addition to the per-hour

wage, the Contractor contributes at least $1.14 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. The Contractor will be deemed to have contributed $1.14 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Contract, the Contractor contributes less than $1.14 per hour towards the provision of bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.

(2) For purposes of this Sub-paragraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the County under the Contract. If the Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract Contract and a copy of the Living Wage Program shall be attached to the Contract. "Employee" means any individual who is an employee of the Contractor under the laws of California, and who is providing full-time services to the Contractor, some or all of which are provided to the County under the Contract. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.

(3) If the Contractor is required to pay a living wage when the Contract commences, the Contractor shall continue to pay a living wage for the entire term of the Contract, including any option period.

(4) If the Contractor is not required to pay a living wage when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. The Contractor shall immediately notify the County if the Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if the Contractor no longer qualifies for an exception to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Contract, including any option period. The County may also require, at any time during the Contract and at its sole discretion, that the

Contractor demonstrate to the County's satisfaction that the Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that the Contractor continues to qualify for an exception to the Living Wage Program. Unless the Contractor satisfies this requirement within the time frame permitted by the County, the Contractor shall immediately be required to pay the living wage for the remaining term of the Contract, including any option period.

C. Contractor's Submittal of Certified Monitoring Reports: The Contractor shall submit to the County certified monitoring reports at a frequency instructed by the County. The certified monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by the Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor's current health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by the County (*Exhibit L and Exhibit M*), or other form approved by the County which contains the above information. The County reserves the right to request any additional information it may deem necessary. If the County requests additional information, the Contractor shall promptly provide such information. The Contractor, through one of its officers, shall certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

D. Contractor's Ongoing Obligation to Report Labor Law/Payroll Violations and Claims: During the term of the Contract, if the Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), the Contractor shall immediately inform the County of any pertinent facts known by the Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's contract with the County, but instead applies to any labor law/payroll violation or claim arising out of

any of the Contractor's operations in California.

E. County Auditing of Contractor Records: Upon a minimum of twenty-four (24) hours' written notice, the County may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Contract, including all documents and information relating to the certified monitoring reports. The Contractor is required to maintain all such records in California until the expiration of four years from the date of final payment under the Contract. Authorized agents of the County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

F. Notifications to Employees: The Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where Contractor's Employees are working. The Contractor shall also distribute County-provided notices to each of its Employees at least once per year. The Contractor shall translate into Spanish and any other language spoken by a significant number of Employees the posters and handouts.

G. Enforcement and Remedies: If the Contractor fails to comply with the requirements of this Sub-paragraph, the County shall have the rights and remedies described in this Sub-paragraph in addition to any rights and remedies provided by law or equity.

(1) Remedies For Submission of Late or Incomplete Certified Monitoring Reports: If the Contractor submits a certified monitoring report to the County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

(a) Withholding of Payment: If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the County may withhold from payment to the Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of the County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

(b) Liquidated Damages: It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages in the amount of $100 per monitoring report for each day until the County has been provided with a properly prepared, complete and certified monitoring report. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

(c) Termination: The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

(2) Remedies for Payment of Less Than the Required Living Wage: If the Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Contract. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

(a) Withholding Payment: If the Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, the County may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its Employees for a given pay period and the amount actually paid to the employees for that pay period. The County may withhold said amount until the Contractor has satisfied the County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

(b) Liquidated Damages: It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living

wage rate will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages of $50 per Employee per day for each and every instance of an underpayment to an Employee. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

(c) Termination: The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

(3) Debarment: In the event the Contractor breaches a requirement of this Sub-paragraph, the County may, in its sole discretion, bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, not to exceed three years.

H. Use of Full-Time Employees: The Contractor shall assign and use full-time Employees of the Contractor to provide services under the Contract unless the Contractor can demonstrate to the satisfaction of the County that it is necessary to use non-full-time Employees based on staffing efficiency or County requirements for the work to be performed under the Contract. It is understood and agreed that the Contractor shall not, under any circumstance, use non-full-time Employees for services provided under the Contract unless and until the County has provided written authorization for the use of same. The Contractor submitted with its proposal a full-time Employee staffing plan. If the Contractor changes its full-time Employee staffing plan, the Contractor shall immediately provide a copy of the new staffing plan to the County.

I. Contractor Retaliation Prohibited: The Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit of employment, any contract benefit, or any statutory benefit for any Employee, person or entity who has reported a violation of the Living Wage Program to the County or to any

other public or private agency, entity or person. A violation of the provisions of this Sub-paragraph may constitute a material breach of the Contract. In the event of such material breach, the County may, in its sole discretion, terminate the Contract.

J. Contractor Standards: During the term of the Contract, the Contractor shall maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested to do so by the County, the Contractor shall demonstrate to the satisfaction of the County that the Contractor is complying with this requirement.

K. Employee Retention Rights:

(Note: This Sub-paragraph applies only if the contract involves the provision of services that were previously provided by a Contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract, which predecessor contract was terminated by the County prior to its expiration.)

(1) Contractor shall offer employment to all retention employees who are qualified for such jobs. A "retention employee" is an individual:

(a) Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act; and

(b) Who has been employed by a Contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six (6) months prior to the date of this new Contract, which predecessor contract was terminated by the County prior to its expiration; and

(c) Who is or will be terminated from his or her employment as a result of the County entering into this new contract.

(2) Contractor is not required to hire a retention employee who:

(a) Has been convicted of a crime related to the job or his or her performance; or

(b) Fails to meet any other County requirement for employees of a Contractor.

(3) Contractor shall not terminate a retention employee for the first 90 days of employment under the contract, except for cause. Thereafter, Contractor may

retain a retention employee on the same terms and conditions as Contractor's other employees.

L. Neutrality in Labor Relations: The Contractor shall not use any consideration received under the Contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining Contract, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

59. 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.

60. 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 IX, 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)

61. 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:

WISE & Healthy Aging
1527 4th Street, 2nd Floor
Santa Monica, CA 90401

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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 Director of Mental Health or his 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 _____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

WISE & Healthy Aging
CONTRACTOR

By _____

Name Grace Cheng Braun

Title President and CEO
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

DEFINITIONS

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

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

B. "CGF" means County General Funds;

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

D. "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. "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;

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

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

H. "CR/DC Manual" means SDMH's Cost Reporting/Data Collection Manual;

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

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

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

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

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

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

DEFINITIONS CONTINUED

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

P. "Established Maximum Allowable Rate" means the Short-Doyle/Medi-Cal maximum reimbursement for a specific SFC unit as established by SDMH;

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

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

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

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

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

V. "Healthy Families" ("HF") means the federally subsidized health insurance program administered by the State of California for the provision of comprehensive health services (including medical, dental and vision care) to children ages birth through 19th birthday from low income families;

W. "Healthy Families Procedures Manual" ("HF Procedures Manual") means DMH's Healthy Families Procedures Manual for providers. The HF Procedure Manual contains the formal requirements, policies and procedures governing Healthy Families and is incorporated into this Agreement by reference. Contractor hereby acknowledges receipt of the HF Procedures Manual upon execution of this Agreement;

X. "IMD" means Institutions for Mental Disease. Hospitals, nursing facilities or other institutions of more than 16 beds that are primarily engaged in providing

diagnosis, treatment or care of persons with mental disease, including medical attention, nursing care and related services;

Y. "Legal Entity" means the legal organization structure under California law;

Z. "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;

AA. "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;

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

CC. "Member" or Title XXI Healthy Families Program Member ("HFPM") means an enrollee in any Healthy Families Health Plan through Healthy Families;

DD. "MHRC" means Mental Health Rehabilitation Centers certified by the State Department of Mental Health;

EE. "MRMIB" means the State of California Managed Risk Medical Insurance Board, the administrator of Healthy Families for the State of California;

FF. "Negotiated Rate" or "NR" means the total amount of reimbursement, including all revenue, interest and return, which is allowable for delivery of a SFC unit as defined by Director and which is shown on the Financial Summary. An NR is the gross rate of reimbursement which is generally determined by dividing Contractor's gross program cost of delivering a particular SFC by the number of such SFC units to be delivered. All fees paid by or on behalf of patients/clients and all other revenue, interest and return resulting from the same service shall

be deducted from the cost of providing the mental health services covered by the Negotiated Rate. A portion of the State-approved NR, which in some cases may be higher than the contracted NR, may be retained by County as County's share of reimbursement from SDMH;

GG. "Net Program Budget" is equal to the Maximum Contract Amount which is the sum total of all "Allocations" and "Pass Through" amounts shown in the Financial Summary. Unless otherwise provided in this Agreement, or separately agreed to in writing between the parties, it is the intent of the parties that the Net Program Budget shall be equal to the Maximum Contract Amount;

HH. "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;

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

JJ. "PHF" means a Psychiatric Health Facility. A health facility licensed by the State Department of Mental Health, that provides 24 hour acute inpatient care on either a voluntary or involuntary basis to mentally ill persons. This care shall include, but not be limited to, the following basic services: psychiatry, clinical psychology, psychiatric nursing, social work, rehabilitation, drug administration, and appropriate food services for those persons whose physical health needs can be met in an affiliated hospital or in outpatient settings;

KK. "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;

LL. "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;

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

DEFINITIONS CONTINUED

NN. "SDHS" means State Department of Health Services;

OO. "SDMH" means State Department of Mental Health;

PP. "SDSS" means State Department of Social Services;

QQ. "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;

RR. "SNF-STP" mean Skilled Nursing Facility licensed by the State Department of Health Services, with an added Special Treatment Program certified by the State Department of Mental Health;

SS. "State" means the State of California;

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

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

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

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

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

YY. "UMDAP" means SDMH's Uniform Method of Determining Ability to Pay; and

ZZ. "WIC" means the California Welfare and Institutions Code.

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 HEALTHY FAMILIES REIMBURSEMENTS

FINANCIAL EXHIBIT A

FINANCIAL PROVISIONS: REIMBURSEMENT BUSINESS RULES, METHODOLOGIES AND LIMITATIONS

A. GENERAL: This Agreement provides that County shall pay Contractor monthly, in arrears, for reimbursement of expenditures as provided for in this Financial Exhibit A (FINANCIAL PROVISIONS) (Attachment II to the Department of Mental Health (DMH) Legal Entity Agreement) and as shown in the Financial Summary(ies) (Attachment III to the DMH Legal Entity Agreement).

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

(2) The State Schedule of Maximum Allowances (SMAs) in effect during the Initial Period, the First Automatic Renewal Period, or the Second Automatic Renewal Period, shall be applicable to this Agreement when adopted by the State.

(3) Contractor shall inform County when 75 percent (75%) of the Maximum Contract Amount has been incurred based upon Contractor's own billing records. Contractor shall send such notice to those persons and addresses which are set forth in the DMH Legal Entity Agreement, Paragraph 61 (NOTICES).

(4) The maximum reimbursement under this Agreement, except as provided in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph F (Shift of County General Funds), is in no event more than the Maximum Contract Amount, including any Agreement amendments with a Maximum Contract Amount increase for the applicable fiscal year, specified for each County, State and/or Federal payer/fund source shown in the Financial Summary(ies) (Attachment III) during the Initial Period, First Automatic Renewal Period and the Second Automatic Renewal Period respectively of this Agreement.

(5) Under no circumstances can the total Maximum Contract Amount for any of the periods specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraphs B (Reimbursement for Initial Period) and C (Reimbursement if Agreement is

Automatically Renewed) of this Agreement be increased or decreased without a properly executed amendment, except as provided for in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph F (Shift of County General Funds).

(6) The Maximum Contract Amount for each period of this Agreement includes Cash Flow Advance which is repayable by Contractor through cash and/or appropriate services/activities and/or actual allowable costs incurred under this Agreement.

B. REIMBURSEMENT FOR INITIAL PERIOD: The Maximum Contract Amount for the Initial Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed TWO HUNDRED SIXTY FOUR THOUSAND SEVEN HUNDRED THIRTY-SIX DOLLARS (**$267,734**) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary.

C. REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED:

(1) Reimbursement For First Automatic Renewal Period: The Maximum Contract Amount for the First Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed N/A DOLLARS (**$N/A**) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary.

(2) Reimbursement For Second Automatic Renewal Period: The Maximum Contract Amount for the Second Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed N/A DOLLARS (**$N/A**) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary.

D. BILLING AND PAYMENT PROCEDURES AND LIMITATIONS:

(1) County payments for Contractor's performance hereunder are:

(a) Provisional until the completion of the audit settlement as specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph N (Audits, Audit Appeals and Post-Audit Short-Doyle/Medi-Cal Final Settlement) because such payments are subject to future County, State and/or Federal adjustments. State and/or County adjustments to provisional payments to Contractor may result based upon County's claim processing information system data, Medi-Cal Administrative Activities (MAA) data base information, State adjudicated Medi-Cal and Healthy Families Explanation of Benefits (EOB) claims files, contractual limitations of this Agreement,

annual cost report, application of various County, State and/or Federal reimbursement limitations, and/or County, State or Federal audits, all of which take precedence over monthly claim reimbursements.

(b) To be made by County using the business rules as shown in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D (Billing and Payment Procedures and Limitations); Paragraph F (Shift of County General Funds); and in the Financial Summary(ies) – The Rate Summary (Attachment III) for each of the respective County, State and/or Federal funding sources(s).

(c) Restricted to the services/activities identified in the Financial Summary(ies) – The Rate Summary (Attachment III).

(d) Applied at the Legal Entity level for each respective payer/fund source specified in the Financial Summary(ies) (Attachment III).

(2) Submission of Bills: In general, unless otherwise agreed to by County and with the exception of this Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (7) (Claims Submission Timeline Requirements), claims for services, including Short-Doyle/Medi-Cal (SD/MC) and Healthy Families, are to be entered into the County's claims processing information system within 30 calendar days of the end of the month in which mental health services are delivered, although late claims may be submitted as needed in accordance with State and federal regulations. In special circumstances, such as Client Supportive Services, a manual claim may be necessary, in which case the Contractor is to submit the claim within 30 calendar days of the end of the month in which the eligible expense was incurred and in the form and content specified by County.

(a) Contractor shall notify County of any delay in meeting the 30 calendar day submission period 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 must include a description of the problem that the Contractor is having with the County claims processing information system. Notification shall be pursuant to the Legal Entity Agreement, Paragraph 61 (NOTICES), and such notification shall also be made by Contractor to the DMH Chief Information Office Bureau's Help Desk.

(b) The County will notify Contractor in writing within 30 calendar days of any County issue(s) which will prevent the entry by Contractor of claiming information into the County claims processing information system, and County will waive the requirement of this Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (2) (Submission of Bills) in the event of any such County issue(s). Once County has resolved its issue(s), Contractor shall enter billing information into the County's claims processing information system within 30 calendar days of County's resolution date unless otherwise agreed to by County and Contractor.

(3) After Director's or his designee's review and approval of the monthly claim(s), Contractor shall receive from County provisional payment of Contractor's claimed amount subjected to the business rules in this Paragraph D (Billing and Payment Procedures and Limitations).

(4) Reimbursement Methodologies: County agrees to reimburse Contractor during the term of this Agreement based on the following less all fees paid by or on behalf of patients/clients receiving services/activities hereunder and all other revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor hereunder, unless otherwise specified in this Agreement.

(a) Cost Reimbursement (CR): The provisional reimbursement shall be based upon the Contractor's actual costs of mental health services/activities entered into the County's claims processing information system, State approved Medi-Cal Explanation of Benefits (EOB) claims file(s), manual claims if specified by County, and County's analysis of the claim's reasonableness subject to the limitations specified in this Financial Exhibit A (FINANCIAL PROVISIONS).

i. Reasonable, necessary and proper actual costs are allowable subject to the limitations specified in this Agreement. The Centers for Medicare and Medicaid Services' Publications #15-1 and #15-2, "The Provider Reimbursement Manual Parts 1 and 2" is to be used to determine eligible costs for federal funds reimbursements. For non-federal funds, allowable costs shall be governed by State law, regulations and/or policy, or by County ordinance or policy.

ii. Additionally, reimbursement for Medi-Cal funded cost reimbursed services entered into the County's claims processing information system are

limited to the lowest of:

1. The Contractor's published charge(s) to the general public; unless the Contractor is a Nominal Charge Provider. This federal published charges rule is applicable only for outpatient, rehabilitative, case management and 24-hour services.

2. The Contractor's actual costs.

3. The State's Schedule of Maximum Allowances (SMA).

4. The Maximum Contract Amount (MCA) of this Agreement.

(b) Negotiated Rate Reimbursement (NR):

i. County's reimbursement of Contractor's claim(s) shall be based upon:

1. The mental health services/activities claimed by Contractor by means of Contractor's entry of such services/activities into the County's claims processing information system;

2. State adjudicated approved Short-Doyle/Medi-Cal Explanation of Benefits (EOB) claims files; and

3. Pending State approval of the negotiated rates for Short-Doyle/Medi-Cal, the Contractor's provisional negotiated rate for each procedure as specified in the Financial Summary(ies) (Attachment III), and the State's approved negotiated rates upon receipt by County of the State's negotiated rates approval notice.

ii. A negotiated rate is the payment for services delivered on a per unit of service basis. Allowable costs are negotiated between the County and the Contractor, under the statutory and policy guidelines of the State, to arrive at a negotiated rate per unit of service. If federal funds are included in the reimbursement of negotiated rate services, federal requirements must also be followed in the determination of the negotiated rate(s).

iii. Negotiation rates for services funded with County funds only shall be established using the provisions specified in Exhibit A (FINANCIAL PROVISIONS), Paragraph E. (Establishing Provisional Cost Reimbursement Rates and

Negotiation Rates), Subparagraph (2) (Establishing Provisional Cost Reimbursement Rates).

iv. Negotiated rates for Short-Doyle/Medi-Cal funded services shall be established using the State's Short-Doyle/Medi-Cal Rate Establishment Process for the Fiscal Year for which such negotiated rates would be applicable.

v. Pursuant to California Welfare and Institutions Code (WIC) Section 5716, negotiated rates for Short-Doyle/Medi-Cal services must be approved by the SDMH. A negotiated rate for Short-Doyle/Medi-Cal services shall be effective only upon SDMH approval and only for the period of time specified by SDMH.

vi. Negotiated rates for County funds only services must be approved in writing by the County.

vii. If for any period during the term of this Agreement for which there is no approved SDMH negotiated rate(s); or for which there is no approved County negotiated rate(s) for County funds only services, reimbursement, as specified by WIC Section 5716, shall be based on actual costs, subject to the limitations specified in this Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (4) (Reimbursement Methodologies), (a) ii. (Cost Reimbursement).

viii. Additionally, reimbursement for Medi-Cal funded negotiated rate reimbursed services entered into the County's claim processing system are limited to the lowest of the following:

1. The Contractor's published charge(s) to the general public; unless the Contractor is a Nominal Charge Provider. This federal published charges rule is applicable only for the outpatient, rehabilitative, case management and 24-hour services.

2. The Contractor's negotiated rates, based on historic costs, and approved by the State, or by the County if the service is not a Short-Doyle/Medi-Cal covered service that requires State rate approval.

3. The State's Schedule of Maximum Allowances (SMA).

4. The Maximum Contract Amount (MCA) of this Agreement.

(c) IMDs: Manual claims submitted by Contractor to the County in the format specified by County. Pursuant to Section 5902(e) of the Welfare and Institutions Code (WIC), Institutions for Mental Diseases (IMD) which are licensed as Skilled Nursing Facilities (SNF) by SDHS are to be reimbursed for basic services at the rate(s) established by SDHS for SNF, in addition to the rate established for a Special Treatment Plan (STP). Accordingly, the IMD reimbursement consists of a basic SNF rate and a STP rate, or a Mental Health Rehabilitation Center (MHRC) rate. Contractor's manual IMD monthly claim to County shall be for those patient days that have been approved in writing by County and shall be separately itemized by each patient day.

(d) Medi-Cal Administrative Activities (MAA): Contractor is to claim reimbursement for MAA through the County's MAA data base system by entering the appropriate eligible MAA provided and the actual time incurred rendering the MAA. Reimbursement to Contractor for MAA billings is made on a quarterly basis and upon actual State approval and payment of MAA claims. Contractor must be approved by the State to participate in and to claim reimbursement for MAA.

(e) Organizational Providers under the Medi-Cal Specialty Mental Health Services:

i. The County will make reimbursement based upon State approved Medi-Cal claims, the maximum number of allowable visits stipulated in the Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services, and not to exceed the rate(s) shown in the Provisional Rate Schedule(s) as published and periodically revised as supplements to the Los Angeles County DMH Medi-Cal Specialty Mental health Services Provider Manual.

ii. The State will impose the reimbursement limits specified in this Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (4) (Reimbursement Methodologies), (b) viii. (Negotiated Rate Reimbursement (NR)).

iii. The County will at the time of settlement, as specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph N (Audits, Audit Appeals and Post-Audit Short-Doyle/Medi-Cal Final Settlement), hold Contractor harmless for the

difference between the County reimbursement rate(s) specified in the schedule referenced in this Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (4) (Reimbursement Methodologies), (e) i. (Organizational Providers under the Medi-Cal Specialty Mental Health Services) and the amount allowed by the State subsequent to the application of the reimbursement limits specified in this Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (4) (Reimbursement Methodologies), (b) viii (Negotiated Rate Reimbursement). However, in no event will County be responsible for any State disallowances resulting from unlawful or inappropriate billings on the part of Contractor.

(5) Special Claiming Conditions:

(a) Mental Health Services Act (MHSA): The execution of Amendments issued under the MHSA Request for Statement of Qualifications (RFSQ) does not guarantee a Contractor any amount of funding. Contractor shall not be entitled to any payment of MHSA funds by County under this Agreement except pursuant to validly executed and satisfactorily performed Work Orders or Amendments completed in accordance with County issued MHSA Request for Services (RFS) that includes a specific and detailed Statement(s) of Work. Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Agreement shall not restrict County from acquiring similar, equal or like MHSA goods and/or services from other entities or sources.

(b) AB 3632 Services Utilizing Medi-Cal, Individuals with Disabilities Education Act (IDEA), AB 3632 State General Funds, AB 3632 SB 90 State General Funds and/or County General Funds:

i. This Agreement's Maximum Contract Amount may include IDEA, State SB 90 (mandates) State General Funds, categorical State General Funds for AB 3632 services, and/or County General Funds for AB 3632 services all of which are restricted for AB 3632 reimbursements. Such funds shall be paid by County to Contractor solely in County's capacity as the AB 3632 claim intermediary between the Contractor and the State and are solely restricted to AB 3632 services.

ii. The CGF, if any, allocated on the Financial Summary(ies) (Attachment III) for AB 3632 services is designated solely for AB 3632

services and no CGF in this category shall be transferred to any other category on said Financial Summary(ies) (Attachment III).

iii. In the event AB 3632 services are rendered to a Medi-Cal beneficiary federal IDEA funds are not eligible for use as local match to draw down federal financial participation (FFP) funds. The only funds available in this Agreement's Maximum Contract Amount as the local match share of the Medi-Cal AB 3632 expenditures are State SB 90 (mandates) State General Funds, categorical State General Funds for AB 3632, EPSDT – State General Funds and County General Funds.

iv. County shall make all instructions issued by the State for SB 90 claiming available to Contractor.

v. Notwithstanding any other provision of this Agreement, in the event that Contractor provides AB 3632 services reimbursable under the State's SB 90 mandate claim process, Contractor shall be paid by County from SB 90 funds upon receipt from the State. In the event that SB 90 funds are not available to pay SB 90 claims or that State denies any or all of the SB 90 claims submitted by County on behalf of Contractor, Contractor shall indemnify and hold harmless County for any and all liability for payment of any or all of the denied SB 90 claims or for the unavailability of SB 90 funds to pay for SB 90 claims. Contractor shall be solely liable and responsible for all data and information submitted by Contractor to County in support of all claims for SB 90 funds submitted by County as the fiscal intermediary.

(c) Supportive and Therapeutic Options Program (STOP) Funds: STOP funds may not be used as local match for any State or Federal programs. Notwithstanding any other provision of this Agreement, in the event that Contractor provides STOP services reimbursable under the State's STOP claim process, Contractor shall be paid by County from STOP funds upon receipt from the State. In the event that STOP funds are not available to pay STOP claims or that State denies any or all of the STOP claims submitted by County on behalf of Contractor, Contractor understands and agrees that County is not responsible for any substantive payment obligation and, accordingly, Contractor shall not seek any payment from County and shall indemnify and hold harmless County for any and all liability for payment of any or all of the denied STOP claims or for the unavailability of STOP funds to pay for STOP claims.

(6) Maximum Monthly and Year-to-Date and Other Payment Limitations:

(a) The County's monthly payment(s) to Contractor shall be made in a manner that ensures variations in service/activity levels from month-to-month are recognized. Accordingly, an overage in actual services/activities from the Maximum Monthly Payment amount in one month can be applied to offset any underage in actual services/activities in another month(s).

i. Example: The Agreement term is July 1 to June 30 (12 months); the fiscal year's Maximum Contract Amount (MCA) is $120,000; and the payment is for November of the same fiscal year which is the fifth month. The cumulative monthly year-to-date payments will be $50,000 which is calculated by the $120,000 MCA divided by 12 (the total number of months in the Agreement Term for the specific fiscal year) multiplied by 5 (July 1 through November 30 of the fiscal year is 5 months). Therefore, the total maximum County payments limitation to Contractor for the entire 5 month period is $50,000.

(b) All monthly claims shall be subject to adjustment based upon the County's claims processing information system reports, remittance advices and Explanation of Benefits (EOB) data, and/or Contractor's annual Cost Report which shall supersede and take precedence over all claims.

(c) Director or his designee may, in his discretion, at any time, make adjustments to any of Contractor's monthly claims as necessary to ensure that Contractor shall not be paid by County a sum in excess of the amount due to Contractor under the terms and conditions of this Agreement. Director or his designee shall provide Contractor with at least 30 calendar days written notice of his intention to make such payment adjustments, including the reason(s) for his intended action. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the County's decision. Contractor may request in writing, and shall receive if requested, County's computations for determining any adjustment (s), including any amount(s) withheld, to Contractor's monthly claim.

(d) If service data are not submitted as required by County, then payment shall be withheld until County is in receipt of a complete and correct service data and such service data has been reviewed and approved by Director or his designee.

Director or his designee shall review such submitted service data within 60 calendar days of receipt. Director or his designee shall provide Contractor within 30 calendar days written notice of his intention to withhold payment, including the reason(s) for his intended action and the identification of the incomplete or incorrect service data. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the County's decision.

(e) Director or his designee shall have the option to deny payment for services when documentation of clinical work does not meet minimum State and County written standards. Director or his designee shall provide Contractor with at least 30 calendar days written notice of his intention to deny payment, including the reason(s) for his intended actions. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the County's decision. Payment to Contractor shall not be withheld pending the results of the reconsideration process.

(7) Claims Submission Timeline Requirements:

(a) Six-Month Billing Limit: Unless otherwise determined by State or federal regulations (e.g. Medi-Medi cross-over), all original (or initial) claims for eligible individual persons under this Agreement must be received by County within six (6) months from the date of service to avoid possible payment reduction or denial for late billing. Original (or initial) claims received after this six month billing limit without an acceptable delay reason code may be subject to reduction and/or denial by either the State or County. Exceptions to the six month billing limit can be made for months seven through twelve following the month in which the services were rendered if the reason for the late billing is allowed by the California Welfare and Institutions Code (WIC) Section 14115 and the California Code of Regulation Title 22, section 51008.5.

