COUNTY OF LOS ANGELES

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Director

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BOARD OF SUPERVISORS
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DEPARTMENT OF MENTAL HEALTH

http://dmh.co.la.ca.us

April 24, 2003

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

57

MAY 13 2003

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

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

Dear Supervisors:

APPROVAL OF A NEW LEGAL ENTITY AGREEMENT WITH NEW DIRECTIONS, INC. FOR FISCAL YEARS 2002-2003, 2003-2004 AND 2004-2005 (SUPERVISORIAL DISTRICT 3) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Mental Health to prepare, sign, and execute a new Legal Entity Agreement, using an Agreement format substantially similar to Attachment I, with New Directions, Inc. The Agreement with New Directions, Inc. will provide outreach services and client support services to homeless mentally ill adults. The Maximum Contract Amount will be $29,167 for the remainder of Fiscal Year (FY) 2002-2003 and $175,000 each for FYs 2003-2004 and 2004-2005. The term of the Agreement will be effective upon Board approval with two automatic one-year renewals.

2. Delegate authority to the Director of Mental Health to prepare, sign, and execute future amendments to the Legal Entity Agreement with New Directions, Inc., provided that: 1) the County's total payments to Contractor under the Agreement for each fiscal year shall not exceed a change of twenty percent from the applicable revised Maximum Contract Amount; 2) any 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 Administrative Officer or his designee is obtained prior to any such Amendment; 5) the parties may by mutual written Amendment agree to reduce programs or services without reference to the twenty percent limitation; and 6) the Director of Mental Health shall notify the

Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Board approval is requested to enter into a new Legal Entity Agreement with New Directions, Inc. for FY's 2002-2003, 2003-2004 and 2004-2005.

New Directions, Inc. will provide outreach services and client support services to homeless mentally ill veterans in Mental Health Service Area 5. The services provided will constitute an adjunct to the countywide Assembly Bill (AB) 2034 program, enabling Department of Mental Health (DMH) to offer intervention to the underserved veteran population as required by State legislation. The services will allow DMH to better satisfy the intent of the AB 2034 program by providing outreach services and will be a referral source for AB 2034 members that are in need of residential dually diagnosed services. The AB 2034 program targets adult who are homeless and mentally ill and the legislation specifically focuses on outreach and providing services veterans.

Currently, New Directions, Inc. operates two residential programs on the site of the West Los Angeles Veterans Administration. The Veterans Administration has made these structures available in order to support these critically needed programs. Funding will augment services currently provided at New Directions North, a specialized program for veterans with mental health and substance abuse problems.

In 2002, the agency opened a 43-bed facility, New Directions North, across from their existing site. New Directions North provides specialized mental health, psychosocial rehabilitation, and vocational training for veterans with mental health and substance abuse issues. A team conducts street outreach, identifying veterans with co-occurring disorders wherever they are throughout the County. The team's efforts to engage those high need individuals have been extremely successful. It is essential that DMH establish the ability to identify, engage and treat veterans with co-occurring illnesses as required by State AB 2034. A contract with New Directions, Inc. will give DMH this critical ability.

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the County's First Goal - "Service Excellence, within the County's Strategic Plan. A specialized program with approved services will be provided for veterans with mental health and substance abuse issues through the collaborative efforts of County and a community-based organization.

FISCAL IMPACT/FINANCING

There is no impact on net County cost. Realignment funding in the amount of $29,167 has been appropriated in DMH FY 2002-2003 Adopted budget.

Realignment funding for FY 2003-2004 is included in DMH's Proposed Budget and will be requested during DMH's annual Budget process for FY 2004-2005.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

New Directions, Inc., a private, non-profit agency serving veterans with mental illness and substance abuse issues and has been operating a facility for veterans on the grounds of the West Los Angeles Veterans Administration since 1997. The agency is located at 11303 Wilshire Boulevard, Veterans Administration Building 257, Los Angeles, California 90073-1003

Funds will be used for mental health services at a residential facility that serves dually diagnosed veterans. In addition, outreach services will be provided for homeless mentally ill and substance using adults. The services provide will constitute an adjunct to the countywide AB 2034 program, enabling DMH to offer intervention to the underserved veteran population as required by State legislation.