(b) One-Year Billing Limitation: Original (or initial) claims received by the County after the twelfth (12^{th}) month following the date of service will be denied, unless otherwise authorized by State Welfare and Institutions Code (WIC) Section 14115 or federal regulations.

(8) Claims Certification and Program Integrity: Contractor certifies that all units of service entered by Contractor into the County's claims processing system and/or the Medi-Cal Administrative Activities (MAA) data base system and/or claims for actual costs submitted in hard copy to County for any payer source(s) covered by this Agreement

are true and accurate to the best of Contractor's knowledge. Also, Contractor shall annually provide the additional certification set forth in the "Contractor Claims Certification for Title XIX Short-Doyle/Medi-Cal and Title XXI Healthy Families Reimbursements" (Exhibit A–1 to this Attachment II) that is 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 Medi-Cal Administrative Activities and/or Title XXI Healthy Families claims.

(9) Suspension of Payment: Payments to Contractor may be suspended if Director, for good cause, determines that Contractor is in default under any of the provisions of this Agreement, or if funds are unavailable from the State or other payer for which County is the fiscal intermediary under this Agreement for payment on Contractor's claims. Except in cases of alleged fraud or similar intentional wrongdoing, at least 30 calendar days notice of such suspension shall be provided to Contractor, including a statement of the reason(s) for such suspension. Thereafter, Contractor may, within 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. Director shall immediately notify Contractor upon receiving notification of unavailability of funds from the State or other payer for which County is the fiscal intermediary under this Agreement for payment on Contractor's claims.

(10) 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.

(11) No Payment for Services Provided Following Expiration/Termination of Contract: 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 Contract. 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 Contract 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 Contract.

(12) County shall make payment for approved claims, with the exception

of any claim for which County is the fiscal intermediary, within 30 calendar days of the receipt of said claim by County subject to the contractual limitations of this Agreement. County shall make payment of any claim for which County is the fiscal intermediary within 30 calendar days of receiving the approved adjudicated claim files from the responsible financial party for which County acts as fiscal intermediary subject to the contractual limitations of this Agreement.

E. ESTABLISHING PROVISIONAL COST REIMBURSEMENT RATES AND NEGOTIATED RATES: The following procedures are to be adhered to in establishing or adjusting provisional cost reimbursement rates and negotiation rates for the Initial Period, the First Automatic Renewal Period and the Second Automatic Renewal Period of this Agreement.

(1) With the exception of Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (4) (Reimbursement Methodologies), (e) iii. (Organizational Providers under the Medi-Cal Specialty Mental Health Services), in no case will payment under either cost reimbursement or negotiation rate(s) exceed the State's Schedule of Maximum Allowance rate(s).

(2) Establishing Provisional Cost Reimbursement Rates:

(a) Provisional cost reimbursement rate establishment is based on historical costs.

(b) If Contractor has no historical costs experience, provisional cost reimbursement rates will be based upon the County's approved Negotiation Package rate data. Historical cost information must be for one full operating year (12 months of operations). The start-up year is not considered a full operating year.

(c) When Contractor has historical cost information for at least one full operating year (12 months of operation), provisional cost reimbursement service rates shall be established by using the service rates from the Contractor's most recently filed cost report. The service rates are by service function code range, by legal entity. An application of the appropriate inflation factors is then made to those cost report rates. The service rates that result will be considered by County to be the control rates. The inflation factors to be used are the Medical Component of the Consumer Price Index for inpatient

services and the Home Health Agency Input Price Index (HHAIPI) for outpatient services. For example, the provisional cost reimbursement rates for fiscal year 2007-08 would be based on the fiscal year 2006-07 filed cost report rates increased by one (1) appropriate inflation factor, or if the fiscal year 2006-07 cost report was not available, the year fiscal year 2005-06 filed cost report increased by two (2) appropriate inflation factors.

(d) Justification must be provided for proposed provisional cost reimbursement rates that exceed the control rates as defined by County in Paragraph E (Establishing Provisional Cost Reimbursement Rates and Negotiated Rates), Subparagraph (2)(c) (Establishing Provisional Cost Reimbursement Rates). Changes that may significantly affect the rates are utilization patterns, client profile shifts which impact cost of service delivery, union contracts, changes in program design, and other unforeseen documented factors which impact the cost of service delivery. Quantifiable documentation must be provided by Contractor for County to evaluate such changes. Such documentation shall minimally include:

i. A brief program narrative identifying the changes, since the most recently filed cost report, that are expected to affect the rates for the current year and making those proposed cost reimbursement rates exceed the control rates.

ii. A budget for the current year identifying the cost items included in developing the proposed provisional cost reimbursement rates and the projected units by service function. The budget should be developed from the most recent costs available projected for the year based upon both past and current trends.

iii. A summary page comparing costs and other data by major categories: (1) Salaries and Employee Benefits; (2) Services and Supplies; and (3) Occupancy Costs. Compare the summary data for these three categories from the most recently filed cost report to the current year in both dollars and percentage change.

iv. Detailed data must be provided for each the three above cost categories that Contractor feels causes the proposed rates to exceed the control rates.

(e) When a provider of service is being eliminated during the year in question, the applicable costs and units of service shall be excluded from the calculation of the Contractor's service rates.

(f) Requested rates that exceed the State's Schedule of Maximum Allowance (SMA) will be denied.

(g) County shall within 20 business days of County approval of a requested provisional cost reimbursement rate notify Contactor of such approval, and update the County's information system's rate table with the approved rate(s).

(h) If Contractor desires any mid-year change in the provisional cost reimbursement rates, Contractor shall request such change in writing prior to April 1 of the Fiscal Year for which such change would be applicable. Contractor shall submit a pro forma cost report and such applicable justification information discussed in this Paragraph E (Establishing Provisional Cost reimbursement Rates and Negotiated Rates), Subparagraph (2) (d) (Establishing Provisional Cost Reimbursement Rates) if such proposed mid-year increase in the provisional cost reimbursement service rates is greater than the control rates referenced in this Paragraph E (Establishing Provisional Cost Reimbursement Rates and Negotiated Rates), Subparagraph (2)(c) (Establishing Provisional Cost Reimbursement Rates). However, such changes in the provisional cost reimbursement rates cannot be applied retroactively to services previously processed through the County's claims processing information system. The adjustment to actual costs for such previously processed services will occur at the time of the cost report settlement as discussed in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph M (Pre-Audit Final Cost Report Settlement).

(i) Provisional rates for the cost reimbursement methodology are adjusted, at the time of the settlement specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph M (Pre-Audit Final Cost Report Settlement), to actual costs based on the Contractor's annual cost report which is subject to subsequent adjustment at the time of audit as described in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph N) (Audits, Audit Appeals and Post-Audit Short-Doyle/Medi-Cal Final Settlement).

(j) All rate changes shall be made by an amendment pursuant to the DMH Legal Entity Agreement Paragraph 39 (ALTERATION OF TERMS).

(3) Establishing Negotiated Rates:

(a) Negotiation rates for services funded with County funds only

shall be established using the provisions specified in this Paragraph E (Establishing Provisional Cost Reimbursement Rates and Negotiation Rates), Subparagraph (2) (Establishing Provisional cost reimbursement rates).

(b) Negotiated rates for Short-Doyle/Medi-Cal funded services shall be established using the State's Short-Doyle/Medi-Cal Rate Establishment Process for the Fiscal Year for which such negotiated rates would be applicable. If a negotiated rate for Short-Doyle/Medi-Cal is not approved by the State, reimbursement to Contractor shall be based on actual costs and subject to the limitations specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D (Billing and Payment Procedures and Limitations), Subparagraph (4) Reimbursement Methodologies) (a) ii. (Cost Reimbursement (CR)).

(c) Contractor's request to be reimbursed on a negotiated rate basis and Contractor's proposed negotiated rates and all State required documentation justifying the negotiated rates must be received by County no later than November 30 of the Fiscal Year for which such change would be applicable. County shall timely submit such proposed negotiated rate changes to the State no later than December 31 of the Fiscal Year for which such change would be applicable.

(d) County shall within 20 business days of receiving State approval of a requested negotiated rate(s) or County approval of a requested negotiated rate(s) for County funds only service(s) notify Contactor of such approval, and update the County's claims processing information system's rate table with the approved rate(s).

(4) All rate changes shall be made by an amendment pursuant to the DMH LE Agreement Paragraph 39 (ALTERATION OF TERMS).

F. <u>SHIFT OF COUNTY GENERAL FUNDS</u>: County and Contractor shall enter into a good faith negotiation prior to the beginning of the fiscal year regarding the allocation of County General Funds (CGF) for services to the uninsured and those eligible for benefits programs. Once this allocation has been negotiated, Contractor may shift up to 15 percent of the CGF in the Agreement between categories in the Financial Summary, based on actual services delivered, without prior approval of the Department, with the provision that at settlement CGF will be first used for Match if the amount needed for Match exceeds the amount projected by Contractor, but in no event shall the amount used

as Match exceed the amount shown on the Financial Summary plus 15 percent of CGF without prior approval of County. Any such shift of funds shall be in compliance with all County, State and Federal regulations, and categorical funds given to an agency for a specific purpose (e.g. CalWORKs, MHSA) must be used for the purpose for which they have been designated. In addition, any such shift of funds shall not result in any increase to the MCA, with the exception of FFP and EPSDT-SGF generated using CGF available in the Agreement, which shall be passed through to the Contractor after Board of Supervisor's approval based on a Board letter to be filed by the Director no later than 30 calendar days after the Department's reconciliation of State settlement.

G. RESTRICTION TO PROHIBIT THE REDIRECTION OF CONTRACTED FUNDS OTHER THAN COUNTY DEPARTMENT OF MENTAL HEALTH COUNTY GENERAL FUNDS: With the exception of County Department of Mental Health CGF which is subject to the provision of Exhibit A (FINANCIAL PROVISIONS), Paragraph F (Shift of County General Funds), County control of funds shown in the Financial Summary(ies) (Attachment III) is established in accordance to the requirements and restrictions imposed by each respective County, State and/or Federal payer/fund source. Accordingly, no funds shown in the Financial Summary (Attachment III), except County Department of Mental Health CGF, for any particular payer/fund source may be redirected to any other payer/fund source.

H. GENERAL ADMINISTRATION REQUIREMENTS FOR TITLE XIX SHORT-DOYLE/MEDI-CAL AND MEDI-CAL ADMINISTRATIVE ACTIVITIES, AND TITLE XXI HEALTHY FAMILIES:

(1) Short-Doyle/Medi-Cal (SD/MC) is California's mental health designation for federal Title XIX Medicaid. Federal Financial Participation (FFP) funds are available for mental health expenditures incurred by County when providing eligible services to Medi-Cal beneficiaries and when local match funds are also expended in rendering those Medi-Cal services. State General Fund (SGF) assistance is also available as local match for Medi-Cal eligible beneficiaries participating in the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) service. EPSDT is Medicaid's (hence Medi-Cal's) comprehensive and preventive child health program for individuals under the age of 21. Medi-Cal beneficiaries that are eligible for the EPSDT service are assigned

specific Medi-Cal aid codes which distinguish their EPSDT eligibility status.

(2) Medi-Cal Administrative Activities (MAA) is a federal Title XIX program that permits Federal Financial Participation (FFP) reimbursement for mental health expenditures when local match funds are also expended for certain activities that cannot be claimed through the State's current Targeted Case Management (TCM) plan. These activities include benefits intake, evaluation and assistance, outreach/intensive informing, crisis evaluation and referral to Medi-Cal for "non-open" cases, Medi-Cal contract administration, clinical training for Medi-Cal services, and program planning for Medi-Cal services.

(3) Healthy Families (HF) is California's Children's Health Insurance Program which is the State's designation of the federal Title XXI State Children's Health Insurance Program. Federal Financial Participation (FFP) funds are available for mental health services provided by a Contractor to eligible HF beneficiaries when local match funds are also expended for eligible services.

(4) County pays any SD/MC, MAA and/or HF FFP and Medi-Cal EPSDT -SGF funds to Contractor in County's capacity as the State designated Mental Health Plan.

(5) SD/MC, MAA and HF FFP funds and EPSDT-SGF funds shall be paid by County to Contractor only:

(a) For State adjudicated approved SD/MC, MAA and/or HF claims less any of such State approved claims that have been voided by Contractor from the County's claims processing information system.

(b) For SD/MC and HF during the time the Contractor is certified as a Title XIX SD/MC provider.

(c) For MAA during the time the Contractor is certified as a Title XIX SD/MC provider and is also approved by the State to participate in the MAA program.

(d) To the extent that this Agreement's applicable Maximum Contract Amount (MCA) has eligible State and/or County local funds which qualify pursuant to the Code of Federal Regulations as the match funds for the SD/MC, MAA and HF expenditures, thusly permitting the FFP reimbursement.

(e) County will proceed prior to the receipt from the State of the

FFP and EPSDT-SGF funds for State approved adjudicated claims to make provisional payments using CGF to Contractor as follows:

(i) In an amount equal to that of the adjudicated approved SD/MC and HF claim lines totals and/or State approved MAA claims less any of such State approved claims that have been voided by Contractor from the County's claims processing information system.

(ii) Such amount is also subject to any State adjustments pursuant to this Paragraph H, Subparagraph (8) (c).

(iii) Such provisional payment using CGF shall not exceed the limitation for total SD/MC, MAA and/or HF claims specified in this Paragraph H (5) (d).

(iv) County recovery of provisional payments using CGF that are in excess of the State approved claims less any of such claims that have been voided by Contractor from the County's claims processing system will be made consistent with this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D, Subparagraph (6) (b) and (c), and this Paragraph H, Subparagraphs (6), (7) and (16), and Paragraphs M, N and O.

(6) The Maximum Contract Amount (MCA) of this Agreement shall include FFP and/or EPSDT-SGF solely to assist the County in expeditiously processing and initially paying Contractor (because of the internal accounting necessity for appropriation authority) for such claims. This will establish legal authorization by the Board of Supervisors to make payment of the expenditures for the services/activities identified on The Rate Summary (Attachment III, Financial Summary(ies), and Service Exhibit(s)) of this Agreement, pending reimbursement by the State. Each Fiscal Year of the term of this Agreement, County shall pay to Contractor for State adjudicated approved claims for Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services only to the extent required by federal laws, regulations, manuals, guidelines, and directives. With the exception of this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph F (Shift of County General Funds) to the extent Contractor exceeds the FFP and/or EPSDT-SGF amount(s) included in this Agreement, such excess will be paid by County to Contractor only upon Contract Amendment approved by the Board of Supervisors, or from an Appropriation Account set up by County

to record the Board's specific authorization to spend EPSDT-SGF and FFP in excess of the Maximum Contract Amount(s), otherwise such FFP and EPSDT-SGF funds will be remitted by County back to the State.

(7) Contractor understands and agrees that County's actions in providing assistance in processing claims, as the Mental Health Plan for the State and Federal governments, and initially paying for FFP and EPSDT-SGF prior to the receipt of the funds from the State in accordance with the above, is subject to reimbursement from the State and does not render County in any way responsible for the substantive obligation to be ultimately fiscally responsible for payment for Contractor's claims for payment for these Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities and/or Title XXI Healthy Families services. Contractor's ability to retain the Title XIX Short-Doyle/Medi-Cal, and/or Medi-Cal Administrative Activities and/or Title XXI Healthy Families payment for such State approved claimed services and/or activities is entirely dependent upon compliance with the law and regulations related to same.

(8) Each Fiscal Year of the term of this Agreement, the federal and local match reimbursement for Title XIX Short-Doyle/Medi-Cal and/or Medi-Administrative Activities, and/or Title XXI Healthy Families services, shall be made as on the basis of the State's notification to County of the applicable respective federally published Federal Medical Allowance Percentages (FMAPs) at the time of the date of the service.

(a) The FFP and eligible local match funds are part of the applicable Maximum Contract Amount of this Agreement.

(b) Local Match and FFP: The State and other local match funds that qualify under Federal requirements as the local share of eligible Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families medical assistance expenditures are identified on the Financial Summary. The Contractor shall provide the local share of the Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families medical assistance expenditures from eligible funds that are part of the applicable Maximum Contract Amount of this Agreement. The Financial Summary also identifies the amount of eligible local match public funds that are restricted to be the local share of Medi-Cal, Healthy Families and MAA expenditures. With the exception of this Financial Exhibit A (FINANCIAL

PROVISIONS), Paragraph F (Shift of County General Funds), the funds identified as local match cannot be reallocated as either local match funds for another payer and/or to non-match services/activities authorized under this Agreement unless such redirection is fully compliant with the terms and conditions of the payer that is the source of the funds and approved in writing by the County.

(c) The eligible EPSDT-SGF and CGF local match funds for eligible expenditures resulting from services/activities rendered to Short-Doyle/Medi-Cal beneficiaries participating in the federal EPSDT service are determined in accordance to the FMAP and the State's distribution of local match State General Funds (EPSDT-SGF). The State will make its provisional payment to County of EPSDT-SGF local match based on adjustments for the State's EPSDT baseline, growth and to allow for historical error between the estimated provisional payment and the settled actual costs. County will make its payment to Contractor of EPSDT Title XIX Medi-Cal services on an interim basis in an amount determined by County which shall not be less than 95% of expected final reimbursement for such services not to exceed the Maximum Contract Amount. To the extent that this Paragraph H (8) (c) results in County payment to Contractor of less than 100% of the Contractor's approved EPSDT contract amount, County will provide Contractor with 60 days prior written notice.

(9) If Title XIX Short-Doyle/Medi-Cal services, and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families 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 SDMH and/or SDHS in regard to claiming. Contractor shall certify annually in writing that all necessary documentation exists at the time any such claims for Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families are submitted by Contractor to County.

(10) Contractor shall be solely liable and responsible for all service data and information submitted by Contractor. County shall submit as the Mental Health Plan to SDMH and/or SDHS Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families claims and shall timely make available to Contractor any subsequent State approvals or denials of such claims.

Contractor shall submit to County all Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families claims or other State required claims data within the time frame(s) prescribed by the State and Federal governments. County shall have no liability for Contractor's failure to comply with State and Federal time frames.

(11) Notwithstanding any other provision of this Agreement, Contractor shall hold County harmless from and against any loss to Contractor resulting from any such State denials caused by Contractor, unresolved EOB claims, and/or any Federal and/or State audit disallowances caused by Contractor for such Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families.

(12) As the State designated Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI Healthy Families Mental Health Plan, County shall submit reimbursement claims to the State in a timely manner only for those services/activities identified and entered by Contractor into the County claim processing information system and/or into the Medi-Cal Administrative Activities data base system as appropriate claims compliant with State and federal requirements. Contractor shall comply with all written instructions provided by County and/or State to Contractor regarding Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families claiming and documentation.

(13) Contractor shall maintain an audit file documenting all Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services, as instructed by County 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.

(14) County may modify the claiming systems for Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families, 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 within five (5)

business days of County's knowledge of such change.

(15) Title XIX Short-Doyle/Medi-Cal Reconciliation Report: Contractor shall complete and certify, in accordance with State and County instructions, and provide DMH with two (2) copies of an accurate and complete Title XIX Short-Doyle/Medi-Cal Reconciliation Report at the legal entity level If Contractor does not so provide County with the Title XIX Short-Doyle/Medi-Cal Reconciliation Report by the due date, then Director or his designee, in his sole discretion, shall determine which State approved Short-Doyle/Medi-Cal services shall be used by County for completion of the Title XIX Short-Doyle/Medi-Cal Reconciliation Report. The due date is set by the State and is approximately 16 months after the close of the fiscal year.

(16) Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families Overpayment Recovery Procedures: Contractor shall repay to County the amount, if any, paid by County to Contractor for State approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services/activities which are subsequently disallowed by the County, State, and/or Federal governments unless the disallowance was based on written County guidelines. 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 Healthy Families services/activities that are subsequently disallowed by County, State, and/or Federal governments unless the disallowance was based on written County guidelines.

(17) Amount Negotiated Rates Exceed Actual Costs: Negotiated rate reimbursements are subject to a partial recovery by State of State General Fund local match for EPSDT Medi-Cal services and Federal Financial Participation (FFP) if actual costs are less than the reimbursement under negotiated rates. Additionally, negotiated rate reimbursements are subject to a partial recovery by County for County General Fund local match used to draw down the FFP, if any, recovered by the State. This partial recovery is a retrospective cost settlement which shares equally with the Federal, State and County governments the portion of the negotiated rate reimbursement that exceeds actual cost in the aggregate by legal entity.

(a) The State will use the Short-Doyle/Medi-Cal Cost Report MH

1968 at the time of the process described in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph M (Pre-Audit Final Cost Report Settlement) to identify the preliminary partial recovery amounts owed back to the Centers for Medicare and Medicaid Services (CMS) and the State for such recovery of State General Fund local match for EPSDT Medi-Cal and FFP payments respectively.

i. The State requires 25 percent (25%) of the gross FFP reimbursement amount in excess of actual cost be recaptured for the Federal government pursuant to the State's Medi-Cal Plan.

ii. The County will recapture from Contractor any State recovery from County of said FFP reimbursement amount in excess of actual costs and remit the recovery amount to State.

iii. The State may also make a partial recovery of State General Funds used as local match for the FFP reimbursement amount in excess of actual costs that is recovered by the State, in which case County shall recover such amount from Contractor and remit the recovery amount to State.

(b) The County may make a partial recovery of County General Funds used as local match for the FFP reimbursement amount in excess of actual costs. County will use the State's preliminary calculation of FFP to be recovered, as described in this Subparagraph (17) (a) (Amount Negotiated Rates Exceed Actual Costs), to identify the preliminary amount of County General Fund (CGF) used as local match for the FFP that the State will preliminarily recover. This CGF local match amount, if any, will remain with the Contractor for payment of other Medi-Cal local match needs and/or uncompensated care subject to this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph F (Shift of County General Funds (CGF)) unless an amendment to reduce the CGF Maximum Contract Amount of this Agreement is made as described in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph U (Delegated Authority).

(c) The State and the County will adjust as appropriate the FFP, State General Funds and County General Funds calculated pursuant to this Paragraph H (General Administration Requirements for Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI Healthy Families), Subparagraph (17) (a) and (b) (Amount Negotiated Rates Exceed Actual Costs) to final amounts at the time of the

process described at this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph N (Audits, Audit Appeals and Post-Audit Short-Doyle/Medi-Cal Final Settlement).

(d) The amount recovered will be subtracted from the total adjudicated approved claims amount before contract limit comparison is applied.

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

J. **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 UMDAP.

(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 units 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 resources for or on behalf of Medi-Cal beneficiaries without having those fees deducted from the cost of providing the mental health services from which the fees were derived.

(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 monthly 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 nonreported revenue.

(b) A report by County to SDMH of all such nonreported revenue including any such unreported revenue paid by any resources for or on behalf of Medi-Cal beneficiaries.

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

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

(1) The Maximum Contract Amount for each period of this Agreement includes Cash Flow Advance which is repayable through cash and/or appropriate services/activities and/or actual and allowable costs incurred under this Agreement.

(2) For each month of each fiscal year of this Agreement, County will reimburse Contractor based upon the County and/or State and/or Federal government(s) processing of the reimbursement claims for rendered services/activities submitted by Contractor to the County subject to claim edits, and future settlements and audit processes. However, for each month of each fiscal year not to exceed three (3) or five (5) consecutive months, or portion thereof, as described below, and for such month the

County and/or State and/or Federal government(s) have not made payment, and/or such payment is less than 1/12th of the Maximum Contract Amount, Contractor may request in writing from County a monthly County General Fund Cash Flow Advance as herein described.

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

(4) Cash Flow Advance 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 3 (DESCRIPTION OF SERVICES/ACTIVITIES) of this Agreement, to the County and/or State and/or Federal government(s), and the County and/or State and/or Federal government(s) have made payment for such services/activities. Contractor may request each monthly Cash Flow Advance only for such services/activities and only when there is no reimbursement from other public or private sources for such services/activities.

(5) No Cash Flow Advance will be given if a Contractor has not been certified as an eligible Medi-Cal service provider unless otherwise agreed to by County.

(6) Cash Flow Advance Request Letter: For each month for which Contractor is entitled to request and receive Cash Flow Advances (CFA) a request letter from Contractor must be received by County on or before the 15th of that month in order to receive a full month's payment (i.e., for the month of July, the request must be received by July 15). Any CFA request letter received by County from Contractor after the 15th of the month will only receive a partial CFA payment for that month; the payment will be prorated for the number of days remaining in that month (i.e., the CFA payment for the month of July will only be for 11 days for a request letter received on July 20th). The signed request letter must be sent via fax or e-mail (PDF file) to Financial Services Bureau – Accounting Division, Provider Reimbursement Unit (PRU). PRU staff will determine full or partial payment amount based on the date the request letter actually arrives at PRU and not the date on the request letter. There will be no retroactive CFA payments under any circumstance if the request letter for CFA payments is received after the end of the month

for which a CFA is being requested.

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

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

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

(b) A Contractor providing EPSDT Short-Doyle/Medi-Cal services as part of this Agreement, may for two (2) additional consecutive months, or portion thereof, that this Agreement is in effect, request, separately for each month, in writing from County a monthly County General Fund Cash Flow Advance for any EPSDT Title XIX Medi-Cal funds which may be part of the Maximum Contract Amount for such fiscal year as shown on the Financial Summary Page. Contractor shall specify in their request the amount of the monthly Cash Flow Advance not to exceed $N/A per month for each of the two (2) additional consecutive months and the total Cash Flow Advance for the two (2) additional consecutive months shall not exceed $N/A.

(9) Upon receipt of a request, Director or his designee, in his sole discretion, shall determine whether to approve the Cash Flow Advance request and, if approved, whether the request is approved in whole or in part. Director or his designee will notify Contractor within 10 business days if the Cash Flow Advance is not approved including the reason(s) for non-approval. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the County's decision.

(10) Recovery of Cash Flow Advances: If Contractor has received any Cash Flow Advance pursuant to this Paragraph K (Cash Flow Advances In Expectation of Services/Activities To Be Rendered), then recovery from Contractor's monthly claims shall be made, through cash payment by Contractor and/or County offsets to County payment(s) of Contractor's approved adjudicated claim(s) as follows:

(a) Generally, when Contractor is meeting contractual levels, County initiates recovery of the CFA balance, if any, for a particular Fiscal Year in July following the close of such Fiscal Year.

(b) County will recover all CFA balances, if any, for a particular Fiscal Year no later than September 30 following the close of such Fiscal Year. September 30 is the date by which all or the substantive portion of the Contractor's prior Fiscal Year's claims should have been received from Contractor and processed by County.

(c) However, should the CFA balance for a particular Fiscal Year not be fully repaid by Contractor to County by September 30 following the close of such Fiscal Year, Contractor repayment shall be conducted as specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph O (Method of Payments for Amounts Due to County) unless otherwise agreed to by County.

(d) If County at mid-year determines that Contractor's units of service and State FFP and EPSDT-SGF approvals are not going to meet contracted levels by Fiscal Year End, County will give Contractor 30 calendar days written notice of its intent to initiate recovery of Cash Flow Advance (CFA) if necessary, including the reason(s) for the intended actions, to ensure Contractor completes repayment of the Cash Flow Advance with units of services by the time all, or the substantive portion of the Contractor's prior Fiscal Year's claims are received by and processed by County no later than

September 30 following the Fiscal Year close. Contractor may, within 15 calendar days of the receipt of County's written notice, request reconsideration of the County's decision.

(12) When Contractor's Cash Flow Advance 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.

(13) Should Contractor request and receive Cash Flow Advance, Contractor shall exercise cash management of such Cash Flow Advance in a prudent manner.

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

L. **ANNUAL COST REPORTS:**

(1) For each Fiscal Year or portion thereof that this Agreement is in effect, Contractor shall provide County with two copies of an accurate and complete annual cost report, with a statement of expenses and revenue.

(2) An accurate and complete annual cost report (annual cost report) shall be defined as a cost report which is completed to the best of the ability of Contractor 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 for the Financial Summary within each legal entity.

(4) The annual cost report will be due on September 15th for the fiscal year ending on the previous June 30th or 75 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 to submit an annual cost report by 30 calendar days after the applicable due date specified in this Paragraph L (Annual Cost Reports), Subparagraph (4) above shall constitute a breach of Contract. In such instance that Contractor does not submit an annual cost report(s) by such 30 calendar days after the applicable due date specified in Paragraph L (Annual Cost Reports), Subparagraph (4), then all amounts covered by the outstanding annual cost report(s) and paid by County to

Contractor in 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 this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph O (Method of Payments for Amounts Due to County).

(b) If Contractor fails to submit an annual cost report(s) by the due date specified in this Subparagraph (4), and if this Agreement is automatically renewed as provided in DMH Legal Entity Agreement Paragraph 1 (TERM), then County may opt to not make any further payments to Contractor under this Agreement until the annual cost report(s) is (are) submitted. County shall give Contractor at least 15 business days written notice of its intention to withhold payments hereunder, including the reason(s) for its intended action. Thereafter, Contractor shall have 15 business days either to correct any deficiencies, or to request reconsideration of the decision to withhold payment. Payment to Contractor shall not be withheld pending the correction of deficiencies, or if reconsideration is requested, pending the results of the reconsideration process.

(c) It is mutually understood and agreed that failure of Contractor to submit an annual cost report(s) by the due date specified in this Subparagraph (4) will result in damages being sustained by County; that the nature and amount of such damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, in the event of Contractor's failure to submit an annual cost report(s) by the due date specified in this Subparagraph (4), County may, in its sole discretion, assess liquidated damages in the amount of ONE HUNDRED DOLLARS ($100) for each day that the annual cost report(s) is (are) not submitted. Contractor may request that liquidated damages not be assessed by sending a request to the attention of Director or his designee no later than thirty (30) days prior to the County's Cost Report filing due date specified in this Subparagraph (4) to allow ample time to process. Liquidated damages shall be assessed separately on each outstanding annual cost report. Liquidated damages shall be assessed commencing beginning September 16th or on the seventy-sixth day following the expiration or termination date of this Agreement and shall continue until the outstanding annual cost report(s) is(are) received.

(5) Each such 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 Reporting/Data Collections (CR/DC) Manual, and for organizational providers in the Mental Health Specialty Services Mental Health Plan' service provider network, the "Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management", and any other written guidelines which shall be provided to Contractor at the Cost Report training, requiring mandatory attendance by Contractor, to be conducted by County by June 30 of the Fiscal Year for which the Annual Cost Report is to be prepared. County may, in its sole discretion, assess liquidated damages in the amount of ONE HUNDRED DOLLARS ($100) for Contractor's non-attendance at the Cost Report training.

(6) If Contractor fails to correct inaccuracies in annual cost report within thirty (30) calendar days after receipt of written notification from the Director or his designee 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 the loss of 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.

M. PRE-AUDIT FINAL COST REPORT SETTLEMENT: Based on the Annual Cost Report(s) submitted pursuant to this Financial Exhibit A (FINANCIAL PROVISIONS) Paragraph L (Annual Cost Reports), at the end of each Fiscal Year or portion thereof that this Agreement is in effect and Paragraph H (General Administration Requirements for Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI Healthy Families), Subparagraph (15) (Title XIX Short-Doyle/Medi-Cal Reconciliation Report), the State and County will perform a pre-audit final cost report settlement. Such settlement will be subjected to the terms and conditions of this Agreement and any other applicable State and/or federal statutes, regulations, policies and procedures requirements pertaining to cost reporting and settlements for Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI Healthy Families, and other applicable federal

and/or State programs.

(1) Reimbursement to Contractor shall not exceed the Maximum Contract Amount shown in the Financial Summary(ies) (Attachment III) except as provided for in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph F (Shift of County General Funds). For purposes of this part, Federal Financial Participation (FFP) for Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI Healthy Families services/activities will be considered by County in the Legal Entity's aggregate total when applying the Maximum Contract Amount limitation by payer. However, the FFP reimbursement by County to Contractor for Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services/activities respectively shall be limited to the maximum FFP for which there is sufficient CGF/State local match funds, as required by federal statute and regulation, in the applicable Maximum Contract Amount. State FFP reimbursement to County for Contractor's State approved Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI Healthy Families services/activities that is in excess of the FFP amount for which the Contractor's Maximum Contract Amount has sufficient CGF/State local match funds will be handled as specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph H (General Administrative Requirements for Title XIX Short-Doyle/Medi-Cal and Medi-Cal Administrative Activities, and Title XXI Healthy Families), Subparagraph (6).

(2) County's issuance of its pre-audit cost report settlement findings shall take place no later than 120 calendar days after the receipt by County from the State of the State's Final Cost Report Settlement package for a particular fiscal year.

(3) In the event that Contractor adjustments based on any of the above methods indicate an amount due the County, Contractor shall pay County according to the method described in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph O (Method of Payments for Amounts Due to County).

N. AUDITS, AUDIT APPEALS AND POST-AUDIT SHORT-DOYLE/MEDI-CAL FINAL 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 and

sequence, authorized representatives from the County, State or Federal governments may conduct an audit of Contractor regarding the mental health services/activities provided hereunder.

(2) Settlement of the audit findings will be conducted according to the auditing party's procedures in place. In the case of a State Short-Doyle/Medi-Cal (SD/MC) audit the State and County will perform a post-audit Short-Doyle/Medi-Cal settlement that is 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. However, if the responsible 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.

(a) County recovery from Contractor of Federal overpayment shall be made in accordance with all applicable Federal laws, regulations, manuals, guidelines, and directives.

(b) County shall issue an invoice to Contractor for any amount due County no later than forty (40) calendar days after the State issues an audit report. The amount on the County invoice is due by Contractor to County thirty (30) calendar days from the date of the invoice.

(3) 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 process shall be followed.

(b) Contractor may appeal the State audit findings in conformance with provisions of Sections 51016 and sequence, Title 22, of the California Code of Regulations. Such appeals must be filed through County. County shall notify Contractor of State appeal time deadlines upon County's receipt from State of the audit report. The first level of appeal is the Informal Conference. The second appeal level is the Formal Hearing should Contractor appeal the Informal Conference appeal finding(s). The Formal Hearing audit appeal concludes with a Report of Findings which is final.

(c) In accordance with the Formal Hearing Report of Findings the

State will proceed to recompute the final settlement of the Short-Doyle/Medi-Cal cost report for a particular year and settle with the County. The County will perform a post-audit Short-Doyle/Medi-Cal recomputed final settlement based upon the State's settlement with the County.

(4) 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.

(5) 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. County will issue an invoice for any amount due County fifteen calendar days (15) after County has notified Contractor of the County's audit appeal findings. The amount on the County invoice is due thirty (30) calendar days from the date of the invoice.

(6) Contractor shall pay County according to Paragraph O (Method of Payments for Amounts Due to County).

(7) If the post-contract audit and/or post-audit appeal Formal Hearing process conducted by County, State, and/or Federal personnel determines that the County payments to Contractor hereunder are less than the amounts reimbursable pursuant to this Agreement, then the difference shall be paid by County to Contractor, provided that in no event shall County's Maximum Contract Amount for the applicable Fiscal Year, as shown in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraphs B (Reimbursement for the Initial Period) and C (Reimbursement if Agreement is Automatically Renewed), be exceeded, except as provided for in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph F (Shift of County General Funds). County will remit payment to Contractor within thirty (30) calendar days of receiving Board authorization to make the payment. County will seek such Board authorization within 30 calendar days after completion of the post-audit and recomputed final settlement Short-Doyle/Medi-Cal processes described in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph N (Audits, Audit Appeals and Post-Audit Short-Doyle/Medi-Cal Final Settlement).

O. METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY: 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 six payment options Contractor requests be used as the method by which such amount shall be recovered by County. Any such amount shall be: (1) paid in one cash payment by Contractor to County, (2) deducted from future claims over a period not to exceed three months, (3) deducted from any amounts due from County to Contractor whether under this Agreement or otherwise, (4) paid by cash payment(s) by Contractor to County over a period not to exceed three months, or (5) a combination of any or all of the above. If Contractor does not so notify County within such ten days, or if Contractor fails to make payment of any such amount to County as required, then Director, in his sole discretion, shall determine which of the above six payment options shall be used by County for recovery of such amount from Contractor.

P. INTEREST CHARGES ON DELINQUENT PAYMENTS: 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 60 calendar days after the due date, as determined by Director, then Director, in his sole discretion and after written notice to Contractor, may assess interest charges at a rate equal to County's Pool Rate, as determined by County's Auditor-Controller, per day on the delinquent amount due commencing on the sixty-first calendar day after the due date. Contractor shall have an opportunity to present, to Director, information bearing on the issue of whether there is a good cause justification for Contractor's failure to pay County within 60 calendar days after the due date. The interest charges shall be: (1) paid by Contractor to County by cash payment upon demand and/or (2) at the sole discretion of Director or his designee, deducted from any amounts due by County to Contractor whether under this Agreement or otherwise.

Q. FINANCIAL SOLVENCY: Contractor shall maintain adequate provisions against the risk of insolvency. Such provisions shall minimally meet the solvency/working capital criteria specified in the DMH's financial responsibility requirements policy.

R. LIMITATION OF COUNTY'S OBLIGATION DUE TO NONAPPROPRIATION OF FUNDS: 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. Should County, during this or any subsequent fiscal year impose budgetary restrictions which appropriate less than the amount provided for in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph B (Reimbursement For Initial Period) and Paragraph C (Reimbursement If Agreement Is Automatically Renewed) of this Agreement, County shall reduce services under this Agreement consistent with such imposed budgetary reductions. 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 changes in allocation of funds at the earliest possible date.

S. BUDGET REDUCTIONS: In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in County contracts, the County reserves the right to reduce its payment obligation under this Agreement to implement such Board reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), 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 in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Agreement.

T. 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, unless otherwise agreed to by County and Contractor, for which the change would be applicable, and all changes shall be made by an amendment pursuant to DMH Legal Entity Agreement Paragraph 39 (ALTERATION OF TERMS).

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

U. DELEGATED AUTHORITY: Notwithstanding any other provision of this Agreement, County's Department of Mental Health Director may, without further action by County's Board of Supervisors, prepare and sign amendments to this Agreement during the remaining term of this Agreement, under the following conditions.

(1) County's total payments to Contractor under this Agreement, for each Fiscal Year of the term of this Agreement, shall not exceed an increase of more than the Board-approved percentage of the applicable Maximum Contract Amount; and

(2) Any such Maximum Contract Amount amendment increase or amendment change shall only be used for additional services or to reflect program and/or policy changes that affect this Agreement; and

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

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

(5) County and Contractor may by written amendment reduce programs or services and revise the applicable Maximum Contract Amount. The Director or his designee shall provide 15 business days prior written notice of such funding changes to Contractor, including any changes in the amount of services to be received by County, to Contractor, DMH Contracts Development and Administration Division, and to County's Chief Administrative Officer. Any such change in any applicable Maximum Contract Amount shall be effected by an administrative amendment to this Agreement by Director or his designee; and

(6) Notwithstanding this Paragraph U (Delegated Authority), Subparagraph (5), if the County in its sole discretion determines from a review of Contractor's service and billing records that a significant portion of the funds provided for services under this Agreement will be underutilized in any period of the Agreement term, then the Director or his designee shall provide 15 business days prior written notification to Contractor of County's intent to reallocate underutilized funds by the moving of such funds into another program budget category for the same period on the Financial Summary (Attachment II) within this Agreement, and/or reallocate such funds into another DMH Legal Entity Agreement with another contract provider that readily provides for the efficient

use of such funds before the expiration of the same period in this Agreement. This written notification is to include an explanation of how the County reached the conclusion that Contractor is underutilizing funds; copies of relevant data, such as but not limited to County information system reports that County used in making this decision; the nature and amount of funding changes to Contractor; and any changes in the amount of services to be received by County.

In the event Contractor believes that an adjustment authorized under this provision is unjustified, Contractor may, within the 15 business day notice period, so notify the Director or his designee in writing, and request a meeting with County to review County's documentation that Contractor will be underutilizing a significant portion of its Maximum Contract Amount. Any such meeting shall be held within 30 calendar days of the initial written notification. If Contractor fails to meet with County in this period of time, Contractor is deemed to have waived its opportunity to meet with County and accepts County recommended changes to its Maximum Contract Amount.

If, thereafter, it is still determined that a significant portion of the Maximum Contract Amount will be underutilized the County shall reallocate such funds, as provided above. Director or his designee shall provide final prior written notice of such funding changes to Contractor, including any changes in the amount of services to be received by County, to Contractor, DMH Contracts Development and Administration Division, and to County's Chief Administrative Office and the determination of the Director or his designee will be final. Any such change in any applicable Maximum Contract Amount shall be effected by an administrative amendment to this Agreement by Director or his designee. 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 Maximum Contract Amounts in subsequent years, while changes that are based on clearly documented ongoing historical trends may result in ongoing reductions (or increases) of Maximum Contract Amounts in subsequent years.

The determination by the Director or his designee 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 Maximum Contract 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 Maximum Contract Amount for this Agreement. By executing this Agreement, Contractor specifically consents to the prospective adjustments set forth in this provision.

(7) Director shall notify County's Board of Supervisors of all Agreement changes in writing within 30 calendar days following execution of any such amendment(s). If the County determines from a review of Contractor's service and billing records that a significant portion of the funds provided for services under this Agreement shall be underutilized over the period of the Agreement term, then the Director or his designee shall provide 15 business days prior written notification to Contractor (as referenced in this Paragraph U, Subparagraph (5) above) of County's intent to reallocate such funds into another DMH Legal Entity Agreement before the expiration of this Agreement's term. This written notification must include both an explanation of how County reached the conclusion that Contractor is underutilizing funds, and also copies of any relevant data, such as but not limited to County information system reports that County used in making this decision.

Within the 15 business day notice period, Contractor may request a meeting with County to review County's documentation that Contractor will be underutilizing a significant portion of its Maximum Contract Amount. Any such meeting shall be held within 30 calendar days of the initial written notification. If Contractor fails to meet with County in this period of time, Contractor is deemed to have waived its opportunity to meet with County and accepts County recommended changes to its contract amount.

COUNTY OF LOS ANGELES DEPARTMENT OF MENTAL HEALTH CONTRACTOR CLAIMS CERTIFICATION FOR TITLE XIX SHORT-DOYLE MEDI-CAL and TITLE XXI HEALTHY FAMILIES REIMBURSEMENTS

Legal Entity: WISE & Healthy Aging

Legal Entity Number: TBA

Claims for services/activities with dates of services: November 1, 2007 through June 30, 2008

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 Healthy Families 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 Services; the Medi-Cal Fraud Unit; California Department of Mental Health; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services, or their duly authorized representatives. Amounts, if any, to be claimed during the above stated period for the Healthy Families program will only be for children between the ages of one (1) year old to their nineteenth (19th) birthday who will be assessed or will be treated for a serious emotional disturbance (SED). 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 Mental Health (State DMH). 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 DMH. 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 DMH.

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 Healthy Families 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 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: Compliance Program Office
550 S. Vermont Ave.
Los Angeles, CA 90020

Contractor Name: WISE & Healthy Aging
Legal Entity Number: TBA
Agreement Period: November 1, 2007 through June 30, 2008
Fiscal Year: 2007-08

DMH Legal Entity Agreement
Attachment III
The Financial Summary

LINE #	COLUMNS / DESCRIPTION	1 MAXIMUM CONTRACT ALLOCATION TOTALS	Sum of 2 + 3 + 4 + 5+ 6 = 1 2 LOCAL MHP NON MEDI-CAL	3 DCFS STOP SGF 70% County Local 30% Categorical Restricted CGF	4 MAA and NON-EPSDT MEDI-CAL PROGRAMS FFP 50% County Local 50% Local Match share for claiming Certified Public Expenditure Categorically Restricted Local Funds** (see footnote)	5 EPSDT MEDI-CAL PROGRAM FFP 50% SGF - EPSDT 42.68% County Local 7.32%	6 HEALTHY FAMILIES FFP 65% County Local 35%
1	**A. Contractual Limitation By Responsible Financial Party:**						
2	CGF*	$ 174,001	$ 80,267	-	93,734	-	-
3	CGF - Psychiatric Emergency Services (PES) (NCC)	-					
4	CGF - Transitional Residential Program (NCC)	-					
5	SAMHSA, CFDA #93.958	-					
6	SAMHSA - Child Mental Health Initiative, CFDA #93.104	-					
7	SAMHSA - Targeted Capacity Expansion, CFDA #93.243	-					
8	PATH, CFDA #93.150	-					
9	CalWORKs - Flex Fund	-					
10	CalWORKs - Mental Health Services (MHS)	-					
11	CalWORKs - Community Outreach Services (COS)	-					
12	CalWORKs - Families Project - Client Support Services	-					
13	CalWORKs - Families Project - MHS & Targeted Case Management	-					
14	CalWORKs - Families Project - COS	-					
15	DPSS - GROW	-					
16	DCFS AB 2994	-					
17	DCFS Family Preservation	-					
18	DCFS Star View Life Support PHF	-					
19	DCFS Independent Living	-					
20	DCFS STOP (70%)	-		-			
21	DCFS Medical Hubs	-					
22	DCFS Basic MH Services Enhanced Specialized Foster Care	-					
23	DCFS Intensive In-Home Enhanced Specialized Foster Care	-					
24	DCFS - Multidisciplinary Assessment and Treatment (MAT)	-					
25	Probation - Mentally Ill Offender Crime Reduction Program (MIOCR)	-					
26	Schiff-Cardenas - M.H. Screening, Assessment, and Treatment (MHSAT)	-					
27	Schiff-Cardenas - Multi-Systemic Therapy Program (MST)	-					
28	Sheriff Dept - Mentally Ill Offender Crime Reduction Program (MIOCR)	-					
29	AB 34/AB 2034	-					
30	ADPA AB 34/AB 2034 Housing	-					
31	DHS-OAPP HIV/AIDS	-					
32	DHS Dual Diagnosis	-					
33	DHS Social Model Recovery	-					
34	DHS LAMP	-					
35	HIV AIDS	-					
36	IDEA (AB 3632 - SEP), CFDA #84.027	-					
37	SB 90 (AB 3632 - SEP)	-					
38	AB3632 - SEP (SB 1807)	-					
39	Mental Health Services Act (MHSA)	-					
40	Mental Health Services Act (MHSA) - Plan I:						
41	A. Child						
42	One Time Cost	-					
43	Client Supportive Services (Flex Funds)	-					
44	Mental Health Services	-					
45	B. TAY						
46	One Time Cost	-					
47	Client Supportive Services (Flex Funds)	-					
48	Mental Health Services	-					
49	C. Adult						
50	One Time Cost	-					
51	Client Supportive Services (Flex Funds)	-					
52	Mental Health Services	-					
53	D. Older Adult						
54	One Time Cost	-					
55	Client Supportive Services (Flex Funds)	-					
56	Mental Health Services	-					

Contractor Name: WISE & Healthy Aging
Legal Entity Number: TBA
Agreement Period: November 1, 2007 through June 30, 2008
Fiscal Year: 2007-08

DMH Legal Entity Agreement
Attachment III
The Financial Summary

LINE #	COLUMNS / DESCRIPTION	1 MAXIMUM CONTRACT ALLOCATION TOTALS	2 LOCAL MHP NON MEDI-CAL	3 DCFS STOP SGF 70% County Local 30%	4 MAA and NON-EPSDT MEDI-CAL PROGRAMS FFP 50% County Local 50%	5 EPSDT MEDI-CAL PROGRAM FFP 50% SGF - EPSDT 42.68% County Local 7.32%	6 HEALTHY FAMILIES FFP 65% County Local 35%
				Sum of 2 + 3 + 4 + 5+ 6 = 1			
				Categorical Restricted CGF	Local Match share for claiming Certified Public Expenditure Categorically Restricted Local Funds** (see footnote)		
57	Mental Health Services Act (MHSA) - Plan II						
58	A. Child						
59	Integrated MH/COD Services	-					
60	Family Crisis Services - Respite Care	-					
61	One Time Cost	-					
62	B. TAY						
63	Drop-In Centers	-					
64	Probation Camps	-					
65	One Time Cost	-					
66	C. Adult						
67	Wellness Centers - Non Client Run	-					
68	Wellness Centers - Client Run	-					
69	IMD Step Down	-					
70	Safe Haven	-					
71	One Time Cost	-					
72	D. Older Adult						
73	Field Capable Clinical Services						
74	One Time Cost	-					
75	Client Supportive Services (Flex Funds)	-					
76	Mental Health Services	-					
77	Older Adult Service Extenders	-					
78	Older Adult Training	-					
79	One Time Cost	-					
80	E. Cross-Cutting						
81	Urgent Care	-					
82	Enriched Residential Services	-					
83	One Time Cost	-					
84	Mental Health Services Act (MHSA) - Plan III	-					
85	Mental Health Services Act (MHSA) - AB 2034 Services	-					
86	Medi-Cal, Healthy Families, or MAA FFP	93,734			93,734	-	-
87	SGF - EPSDT	-				-	
88	***Maximum Contract Amount (A)***	$ 267,734	80,267		$ 187,467		
					0.50	-	
89	**B. Third Party:**						
90	Medicare	-					
91	Patient Fees	-					
92	Insurance	-					
93	Other	-					
		-					
94	***Total Third Party (B)***	-	-	-	-	-	-
95	**GROSS PROGRAM BUDGET (A+B)**	**$ 267,734**	**80,267**	**-**	**187,467**	**-**	**-**

Footnote

* The Department is developing the parameters for authorizing the shift of CGF among the various programs identified in columns 2, 3, 4, 5, and 6. These parameters will be incorporated by a separate contract amendment during the year.

** These Local Funds are restricted in compliance with specific statutory, regulatory, and contractual requirements and obligations that are conditions for Medi-Cal reimbursement of Short-Doyle Medi-Cal claims. California Code of Regulations Title 9, Division 1, Chapter 11, Subchapter 4, Article 1, paragraph 1840.112 MHP Claims Certification and Program Integrity and Federal Code of Regulations, Title 42, Section 438.608.

Revised: 5/29/07

Contractor Name: WISE & Healthy Aging
Legal Entity No.: **TBA**
Agreement Period: November 1, 2007 through June 30, 2008
Fiscal Year: 2007-08

DMH Legal Entity Agreement
The Rate Summary

MENTAL HEALTH SERVICES		Mode of Service	Service Function Code (SFC) Range	Provisional Rates Negotiated NR	Provisional Rates Cost Reimb. CR	Provider Numbers
A. 24 - HOUR SERVICES:						
Hospital Inpatient		05	10 - 18			
Hospital Administrative Day		05	19			
Psychiatric Health Facility (PHF)		05	20 - 29			
SNF Intensive		05	30 - 34			
IMD/STP Basic (No Patch)	Beds 1-59	05	35			
	Beds 60 & over	05	35			
Patch for IMD		05	36 - 39			
Mentally Ill Offenders	Regular	05	36 - 39			
	Indigent	05	36 - 39			
IMD - Like		05	36 - 39			
IMD (w/Patch) Sub-Acute (60 days)		05	38			
Adult Crisis Residential		05	40 - 49			
Residential Other		05	60 - 64			
Adult Residential		05	65 - 79			
Semi - Supervised Living		05	80 - 84			
Independent Living		05	85 - 89			
MH Rehab Centers		05	90 - 94			
B. DAY SERVICES:						
Vocational Services		10	30 - 39			
Socialization		10	40 - 49			
SNF Augmentation		10	60 - 69			
Day Treatment Intensive: Half Day		10	81 - 84			
Day Treatment Intensive: Full Day		10	85 - 89			
Day Rehabilitation: Half Day		10	91 - 94			
Day Rehabilitation: Full Day		10	95 - 99			
C. OUTPATIENT SERVICES:						
Targeted Case Management Services (TCMS), formerly Case Management Brokerage		15	01 - 09		$2.08	TBA
Mental Health Services		15	10 - 19/ 30 - 59		$2.68	TBA
Therapeutic Behavioral Services (TBS)		15	58			
Medication Support		15	60 - 69		$4.96	TBA
Crisis Intervention		15	70 - 79		$3.99	TBA
D. OUTREACH SERVICES:						
Mental Health Promotion		45	10 - 19			
Community Client Services		45	20 - 29			
E. SUPPORT SERVICES:						
Life Support/Board & Care		60	40 - 49			
Case Management Support		60	60 - 69			
Client Supportive Services (Cost Reimbursement)		60	64 70 - 79			
F. Medi-Cal Administrative Activities (MAA):						
MAA		55	01 - 35			

DMH LEGAL ENTITY AGREEMENT
ATTACHMENT IV

Service Delivery Site Exhibit

CONTRACTOR NAME: WISE & Healthy Aging

LEGAL ENTITY NO.: TBA **PERIOD:** November 1, 2007 through June 30, 2008

*DESIGNATED PROGRAM OFFICE	SERVICE EXHIBIT NO.	PROV. NO.	SERVICE DELIVERY SITE(S)	M.H. SERVICE AREA(S) SERVED	SITE SUP. DISTRICT
A	1, 2, 3, 4	TBA	1527 4th Street, 2nd Floor Santa Monica, CA 90401	5	3

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

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	1
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	2
Medication Support Services (Rehab. Option)	403	3
Crisis Intervention Services (Rehab. Option)	404-A	4
Mental Health Service Treatment Patch (La Casa)	405	
Therapeutic Behavioral Services	406-A	
Outreach Services	501-A	
Outreach Services (Suicide Prevention Services)	502-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 Service	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	

1	Local Hospital Services	902	
2	Semi-Supervised Living Services	904	
3	Adult Residential Treatment Services (Transitional)	912	
4	Adult Residential Treatment Services (Long Term)	913	
5	Non-Hospital Acute Inpatient Services (La Casa PHF)	914	
6	Comprehensive Adult Residential Treatment Services (Bio-Psycho-Social Services)	915	
7	Assertive Community Treatment Program (ACT)	921	
8	Psychiatric Inpatient Hospital Services	930	
9	Primary Linkage and Coordinating Program	1001	
10	AB 34 Housing and Personal/Incidental Services	1002	
11	Service Provisions (Organizational Provider Only)	1003	
12	Consumer Run/Employment Program	1005	
13	AB 2034 State Demonstration Program (Housing Expenses)	1008	
14	AB 2034 State Demonstration Program (Personal and Incidental Expenses)	1009	
15	Client Supportive Services (***Includes Attachment A Reimbursement Procedures***	1010-A	
16	***and Attachment B Monthly Claim for Cost Reimbursement***)		
17	Mental Health 24-Hour Services Interim Placement Funding for Basic Care Services	1011	
18	Mental Health 24-Hour Services Children Under Age 18 Basic Services	1012	
19	Supportive Services – Residential Programs (***Includes Attachment A***	1013	
20	***(Reimbursement Procedures and Attachment B- (Monthly Claim for***		
21	***Cost Reimbursement)***		
22	Client Supportive Services-Mental Health Services Act Programs (***Includes***	1014-A	
23	***Attachment A - Reimbursement Procedures and Attachment B - (Monthly***		
24	***Claim for Cost Reimbursement)***		
25	Full Service Partnership (FSP)	1015	
26	Supportive Services – Intensive Residential Program (***Includes Attachment A-***	1016	
27	***Reimbursement Procedures and Attachment B - (Monthly Claim for***		
28	***Cost Reimbursement)***		
29	One-Time Expenses Associated with Starting a new MHSA Program (**Includes**	1017	
30	***Attachment A-Reimbursement Procedures and Attachment B – Monthly***		
31	***Claim for Cost Reimbursement)***		
32	Client Supportive Services (New Directions) (***Includes Attachment A***	1018	
33	***Reimbursement Procedures and Attachment B Monthly Claim for Coat***		
34	***Reimbursement***)		
35	Family Support Services	1019	

1	Service Extender Stipend Program Mental Health Services Act Programs	1020	
2	***(Includes Attachment A Reimbursement Procedures and Attachment B***		
3	***Monthly Claim for Cost Reimbursement)***		
4	Client Supportive Services Field Capable Clinical Services (FCCS) for Older	1021	
5	Adults Mental Health Services Act Programs ***(Includes Attachment A***		
6	***Reimbursement Procedures and Attachment B Monthly Claim for Cost***		
7	***Reimbursement)***		

SERVICE EXHIBIT 1

TARGETED CASE MANAGEMENT SERVICES

(REHABILITATION OPTION)

(MODE OF SERVICE 15)

1. GENERAL: Targeted Case Management services shall be provided by Contractor to access needed medical, educational, social, pre-vocational, vocational rehabilitative, or other needed community services for patients/clients. These services provide for the continuity of care within the mental health system and related social service systems. Services include linkage and consultation, placement and plan development.