The Agreement format has been approved as to form by County Counsel. The Chief Administrative Office and DMH Program and Fiscal administration have reviewed the proposed action.

CONTRACTING PROCESS

On March 6, 2003, a Board memo was sent regarding Advance Notification of Intent to Enter into Sole Source Contract Negotiations with New Directions, Inc., to comply with the Chief Administrative Officer, David E. Janssen's September 1999 letter regarding contracting policy requirements for sole source contracts.

In establishing a contract with New Directions, Inc., DMH will be able to satisfy the intent of State AB 2034 to include homeless veterans in services provided. More specifically, New Directions, Inc. will offer outreach services to homeless mentally ill veterans and will establish dedicated beds in their New Directions North facility, serving veterans with co-occurring disorders.

As mandated by your Board, the performances of all contracting agencies are evaluated by DMH on an annual basis to ensure Contractors' compliance with all contract terms and conditions.

IMPACT ON CURRENT SERVICES

New Directions, Inc. will provide outreach services and client support services to homeless mentally ill veterans in Mental Health Service Area 5. The services provided will enable DMH to offer interventions to the underserved veteran population.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board action. It is requested that the Executive Officer, Board of Supervisors notify the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684, when this document is available.

Respectfully submitted,

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

MJS:RK:CK:egr

Attachment

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

NewDirections.
4/23/03

ATTACHMENT I

DMH LEGAL ENTITY AGREEMENT

CONTRACTOR:
New Directions, Inc.

DMH-
Contract Number

Business Address:
11303 Wilshire Blvd., V.A. Bldg. 116

DMH-
Reference Number(s)

Los Angeles, California 90073

TBA
Legal Entity Number

Provider Number(s) TBA

Contractor Headquarters' Supervisorial District 3

Mental Health Service Area(s) 5 OR Countywide N/A

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

DISTRIBUTION

(Please type in the applicable name for each)

Deputy Director_____ Lead Manager _____

K: S_____ --or-- U_____

LEGAL ENTITY: Superseded(FY02-03)

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LEGAL ENTITY: Superseded(FY02-03)

DMH LEGAL ENTITY AGREEMENT

THIS AGREEMENT is made and entered into this _____day of _____, 2003, by and between the County of Los Angeles (hereafter "County"), and New Directions, Inc. _____ (hereafter "Contractor") with the following business address at 11303 Wilshire Blvd., V.A. Bldg. 116 Los Angeles, California 90073.

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 Section 5600 et seq.; 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 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.; Title IV of the Social Security Act, Part B of Title XIX of the Public Health Service Act, 42 United States Code Section 300x et seq.; California Penal Code 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 Cost Reporting/Data Collection Manual; State Department of Mental Health's Short-Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management; State Department of Mental Health's Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual; 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.

/

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

NOW, THEREFORE, Contractor and County agree as follows:

1. TERM:

A. Initial Period: The Initial Period of this Agreement shall commence on upon Board approval and shall continue in full force and effect through June 30, 2003.

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 thirty 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 July 1, 2003 and shall continue in full force and effect through June 30, 2004.

(2) Second Automatic Renewal Period: If this Agreement is automatically renewed, the Second Automatic Renewal Period shall commence on July 1, 2004 and shall continue in full force and effect through June 30, 2005.