Services shall not include skill development, assistance in daily living, or training a patient/client to access services himself/herself.

Services may be either face-to-face or by telephone with the patient/client or significant support persons and may be provided anywhere in the community.

Prior to claiming Short-Doyle/Medi-Cal (SD/MC), a service site shall be certified by State Department of Mental Health (SDMH) as a Short-Doyle/Medi-Cal Mental Health Rehabilitation Provider.

In addition to the other staffing requirements of this Agreement, Contractor shall assure that these services are provided with the minimum qualified staff, as specified in the Department of Mental Health's (DMH) Guide to Procedure Codes.

The definition of a reimbursable unit for purposes of determining the number of units of service provided by Contractor hereunder shall be as established by Director. Billing restrictions for these services shall apply as set forth in the Guide to Procedure Codes.

2. PERSONS TO BE SERVED: Contractor shall provide services to the target population as identified in Contractor's Negotiation Package/Addenda who reside primarily within Los Angeles County Mental Health Service Areas identified on the Service Delivery Site Exhibit and who either are referred to Contractor by Director or voluntarily apply for and receive services with the subsequent consent of Director.

3. SERVICE DELIVERY SITE(S): Contractor's facility(ies) where services are to be provided hereunder is (are) located at: Site(s) as identified on the Service Delivery Site Exhibit and in the Contractor's Negotiation Package/Addenda Contractor shall obtain the prior written consent of Director at least seventy days before terminating services at such location(s) and/or before commencing such services at any other location(s).

4. 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. Contractor shall establish and maintain a complete and integrated quality improvement system.

5. PROGRAM ELEMENTS AND SERVICES: Contractor shall provide services to patients/clients in accordance with Contractor's Negotiation Package and any addenda thereto, as approved in writing by Director, and the RO/TCM Manual, for the term of this Agreement. Services shall include, but are not limited to:

A. Linkage and Consultation Services - May include, but are not limited to, the following:

(1) Identification and pursuit of resources which are necessary and appropriate to implement the service plan;

(2) Interagency and intra-agency consultation, communication, coordination, and referral; and

(3) Monitoring service delivery, the service plan, and the coordination plan implementation to ensure patient/client access to services and the service delivery system.

B. Placement Services - Supportive assistance to the patient/client in the assessment, determination of need, and securing of adequate and appropriate living arrangements, including, but not limited to the following:

(1) Locating and securing an appropriate living environment;

(2) Locating and securing funding for patient/client (e.g., Supplemental Security Income/State Supplemental Program (SSI/SSP), Medi-Cal, and Medicare);

(3) Pre-placement visit(s);

(4) Negotiation of housing or placement contracts; and

(5) Placement and placement follow-up.

C. Plan Development Services - May include any or all of the following:

(1) Development of coordination plans and/or service plans;

(2) Approval of plans; and

(3) Monitoring the patient's/client's progress.

SERVICE EXHIBIT 2

MENTAL HEALTH SERVICES

(REHABILITATION OPTION)

(MODE OF SERVICE 15)

1. GENERAL: Mental health services are interventions designed to provide the maximum reduction of mental disability and restoration or maintenance of functioning consistent with the requirements for learning, development, independent living and enhanced self-sufficiency. Services shall be directed toward achieving the patient's/client's goals/desired results/personal milestones.

For patients/clients who are seriously emotionally disturbed children and adolescents, mental health services provide a range of services to assist the patient/client to gain the social and functional skills necessary for appropriate development and social integration.

Services may be either face-to-face or by telephone contact with the patient/client or significant support persons and may be provided anywhere in the community. In the unusual circumstance where the patient/client and/or significant other is not present, plan development activities hereunder may be provided without a face-to-face or telephone contact.

Contractor shall be certified by SDMH as a Short-Doyle/Medi-Cal Mental Health Rehabilitation Provider.

In addition to the other staffing requirements of this Agreement, Contractor shall assure that these services are provided with the minimum qualified staff and staffing ratio, if any, as specified in the RO/TCM Manual.

The services to be provided hereunder are generally described in the RO/TCM Manual.

The definition of SFC unit for purposes of determining the number of units of service provided by Contractor hereunder shall be as established by Director. Billing restrictions for these services shall apply as set forth in the RO/TCM Manual.

2. PERSONS TO BE SERVED: Contractor shall provide services to the target population as identified in the Contractor's Negotiation Package/Addenda who reside primarily within Los Angeles County Mental Health Service Areas identified on the Service Delivery Site Exhibit and who either are referred to Contractor by Director or voluntarily apply for and receive services with the subsequent consent of Director.

Patients/clients shall satisfy the Short-Doyle/Medi-Cal criteria for Medical Necessity as described in the RO/TCM Manual.

3. SERVICE DELIVERY SITE(S): Contractor's facility(ies) where services are provided is (are) located at: Site(s) as identified on the Service Delivery Site Exhibit and in the Contractor's Negotiation Package/Addenda. Contractor shall obtain the prior written consent of Director at least seventy days before terminating services at such location(s) and/or before commencing such services at any other location(s).

4. 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. Contractor shall establish and maintain a complete and integrated quality improvement system.

In conformance with these provisions, Contractor shall adopt and comply with the quality improvement programs and responsibilities set forth in the DMH's Quality Management Plan. Contractor shall maintain a copy of the DMH's Quality Management Plan. A copy of Contractor's procedures to comply with DMH's Quality Management Plan shall be submitted to DMH's Standards and Records Division staff for review prior to Contractor's submission of any billings for services hereunder.

5. PROGRAM ELEMENTS AND SERVICES: Contractor shall provide services to patients/clients in accordance with the Contractor's Negotiation Package and any addenda thereto, as approved in writing by Director, and the RO/TCM Manual, for the term of this Agreement. Services shall include, but are not limited to:

A. Assessment;

B. Evaluation;

C. Collateral;

D. Therapy (Individual, Group, Family);

E. Rehabilitation services, including, but not limited to, assistance in restoring or maintaining a patient's/client's or group of patients'/clients' functional skills, daily living skills, social skills, grooming and personal hygiene skills, meal preparation skills, medication compliance, development of support systems; counseling of the patient/client and/or family; training in leisure activities integral to achieving the patient's/client's goals/desired results/personal milestones; and medication education; and

F. Plan development, including, but not limited to, development of coordination plans or service plans, approval of plans, verification of medical necessity, and monitoring of the patient's/client's progress.

SERVICE EXHIBIT 3

MEDICATION SUPPORT SERVICES

(REHABILITATION OPTION)

(MODE OF SERVICE 15)

1. GENERAL: Medication support services shall include prescribing, administering, dispensing and monitoring of psychiatric medications necessary to alleviate the symptoms of mental illness, which are provided by a staff person within the scope of practice of his/her profession.

Services may be either face-to-face or by telephone with the patient/client or significant support persons and may be provided anywhere in the community.

Contractor shall be certified by SDMH as a Short-Doyle/Medi-Cal Mental Health Rehabilitation Provider.

In addition to the other staffing requirements of this Agreement, Contractor shall assure that these services are provided with the minimum qualified staff and staffing ratio, if any, as specified in the RO/TCM Manual.

The services to be provided hereunder are generally described in the RO/TCM Manual.

The definition of SFC unit for purposes of determining the number of units of services provided by Contractor hereunder shall be as established by Director. Billing restrictions for these services shall apply as set forth in the RO/TCM Manual.

2. PERSONS TO BE SERVED: Contractor shall provide services to the target population as identified in the Contractor's Negotiation Package/Addenda who reside primarily within Los Angeles County Mental Health Service Areas identified on the Service Delivery Site Exhibit and who either are referred to Contractor by Director or voluntarily apply for and receive services with the subsequent consent of Director.

Patients/clients shall satisfy the Short-Doyle/Medi-Cal criteria for Medical Necessity as described in the RO/TCM Manual.

3. COUNTY'S PRESCRIPTION AUTHORIZATION TRACKING SYSTEM: Except as otherwise provided in this Paragraph 3 or County policy, County agrees to pay for prescriptions generated through County's Prescription Authorization Tracking System (hereafter "PATS") by Contractor and other contractors participating in PATS. Payment shall be made from County's central pool of funds budgeted under PATS. Prescriptions under PATS shall be only for medications listed on DMH's Medication Formulary or approved in writing by DMH's Medical Director or his authorized designee (hereafter collectively "medications") and shall be prescribed by Contractor's medical staff for treatment of eligible patients/clients. Such prescriptions shall be filled by pharmacies under contract to DMH to provide pharmacy services. A list of participating pharmacies is maintained by County, and a copy of such list has been provided to Contractor prior to the execution of this Agreement.

Payment for prescriptions under PATS shall be made by County's Auditor-Controller directly to participating pharmacies. If the cost of all medications prescribed by Contractor and other contractors participating in PATS exceeds the budgeted funds in County's central pool for PATS, then County shall bill Contractor for Contractor's portion of the dollar amount of such costs which is in excess of the budgeted funds in the central pool. The amount of such bill to Contractor shall be determined by County and shall be based on Contractor's pro rata usage of the budgeted funds in the central pool. The amount of such bill to Contractor shall be: (1) paid by Contractor to County by cash payment within thirty days of the date of such bill and/or (2) at the sole discretion of Director, deducted from any amounts due from County to Contractor whether under this Agreement or otherwise.

4. SERVICE DELIVERY SITE(S): Contractor's facility(ies) where services are to be provided hereunder is (are) located at: Site(s) as identified on the Service Delivery Site Exhibit and in the Contractor's Negotiation Package/Addenda. Contractor shall obtain the prior written consent of Director at least seventy days before terminating services at such location(s) and/or before commencing such services at any other location(s).

5. 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. Contractor shall establish and maintain a complete and integrated quality improvement system.

In conformance with these provisions, Contractor shall adopt and comply with the quality improvement programs and responsibilities set forth in the DMH's Quality Management Plan. Contractor shall maintain a copy of the DMH's Quality Management Plan. A copy of Contractor's procedures to comply with DMH's Quality Management Plan shall be submitted to DMH's Standards and Records Division staff for review prior to Contractor's submission of any billings for services hereunder.

6. PROGRAM ELEMENTS AND SERVICES: Contractor shall provide services to patients/clients in accordance with Contractor's Negotiation Package and any addenda thereto, as approved in writing by Director, and the RO/TCM Manual, for the term of this Agreement. Services shall include, but are not limited to:

A. Prescribing, administering, dispensing and monitoring of psychiatric medications necessary to alleviate the symptoms of mental illness;

B. Evaluation of the need for medication, clinical effectiveness and the side effects of medication;

C. Obtaining informed consent;

D. Medication education, including, but not limited to, discussing risks, benefits and alternatives with the patient/client or significant support persons; Drugs and laboratory tests related to the delivery of these services; and Plan development related to the delivery of these services.

SERVICE EXHIBIT 4

CRISIS INTERVENTION SERVICES

(REHABILITATION OPTION)

(MODE OF SERVICE 15)

1. GENERAL: Crisis intervention services are a quick emergency response that may enable a patient/client to cope with a crisis, while maintaining his/her status as a functioning community member to the greatest extent possible. A crisis is an unplanned event that results in the patient's/client's need for immediate service intervention. Crisis intervention services are limited to stabilization of the presenting emergency. These services do not include crisis stabilization services, as described in the Guide to Procedures Codes, which are provided in a licensed twenty-four hour health facility or hospital-based outpatient program.

Services may be either face-to-face or by telephone with the patient/client or significant support person and may be provided anywhere in the community.

Staff providing the service must be operating out of a site that is certified by State Department of Mental Health (SDMH) as a Short-Doyle/Medi-Cal (SD/MC) Mental Health Rehabilitation Provider.

In addition to the other staffing requirements of this Agreement, Contractor shall assure that these services are provided with the minimum qualified staff as specified in the Guide to Procedure Codes.

The services to be provided hereunder are generally described in the Guide to Procedure Codes.

The definition of SFC unit for purposes of determining the number of units of service provided by Contractor hereunder shall be as established by Director. Billing restrictions for these services shall apply as set forth in the Guide to Procedure Codes.

2. PERSONS TO BE SERVED: Contractor shall provide services to the target population as identified in Contractor's Negotiation Package/Addenda who reside primarily within Los Angeles County Mental Health Service Areas as identified on the

Service Delivery Site Exhibit and who either are referred to Contractor by Director or voluntarily apply for and receive services with the subsequent consent of Director.

Patients/clients shall satisfy the Short-Doyle/Medi-Cal criteria for Medical Necessity as described in the RO/TCM Manual.

3. SERVICE DELIVERY SITE(S): Contractor's facility(ies) where services are to be provided hereunder is (are) located at: Site(s) as identified on the Service Delivery Site Exhibit and in the Contractor's Negotiation Package/Addenda. Contractor shall obtain the prior written consent of Director at least seventy days before terminating services at such location(s) and/or before commencing such services at any other location(s).

4. QUALITY IMPROVEMENT: Contractor shall comply with all applicable provisions of WIC, CCR, Code of Federal Regulations, HIPAA, SDHS policies and procedures, SDMH policies and procedures, and DMH quality improvement policies and procedures. Contractor shall establish and maintain a complete and integrated quality improvement.

5. PROGRAM ELEMENTS AND SERVICES: Contractor shall provide services to patients/clients in accordance with Contractor's Negotiation Package and any addenda thereto, as approved in writing by Director, and the Guide to Procedure Codes, for the term of this Agreement. Services shall include, but are not limited to:

A. Assessment;

B. Collateral; and

C. Individual Therapy.

ATTESTATION REGARDING FEDERALLY FUNDED PROGRAMS

In accordance with the DMH Legal Entity Agreement's Paragraph 53 (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 _____

SAFELY SURRENDERED BABY LAW FACT SHEET

(IN ENGLISH AND SPANISH)

No shame.
No blame.
No names.

Newborns can be safely given up at any Los Angeles County hospital emergency room or fire station.

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

State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director

Los Angeles County Board of Supervisors
Gloria Molina, Supervisor, First District
Yvonne Brathwaite Burke, Supervisor, Second District
Zev Yaroslavsky, Supervisor, Third District
Don Knabe, Supervisor, Fourth District
Michael D. Antonovich, Supervisor, Fifth District

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

What is the Safely Surrendered Baby Law?

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

How does it work?

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

What if a parent wants the baby back?

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

Can only a parent bring in the baby?

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

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

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

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

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

What happens to the baby?

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

What happens to the parent?

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

Why is California doing this?

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

A baby's story

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

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

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

Sin pena.

Sin culpa.

Sin peligro.

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

En el Condado de Los Angeles:

1-877-BABY-SAFE

1-877-222-9723

www.babysafela.org

Estado de California
Gray Davis, Gobernador

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

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

Consejo de Supervisores del Condado de Los Angeles
Gloria Molina, Supervisora, Primer Distrito
Yvonne Brathwaite Burke, Supervisora, Segundo Distrito
Zev Yaroslavsky, Supervisor, Tercer Distrito
Don Knabe, Supervisor, Cuarto Distrito
Michael D. Antonovich, Supervisor, Quinto Distrito

La iniciativa también está apoyada por First 5 LA y INFO LINE de Los Angeles.

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

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿Cómo funciona?

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

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

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

¿Sólo los padres podrán llevar al recién nacido?

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

¿Los padres deben llamar antes de llevar al bebé?

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

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

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

¿Qué ocurrirá con el bebé?

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

¿Qué pasará con el padre/madre?

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

¿Por qué California hace esto?

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

Historia de un bebé

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

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

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

CROSSWALK FACT SHEET

Current Language	New Language
o Health Care Financing Administration (HCFA)	o Centers for Medicare and Medicaid Services (CMS)
o Explanation of Balance (EOB)	o Remittance Advice (RA)
o Mode of Service and Service Function Code (SFC) o Activity Code	o CPT Codes: Current Procedural Terminology published by the American Medical Association is a list of codes representing procedures or services. o **HCPCS Codes (Level II):** HCFA and other Common Procedure Coding System (HCPCS) Codes are used and approved by the Centers for Medicare and Medicaid to describe and accurately report procedures and services. **A crosswalk of HCPCS and CPT Codes to SFC's is available in legacy files.** **UB92:** Refers to coding standards designated by HIPAA.
o DSM IV	o **ICD-9 Codes:** (International Classification of Diseases), 9th Revision Codes, issued and authorized by the Centers for Medicare and Medicaid, to describe and accurately report health related procedures and Diagnoses.
o Clinical Staff and Discipline Code	o Rendering Provider and Taxonomy
o MHMIS or Mental Health Management Information System AND MIS Management Information System	o IS or Integrated System
o References to entering data into the MIS	o Entering data into the IS
o RGMS	o IS

CHARITABLE CONTRIBUTIONS CERTIFICATION

WISE & Healthy Aging
Company Name

1527 4th Street, 2nd Floor, Santa Monica, CA 90401
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

DMH Agreement Summary

LEGAL ENTITY NAME: WISE & Healthy Aging

Contract No.: TBA

Legal Entity No.: TBA

Term of Agreement: 11/1/07-6/30/08 Contract Expiration: 6/30/08

Board Adopted Date: _____

LIST OF FUNDING SOURCES

(Please check all applicable contract funding.)

1	CGF	X
2	CGF - Psychiatric Emergency Services (PES) (NCC)	
3	CGF – Transitional Residential Program (NCC)	
4	SAMHSA, CFDA #93.958	
5	SAMHSA – Child Mental Health Initiative, CFDA #93.104	
6	SAMHSA – Targeted Capacity Expansion, CFDA #93.243	
7	PATH, CFDA #93.150	
8	CalWORKs – Flex Fund	
9	CalWORKs – Mental Health Services (MHS)	
10	CalWORKs – Community Outreach Services (COS)	
11	CalWORKs – Families Project – Client Support Services	
12	CalWORKs – Families Project – MHS & Targeted Case Management	
13	CalWORKs – Families Project - COS	
14	DPSS – GROW	
15	DCFS AB 2994	
16	DCFS Family Preservation	
17	DCFS Star View Life Support PHF	
18	DCFS Independent Living	
19	DCFS STOP (70%)	
20	DCFS Medical Hubs	
21	DCFS Basic MH Services Enhanced Specialized Foster Care	
22	DCFS Intensive In–Home Enhanced Specialized Foster Care	
23	DCFS – Multidisciplinary Assessment and Treatment (MAT)	
24	Probation – Mentally Ill Offender Crime Reduction Program (MIOCR)	
25	Schiff-Cardenas – M.H. Screening, Assessment, and Treatment (MHSAT)	
26	Schiff-Cardenas – Multi-Systemic Therapy Program (MST)	
27	Sheriff Dept – Mentally Ill Offender Crime Reduction Program (MIOCR)	
28	AB 34/AB 2034	
29	ADPA AB 34/AB 2034 Housing	
30	DHS-OAPP HIV/AIDS	

39	MHSA – Plan I - Child – One Time Cost	
40	MHSA – Plan I - Child – Client Supportive Services (Flex Funds)	
41	MHSA – Plan I - Child – Mental Health Services	
42	MHSA – Plan I - TAY – One Time Cost	
43	MHSA – Plan I - TAY – Client Supportive Services (Flex Funds)	
44	MHSA – Plan I - TAY – Mental Health Services	
45	MHSA – Plan I - Adult – One Time Cost	
46	MHSA – Plan I - Adult – Client Supportive Services (Flex Funds)	
47	MHSA – Plan I - Adult – Mental Health Services	
48	MHSA – Plan I - Older Adult – One Time Cost	
49	MHSA – Plan I - Older Adult - Client Supportive Services (Flex Funds)	
50	MHSA – Plan I - Older Adult - Mental Health Services	
51	MHSA – Plan II - Child – Integrated MH/COD Services	
52	MHSA – Plan II – Child - Family Crisis Services – Respite Care	
53	MHSA – Plan II – Child - One Time Cost	
54	MHSA – Plan II – TAY –Drop-In Centers	
55	MHSA – Plan II – TAY – Probation Camps	
56	MHSA – Plan II – TAY – One Time Cost	
57	MHSA – Plan II – Adult – Wellness Centers-Non Client Run	
58	MHSA – Plan II – Adult – Wellness Centers-Client Run	
59	MHSA – Plan II – Adult - IMD Step Down	
60	MHSA – Plan II – Adult – Safe Haven	
61	MHSA – Plan II – Adult – One Time Cost	
62	MHSA – Plan II – Older Adult – Field Capable Clinical Services	
63	MHSA – Plan II – Older Adult – FCCS – One Time Cost	
64	MHSA – Plan II – Older Adult – FCCS – Client Supportive Services (Flex Funds)	
65	MHSA – Plan II – Older Adult – FCCS – Mental Health Services	
66	MHSA – Plan II – Older Adult – Older Adult Service Extenders	
67	MHSA – Plan II – Older Adult – Older Adult Training	
68	MHSA – Plan II – Older Adult – One Time Cost	

DMH Agreement Summary

LEGAL ENTITY NAME: WISE & Healthy Aging

Contract No.: TBA

Legal Entity No.: TBA

Term of Agreement: 11/1/07-6/30/08 Contract Expiration: 6/30/08

Board Adopted Date: _____

31	DHS Dual Diagnosis	
32	DHS Social Model Recovery	
33	DHS LAMP	
34	HIV AIDS	
35	IDEA (AB 3632 – SEP), CFDA #84.027	
36	SB 90 (AB 3632 – SEP)	
37	AB3632 – SEP (SB 1807)	
38	Mental Health Services Act (MHSA)	

69	MHSA – Plan II – Cross-Cutting – Urgent Care	
70	MHSA – Plan II – Cross-Cutting – Enriched Residential Services	
71	MHSA – Plan II – Cross-Cutting – One Time Cost	
72	Mental Health Service Act (MHSA) – Plan III	
73	Mental Health Services Act (MHSA) – AB 2034 Services	
74	Medi-Cal, Healthy Families, or MAA FFP	X
75	SGF - EPSDT	

FUNDING SOURCES OF NEW AGREEMENT:
See Financial Summary(ies) for details of MCA.

MAXIMUM CONTRACT AMOUNT (MCA) PER FISCAL YEAR (FY)

FY 2007-08	FY	FY
$267,736	$	$

Headquarters' (HQ) Address: 1527 4th Street, 2nd Floor
Santa Monica, CA 90401

HQ's Sup. District: 5

Service Area(s): 3

ATTACHMENT II

WISE & Healthy Aging

TBA
CONTRACT NUMBER

REFERENCE NUMBER

Business Address:

1527 4th Street, 2nd Floor

Santa Monica, CA 90401

Supervisory District(s) 3

CONSULTANT SERVICES AGREEMENT
OLDER ADULT CERTIFICATE TRAINING PROGRAM SERVICES

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EXHIBITS

A. STATEMENT OF WORK
B. FEE SCHEDULE
C. CONSULTANT ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
D. CONSULTANT EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
E. ATTESTATION REGARDING FEDERALLY FUNDED PROGRAMS
F. FACT SHEET "SAFELY SURRENDERED BABY LAW"
G. CHARITABLE CONTRIBUTIONS CERTIFICATION

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT for Consultant Services (hereafter "Agreement") is made and entered into this _____ day of _____, 2007, by and between WISE & Healthy Aging (hereafter "CONSULTANT") and the County of Los Angeles, on behalf of its Department of Mental Health (hereafter "COUNTY").

RECITALS

WHEREAS, the COUNTY has a need for, and desires to engage the services of an individual or firm with special expertise and experience to act as a CONSULTANT to the COUNTY for the provision of Mental Health Services (MHSA) Older Adult Certificate Training Program and

WHEREAS, CONSULTANT is specifically trained and possesses the skills, experience, education and competency for the provision Mental Health Services (MHSA) Older Adult Certificate Training Program; and

WHEREAS, the COUNTY desires to engage CONSULTANT for such special services upon the terms provided in this Agreement; and

WHEREAS, the County is authorized by Government Code Section 31000 to contract for such special services, including those contemplated herein.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, representations and warranties contained herein, it is agreed by and between COUNTY and CONSULTANT as follows:

PREAMBLE

For over a decade, the County has collaborated with its community partners to enhance the capacity of the health and human services system to improve the lives of children and families. These efforts require, as a fundamental expectation, that the County's contracting partners share the County and community's commitment to provide health and human service that support achievement of the County's vision, goals, values and adopted outcomes. Key to these efforts is the integration of service delivery systems and the adoption of the customer service and Satisfaction Standards.

The County of Los Angeles' Vision is to improve the quality of life in the County by providing

responsive, efficient, and high quality public services that promote the self-sufficiency, well-being and prosperity of individuals, families, businesses and communities. This philosophy of teamwork and collaboration is anchored in the shared values of:

- Responsiveness
- Professionalism
- Accountability
- Compassion
- Integrity
- Commitment
- A Can-Do Attitude
- Respect for Diversity

These shared values are encompassed in the County Mission to enrich lives through effective and caring service and the County Strategic Plan's eight goals) 1 Service Excellence; 2) Workforce Excellence; 3) Organizational Effectiveness; 4) Fiscal Responsibility; 5) Children and Families' Well-Being; 6) Community Services; 7) Health and Mental Health; and 8) Public Safety. Improving the well-being of children and families requires coordination, collaboration, and integration of services across functional and jurisdictional boundaries, by and between County departments/agencies, and community and contracting partners.

The basic conditions that represent the well-being we seek for all children and families in Los Angeles County are delineated in the following five outcomes, adopted by the Board of Supervisors in January 1993.

- Good Health;
- Economic Well-Being;
- Safety and Survival;
- Emotional and Social Well-Being; and
- Education and Workforce Readiness.

Recognizing no single strategy – in isolation – can achieve the County's outcomes of well-being for children and families, consensus has emerged among County and community leaders that making substantial improvements in integrating the County's health and human services system is necessary to significantly move toward achieving these outcomes. The County has also established the following values and goals for guiding this effort to integrate the health and human services delivery system:

- ✓ Families are treated with respect in every encounter they have with the health, educational, and social services systems.
- ✓ Families can easily access a broad range of services to address their needs, build on their

strengths, and achieve their goals.

- ✓ There is no "wrong door": wherever a family enters the system is the right place.
- ✓ Families receive services tailored to their unique situations and needs.
- ✓ Service providers and advocates involve families in the process of determining service plans, and proactively provide families with coordinated comprehensive information, services and resources.
- ✓ The County service system is flexible, able to respond to service demands for both the Countywide population and specific population groups.
- ✓ The County service system acts to strengthen communities, recognizing that just as individuals live in families, families live in communities.
- ✓ In supporting families and communities, County agencies work seamlessly with public and private service providers, community-based organizations, and other community partners.
- ✓ County agencies and their partners work together seamlessly to demonstrate substantial progress towards making the system more strength-based, family-focused, culturally-competent, accessible, user-friendly, responsive, cohesive, efficient, professional, and accountable.
- ✓ County agencies and their partners focus on administrative and operational enhancements to optimize the sharing of information, resources, and best practices while also protecting the privacy rights of families.
- ✓ County agencies and their partners pursue multi-disciplinary service delivery, a single service plan, staff development opportunities, infrastructure enhancements, customer service and satisfaction evaluation, and revenue maximization.
- ✓ County agencies and their partners create incentives to reinforce the direction toward service integration and a seamless service delivery system.
- ✓ The County human service system embraces a commitment to the disciplined pursuit of results accountability across systems. Specifically, any strategy designed to improve the

County human services system for children and families should ultimately be judged by whether it helps achieve the County's five outcomes for children and families: good health, safety and survival, economic well-being, social and emotional well-being, and education and workforce readiness.

The County, its clients, contracting partners, and the community will continue to work together to develop ways to make County services more accessible, customer friendly, better integrated, and outcome-focused. Several departments have identified shared themes in their strategic plans for achieving these goals including: making an effort to become more consumer/client-focused; valuing community partnerships and collaborations; emphasizing values and integrity; and using a strengths-based and multi-disciplinary team approach. County departments are also working to provide the Board of Supervisors and the community with a better understanding of how resources are being utilized, how well services are being provided, and what are the results of the services: is anyone better off?

The County of Los Angeles health and human service departments and their partners are working together to achieve the following ***Customer Service and Satisfaction Standards*** in support of improving outcomes for children and families.

Personal Service Delivery

The service delivery team – staff and volunteers – will treat customers and each other with courtesy, dignity, and respect.

- Introduce themselves by name
- Listen carefully and patiently to customers
- Be responsive to cultural and linguistic needs
- Explain procedures clearly
- Build on the strengths of families and communities

Service Access

Service providers will work proactively to facilitate customer access to services.

- Provide services as promptly as possible
- Provide clear directions and service information
- Outreach to the community and promote available services
- Involve families in service plan development
- Follow-up to ensure appropriate delivery of services

Service Environment

Service providers will deliver services in a clean, safe, and welcoming environment, which supports the effective delivery of services.

- Ensure a safe environment
- Ensure a professional atmosphere
- Display vision, mission, and values
- Provide a clean and comfortable waiting area
- Ensure privacy
- Post compliant and appeal procedures

The basis for all County health and human services contracts is the provision of the highest level of quality services that support improved outcomes for children and families. The County and its contracting partners must work together and share a commitment to achieve a common vision, goals, outcomes, and standards for providing services.

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

2.0 APPLICABLE DOCUMENTS: Exhibits A, B, C, D, E, F and G are attached to and form a part of this Agreement. Any reference throughout the base agreement and each of its exhibits to "Agreement" shall, unless the context clearly denotes otherwise, denote the base agreement with all exhibits hereby incorporated. In the event of any conflict or inconsistency in meaning or provisions between the base agreement and the exhibits, or between exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the base agreement, and then to the exhibits according to the following priority:

1. Exhibit A Statement of Work
2. Exhibit B Payment Schedule
3. Exhibit C Consultant Employee Acknowledgement of Employer
4. Exhibit D Sub-Consultant Employee Acknowledgement of Employer
5. Exhibit E Attestation Regarding Federally Funded Programs
6. Exhibit F Safely Surrendered Baby Law Fact Sheet (In English and Spanish)
7. Exhibit G Charitable Contributions Certification

3.0 SERVICES PROVIDED: Consultant shall provide services to County as set forth in Exhibit A (Statement of Work) which is attached hereto and incorporated by reference as though fully set forth herein.

4.0 TERM OF AGREEMENT: The period of this Agreement shall commence on November 1, 2007 and shall continue in full force and effect through June 30 , 2008.

4.1 Six Months Notification of Agreement Expiration: Consultant shall notify County when this Agreement is within six (6) months of expiration. Consultant shall send such notice to those persons and addresses which are set forth in Paragraph 47.0 (NOTICES).

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

5.0 COMPENSATION:

5.1 In consideration of the performance by Consultant in a manner satisfactory to County of the services described in Exhibit A, Consultant shall be paid in accordance with the Fee Schedule established in Exhibit B. Total compensation for all services furnished hereunder shall not exceed the sum of TWO HUNDRED TWENTY FIVE THOUSAND DOLLARS ($225,000) for Fiscal Year 2007-08. Notwithstanding such limitation of funds, Consultant agrees to satisfactorily complete all work specified in Exhibit A. To request payment, Consultant shall present to County's Program Manager monthly in arrears invoices accompanied by a statement of the number of hours worked daily by each individual assigned to the project and a report of work completed for the invoice period. This report shall be prepared in a format satisfactory to County's Program Manager or his/her designated representative.

5.2 The Total Compensation Amount for this Agreement shall not exceed TWO HUNDRED TWENTY FIVE THOUSAND DOLLARS ($225,000) for Fiscal Year 2007-08. In no event shall County pay Consultant more than this Total Compensation Amount for Consultant's performance hereunder. Payment to Consultant shall be only upon written approval of the invoice and report by County's Program Manager or his/her designated representative.

Consultant shall submit invoices to:

County of Los Angeles
Department of Mental Health
550 South Vermont Avenue
Los Angeles, CA 90020

ATTN: Program Manager

5.3 Notwithstanding any other provision of this Agreement, in no event shall County pay Consultant more than this Total Compensation Amount for Consultant's performance hereunder during the Initial Period. Furthermore, Consultant shall inform County when up to 75 percent (75%) of the Total Compensation Amount has been incurred. Consultant shall send such notice to those persons and addresses which are set forth in Paragraph 47.0 (NOTICES).

5.4 No Payment for Services Provided Following Expiration/Termination of Contract: Consultant shall have a claim against County for payment of any money or reimbursement, of any money or reimbursement, of any kind whatsoever, for any service provided by Consultant after the expiration or other termination of this Contract. Should Consultant 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 Contract shall not constitute a waiver of County's right to recover such payment from Consultant. This provision shall survive the expiration or other termination of this Contract.

5.5 Budget Reductions: In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in County contracts, the County reserves the right to reduce its payment obligation under this Agreement to implement such Board reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), 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 in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Agreement.

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6.0 REPORTING RESPONSIBILITY AND USE OF COUNTY RESOURCES:

6.1 County's Program Manager:

6.1.1 Consultant shall report to County's Program Manager who shall be responsible for coordination of all administrative and contractual matters relating to this Agreement, the approval of all invoices submitted hereunder by Consultant, and final acceptance of all documentation and work.

6.1.2 Upon advance approval of the County Program Manager, County may provide Consultant with reasonable or use of certain County resources, such as reasonable clerical support and County facilities, as determined by the County Program Manager, who shall be the sole judge of the reasonableness and extent of any such use. The use or non-use of County resources by Consultant shall not relieve Consultant of its responsibility to provide services and complete all work under this Agreement in a manner satisfactory to County, and shall not affect Consultant's status as an independent Consultant. County's Program Manager shall be: Martha Drinan

6.2 Consultant's Project Manager: Consultant's Project Manager shall be responsible for coordination of all administrative and contractual matters relating to this Agreement, including, but not limited to, allocation of Consultant's resources, submission of invoices, and resolution of any questions/disputes. Consultant's Project Manager shall be:_____.

7.0 WARRANTY: Consultant represents and warrants that all work, deliverables, and other services provided to County shall be of professional quality, will be provided as required by this Agreement, and will be free from any material defects, errors, or omissions.

8.0 INDEMNIFICATION AND INSURANCE:

8.1 Indemnification: Consultant shall indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents 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 or connected with Consultant's acts and/or omissions arising from and/or relating to this Agreement.

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8.2 General Insurance Requirements: Without limiting Consultant's indemnification of County and during the term of this Agreement, Consultant shall provide and maintain, and shall require all of its Sub-Consultants to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Consultant's own expense.

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

(a) Specifically identify this Agreement

(b) Clearly evidence all coverage's required in this Agreement.

(c) Contain the express condition that County is to be given written notice by mail at least 30 days in advance of cancellation for all policies evidenced on the certificate of insurance.

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

(e) Identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Consultant to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Consultant to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

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

3) Failure to Maintain Coverage: Failure by Consultant to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material

breach of the contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Consultant resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Consultant, County may deduct form sums due to Consultant any premium costs advanced by County for such insurance.

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

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

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

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

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

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

6) Insurance Coverage Requirements for Sub-Consultants: Consultant shall ensure any and all sub-Consultants performing services under this Agreement meet the insurance requirements of this Agreement by either:

(a) Consultant providing evidence of insurance covering the activities of sub-Consultants, or

(b) Consultant providing evidence submitted by sub-Consultants evidencing that sub-Consultants maintain the required insurance coverage. County retains the right to obtain copies of evidence of sub-Consultant insurance coverage at any time.

8.3 Insurance Coverage Requirements:

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

General Aggregate:	Two Million Dollars ($2,000,000)
Products/Completed Operations Aggregate:	One Million Dollars ($1,000,000)
Personal and Advertising Injury:	One Million Dollars ($1,000,000)
Each Occurrence:	One Million Dollars ($1,000,000)

2) Automobile Liability: Insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than One Million Dollars ($1,000,000) for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

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

Each Accident:	One Million Dollars	($1,000,000)
Disease – policy limit:	One Million Dollars	($1,000,000)
Disease – each employee:	One Million Dollars	($1,000,000)

4) Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the Consultant, its officers or employees with limits of not less than One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement.

9.0 CONSULTANT ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT: Consultant shall provide to County an executed Consultant Acknowledgement and Confidentiality Agreement (Exhibit C) prior to performing work under this Agreement. Such Agreement shall be delivered to Department of Mental Health, ATTN: Chief, Contracts Development and Administration Division, 550 South Vermont Avenue, Los Angeles, CA 90020 on or immediately after the effective date of this Agreement but in no event later than the date the Consultant first performs work under this Agreement.

10.0 CONSULTANT EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT: Consultant shall maintain on file an executed Consultant Employee Acknowledgement and Confidentiality Agreement (Exhibit D) for each individual who performs work under this Agreement after the effective date of this Agreement but in no event later than the date the individual first performs work under this Agreement. Such Agreements shall be maintained in accordance with all applicable County, State and Federal requirements and made available for inspection and/or audit by authorized representatives of County, State and/or Federal governments.

11.0 TITLE TO PROPERTY: County and Consultant agree that all design concepts, algorithms, programs, formats, documentation, and all other original materials and work product produced by the Consultant pursuant to performance under this Agreement, are the sole property of the Consultant.

County and Consultant agree that all data, including enhancements and modifications of the data, generated during the course of this agreement shall remain the sole property of the County.

Consultant further agrees that any documentation or technical materials provided by County or generated by County or Consultant during the course of Consultant performance pursuant to this Agreement shall not be reproduced or disclosed without the prior written consent of County's Project Manager.

12.0 TERMINATION OF AGREEMENT:

12.1 This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by County to be in its best interest. Termination of work hereunder shall be effected by notice of termination to Consultant specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective which shall be no less than five (5) business days after the

notice is sent. Such termination shall be without liability to County other than payment for work already rendered up to the date of termination. County shall pay Consultant the reasonable value for such work not to exceed the maximum sum due under this Agreement.

12.2 After receipt of a notice of termination and except as otherwise directed by County, Consultant shall:

A. Stop work under this Agreement on the date and to the extent specified in such notice;

B. Transfer title and deliver to County all completed work and work in process; and

C. Complete performance of such part of the work as shall not have been terminated by such notice.

12.3 Notwithstanding any other provision of this Agreement, the failure of Consultant to comply with the terms of this Agreement or any directions by or on behalf of County issued pursuant thereto, may constitute a material breach hereof, thereby justifying immediate termination or suspension of this Agreement.

Consultant shall maintain accurate and complete financial records of its activities and operations relating to this Agreement and, for a period of four (4) years after termination or final settlement under this Agreement.

Consultant shall make available to County, all of its books, records, documents, or other evidence bearing on the costs and expenses of Consultant under this Agreement with respect to Consultant's work hereunder. All such material shall be maintained by Consultant at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at County's option, Consultant shall pay County for travel, per diem, and other cost incurred by County to examine, audit, excerpt, copy or transcribe such material at such other location.

13.0 LIMITATION OF COUNTY'S OBLIGATION DUE TO NON-APPROPRIATION OF FUNDS: 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. Should County, during this or any subsequent fiscal year impose budgetary restrictions which appropriate less than the amount provided for in this Agreement, County shall reduce services under this Agreement consistent with such imposed budgetary reductions. 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 changes in allocation of funds at the earliest possible date.

14.0 DELEGATION AND ASSIGNMENT BY CONSULTANT:

A. Consultant 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 Consultant may have against County.

B. Shareholders, partners, members, or other equity holders of Consultant may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Consultant to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, such disposition is 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 Consultant's duties, responsibilities, obligations, or performance of same by any entity other than the Consultant, 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 Consultant as it could

pursue in the event of default by Consultant.

15.0 SUBCONTRACTING:

A. No performance of this Agreement or any portion thereof may be subcontracted by Consultant without the prior written consent of County, as provided in this Paragraph 15.0. Any attempt by Consultant 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 Consultant, 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 Consultant desires to subcontract any portion of its performance, obligations, or responsibilities under this Agreement, Consultant shall make a written request to County for written approval to enter into the particular subcontract. Consultant'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 subcontract and an explanation of why and how the proposed Sub-Consultant was selected, including the degree of competition involved.

(4) A description of the proposed subcontract amount and manner of compensation, together with Consultant's cost or 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."

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

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

The Consultant will also be subject to the examination and audit of the State Auditor General for a period of three (3) years after final payment under contract (Government Code, Section 8546.7).

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

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

D. Consultant 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 Consultant's use of any Sub-Consultant, including any officers, employees, or agents of any Sub-Consultant, in the same manner as required for Consultant, its officers, employees, and agents, under this Agreement.

E. Notwithstanding any County consent to any subcontracting, Consultant 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 Consultant's performance, obligations, or responsibilities, to County, not shall such approval limit in any way Consultant'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 allow ability 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 Sub-Consultant personnel providing services under such subcontract. Consultant shall assure that any Sub-Consultant 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 Consultant, to any Sub-Consultant, or to any officers, employees, or agents of Consultant or any Sub-Consultant, 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 Consultant when such action is deemed by County to be in its best interest. County shall not be liable or responsible in any way to Consultant, to any Sub-Consultant, or to any officers, employees, or agents of Consultant or any Sub-Consultant, for any liability, damages, costs, or expenses arising from or related to County's exercise or 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 or a blanket consent to any further subcontracting.

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

K. Consultant shall deliver to the Chief of DMH's Contracts Development and Administration Division a fully executed copy of each subcontract entered into by Consultant pursuant to this Paragraph, 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, Consultant shall obtain and maintain on file an executed Sub-Consultant Employee Acknowledgement or Employer, in the form as contained in the Agreement, for each Sub-Consultant's employees performing services under the subcontract. Such acknowledgements shall be delivered to the Chief of DMH's Contract Development and Administration Division 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 Sub-Consultant or its officers, employees, and agents.

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

16.0 CAPTIONS AND PARAGRAPH HEADINGS: Captions and paragraph headings used throughout this Agreement, including all exhibits, are for convenience only and are not a part of the Agreement and shall not be used in constructing the Agreement.

17.0 WAIVER: No waiver by either party of any breach of any provision of this Agreement shall constitute a waiver of any other breach of such provision. Failure of either party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof.

18.0 GOVERNING LAW, JURISDICTION AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Consultant 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.

19.0 CONFLICT OF INTEREST: 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 Consultant economic dependent of such employee, shall be employed in any capacity by or have any direct or indirect financial interest in this Agreement. No officer or employee of Consultant 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.

Consultant shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Consultant warrants that it is not now aware of any facts which create a conflict of interest. If Consultant 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.

20.0 COMPLETE AGREEMENT: The body of this Agreement and the Exhibits thereto, shall constitute the complete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all communications between the parties relating to the subject matter of this Agreement.

21.0 MODIFICATION AND CHANGE NOTICES:

21.1 For any change which affects the scope of work, period of performance, payments, or any term or condition included in this Agreement, a negotiated written Modification to this Agreement shall be prepared and executed by County's Project Manager and Consultant.

21.2 For any change which does not affect the scope of work, period of performance, payments, or any term or condition included in this Agreement, a Change Notice shall be prepared and executed by the County's Project Manager and Consultant.

22.0 INDEPENDENT CONSULTANT STATUS: It is understood and agreed, and it is the intention of the parties hereto, that Consultant is an independent Consultant and not the employee, agent, joint venture, or partner of County for any purpose whatsoever. Consultant shall be solely liable and responsible for the payment of any and all Federal, State or local taxes which may be or become due as a result of Consultant's engagement under this Agreement.

23.0 COUNTY LOBBYIST: Consultant, and each County lobbyist or County lobbying firm as defined in County Code Section 2.160.010 retained by Consultant, shall fully comply with County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of Consultant or any County lobbyist or County lobbying firm retained by Consultant 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.

24.0 ANTI-DISCRIMINATION: Consultant certifies and agrees that all persons employed by Consultant, its affiliates, subsidiaries or holding companies, are and will be treated equally by Consultant without regard to or because or race, religion, ancestry, national origin or sex, and in compliance with all anti-discrimination

laws of California and the United States. Consultant certifies and agrees that it will deal with its Sub-Consultants, bidders or vendors without regard to or because of race, religion, ancestry, national origin or sex. Consultant shall allow County access to its employment records during regular business hours to verify compliance with these provisions when so requested by County. If County finds that any of these provisions have been violated, such violation shall constitute a material breach of contact upon which County may determine to cancel, terminate, or suspend this Agreement. In addition to an independent finding by County of such violation, a finding by the State of California or by the United States of violation shall constitute a finding by County of such violation.

Consultant and County agree that in the event of a violation by Consultant of the anti-discrimination provisions of this Agreement, County shall, at its option, be entitled to the sum of Two Thousand Dollars ($2,000.00) pursuant to California Civil Code Section 1671 as damages in lieu of canceling, terminating, or suspending this Agreement.

25.0 PROJECT PERSONNEL ARE AGENTS OF CONSULTANT: Consultant represents and warrants that all individuals performing work under this Agreement including, but not limited to, the individuals listed in Exhibit D hereto, and their agents and Sub-Consultants, are fully authorized agents of Consultant for all purposes of this Agreement, and have actual and full authority to perform all activity and work related to this Agreement on behalf of Consultant.

26.0 TERMINATION FOR IMPROPER CONSIDERATION: County may, by written notice to Consultant, immediately terminate the right of Consultant to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Consultant, 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 determination with respect to Consultant's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Consultant as it could pursue in the event of default by Consultant.

Consultant 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, and service, the provision of travel or entertainment, or tangible gifts.

27.0 TERMINATION FOR DEFAULT:

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

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

If, as determined in the sole judgment of County, Consultant 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.

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

27.3 The rights and remedies of County provided in this Paragraph 28.0 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

28.0 TERMINATION FOR CONVENIENCE: The performance of services under this Agreement may be terminated in whole or in part from time to time when such action is deemed by County to be in its best interest. Termination of services hereunder shall be effected by delivery to Consultant of a thirty (30) day advance Notice of Termination specifying the date upon which such termination becomes effective.

After receipt of a Notice of Termination and except as otherwise directed by County, Consultant shall stop services under this Agreement on this date specified in such Notice of Termination.

29.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF OR FORMER COUNTY EMPLOYEES ON A REEMPLOYMENT LIST: Should Consultant require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, Consultant 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.

30.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT: Should Consultant require additional or replacement personnel after the effective date of this Agreement, Consultant shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet Consultant's minimum qualifications for the open position. The County will refer GAIN participants by job category to the Consultant.

31.0 CHILD SUPPORT COMPLIANCE PROGRAM:

31.1 Consultant's Warranty of Adherence to County's Child Support Compliance Program: Consultant 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 Consultant's duty under this Agreement to comply with all applicable provisions of law, Consultant warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 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).

31.2. Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program: Failure of Consultant to maintain compliance with the requirements set forth pursuant to Subparagraph 31.1 (Consultant's Warranty of Adherence to County's Child Support Compliance Program) shall constitute a default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Consultant to cure such default within 90 calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to Paragraph 27.0 (TERMINATION FOR DEFAULT) and pursue debarment of Consultant, pursuant to County Code Chapter 2.202.

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

33.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Consultant shall notify its employees, and shall require each Sub-Consultant 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.

34.0 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 Consultant agrees to use recycled-content paper to the maximum extent possible on the Project.

35.0 CONSULTANT RESPONSIBILITY AND DEBARMENT:

A. A responsible Consultant is a Consultant 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 Consultants.

B. The Consultant is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Consultant on this or other Agreements which indicates that the Consultant is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Consultant 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 Consultant may have with the County.

C. The County may debar a Consultant if the Board of Supervisors finds, in its discretion, that the Consultant 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 Consultant'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 Consultant may be subject to debarment, the Department will notify the Consultant in writing of the evidence which is the basis for the proposed debarment and will advise the Consultant of the scheduled date for a debarment hearing before the Consultant Hearing Board.

E. The Consultant Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Consultant and/or the Consultant's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Consultant Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Consultant should be debarred, and, if so, the appropriate length of time of the debarment. The Consultant 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. fter consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Consultant 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 Consultant has been debarred for a period longer than five years, that Consultant

may, after the debarment has been in effect for at least five 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 Consultant 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 interest of the County.

H. The Consultant Hearing Board will consider a request for review of a debarment determination only where (1) the Consultant has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five 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 Consultant Hearing Board will provide notice of the hearing on the request. At the hearing, the Consultant 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 Consultant Hearing Board pursuant to the same procedures as for a debarment hearing.

I. The Consultant Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Consultant 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 Consultant Hearing Board.

J. These terms shall also apply to Sub-Consultants of County Consultants.

36.0 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76): The Consultant 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, Consultant 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, Consultant certifies that, to its knowledge, none of its Sub-Consultants, at any tier, or any owner, officer, partner, director or other principal of any Sub-Consultant is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Consultant shall immediately notify County in writing, during the term of this Agreement, should it or any of its Sub-Consultants or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Consultant to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

37.0 CONSULTANT'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Consultant hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the Federal Government, directly or indirectly, in whole or in part, and that Consultant will notify Director within (30) calendar days in writing of: (1) any event that would require Consultant or a staff member's mandatory exclusion from participation in a Federally funded health care program; and (2) any exclusionary action taken by any agency of the Federal Government against Consultant 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.

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) has the discretion not to exclude.

The mandatory bases for 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 Sub-Consultants 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.

Consultant shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any Federal exclusion of Consultant or its staff members from such participation in a Federally funded health care program. Consultant shall provide the certification set forth in Exhibit E as part of its obligation under this Paragraph.

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

38.0 CONSULTANT'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996: Under this Agreement, Consultant ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to, or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("the Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business

Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place.

Therefore, the parties agree as follows:

DEFINITIONS

1.1 "Disclose" or "Disclosure" means, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.

1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

1.4 "Individual" means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

1.5 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate

from or on behalf of Covered Entity. Protected Health Information includes information, whether oral or recorded in any form or medium, that (i) relates to the past, present, or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.

1.6 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

1.7 "Security Incident" means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.

1.8 "Services" has the same meaning as in the body of this Agreement.

1.9 "Use" or "Uses" means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations.

1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as

those terms in the HIPAA Regulations.

OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

(a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;

(b) shall Disclose Protected Health Information to Covered Entity upon request;

(c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

(i) Use Protected Health Information; and

(ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Business Associate:

(a) shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

(b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or Sub-Consultants but is not specifically permitted by this Agreement, and effective as of April 20, 2005, shall report to Covered Entity each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the Department of Mental Health's Privacy Officer, telephone number (213) 738-4864 within forty-eight (48) hours from the time the

Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer, County of Los Angeles
Kenneth Hahn Hall of Administration
500 West Temple Street
Suite 525
Los Ángeles, CA 90012

2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.

2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as

defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

2.8 Accounting of Disclosures. Business Associate agrees to maintain documentation of the information required to provide an accounting of Disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528, and to make this information available to Covered Entity upon Covered Entity's request, in order to allow Covered Entity to respond to an Individual's request for accounting of disclosures. However, Business Associate is not required to provide an accounting of Disclosures that are necessary to perform its Services if such Disclosures are for either payment or health care operations purposes, or both. Additionally, such accounting is limited to disclosures that were made in the six (6) years prior to the request (not including disclosures that were made prior to the compliance date of the Privacy Rule, April 14, 2003) and shall be provided for as long as Business Associate maintains the Protected Health Information.

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

OBLIGATION OF COVERED ENTITY

3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect

Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

TERM AND TERMINATION

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(b) Immediately terminate this Agreement if Business Associate has breached a material term of this Paragraph and cure is not possible; or

(c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

(a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of Sub-Consultants or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make it infeasible. If return or destruction is infeasible, Business Associate shall

extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

5.2 Use of Sub-Consultants and Agents. Business Associate shall require each of its agents and Sub-Consultants that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or Sub-Consultant to comply with all the terms of this Paragraph.

5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.

5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.

5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.

5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.

39.0 COMPLIANCE WITH JURY SERVICE PROGRAM:

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

(2) For purposes of this Section, "Consultant" means a person, partnership, corporation or other entity which has an Agreement with the County or a subcontract with a County Consultant 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 Consultant. "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) Consultant 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 Consultant uses any Sub-Consultant to perform services for the County under the Agreement, the Sub-Consultant 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 Consultant is not required to comply with the Jury Service Program when the Agreement commences, Consultant shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Consultant shall immediately notify County if Consultant at any time either comes within the Jury Service Program's definition of "Consultant" or if Consultant no longer qualifies for an exception to the Program. In either event, Consultant 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 Consultant demonstrate to the County's satisfaction

that Consultant either continues to remain outside of the Jury Service Program's definition of "Consultant" and/or that Consultant continues to qualify for an exception to the Program.

(4) Consultant'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 Consultant from the award of future County Agreements for a period of time consistent with the seriousness of the breach.

40.0 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The Consultant shall notify and provide to its employees, and shall require each Sub-Consultant 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 Exhibit F of this Agreement and is also available on the Internet at **www.babysafela.org** for printing purposes.

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

42.0 COUNTY'S QUALITY ASSURANCE PLAN: The County or its agent will evaluate Consultant's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Consultant's compliance with all contract terms and performance standards. Consultant deficiencies which County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and Consultant. If improvement does not

occur consistent with the corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

43.0 CONSULTANT'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 Consultant to complete the certification in Exhibit G, the County seeks to ensure that all County Consultants which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Consultant 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)

44.0 COUNTY'S OBLIGATION FOR CURRENT AND FUTURE FISCAL YEARS: Notwithstanding any other provision of this Agreement, this Agreement shall not be effective and binding upon the parties unless and until County's Board of Supervisors appropriates funds for purposes hereof in County's Budget for County's current Fiscal Year. Further, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future Fiscal Years unless and until County's Board of Supervisors appropriates funds for purposes hereof in County's Budget for each such future Fiscal Year. In the event that 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.

45.0 COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with all Federal, 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 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.

C. 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.

D. 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.

46.0 ALTERATION OF TERMS:

No addition to, or alteration of, the terms of the body of this Agreement, or Statement of Work or Fee Schedule 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.

The County's Board of Supervisors or Chief Administrative Officer or designee may require the addition and/or change of certain terms and conditions in the Agreement during the term of this Agreement. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Administrative Officer. To implement such orders, an Amendment to the Agreement shall be prepared and executed by the Contractor and by the Director of Mental Health.

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47.0 NOTICES: All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand-delivered with signed receipt or mailed by first-class, registered or certified mail, postage prepaid, 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 days prior written notice thereof to the other party.

If to COUNTY:

County of Los Angeles
Department of Mental Health
550 S. Vermont Avenue
Los Angeles, California 90020
ATTN:

If to CONSULTANT:

WISE & Healthy Aging
1527 4th Street, 2nd Floor
Santa Monica, CA 90401
Grace Cheng Braun, President and CEO

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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 Director of Mental Health or his designee, and Consultant 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_____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

WISE & Healthy Aging
CONSULTANT

By_____

Name Grace Cheng Braun

Title President and CEO
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By_____
Chief, Contracts Development and
Administration Division

EXHIBIT A

WISE & Healthy Aging

STATEMENT OF WORK

A. MHSA OLDER ADULT CERTIFICATE TRAINING PROGRAM

1. Overview

The Department of Mental Health Older Adult Certificate Training Program addresses the unique developmental, physical, social and emotional needs of older adults, age 60 and above that will enable clinicians to appropriately and effectively evaluate, assess, diagnose and treat the serious mental health disorders commonly found in this population. Professionals currently delivering or administering mental health services to older adults within the public mental health system as well as professionals who have been trained to work with other populations (e.g. adults) and who are preparing to work with older adults, will be eligible to enroll in the training program. Participants successfully completing the program will receive continuing educational units applicable to the California Boards of Nursing, Behavioral Sciences and Psychology, and a university granted certificate of completion.

2. Scope of Work

Develop curriculum to equip mental health professionals with the knowledge and skills to work with older adult consumers in the public mental health system. The training will include didactic material in background issues, evaluation and assessment of older adults, treatment and case management. Provide 2 hours biweekly case consultation conducted by licensed mental health professionals.

Deliverable

Teach the Certificate Training Program to two (2) cohorts of 40 mental health professionals each. Training schedule will commence in January 2008 and conclude June 2008. The training cycle will be 24 classes, four (4) hours each.

B. TRAINING OF SERVICE EXTENDERS OLDER ADULTS SPECIALIZATION

1. Scope of Work

Develop a training program whose ultimate goal is to establish a network of knowledgeable and sensitive individuals who will serve in the capacity of Service

Extenders as part of interdisciplinary teams working with older adults. While Service Extenders will become part of interdisciplinary teams, each agency will have the opportunity to determine for itself the most suitable manner in which to utilize Service Extenders. It is assumed that participants in this training program will have had previous training and/or experience providing peer counseling. As such, all training and associated materials will be organized based upon the various functions served by Service Extenders working with older adults.

2. Definition of Service Extenders

"Service Extenders" are individuals who will be part of interdisciplinary teams and receive supervision from professional clinical staff. Service Extenders may be either volunteer or paid individuals who are interested in and committed to providing highly sensitive and culturally appropriate supportive services to older adults. Service Extenders may be peers who are recovering from a mental illness, family members who have had experience with an older adult loved-one who has had a mental illness, or other individuals wishing to provide services as part of an interdisciplinary team. While Service Extenders do not need to be older adults, they must be able to form caring relationships with clients who are 60 years of age or older.

3. Training Goals

Evaluation Tools

DMH wants to measure instructional effectiveness by establishing pre-instructional and post-instructional assessments of participants' knowledge regarding the mental health needs of older adults.

Curriculum Development

The curriculum will be receptive to additional areas that will enhance the skill acquisition of Service Extenders. The content areas recommended include:

1. Introduction to Older Adult Issues, including but not limited to:
   - Myths about older adults,
   - Current demographic trends,
   - Models of "Wellness."

2. Developmental Aspects of Aging, including but not limited to:
   - Medical aspect of aging,
   - Sociological aspects of aging,
   - Psychological aspects of aging.

3. Legal & Ethical Issues, including, but not limited to:
   - HIPAA and Confidentiality,
   - Elder Abuse and Neglect,
   - Involuntary Hospitalization, Capacity and Competency, Guardianships and Conservatorships.

4. Cultural competency, including but not limited to:
   - Diversity issues of race, ethnicity, sexual orientation,
   - Use of translators and interpreters.

5. Community resources for Older Adults, including but not limited to:
   - Legal advocacy,
   - Housing,
   - Health care.

6. Role and Function of Service Extenders within mental health and primary care settings, including, but not limited to:
   - Overview of the mental health system,
   - Role of Service Extenders, what they are and what they are not,
   - Establishing and maintaining appropriate boundaries,
   - "Red flags" or warnings signs to be alert for in the older adult and what to do,
   - Self-care in stressful situations,
   - Use of a supervisor in the classroom, internship and beyond.

4. Deliverables

An Evaluation Tool
Develop and provide an evaluation tool that will evaluate the effectiveness of the training program.

A Training Proposal
Identify the syllabus, learning objectives, methodology, trainers, trainer qualifications, and training schedule.

5. Training

Number of Trainings and Location(s)
Conduct at least two (2) complete trainings that include all of the previously specified components. The number of trainings and the location of the trainings will be determined in collaboration with DMH. Trainings will be offered in English and Spanish.

A minimum of 12 hours of curriculum will be developed, and will be offered at a convenient location and at convenient times for participants; for example, a training module that includes four (4) sessions of 3 hours each.

6. Time Frame Critical Elements

The entire training will be completed during the period of November 1, 2007 through June 30, 2008.

7. Experience/Minimum Requirements

A licensed clinician with experience in mental health will be involved in the development of the curriculum.

8. Responsibility of DMH & WISE & Healthy Aging

WISE & Healthy Aging is required to provide notification to DMH of any matters that may impact the timely completion of this project. WISE & Healthy Aging will provide DMH with the results of the evaluation tool, and where indicated by the evaluation results, adjust training (content or presentation) in collaboration with DMH in such a manner as to improve any significant adverse findings emanating from the evaluation.

DMH will review the proposal and will contact WISE & Healthy Aging within 21 business days to provide approval of curriculum. In the event that a substantive disagreement occurs between DMH and WISE & Healthy Aging, additional time for completion may be negotiated collaboratively by DMH and WISE & Healthy Aging.

9. Term of Agreement

The project will commence upon execution of the Agreement and conclude at the completion of the evaluation of the training, but no later than June 20, 2008.

EXHIBIT B

WISE & Healthy Aging

FEE SCHEDULE

A. MHSA OLDER ADULT CERTIFICATE TRAINING PROGRAM

I. PAYMENT SCHEDULE

For the services described in Exhibit A (Statement of Work) DMH shall pay to WISE & Healthy Aging a grand total of **$200,000** (MHSA 32047).

Payment to WISE & Healthy Aging shall be based on periodic invoices from WISE & Healthy Aging as described below. No payment shall be made without prior approval of a designated DMH representative. This individual shall review the invoice and project report to determine whether WISE & Healthy Aging is in substantial compliance with the terms and conditions of this Exhibit B.

II. TIME FRAME AND PAYMENT FOR DELIVERABLES

Deliverable: $200,000
Deliverable is to be completed by June 30, 2008. One hundred thousand dollars ($100,000) will be paid at the end of the first twelve (12) weeks of training and the remaining one hundred thousand dollars ($100,000) will be paid upon conclusion of the training program.

III. PAYMENT PROCEDURES

Upon receipt of invoices from WISE & Healthy Aging, DMH shall make payment to WISE & Healthy Aging within forty-five (45) days of the date the invoice was approved for payment. If any portion of the invoice is disputed by DMH, DMH shall reimburse CHA for the undisputed services contained on the invoice and work diligently with CHA to resolve the disputed portion of the claim in a timely manner.

DMH shall make reimbursements payable to "WISE & Healthy Aging." DMH shall send payments to:

WISE & Healthy Aging
2125 Arizona Avenue, 2nd Floor
Santa Monica, CA 90404

IV. DESIGNATED DMH CONTACT PERSON

All questions should be directed to Cathy Warner, Acting Deputy Director, at 213-738-4851.

V. MENTAL HEALTH SERVICES ACT FUNDS

In the event MHSA funds are not available to pay MHSA claims or if the State denies any or all of the MHSA claims submitted by County on behalf of Contractor, County is not responsible for any substantive payment obligation.

County shall evaluate Contractor utilization of MHSA funding allocated under this Agreement and shall adjust and reallocate amounts to any one or a combination of the following: 1) another Legal Entity contractor, 2) DMH directly operated clinics, and/or 3) the County DMH reserve of unallocated funding for MHSA services. Amounts to be reduced and reallocated will be based on County's projected underutilization of such MHSA funds.

VI. Term of Agreement

The project will commence upon execution of the Agreement and conclude on or before June 30, 2008. Any modifications of the time frame will be determined between DMH and WISE & Healthy Aging.

DMH and WISE & Healthy Aging will jointly review the work under the Agreement on a bi-monthly basis to determine if any modifications or changes need to be made.

DMH or WISE & Healthy Aging may cancel the Agreement at any time with 30 days notice.

B. TRAINING OF SERVICE EXTENDERS OLDER ADULTS SPECIALIZATION

I. PAYMENT SCHEDULE

For the services described in Exhibit A (Statement of Work) DMH shall pay to WISE & Healthy Aging a grand total of **$25,000** (MHSA 32047).

Total costs for all aspects of this Service Extenders Training project, including curriculum development, speaker's fees, room rental, use of audio/visual equipment will not exceed $25,000. This will cover the development and offering of two classes of 20 – 30 participants each during the periods of November 1, 2007 to June 30, 2008.

Payment to WISE & Healthy Aging shall be based on invoices from WISE & Healthy Aging as described below. No payment shall be made without prior approval of a designated DMH representative. This individual shall review the invoice and project report to determine whether WISE & Healthy Aging is in substantial compliance with the terms and conditions of this Exhibit B.

II. PAYMENT PROCEDURES

Payment of $25,000 shall be made upon completion of 2 training sessions (12 hours each), one in English, one in Spanish, to be delivered no later than June 27, 2008.

Upon receipt of invoices from WISE & Healthy Aging, DMH shall make payment to WISE & Healthy Aging within 30 days of the date the invoice was approved for payment. If any portion of the invoice is disputed by DMH, DMH shall reimburse CHA for the undisputed services contained on the invoice and work diligently with CHA to resolve the disputed portion of the claim in a timely manner.

DMH shall make reimbursements payable to "WISE & Healthy Aging." DMH shall send payments to:

WISE & Healthy Aging
1527 4th Street, 2nd Floor
Santa Monica, CA 90401

III. DESIGNATED DMH CONTACT PERSON

All questions should be directed to Dr. James Cunningham at (213) 351-7254.

IV. MENTAL HEALTH SERVICES ACT FUNDS

In the event MHSA funds are not available to pay MHSA claims or if the State denies any or all of the MHSA claims submitted by County on behalf of Contractor, County is not responsible for any substantive payment obligation.

County shall evaluate Contractor utilization of MHSA funding allocated under this Agreement and shall adjust and reallocate amounts to any one or a combination of the following: 1) another Legal Entity contractor, 2) DMH directly operated clinics, and/or 3) the County DMH reserve of unallocated funding for MHSA services. Amounts to be reduced and reallocated will be

based on County's projected underutilization of such MHSA funds.

V. Term of Agreement

The project will commence upon execution of the Agreement and conclude on or before June 30, 2008. Any modifications of the time frame will be determined between DMH and WISE & Healthy Aging.

DMH and WISE & Healthy Aging will jointly review the work under the Agreement on a bi-monthly basis to determine if any modifications or changes need to be made.

DMH or WISE & Healthy Aging may cancel the Agreement at any time with 30-days notice.

EXHIBIT C

CONSULTANT ACKNOWLEDGEMENT

AND CONFIDENTIALITY AGREEMENT

CONSULTANT _____

CONTRACT NUMBER _____

CONSULTANT ACKNOWLEDGEMENT:

I understand and agree that I am an independent Consultant and 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.

CONFIDENTIALITY AGREEMENT:

You may be involved with work pertaining to services provided by the County of Los Angeles and, if so, you may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, you may also have access to proprietary information supplied by the County of Los Angles or 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, mental health, criminal and welfare recipient records. If you are to be involved in County work, the County must ensure that you, too, will protect the confidentiality of such data and information. Consequently, you must sign this agreement as a condition of your work for the County. Please read this agreement and take due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract with the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the County Project Manager.

EXHIBIT C

CONSULTANT ACKNOWLEDGEMENT

AND CONFIDENTIALITY AGREEMENT
(Continued)

I agree to keep confidential all financial, 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, County 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 County employees who have a need to know the information. I agree that if proprietary information supplied by the County or by other County vendors is provided to me during this engagement, I shall keep such information confidential.

I agree to report to the County Project Manager any and all violations of this contract by myself and/or by any other person of which I became aware. I agree to return all confidential materials to the County Project Manager upon completion of termination of this contract.

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

NAME:_____ DATE: _____
(Signature)

NAME:_____
(Please print)

POSITION: CONSULTANT

Revised: 4/21/05

EXHIBIT D

CONSULTANT NAME _____

CONTRACT NUMBER _____

CONSULTANT EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that I am an employee of _____, and 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 Agreement. Although _____ has an Agreement with the County to provide consultant services, 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.

EMPLOYEE CONFIDENTIALITY AGREEMENT:

You may be involved with work pertaining to services provided by County or _____ _____ and, if so, you may have access to confidential data and information pertaining to persons and/or entities receiving services from County or _____ _____. In addition, you may also have access to proprietary information supplied by County or or by other vendors doing business with _____ _____. _____ have a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, mental health, criminal and welfare recipient records. If you are to be involved in County work, the County must ensure that you, too, will protect the confidentiality of such data and information. Consequently, you must sign this agreement as a condition of your work with _____. Please read this agreement and take due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work in connection with the _____ Agreement with the County. I agree to forward all requests for the release of any data or information received by me to the Consultant Project Manager.

I agree to keep confidential all financial, health, criminal and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from County or _____, design concepts, algorithms, programs, formats, documentation, County proprietary information and all other original materials produced, created or provided to or by me under the above referenced Agreement.

EXHIBIT D

CONSULTANT EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

I agree to protect these confidential materials against disclosure to other than County employees who have a need to know the information. I agree that if proprietary information supplied by County or _____ or by other County vendors is provided to me during this engagement, I shall keep such information confidential.

I agree to report to the Consultant Project Manager any and all violations of this Agreement by myself and/or by any other person of which I became aware. I agree to return all confidential materials to the Consultant Project Manager upon completion of termination of this Agreement.

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

BY:_____ **DATE:** _____

(Employee Signature)

NAME:_____

(Please Print)

When completed, this form must be maintained on file by CONSULTANT in accordance with all applicable County, State and Federal requirements and made available for inspection and/or audit by authorized representatives of County, State, and/or Federal governments.

Revised (5/17/05)

EXHIBIT E

ATTESTATION REGARDING FEDERALLY FUNDED PROGRAMS

In accordance with your agreement with the County of Los Angeles Department of Mental Health under Paragraph (CONSULTANT'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM):

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

I further certify as the official responsible for the administration of _____ _____, (hereafter "Consultant") that all of its officers, employees, agents and/or Sub-Consultants 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-Consultants 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-Consultants 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 Consultant or any of its officers, employees, agents and/or Sub-Consultants 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 Consultant, or one or more of its officers, employees, agents and/or Sub-Consultants, barring it or its officers, employees, agents and/or Sub-Consultants from providing goods or services for which federally funded healthcare program payment may be made.

Name of authorized official _____
Please print name

Signature of authorized official _____ Date _____

SAFELY SURRENDERED BABY LAW FACT SHEET

(IN ENGLISH AND SPANISH)

EXHIBIT F

No shame.
No blame.
No names.

Newborns can be safely given up at any Los Angeles County hospital emergency room or fire station.

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

State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director

Los Angeles County Board of Supervisors
Gloria Molina, Supervisor, First District
Yvonne Brathwaite Burke, Supervisor, Second District
Zev Yaroslavsky, Supervisor, Third District
Don Knabe, Supervisor, Fourth District
Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFOLINE of Los Angeles

What is the Safely Surrendered Baby Law?

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

How does it work?

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

What if a parent wants the baby back?

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

Can only a parent bring in the baby?

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

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

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

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

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

What happens to the baby?

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

What happens to the parent?

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

Why is California doing this?

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

A baby's story

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

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

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

EXHIBIT F

Sin pena.

Sin culpa.

Sin peligro.

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

En el Condado de Los Angeles:

1-877-BABY-SAFE

1-877-222-9723

www.babysafela.org

Estado de California
Arnold Schwarzenegger, Gobernador

Agencia de Servicios Humanos
Dr. Kim Belshé, Secretaria

Departamento de Servicios Sociales
Rita Saenz, Directora

Consejo de Supervisores del Condado de Los Angeles
Gloria Molina, Supervisora, Primer Distrito
Yvonne Brathwaite Burke, Supervisora, Segundo Distrito
Zev Yaroslavsky, Supervisor, Tercer Distrito
Don Knabe, Supervisor, Cuarto Distrito
Michael D. Antonovich, Supervisor, Quinto Distrito

Esta iniciativa también está apoyada por First 5 LA y INFO LINE de Los Angeles

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

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿Cómo funciona?

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

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

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

¿Sólo los padres podrán llevar al recién nacido?

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

¿Los padres deben llamar antes de llevar al bebé?

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

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

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

¿Qué ocurrirá con el bebé?

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

¿Qué pasará con el padre/madre?

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

¿Por qué California hace esto?

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

Historia de un bebé

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

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

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

EXHIBIT G

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 Consultant 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 Consultant 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 (please print)

ATTACHMENT III

MERGER AGREEMENT

THIS MERGER AGREEMENT ("**Agreement**") is made as of August 1, 2007 by WISE SENIOR SERVICES, a California nonprofit public benefit corporation ("**WISE**" or "**Surviving Corporation**") and CENTER FOR HEALTHY AGING, a California nonprofit public benefit corporation ("**CHA**" or "**Disappearing Corporation**").

WHEREAS, WISE provides social services and CHA provides health promotion and psychological services to the elderly, and to better meet the goals of each organization, WISE desires to merge with CHA, and CHA desires to merge with WISE;

WHEREAS, WISE holds a significant number of government contracts;

WHEREAS, the respective boards of directors of WISE and CHA have determined that it is in the best interests of their respective corporations for CHA to merge into WISE on the terms and subject to the conditions set forth herein;

WHEREAS, the parties intend that CHA will be merged with and into WISE (the "**Merger**") in accordance with the provisions of the California Nonprofit Corporation Law; and

WHEREAS, the respective boards of directors of WISE and CHA have approved this Agreement and the transactions contemplated hereby, including the Merger, on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the representations, warranties, covenants and agreements set forth herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, WISE and CHA hereby agree as follows:

ARTICLE I

MERGER

1.1 **Merger**. Disappearing Corporation and Surviving Corporation shall be merged into a single corporation, exempt under Section 501(c)(3) of the Internal Revenue Code, in accordance with the provisions of the California Nonprofit Corporation Law, by CHA merging into WISE. Because of the significant number of government contracts currently held by WISE, WISE shall be the surviving corporation of the Merger. As set forth more fully below, all of the assets of both corporations shall belong to the Surviving Corporation. The legal and tax logistics of the Merger will be invisible externally, and the Surviving Corporation will conduct business under the name "WISE & Healthy Aging" on an interim basis until such time as another possible name is determined in accordance with Section

6.5 hereof. Upon the Surviving Corporation's determination of a name, the Articles of Incorporation of the Surviving Corporation shall be amended to reflect such name change.

1.2 **Date of Merger.** The anticipated merger date is August 1, 2007, or such date as is mutually agreeable to the parties or necessary to allow for the satisfaction of the conditions set forth in this Agreement, and the Merger shall become effective upon the filing of an Agreement of Merger and officer's certificates of WISE and CHA with the California Secretary of State(the **"Merger Date"**).

1.3 **Actions at or before Merger.**

a. **New Contracts.** Both parties agree that they will not, without the consent of the other party, enter into any contracts, or agree to assume any obligations or liabilities between the date of this Agreement and the Merger Date, subject to Section 6.3, below.

b. **Merger Agreement.** Both parties shall approve and sign this Agreement. The parties also approve, in principle, the Certificate of Merger attached hereto as Exhibit A, and the Certificates of Approval of Merger attached hereto as Exhibit B-1 and Exhibit B-2, to be filed with the California Secretary of State, the Certificate of Merger also amends and restates the Articles of Incorporation of WISE, for filing with the California Secretary of State.

c. **Further Actions.** WISE and CHA shall take all further actions and execute and deliver any additional instruments on or after the Merger as WISE or CHA shall reasonably deem necessary to effectuate the transactions contemplated by this Agreement.

1.4 **Contingencies.**

a. **Existing Contracts.** The Merger will not be consummated unless and until Los Angeles County (the "County") consents to the Merger, with approval by the Los Angeles County Board of Supervisors regarding the issuance of a new mental health contract to the Surviving Corporation.

b. **Medicare Provider Number.** The Merger will not be consummated unless and until the Surviving Corporation receives a Medicare provider number.

c. **Consents.** The Merger will not be consummated unless and until the consents described in Section 6.1 below have been obtained.

d. **Illegality.** The Merger will not be consummated if a governmental authority shall have enacted, issued, promulgated, enforced or entered any injunction, order, decree or ruling (whether temporary, preliminary or permanent) which is then in effect has the effect of making consummation of the Merger illegal or prohibiting consummation of the Merger.

e. **Conditions to the Obligations of WISE**. The obligations of WISE to consummate the Merger are subject to the satisfaction or waiver in writing (where permissible) at or prior to the Merger Date of the following additional conditions:

(i) each of the representations and warranties of CHA contained in this Agreement that are qualified by materiality shall be true and correct as of the date of this Agreement and as of the Merger Date as though made on the Merger Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), and the representations and warranties of CHA contained in this Agreement that are not qualified by materiality shall be true and correct in all material respects as of the date of this Agreement and as of the Merger Date as though made on the Merger Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date);

(ii) CHA shall have performed in all material respects all obligations required to be performed by it at or prior to the Merger Date under this Agreement; and

(iii) CHA shall have delivered to WISE a certificate, dated as of the Merger Date, signed by an executive officer of CHA, and certifying as to the satisfaction by CHA of the conditions specified in paragraphs (i) and (ii) above.

f. **Conditions to the Obligations of CHA**. The obligations of CHA to consummate the Merger are subject to the satisfaction or waiver in writing (where permissible) at or prior to the Merger Date of the following additional conditions:

(i) each of the representations and warranties of WISE contained in this Agreement that are qualified by materiality shall be true and correct as of the date of this Agreement and as of the Merger Date as though made on the Merger Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), and the representations and warranties of WISE contained in this Agreement that are not qualified by materiality shall be true and correct in all material respects as of the date of this Agreement and as of the Merger Date as though made on the Merger Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date);

(ii) WISE shall have performed in all material respects all obligations required to be performed by it at or prior to the Merger Date under this Agreement; and

(iii) WISE shall have delivered to CHA a certificate, dated as of the Merger Date, signed by an executive officer of WISE, and certifying as to the satisfaction by WISE of the conditions specified in paragraphs (i) and (ii) above.

ARTICLE II

REVISED CORPORATE STRUCTURE

2.1 Bylaws

The bylaws of the Surviving Corporation shall continue to be the bylaws after the Merger. Once the Merger is complete, the new board will determine what additional changes are necessary.

2.2 Directors

a. As of the Merger, there shall be thirty (30) directors serving on the board of directors of the Surviving Corporation (the "**Board**") which shall be made up of fourteen (14) of the directors of CHA immediately prior to the Merger Date, plus sixteen (16) of the directors of WISE immediately prior to the Merger Date.

b. The directors of CHA who shall be added to the Board shall be:

Don Cohen and Nathaniel Trives as the Community Directors, shall have one year terms, and shall hold office until the 2008 annual meeting of the Surviving Corporation, and until their respective successors are elected according to the bylaws of the Surviving Corporation.

The remaining directors shall serve as regular directors having three year terms; however, in order to establish a rotation with approximately the same number of directors elected each year, they shall have initial terms of one, two and three years, expiring as follows:

2008	2009	2010
Iao Katagiri	Geoff Johnstone	Lynne Rosenberg Kidd
Maynard Ostrow	Catherine Klapper	Tom Loo
	Steve Milovich	David Mauss
	Robert Sullivan	Jeanne Segal
	Allen Weiss	Gwen Uman

and such persons shall hold office until the respective annual meeting of the Surviving Corporation and until their successors are elected according to the bylaws of the Surviving Corporation.

c. The directors of CHA who shall not serve on the Board of the Surviving Corporation beginning as of the Effective Time of the Merger shall be:

Kris Andresen
John Beck
Sue Hartenbaum
Stuart Laff
Carl Terzian
Jeff Weiner

d. The directors of WISE who shall continue on the Board after the Merger shall be:

None of WISE directors shall be Community Directors,.

The following directors shall serve as regular directors having three year terms; however, in order to establish a rotation with approximately the same number of directors elected each year, they shall have initial terms of one, two and three years, expiring as follows:

2008	2009	2010
Maria Arechaederra	Virginia Galan-Burns	Renee Fraser
Gloria Blackburn	Kathy Fergen	Linda Procci
Julianne Cruz	Tom Goff	Jean McNeil Wyner
Scott Freeman	Joy Goldschmidt	John Nagy
Robert Klein	Karmel Mizrahi	Michael Rich
Paul Sung		

and such persons shall hold office until the respective annual meeting of the Surviving Corporation and until their successors are elected according to the bylaws of the Surviving Corporation.

e. The directors of WISE who have resigned, or who shall resign from the Board of WISE on or before the Effective Time of the Merger shall be:

Gloria Birnkrant
Randy Brant
Kenneth "Cam Davis, Jr.
Liz Dietz
Lois Green
Stephen Lowe
Edith Seros
Claire Tehan

f. In addition, the President and CEO shall serve as a non-voting director.

g. With the exception of the Community Directors, the financial support requirement for the Board members shall be a minimum $5,000 annually, "give or get."

2.3 **Officers**

a. For the first fiscal year, there will be two co-chairs of the new Board, one being the current chair of CHA, and one being the current chair of WISE.

b. The remaining slate of board officers will be proposed by the new co-chairs, with input from the President and CEO and the Executive Vice President over External Affairs and Program Innovation, for approval by the new Board.

c. The President and CEO of the Surviving Corporation shall continue to be the President and CEO of the Surviving Corporation after the Merger Date.

d. The President and CEO of the Disappearing Corporation shall become an Executive Vice President over External Affairs and Program Innovation after the Merger Date.

e. Thereafter, other persons may be elected or appointed to such offices from time to time in accordance with the bylaws of the Surviving Corporation.

2.4 **Board Committees**

a, The Board officers and such other additional directors as may be appointed by the Board will constitute the Executive Committee, and committee chairs will be included in Executive Committee meetings as appropriate.

b. Other specific committees of the Board will be determined by the Board.

2.5 **Members**

Neither the Disappearing Corporation nor the Surviving Corporation have or shall have members.

2.6 **Advisory Committees**

a. Members of the Advisory Board of CHA may become members of the Advisory Council of the Surviving Corporation.

b. The Blue Ribbon Committee of WISE and any other WISE committees and/or task forces that are program-specific, and the Technical Advisory Group (TAG) of CHA and any other CHA committees and/or task forces that are program specific, will remain in place as they are presently constituted.

c. Current CHA and WISE board members who will not actively continue on the new Board, but wish to continue financial support and remain involved with the corporation will be given the opportunity through a "Governor's Council."

ARTICLE III

OPERATIONS

3.1 New Organization Chart

Prior to the Merger, the Directors of both CHA and WISE, as listed above as having agreed to continue to serve after the Merger, will approve a the Organization Chart attached hereto as Exhibit C, outlining the initial structure of programs and staffing.

3.2 Employee Benefits

a. Except as specifically noted below, employee benefits, as currently provided to employees of WISE, shall be provided to all employees after the Merger. However, prior to the Merger, WISE and CHA shall agree on any specific adjustments necessary to be fair to existing employees of CHA.

b. Holidays -- After the Merger, the Surviving Corporation shall offer 12 paid holidays (11 designated and 1 optional religious holiday of choice).

c. Health Benefits -- The Surviving Corporation will negotiate the best option available for the combined new organization, which shall offer coverage that is at least as good, if not better, than what is currently being offered by WISE. Although the exact coverage cannot be determined at this time, it is anticipated that 75% of the premium paid by the Surviving Corporation, and 25% paid by the employee, unless enough employees elect to go to a PPO, in which case the entire premium may be able to be paid by the Surviving Corporation.

d. All employees shall retain their years of service, regardless of whether they had been employees of CHA or WISE.

e. Within 45 days after the Merger, a Board-level HR Advisory Committee containing representation from both CHA and WISE shall review and modify the current WISE Employee Handbook to reflect these and any additional changes needed.

3.3 Finances

a. Single Corporation. Upon the Merger becoming effective: (1) the two corporations shall be a single corporation; (2) the separate existence of Disappearing Corporation shall cease, except to the extent provided for by the laws of the state of California in the case of a corporation after its merger into another

corporation; (3) the Surviving Corporation shall thereupon possess all the rights, privileges, immunities and franchises of the Disappearing Corporation, and all property, real, personal and mixed, and debts due on whatever account, and all choses in action, and every other interest belonging to or due to the Disappearing Corporation shall be deemed to be transferred to and vested in WISE as the Surviving Corporation, without further act or deed; and the title to any real estate, or any interest therein, vested in the Disappearing Corporation shall not revert to or be in any way impaired by reason of the Merger but shall vest in the Surviving Corporation; and (4) the Surviving Corporation shall thenceforth be responsible and liable for all of the liabilities and obligations of the Disappearing Corporation. Neither the rights of creditors nor any liens upon the property of the Disappearing Corporation shall be impaired by the Merger.

b. Valuation of Assets and Liabilities. The assets and liabilities of Disappearing Corporation, at the effective date of the Merger, shall be taken on the books of Surviving Corporation at the amounts at which they shall, on such date, be carried on the books of Disappearing Corporation.

c. Budget. The merged corporation shall agree upon a budget that takes into account all of the operational expenditures of each program. It is expected that the corporation shall be operated so as to be self sufficient.

d. Assumed Liabilities. If any assumed liability requires the consent of a third party for transfer to WISE, then CHA agrees to deliver the required third-party consent on or before the Merger Date. The Surviving Corporation will also assume responsibility for any and all audit exceptions, known or unknown and applied at any time against CHA or WISE through any of their agreements with the County, or any County department and the Surviving Corporation will assume responsibility for the audit exceptions whether accessed by federal, state, or County audit(s) and whether such audit exceptions arise and become payable before and/or after the effective date of the merger and/or the cessation of existence of the Disappearing Corporation.

3.4. **Properties**

a. There will be no sale of either of the real properties owned by the parties within the first 18 months after the Merger. Any subsequent disposition of either property within three years of the merger shall require a super majority (two-thirds) vote of all of the directors serving on the Board. The bylaws of the Surviving Corporation shall be amended upon consummation of the Merger to reflect this super majority voting requirement.

b. The Board Finance Committee will develop a plan of action within the first six months of the Merger regarding major repair and maintenance matters related to the two buildings.

c. Any potential conflicts of interest (e.g., leases or subleases) shall be resolved by the parties in good faith prior to the Merger.

3.5. **Fundraising**

a. The parties agreed that, initially, there will be one major annual fundraiser dinner event in the spring. Once the new Board has been established, a new Annual Dinner Committee will be formed to decide on the specifics of location, date, etc.

b. The already scheduled WISE Charity Golf Classic will continue as planned for Monday, Oct. 1, 2007. The President and CEO will work with the new Board to determine if other events are appropriate for 2008 and future years (timing to be separate from the spring dinner and fall golf events).

c. CHA has a $3 million three-year campaign to build its endowment called "The Evergreen Campaign." The campaign is set to conclude in December 2008. As part of the business strategic planning process for the first fiscal year, the President and CEO will work with the new Board on the various aspects for fund development. One of the first priorities for the Fund Development Committee of the Board will be to assess the continuation of "The Evergreen Campaign."

3.6 **Government Funding**

Upon the signing of this Agreement, both parties agree to take immediate steps, as necessary, to notify CHA's funding sources and vendor contracts of this Agreement, and to cooperate with the transfer of funding/contracts to the Surviving Corporation (see Section 1.4).

3.7 **CHA Programs**

a. The Surviving Corporation shall keep all current CHA programs and services in place for a period of at least 18 months following the Merger.

b. Notwithstanding Section 3.7(a) of this Agreement, a CHA program or service may be terminated within 18 months of the Merger by a super majority (two-thirds) vote of all of the directors serving on the Board. The bylaws of the Surviving Corporation shall be amended upon consummation of the Merger to reflect this super majority voting requirement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF CHA

Except as set forth in the CHA Disclosure Schedules, CHA represents and warrants to WISE as follows:

4.1 **Disclosures**. CHA has delivered to WISE information about its organization and operation. The information provided is complete and accurate in all respects. Any documents included are true and complete copies.

4.2 **Organization**. CHA is a nonprofit corporation, duly organized, validly existing and in good standing under the laws of the State of California, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform its obligations under its contracts. Copies of CHA's Articles of Incorporation and bylaws, including all amendments, have been provided to WISE.

4.3 **Approval by Board**. The signing, delivery, and performance of this Agreement has been duly authorized by all necessary action of the directors of CHA. CHA has no members.

4.4 **Financial Statements**. All financial statements of CHA, both audited and unaudited, as furnished to WISE (the "**CHA Financial Statements**"), are true, correct and complete, are in accordance with CHA's books and records, and present fairly CHA's financial position as of the respective dates indicated and the results of operations, changes in net assets (restricted and unrestricted) and changes in cash flows for the respective periods then ended, in conformity with accounting principles generally accepted in the United States applied on a consistent basis throughout those periods and consistent with prior periods. Copies of all management letters or other correspondence from or to CHA's auditors with respect to the periods covered by such financial statements have also been furnished. CHA specifically represents and warrants that no donor to the Endowment Fund has imposed any restrictions on the use of such funds.

4.5 **Title to Assets**. CHA maintains good and marketable title to the assets listed on the CHA Financial Statements (the "**CHA Assets**"), free and clear of any and all claims, liens, mortgages, security interests, encumbrances, charges or other restrictions of any nature, except for Permitted Liens. For purposes of this Agreement, Permitted Liens is defined as (i) liens for Taxes not yet delinquent and liens for Taxes being contested in good faith and for which there are reserves on the financial statements in accordance with and to the extent required by GAAP, (ii) inchoate mechanics' and materialmen's liens for construction in progress, (iii) inchoate workmen's, repairmen's, warehousemen's and carriers' liens arising in the ordinary course of business, (iv) zoning restrictions, survey exceptions, utility easements, rights of way and similar liens that are imposed by any governmental authority having jurisdiction thereon or otherwise are typical for the

applicable property type and locality, (v) liens and obligations arising under the terms of this Agreement or other material contracts, (vi) matters that would be disclosed on current title reports or surveys that arise or have arisen in the ordinary course of business, (vii) other liens and encumbrances which are incurred in the ordinary course of business consistent with past practice and which do not materially detract from the value of the related assets or properties and which do not materially impair the use thereof in the operation of such business, and (viii) other liens being contested in good faith in the ordinary course of business. CHA has no knowledge of any liens for Taxes not yet delinquent or liens for Taxes being contested in good faith and for which there are reserves on the financial statements in accordance with and to the extent required by GAAP that have not been disclosed to WISE.

4.6 **Properties; No Encumbrances.** CHA represents that all the CHA Assets are free and clear of all claims, liens, mortgages, security interests, encumbrances, charges, obligations and other restrictions, except for Permitted Liens.

4.7 **No Undisclosed Liabilities.** To the best of CHA's knowledge, CHA has no liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent or otherwise) except for liabilities or obligations reflected or reserved against in the CHA Financial Statements and current liabilities incurred in the ordinary course of business the date of the last financial statement furnished, which will not, individually or in the aggregate, materially affect CHA or the CHA Assets.

4.8 **Taxes and Regulatory Status.**

a. CHA is recognized by the Internal Revenue Service as an exempt organization within the meaning of Section 501(c)(3) of the Code.

b. A true and complete copy of (i) CHA's federal Tax Returns (including its Form 990) with supporting schedules filed for the fiscal years ended June 30, 2001 through June 30, 2006 (ii) CHA's federal Form 1023 - Application for Recognition of Exemption that was filed with the Internal Revenue Service, (iii) any applications or registrations related to CHA's tax-exempt status that have been filed with any state regulatory authority, and (iv) each exemption determination letter issued by the Internal Revenue Service, have been provided to WISE.

c. (i) CHA has timely (including but not limited to extensions of time approved by any appropriate taxing authority) (A) filed all material Tax Returns pursuant to applicable Legal Requirements; (B) paid or disclosed and made adequate provisions for payment of all material Taxes due and payable by it; and (C) withheld or collected all material Taxes required by applicable Legal Requirements and, to the extent required, paid such Taxes to the proper governmental body or other taxing authority and (ii) the charges, accruals and reserves with respect to Taxes on the books of CHA are adequate as determined in accordance with GAAP.

d. CHA does not have, and has not had during any period for which the statute

of limitations on the assessment or collection of Taxes has not expired as of the Merger date, any unrelated business income.

e. CHA has not signed an extension with any governmental body or other taxing authority concerning any liability for Taxes.

f. To the knowledge of CHA, (i) there is no written proposed Tax assessment against CHA and (ii) no deficiency has been asserted in writing against CHA as a result of any examination by the Internal Revenue Service or governmental body or other taxing authority, that has not been paid or finally settled.

g. **"Tax"** means any tax (including, without limitation, any income tax, capital gains tax, value-added tax, sales tax or property tax, levy, assessment, tariff, duty, deficiency or other fee, and any related charge or amount (including any fine, penalty or interest), imposed, assessed or collected by or under the authority of any governmental body or other taxing authority or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing of payment of any such tax, levy, assessment, tariff, duty, deficiency or fee. **"Tax Return"** means any return (including, without limitation, any information return), report, statement, schedule, notice, form or other document or information filed with or submitted to, or reported to be filed with or submitted to, any governmental body or other taxing authority in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement relating to any Tax or imposed by the Code or by any state or local regulatory authority.

4.9 **Litigation.** As of the date hereof, there is no action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, or investigative) (collectively, **"Proceeding"**) pending against CHA that will adversely affect the business of, or any of the property or assets owned or used by, CHA or that may interfere with the transaction contemplated by this Agreement. Nor is there any award, decision, injunction, judgment, order, ruling subpoena or verdict entered, issued, made or rendered by any court, administrative agency or other governmental body or by any arbitrator (collectively, **"Order"**) pending against CHA that may materially affect the business of, or any of the property or assets owned or used by, CHA or that may interfere with the transaction contemplated by this Agreement. No such Proceeding or Order has been threatened in writing.

4.10 **Authorization and Enforceability; No Conflict with Other Instruments or Proceedings; No Violation of Restrictions.** CHA has full capacity, power and authority to enter into and perform this Agreement and to carry out the transactions contemplated by this Agreement. This Agreement is binding upon CHA and is enforceable against CHA in accordance with its terms. The execution, delivery and performance of this Agreement by CHA and the consummation of the transactions contemplated by this Agreement will not contravene CHA's Articles of Incorporation or bylaws (and amendments thereof); result in a breach of any provision of, or constitute a default under, any contract; result in a

breach or violation of any legal, contractual or other restriction on any temporarily restricted or permanently restricted assets of CHA; violate any Order; or violate any federal, state, local or municipal law, ordinance, principle of common law, constitution, statute, code, regulation, rule or treaty (collectively, **"Legal Requirements"**).

4.11 **Employee Benefit Plans**. CHA has furnished WISE with a copy of each written Employee Benefit Plan maintained by CHA or covering current or former (including retired) employees of CHA and all agreements adopted or other material used in connection with or relating to such Employee Benefit Plans (including descriptions of vacation, separation and other personnel policies). To the knowledge of CHA, CHA has timely performed all of its obligations under its Employee Benefit Plans. To the knowledge of CHA, each Employee Benefit Plan, and the administration of each Employee Benefit Plan, complies with all applicable Legal Requirements in all respects. CHA has never established, maintained, or contributed to or otherwise participated in, or had an obligation to establish, maintain, contribute to or otherwise participate in, any "multi-employer retirement plan," as defined in Section 3(37)(A) of ERISA. For purposes of this section, **"Employee Benefit Plan"** means any "employee pension benefit plan" or "employee welfare benefit plan" as defined under ERISA, any incentive compensation plan, benefit plan for retired employees, plan or contract providing for bonuses, pensions, profit-sharing, deferred compensation, insurance or retirement benefits of any nature, in each case whether written or oral.

4.12 **Contracts**. A copy of each contract, each real property lease and each personal property lease to which CHA is a party or by which CHA is bound or affected, has been delivered to WISE, and are incorporated by reference herein. Each such contract and lease is in full force and effect, has not been breached by any party, and is valid and enforceable in accordance with its terms. Except as is specifically noted, CHA is not a party to any contract or lease, the terms, rights benefits or obligations of which would be modified, accelerated, increased or vested as a result of the consummation of the transactions contemplated by this Agreement.

4.13 **Insurance**. CHA has provided WISE access to or a copy of all policies of liability, crime, fidelity, life, fire, product liability, workers' compensation, health, director and officer liability and any other forms of insurance owned or maintained by CHA. All such insurance policies are outstanding and in full force. All premiums with respect to the policies are currently paid and all duties of the insureds under the policies have been fully discharged.

4.14 **Permits and Licenses; Compliance with Legal Requirements.** To the best of CHA's knowledge, (a) all Governmental Authorizations necessary for CHA to carry on its operations as presently conducted have been timely obtained and are in full force and effect and copies have been delivered to WISE, (b) all fees and charges incident to those Governmental Authorizations have been fully paid and are current and no suspension or cancellation of any Governmental Authorization has been threatened in writing, (c) CHA is not subject to, nor has it been threatened with any Adverse

Consequence as the result of failure to comply with any Legal Requirement applicable to it or the conduct or operation of its operations or the ownership or use of any of its properties or assets, (d) except as set forth in the CHA Disclosure Schedules, no event has occurred (with or without notice or lapse of time) that will give rise to any such Adverse Consequence, (e) except as set forth in the CHA Disclosure Schedules, CHA is presently in full compliance with all applicable Legal Requirements and Governmental Authorizations. For purposes of this section, **"Adverse Consequence"** means any loss, cost, liability (including any environmental liability), penalty, tax, claim, damage, expense (including cost of investigation, defense, settlement and reasonable attorneys' and other professional fees), responsibility, disability, remedial action or diminution of value. **"Governmental Authorization"** means any approval, consent, license, permit, waiver or other authorization issued, granted, given or otherwise made available by or under the authority of any governmental or quasi-governmental body or pursuant to any Legal Requirement.

4.15 **Environmental Matters.** CHA has provided a true and complete copy to WISE of all environmental investigations, studies, audits, tests, reviews or other analyses conducted by or on behalf of CHA or, to CHA's knowledge, which relate to the operations or any of the real property, leaseholds or other real property interests of CHA (the **"CHA Real Property"**). To CHA's knowledge: (i) none of the CHA Real Property contains any Regulated Substance in quantities that would reasonably be expected to result in any liability under any environmental law; (ii) in the past two years, CHA has not received any notices, demand letters or requests for information from any governmental body or other person indicating that CHA may be in violation of, or liable under, any environmental law relating to any CHA Real Property; (iii) no reports have been filed or are required to be filed by CHA concerning the release of any Regulated Substance or the threatened or actual violation of any environmental law related to any CHA Real Property; and (iv) CHA is not subject to any Proceeding asserted or arising under any environmental law relating to any CHA Real Property. **"Regulated Substance"** means any substance listed, defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated, under any environmental law.

4.16 **Investment Accounts and Agreements.** CHA has provided to WISE a true and complete copy of all agreements, contracts, applications, account statements, questionnaires and correspondence with any investment adviser, broker, portfolio manager, margin lender or other similar financial advisor or financial services provider of CHA.

4.17 **Accuracy of Statements.** No representation or warranty made by CHA in this Agreement or any statement, certificate or schedule furnished, or to be furnished, to WISE pursuant to this Agreement or in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not misleading.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF WISE

Except as set forth in the WISE Disclosure Schedules, WISE represents and warrants to CHA as follows:

5.1 **Organization.** WISE is a nonprofit corporation, duly organized, validly existing, and in good standing under the laws of the State of California, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform its obligations under its contracts. Copies of WISE's Articles of Incorporation and bylaws, including all amendments, have been provided to CHA. WISE is tax exempt under section 501(c)(3) of the Internal Revenue Code.

5.2 **Disclosures.** WISE has delivered to CHA information about its organization and operation. The information provided is complete and accurate in all respects. Any documents included are true and complete copies.

5.3 **Approval by Board.** The signing, delivery, and performance of this Agreement has been duly authorized by all necessary action of the directors of WISE. WISE has no members.

5.4 **Litigation.** As of the date hereof, there is no Proceeding (as defined above) pending against WISE that will adversely affect the business of, or any of the property or assets owned or used by, WISE or that may interfere with the transaction contemplated by this Agreement. Nor is there any Order (as defined above) pending against WISE that may materially affect the business of, or any of the property or assets owned or used by, WISE or that may interfere with the transaction contemplated by this Agreement. No such Proceeding or Order has been threatened in writing.

5.5 **Financial Statements.** All financial statements of WISE, both audited and unaudited, as furnished to CHA (the "**WISE Financial Statements**"), are true, correct and complete, are in accordance with WISE's books and records, and present fairly WISE's financial position as of the respective dates indicated and the results of operations, changes in net assets (restricted and unrestricted) and changes in cash flows for the respective periods then ended, in conformity with accounting principles generally accepted in the United States applied on a consistent basis throughout those periods and consistent with prior periods. Copies of all management letters or other correspondence from or to WISE's auditors with respect to the periods covered by such financial statements have also been furnished. WISE specifically represents and warrants that no donor to the Endowment Fund has imposed any restrictions on the use of such funds.

5.6 **Title to Assets.** WISE maintains good and marketable title to the assets listed on the WISE Financial Statements (the "**WISE Assets**"), free and clear of any and all

claims, liens, mortgages, security interests, encumbrances, charges or other restrictions of any nature, except for Permitted Liens. WISE has no knowledge of any liens for Taxes not yet delinquent or liens for Taxes being contested in good faith and for which there are reserves on the financial statements in accordance with and to the extent required by GAAP that have not been disclosed to CHA.

5.7 **Properties; No Encumbrances.** WISE represents that all the WISE Assets are free and clear of all claims, liens, mortgages, security interests, encumbrances, charges, obligations and other restrictions, except for Permitted Liens.

5.8 **No Undisclosed Liabilities**. To the best of WISE's knowledge, WISE has no liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent or otherwise) except for liabilities or obligations reflected or reserved against in the WISE Financial Statements and current liabilities incurred in the ordinary course of business the date of the last financial statement furnished, which will not, individually or in the aggregate, materially affect WISE or the WISE Assets.

5.9 **Taxes and Regulatory Status**.

a. WISE is recognized by the Internal Revenue Service as an exempt organization within the meaning of Section 501(c)(3) of the Code.

b. A true and complete copy of (i) WISE's federal Tax Returns (including its Form 990) with supporting schedules filed for the fiscal years ended June 30, 2001 through June 30, 2006 (ii) WISE's federal Form 1023 - Application for Recognition of Exemption that was filed with the Internal Revenue Service, (iii) any applications or registrations related to WISE's tax-exempt status that have been filed with any state regulatory authority, and (iv) each exemption determination letter issued by the Internal Revenue Service, have been provided to CHA.

c. (i) WISE has timely (including but not limited to extensions of time approved by any appropriate taxing authority) (A) filed all material Tax Returns pursuant to applicable Legal Requirements; (B) paid or disclosed and made adequate provisions for payment of all material Taxes due and payable by it; and (C) withheld or collected all material Taxes required by applicable Legal Requirements and, to the extent required, paid such Taxes to the proper governmental body or other taxing authority and (ii) the charges, accruals and reserves with respect to Taxes on the books of WISE are adequate as determined in accordance with GAAP.

d. WISE does not have, and has not had during any period for which the statute of limitations on the assessment or collection of Taxes has not expired as of the Merger date, any unrelated business income.

e. WISE has not signed an extension with any governmental body or other taxing authority concerning any liability for Taxes.

f. To the knowledge of WISE, (i) there is no written proposed Tax assessment against WISE and (ii) no deficiency has been asserted in writing against WISE as a result of any examination by the Internal Revenue Service or governmental body or other taxing authority, that has not been paid or finally settled.

5.10 **Authorization and Enforceability; No Conflict with Other Instruments or Proceedings; No Violation of Restrictions**. WISE has full capacity, power and authority to enter into and perform this Agreement and to carry out the transactions contemplated by this Agreement. This Agreement is binding upon WISE and is enforceable against WISE in accordance with its terms. The execution, delivery and performance of this Agreement by WISE and the consummation of the transactions contemplated by this Agreement will not contravene WISE's Articles of Incorporation or bylaws (and amendments thereof); result in a breach of any provision of, or constitute a default under, any contract; result in a breach or violation of any legal, contractual or other restriction on any temporarily restricted or permanently restricted assets of WISE; violate any Order; or violate any Legal Requirements (as defined above).

5.11 **Employee Benefit Plans**. WISE has furnished CHA with a copy of each written Employee Benefit Plan (as defined above) maintained by WISE or covering current or former (including retired) employees of WISE and all agreements adopted or other material used in connection with or relating to such Employee Benefit Plans (including descriptions of vacation, separation and other personnel policies). To the knowledge of WISE, WISE has timely performed all of its obligations under its Employee Benefit Plans. To the knowledge of WISE, each Employee Benefit Plan, and the administration of each Employee Benefit Plan, complies with all applicable Legal Requirements in all respects. WISE has never established, maintained, or contributed to or otherwise participated in, or had an obligation to establish, maintain, contribute to or otherwise participate in, any "multi-employer retirement plan," as defined in Section 3(37)(A) of ERISA.

5.12 **Contracts**. A copy of each contract, each real property lease and each personal property lease to which WISE is a party or by which WISE is bound or affected, has been delivered to CHA, and by this reference incorporated herein. Each such contract and lease is in full force and effect, has not been breached by any party, and is valid and enforceable in accordance with its terms. Except as is specifically noted, WISE is not a party to any contract or lease, the terms, rights benefits or obligations of which would be modified, accelerated, increased or vested as a result of the consummation of the transactions contemplated by this Agreement.

5.13 **Insurance**. WISE has provided CHA access to or a copy of all policies of liability, crime, fidelity, life, fire, product liability, workers' compensation, health, director and officer liability and any other forms of insurance owned or maintained by WISE. All such insurance policies are outstanding and in full force. All premiums with respect to the policies are currently paid and all duties of the insureds under the policies have been fully discharged.

5.14 **Permits and Licenses; Compliance with Legal Requirements.** To the best of WISE's knowledge, (a) all Governmental Authorizations (as defined above) necessary for WISE to carry on its operations as presently conducted have been timely obtained and are in full force and effect and copies have been delivered to CHA, (b) all fees and charges incident to those Governmental Authorizations have been fully paid and are current and no suspension or cancellation of any Governmental Authorization has been threatened in writing, (c) WISE is not subject to, nor has it been threatened with any Adverse Consequence (as defined above) as the result of failure to comply with any Legal Requirement applicable to it or the conduct or operation of its operations or the ownership or use of any of its properties or assets, (d) except as set forth in the WISE Disclosure Schedules, no event has occurred (with or without notice or lapse of time) that will give rise to any such Adverse Consequence, (e) except as set forth in the WISE Disclosure Schedules, WISE is presently in full compliance with all applicable Legal Requirements and Governmental Authorizations.

5.15 **Environmental Matters.** WISE has provided a true and complete copy to CHA of all environmental investigations, studies, audits, tests, reviews or other analyses conducted by or on behalf of WISE, or to WISE's knowledge, which relate to the operations or any of the real property, leaseholds or other real property interests of WISE (the **"WISE Real Property"**). To WISE's knowledge: (i) none of the WISE Real Property contains any Regulated Substance (as defined above)in quantities that would reasonably be expected to result in any liability under any environmental law; (ii) in the past two years, WISE has not received any notices, demand letters or requests for information from any governmental body or other person indicating that WISE may be in violation of, or liable under, any environmental law relating to any WISE Real Property; (iii) no reports have been filed or are required to be filed by WISE concerning the release of any Regulated Substance or the threatened or actual violation of any environmental law related to any WISE Real Property; and (iv) WISE is not subject to any Proceeding asserted or arising under any environmental law relating to any WISE Real Property.

5.16 **Investment Accounts and Agreements.** WISE has provided to CHA a true and complete copy of all agreements, contracts, applications, account statements, questionnaires and correspondence with any investment adviser, broker, portfolio manager, margin lender or other similar financial advisor or financial services provider of WISE.

5.17 **Accuracy of Statements.** No representation or warranty made by WISE in this Agreement or any statement, certificate or schedule furnished, or to be furnished, to CHA pursuant to this Agreement or in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not misleading.

ARTICLE VI

COVENANTS

WISE and CHA covenant to and agree with each other as follows:

6.1 **Third-Party Consents**. To the extent that any third-party consents may be required for transfer or assignment by CHA to WISE of any CHA Assets, or the assumption by WISE of any assumed liabilities, CHA agrees to cooperate with and assist WISE in all reasonable respects in connection with WISE's efforts to obtain any such third-party consents. The obligations of WISE and CHA under this Agreement shall be conditioned upon the receipt at or prior to Merger of all third-party consents required for transfer or assignment by CHA to WISE of any CHA Assets or the assumption by WISE of any assumed liabilities.

6.2 **Transfer Documents; Insurance**. CHA agrees to execute and deliver such documents as may be necessary or appropriate to transfer control to WISE of the CHA Assets, including all loan documentation, effective as of the Merger. Additionally, to the extent permitted, CHA agrees to execute and deliver such documents and to take such further actions as may be necessary or appropriate to transfer the benefit of any insurance policies maintained by CHA to the benefit of WISE.

6.3 **Conduct of CHA Pending the Merger**. Prior to the Merger, CHA will operate in the ordinary course of business and will refrain from any extraordinary transactions without WISE's prior written consent, including entering into any material contract, lease, agreement or commitment of any type with any person including with any funder, lender, lessor, lessee, employee, independent contractor or agent, disposing of or pledging any assets of CHA, or borrowing any money, including any draws upon any margin account or line of credit, making any agreement, individually or in the aggregate, in excess of $25,000 to any person or entity. In addition, prior to the Merger, unless CHA has received the prior written consent of WISE, (a) CHA will make all payments of principal and interest on CHA's current line of credit as it becomes due and payable in accordance with its terms, and will repay the line of credit, in full prior to the Merger Date; (b) CHA will not make any payment, individually or in aggregate, in excess of $25,000 to any person or entity (other than in accordance with this paragraph); and (c) CHA will not make any retirement contributions. Notwithstanding any consent given, withheld or required to be obtained from WISE, CHA and its directors, officers and employees will exercise their independent discretion and make their own decisions in all matters on behalf of CHA and its stakeholders.

6.4 **Cooperation**. WISE and CHA will cooperate with each other and proceed, as promptly as is reasonably practical to seek to obtain all necessary consents and approvals from lenders, landlords, funding sources and other third parties, and to endeavor to comply with all other legal or contractual requirements for or preconditions to the Merger.

6.5 **Name of Surviving Corporation.** The Surviving Corporation will conduct business under the name "WISE & Healthy Aging" from the Merger Date on an interim basis prior until such time as another possible name is determined in accordance with this Section. Within 45 days after the Merger, a name change joint task force containing equal board representation from CHA and WISE will be formed to determine the process for choosing a possible new name of the Surviving Corporation. Within 90 days after the Merger, the joint task force shall present its recommendation to the Board for approval. Upon the Surviving Corporation's determination of a name, the Articles of Incorporation of the Surviving Corporation shall be amended to reflect such name change.

ARTICLE VII

TERMINATION

This Agreement may be terminated and the Merger may be abandoned at any time prior to the Merger Date as follows:

7.1. by mutual written consent of the parties;

7.2 by either WISE or CHA if the Merger has not occurred on or before October 31, 2007 ; provided, however, that the right to terminate this Agreement under this Section 7.2 shall not be available to a party whose failure to fulfill any obligation under this Agreement materially contributed to the failure of the Merger to occur on or before such date;

7.3 by WISE if prior to the Merger Date there shall have been a breach or inaccuracy of any representation, warranty, covenant or agreement on the part of CHA contained in this Agreement, which breach or inaccuracy would give rise to failure of a condition set forth in Section 1.4e and is not, or is not capable of being, cured within 60 days of written notice of such breach or inaccuracy delivered to CHA;

7.4 by CHA if prior to the Merger Date there shall have been a breach or inaccuracy of any representation, warranty, covenant or agreement on the part of WISE contained in this Agreement, which breach or inaccuracy would give rise to failure of a condition set forth in Section 1.4f and is not, or is not capable of being, cured within 60 days of written notice of such breach or inaccuracy delivered to WISE.

ARTICLE VIII

GENERAL PROVISIONS

8.1 **Survival of Representations, Warranties, Covenants, and Indemnities.** All representations and warranties made by either party to this Agreement terminate on the

Merger Date. All covenants made by either party to this Agreement shall survive the Merger for the term stated herein.

8.2 **Assignment and Benefits**. This Agreement is not assignable, either directly or indirectly, by merger, liquidation, consolidation, change of control, operation of law, or other means, without the prior written consent of both parties to this Agreement. Any assignment of the obligations of this Agreement shall not release the assignor from the duty to perform the obligations under this Agreement. All of the terms of this Agreement shall bind, benefit, and be enforceable by the successors and permitted assigns of WISE and CHA, respectively.

8.3 **Entire Agreement**. This Agreement, and the exhibits to this Agreement (which are incorporated in this Agreement by this reference), and the agreements referred to in this Agreement, set forth the entire agreement and understanding of WISE and CHA with respect to the transactions contemplated by this Agreement and supersede all prior agreements, arrangements, and understandings relating to the subject matter of this Agreement.

8.4 **Amendment**. This Agreement may be amended, modified, superseded, or canceled, and any of the terms, covenants, representations, warranties, or conditions of this Agreement may be waived, only by a written instrument signed by WISE and CHA, or, in the case of a waiver, by or on behalf of the party waiving compliance.

8.5 **Waiver**. The failure of any party at any time to require performance of any provision in this Agreement shall not affect the right of that party at a later time to enforce the provision. No waiver by any party of any condition, or of any breach of any term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any condition or of any breach of any other term, covenant, representation, or warranty.

8.6 **No Third-Party Beneficiaries**. The provisions of this Agreement are solely between and for the benefit of WISE and CHA and do not benefit or confer rights upon, any third party, including, without limitation, any employee, investor, lessor or creditor of WISE or CHA.

8.7 **Counterparts**. This Agreement may be executed in identical counterparts, each of which when so executed shall be deemed to be an original, and the counterparts shall together constitute one and the same instrument.

8.8 **Severability**. The invalidity or unenforceability of any particular provision of this Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted. All provisions of this Agreement shall be enforced to the full extent permitted by law.

8.9 **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California as applicable to contracts made and to be performed in that state, without regard to conflict of law principles.

8.10 **Confidentiality.** Subject to Section 3.6 and unless otherwise required by law, the parties to this Agreement shall not make any disclosure of the existence or terms of this Agreement or the transactions contemplated by this Agreement without the prior consent of the other party, except that each party may disclose the transactions contemplated by this Agreement to that party's professional advisors, lenders and employees, to the extent that any of those persons or entities needs to know of the transaction.

[signature page follows]

This Agreement is signed as of the date first written above.

WISE Senior Services

By: _____
Jean McNeil Wyner, Chair of the Board

By: _____
Kathy Fergen, Treasurer

Center for Healthy Aging

By: _____
Don Cohen, Chair of the Board

By: _____
Robert Sullivan, Secretary

WISE DISCLOSURE SCHEDULE

This WISE Disclosure Schedule (the "WISE Disclosure Schedule") is being furnished by WISE SENIOR SERVICES, a California nonprofit public benefit corporation, to CENTER FOR HEALTHY AGING, a California nonprofit public benefit corporation. in connection with the Merger Agreement dated as of ~~July 30~~ August 1, 2007 (the "Agreement").

There are no exceptions to any of the representations and warranties contained in Article V of the Agreement.

~~July 30~~, 2007 August 1, 2007

WISE Senior Services

By: _____
Jean McNeil Wyner, Chair of the Board

By: _____
Kathy Fergen, Treasuer

CHA DISCLOSURE SCHEDULE

This CHA Disclosure Schedule (the "CHA Disclosure Schedule") is being furnished by CENTER FOR HEALTHY AGING, a California nonprofit public benefit corporation ("CHA"), to WISE SENIOR SERVICES, a California nonprofit public benefit corporation ("WISE"), in connection with the Merger Agreement dated as of July ___, 2007 (the "Agreement"), between CHA and WISE. Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Agreement.

This CHA Disclosure Schedule and the information and disclosures contained herein are intended to qualify and limit the representations, warranties and covenants of the CHA contained in the Agreement and shall not be deemed to expand in any way the scope or effect of any such representations, warranties or covenants.

Inclusion of any item in this CHA Disclosure Schedule (i) does not represent an admission or determination by CHA that such item is material, nor shall it be deemed to establish a standard for materiality, (ii) does not represent an admission or determination by CHA that such item did not arise in the ordinary course of business or is inconsistent with past practice and (iii) shall not constitute, or be deemed to be, an admission of liability concerning such item by CHA. Nor in such cases where a representation or warranty is qualified by a reference to materiality shall the disclosure of any matter in this CHA Disclosure Schedule imply that any other undisclosed matter that has a greater value or could otherwise be deemed more significant (i) is or would reasonably be expected to be material or (ii) has had or would reasonably be expected to (a) impair in any material respect the ability of CHA to perform its obligations under the Agreement or (b) prevent or materially impede the consummation by CHA of the Merger or the other transactions contemplated by the Agreement. The items in this CHA Disclosure Schedule include brief descriptions of certain aspects of the assets, business or condition of CHA, and such descriptions are necessarily not complete.

The contents of all documents referred to in this CHA Disclosure Schedule are incorporated by reference in this CHA Disclosure Schedule as though fully set forth in this CHA Disclosure Schedule.

Each section or schedule of this CHA Disclosure Schedule qualifies the correspondingly numbered representation, warranty or covenant of the Agreement to the extent specified herein and such other representations, warranties or covenants to the extent a matter in such section or schedule is disclosed in such a way as to make its relevance to such other representation, warranty or covenant reasonably apparent.

The headings used in this CHA Disclosure Schedule are for reference only and shall not affect the disclosures contained herein.

INDEX OF SECTIONS

Section 4.4 ..... Financial Statements
Section 4.6 ..... Properties; No Encumbrances
Section 4.7 ..... No Undisclosed Liabilities
Section 4.12 ..... Contracts
Section 6.3 ..... Conduct of CHA Pending the Merger

SECTION 4.4 - FINANCIAL STATEMENTS

Rhoda G. Sarnat Scholarship Fund

- CHA to use income to provide financial assistance to individuals who desire training in order to become trainers, supervisors, or counselors. CHA to determine the amount of financial assistance provided to any individual, the individuals who will receive assistance, the manner in which the financial assistance will be provided and otherwise determine how income from the principal of the fund will be used. If peer counseling program modified or terminated, CHA shall be permitted to use the income in any manner consistent with CHA's purposes.

- Annual report required: Beginning Balance, additions/subtractions, Ending Balance.

Tenet Healthcare Matching Grant

- Income to be used for general CHA operations.

Nell L. Kaufman Scholarship Fund

- CHA shall use the income to provide financial assistance scholarships to individuals who desire to receive peer counseling to the extent that Fund income is available. CHA to determine the amount of financial assistance provided to any individual, the individuals who will receive assistance, the manner in which the financial assistance will be provided and otherwise determine how income from the principal of the fund will be used. If peer counseling program modified or terminated, CHA shall be permitted to use the income in any manner consistent with CHA's purposes.

- Annual report required: Beginning Balance, additions/subtractions, Ending Balance.

Ethel M. Schatz Journal Endowment Fund

- No executed agreement in file. Per letter from Ethel Schatz dated January 22, 2001: Income will be used to support journal writing at CHA, e.g., providing instructors or facilitators, awards to participants in the program, travel or other expenses associated with the program, financing attendance at other journal writing programs, paying for books or other materials, "and other support at the discretion of CHA". An unsigned agreement in the file is broader: Income (1) to provide assistance to CHA to maintain leadership for a journal writing group, (2) to provide awards to recognize excellence in autobiographical writing, (3) to provide scholarships for individuals who desire to receive volunteer training from CHA, (4) to provide financial assistance toward other CHA programs or services

deemed consistent with the goal of encouraging growth and creativity in older people.

Morgan L. Segal Scholarship Fund

- Income to provide financial assistance to organizations or agencies which desire to receive training in order to establish a peer counseling program. It is anticipated that CHA will provide up to four scholarships annually, if earnings are sufficient. Scholarships shall consist of tuition and travel expense to attend the "train the trainers" training session(s). Earnings shall also be used annually to publicize the availability of these scholarships. Every effort will be made to provide at least one scholarship annually to a bilingual Spanish speaking agency. CHA to determine the amount of financial assistance provided to any individual, the individuals who will receive assistance, the manner in which the financial assistance will be provided and otherwise determine how income from the principal of the fund will be used. If peer counseling program modified or terminated, CHA shall be permitted to use the income in any manner consistent with CHA's purposes.

- Annual report required: Beginning Balance, additions/subtractions, Ending Balance.

- The donated funds will be endowed in such a manner as to be eligible for matching funds from Tenet Healthcare.

See Section 4.7 (No Undisclosed Liabilities).

SECTION 4.6 - PROPERTIES, NO EMCUMBRANCES

CHA's building is pledged a collateral for CHA's line of credit. CHA plans to pay off the line of credit prior to the Merger.

SECTION 4.7 - NO UNDISCLOSED LIABILITIES

On July 13, 2007 CHA received a letter from the Los Angeles County Department of Mental Health, indicating that they had completed their settlement analysis for CHA for the fiscal year 2003-2004. The settlement amount for the fiscal year ended 2004 that CHA owes to the Los Angeles County Department of Mental Health is $13,125. CHA has suggested that this debt be discharged by deducting 1/4 of the $13,125 from each three month payment CHA receives from the Los Angeles County Department of Mental Health during the 2007-2008 fiscal year.

SECTION 4.12 - CONTRACTS

Funding Contract with LA County Department of Mental Health, dated June 27, 2005, amended on June 28, 2006.

Funding Contract with the City of Santa Monica, dated August 25, 2003, modified on June 21, 2006.

Funding Contract with the State of California Health Department, dated [•] [PENDING UPDATE BY CHA]

SECTION 6.3 - CONDUCT OF CHA PENDING THE MERGER

CHA is currently negotiating cashing-out a whole life survivorship insurance policy covering insureds Bernice Bratter and Ed Kaufman. CHA and Tenet Healthcare are beneficiaries of the policy.

CHA is expecting to make payments greater than $25,000 on its line of credit and pay the line of credit off in full prior to the Merger.

See Section 4.7 (No Undisclosed Liabilities).

EXHIBIT A

CERTIFICATE OF MERGER

This Certificate of Merger is entered into this ___ day of _____, 2007, by and between WISE Senior Services, a California nonprofit public benefit corporation (herein "Surviving Corporation") and Center for Healthy Aging, a California nonprofit public benefit corporation (herein "Disappearing Corporation").

Disappearing Corporation shall be merged into Surviving Corporation, in accordance with the following terms and conditions:

1. MERGER

Disappearing Corporation and Surviving Corporation shall be merged into a single corporation in accordance with the provisions of the California Nonprofit Corporation Law by Center for Healthy Aging merging into WISE Senior Services. WISE Senior Services shall be the surviving corporation of the merger; however, the name will be changed to reflect the operations of both entities. The interim name to be used, until another possible name is determined, shall be WISE & Healthy Aging.

2. DIRECTORS

Initially there shall be thirty (30) directors of Surviving Corporation who shall be made up of fourteen (14) of the directors of Disappearing Corporation immediately prior to the effective date of the merger, plus sixteen (16) of the current directors from the Surviving Corporation. Of these, Don Cohen and Nathaniel Trives shall be the Community Directors, and shall hold office until the 2008 annual meeting of the Surviving Corporation, and until their respective successors are elected according to the bylaws of the Surviving Corporation. The remainder of the directors shall be divided into three categories, with terms of one, two and three years, expiring as follows:

2008	2009	2010
Iao Katagiri	Geoff Johnstone	Lynne Rosenberg Kidd
Maynard Ostrow	Catherine Klapper	Tom Loo

Maria Arechaederra	Steve Milovich	David Mauss
Gloria Blackburn	Robert Sullivan	Jeanne Segal
Julianne Cruz	Allen Weiss	Gwen Uman
Scott Freeman	Virginia Galan-Burns	Renee Fraser
Robert Klein	Kathy Fergen	Linda Procci
Paul Sung	Tom Goff	Jean McNeil Wyner
	Joy Goldschmidt	John Nagy
	Karmel Mizrahi	Michael Rich

and such persons shall hold office until the respective annual meeting of the Surviving Corporation and until their successors are elected according to the bylaws of the Surviving Corporation. In addition, the President and CEO shall serve as a non-voting director.

3. OFFICERS

For the first fiscal year, the chair of the Surviving Corporation and the chair of the Disappearing Corporation shall serve as co-chairs of the Board. The remaining board officers will be approved by the new Board. The President and CEO of the Surviving Corporation shall continue as the President and CEO after the merger. The President and CEO of the Disappearing Corporation shall become the Executive Vice President over External Affairs and Program Innovations. Thereafter, other persons may be elected or appointed to such offices from time to time in accordance with the bylaws of the Surviving Corporation.

4. MEMBERS

Neither the Disappearing Corporation nor the Surviving Corporation have or shall have members.

5. FINANCES

Single Corporation. Upon the merger becoming effective: (1) the two corporations shall be a single corporation; (2) the separate existence of Disappearing Corporation shall cease, except to the extent provided for by the laws of the state of California in the case of a corporation after its merger into another corporation; (3) the Surviving Corporation shall thereupon possess all the rights, privileges, immunities and franchises of the Disappearing Corporation, and all property, real, personal and mixed, and debts due on whatever account, and all choses in action, and every other interest belonging to or due to the Disappearing Corporation shall be deemed to be transferred to and vested in WISE Senior Services as the surviving corporation, without further act or deed; and the title to any real estate, or any interest therein,

vested in the Disappearing Corporation shall not revert to or be in any way impaired by reason of the merger but shall vest in the Surviving Corporation; (4) the Surviving Corporation shall thenceforth be responsible and liable for all of the liabilities and obligations of the Disappearing Corporation; and any claim existing or action or proceeding pending by or against the Disappearing Corporation may be prosecuted to judgment by the Surviving Corporation as if the merger had not taken place, or the Surviving Corporation may be substituted in place of the Disappearing Corporation. Neither the rights of creditors nor any liens upon the property of the Disappearing Corporation shall be impaired by the merger.

Valuation of Assets and Liabilities. The assets and liabilities of Disappearing Corporation, at the effective date of the merger, shall be taken on the books of Surviving Corporation at the amounts at which they shall, on such date, be carried on the books of Disappearing Corporation.

Properties. There will be no sale of either of the real properties owned by the Surviving Corporation or the Disappearing Corporation within the first 18 months after the Merger. Any subsequent disposition of either property within three years of the merger shall require a super majority (two-thirds) vote of all of the directors serving on the Board.

6. ARTICLES OF INCORPORATION

The Articles of Incorporation of Surviving Corporation shall be amended to read as herein set forth in full:

ARTICLE 1

NAME

The name of this corporation is:

WISE & Healthy Aging.

ARTICLE 2

PURPOSE

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes. The specific purposes of this corporation are charitable and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code and Section 214 of the California Revenue and Taxation Code, and are: To enhance the self-esteem and to promote the independence and

enrichment of the lives of older adults by stimulating interest in older adults services; to promote the understanding of such services; to recruit volunteers and refer them to appropriate programs for the elderly; to work with other agencies within the community in the planning and development of programs and services for the elderly; to engage in other comparable activities which will promote that goal;, to acquire by purchase or gift, such property whether real or personal to facilitate the foregoing purposes, and to engage in any other lawful activities permitted under the California Nonprofit Public Benefit Corporation Law. The recital of these purposes as contained in this paragraph is intended to be exclusive of any and all other purposes, this corporation being formed for such public and charitable purposes only.

ARTICLE 3

TAX EXEMPTION REQUIREMENTS

This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements on behalf of any candidate for public office).

ARTICLE 4

DISTRIBUTION UPON DISSOLUTION

The property of this Corporation is irrevocably dedicated to charitable purposes meeting the requirements of Section 501(c)(3) of the Internal Revenue Code, and no part of the net income or assets of this Corporation shall ever inure to the benefit of any director, trustee, officer of member of this Corporation, or to the benefit of any individual.

Upon the winding up and dissolution of this Corporation, and after paying and adequately providing for all debts and liabilities of the Corporation, the assets of this Corporation shall be distributed to a nonprofit fund, foundation or corporation, which is organized and operated exclusively for charitable purposes and which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

7. BYLAWS

The bylaws of the Surviving Corporation shall continue to be the bylaws after the Merger. Once the Merger is completed the new board will determine what additional changes are necessary including, but not limited to, an amendment to reflect the super majority voting requirement for the disposition of real property as set forth above in Section 4.

8. FURTHER ASSURANCES

Disappearing Corporation shall from time to time, as and when requested by Surviving Corporation, execute and deliver all such documents and instruments and take all such action necessary or desirable to evidence or carry out this merger.

9. DATE OF MERGER

The effect of the merger and the effective date of the merger are as prescribed by law.

[signature page follows]

IN WITNESS WHEREOF the parties have executed this Agreement.

WISE Senior Services

By:_____
Jean McNeil Wyner, Chair of the Board

By:_____
Linda Procci, Secretary

Center for Healthy Aging

By:_____
Don Cohen, Chair of the Board

By:_____
Robert Sullivan, Secretary

EXHIBIT B-1

CERTIFICATE OF APPROVAL
OF
AGREEMENT OF MERGER

Don Cohen and Robert Sullivan certify that:

1. They are the Chair of the Board and secretary, respectively, of Center for Healthy Aging, a California nonprofit public benefit corporation.

2. The principal terms of the Agreement of Merger in the form attached were duly approved by the Board of Directors of the corporation.

3. This corporation has no members.

4. No approval of any other person or persons is required by the articles or bylaws of this corporation.

5. The Attorney General of the State of California has approved the merger [or has given prior written notice of the merger].

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: _____

Center for Healthy Aging

By:_____
Don Cohen, Chair of the Board

By:_____
Robert Sullivan, Secretary

EXHIBIT B-2

CERTIFICATE OF APPROVAL
OF
AGREEMENT OF MERGER

Jean McNeil Wyner and Linda Procci certify that:

1. They are the Chair of the Board and secretary, respectively, of WISE Senior Services, a California nonprofit public benefit corporation.

2. The principal terms of the Agreement of Merger in the form attached were duly approved by the Board of Directors of the corporation.

3. This corporation has no members.

4. No approval of any other person or persons is required by the articles or bylaws of this corporation.

5. The Attorney General of the State of California has approved the merger [or has given prior written notice of the merger].

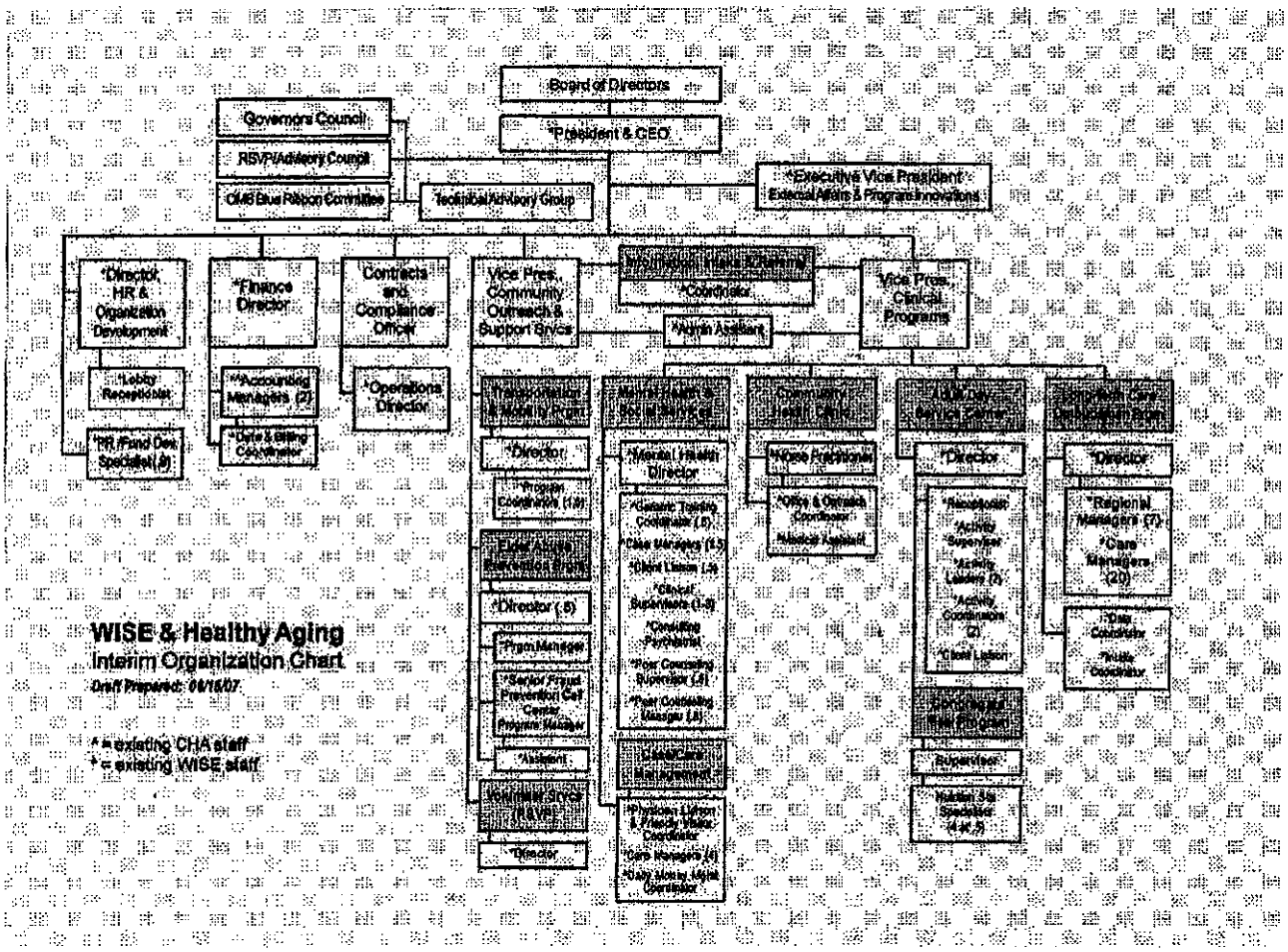
We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: _____

WISE Senior Services

By:_____
Jean McNeil Wyner, Chair of the Board

By:_____
Linda Procci, Secretary

EXHIBIT C

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