C. Termination:

(1) This Agreement may be terminated by either party at any time without cause by giving at least thirty 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 days of the commencement date of this Agreement; or

iii. Contractor has failed to comply with any of the provisions of Paragraphs 16 (NONDISCRIMINATION IN SERVICES), 17 (NONDISCRIMINATION IN EMPLOYMENT), 19 (INDEMNIFICATION AND INSURANCE), 20 (WARRANTY AGAINST CONTINGENT FEES), 21 (CONFLICT OF INTEREST), 26 (DELEGATION AND ASSIGNMENT), 27 (SUBCONTRACTING), 45 (CERTIFICATION OF DRUG-FREE WORK PLACE), 48 (CHILD SUPPORT COMPLIANCE PROGRAM), and/or 52 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM); or

(b) In accordance with Paragraphs 32 (TERMINATION FOR INSOLVENCY), 33 (TERMINATION FOR DEFAULT), 34 (TERMINATION FOR IMPROPER CONSIDERATION), and/or 46 (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 Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph P (Annual Cost Reports), within seventy-five days of the date of termination. Such preliminary settlement shall not exceed the Maximum Monthly Payment (see Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph N (Maximum Monthly Payment)) 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 <u>notice of termination</u>, 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, 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 42 (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. <u>Suspension of Payments</u>: At the sole discretion of Director, payments to Contractor under

this Agreement shall be suspended if Director determines that Contractor is in default under any of the provisions of this Agreement or if State fails to make prompt payment as determined by Director on County's claims to State.

2. ADMINISTRATION: Director 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 and Service Exhibit(s) and in the Program Description of Contractor's Negotiation Package for this Agreement as approved in writing by Director, including any addenda thereto as approved in writing by Director. Services provided by Contractor shall be the same regardless of the patient's/client's ability to pay or source of payment.

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 in the Financial Exhibit column(s) which are identified 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 Title IV-A Emergency Assistance services. The Title IV-A Emergency Assistance mental health services which may be claimable are shown in the Financial Exhibit column(s) which are identified on the Financial Summary.

Contractor may provide mental health services claimable as 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, including any addenda thereto as approved in writing by Director, then Contractor shall submit a written request to Director for written approval before any such substantial deviation may occur.

4. FINANCIAL PROVISIONS:

A. General: This Agreement provides for reimbursement as provided in Subsection 1 of Subparagraph L (Payment) and as shown on the Financial Summary(ies) in the applicable Financial Exhibit column(s) for Capitated Rate, and/or Cost Reimbursement, and/or IMD, and/or Negotiated Rate.

(1) Capitated Rate: A fixed amount, including all revenue, interest and return, per enrolled individual/member paid monthly to Contractor for providing comprehensive mental health services/activities as required in that period for the covered individuals/members. All fees paid by or paid on behalf of an enrolled individual/member receiving services/activities hereunder and all other revenue, interest and return resulting from services/activities and/or funds hereunder shall be deducted from the Capitated Rate.

(2) Cost Reimbursement: County agrees to reimburse Contractor during the term of this Agreement for the actual and allowable costs, 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 but not to exceed the Maximum Reimbursable Amount per visit as shown on the Financial Summary in the applicable Financial Exhibit column(s) and the maximum number of allowable visits stipulated in the Fee-For-Service Medi-Cal Specialty Mental Health Services Provider Manual when Contractor is providing mental health services, specialty mental health services and/or Title IV-A Emergency Assistance services, and/or Title XIX Medi-Cal Administrative Activities hereunder in accordance with WIC Sections 5704, 5707, 5709, 5710, 5714, 5716, 5717, 5718, 5719, 5720, 5721, 5723, and 14132.44; CCR Titles 9 and 22; SDMH Policy Letters; CR/DC Manual; RO/TCM Manual; DMH policies and procedures; and all other applicable Federal, State, and local laws, ordinances, rules, regulations manuals, guidelines, and directives.

(3) EPSDT: County agrees to reimburse Contractor during the term of this Agreement for providing EPSDT mental health services/activities over the State established baseline in accordance with Federal and State laws and regulations. Baseline increases imposed by the State will be imposed on the Contractor in like percentages.

EPSDT funds are part of the Maximum Contract Amount(s) of this Agreement and shall be paid by County to Contractor solely in County's capacity as the EPSDT claim intermediary between the Contractor and the State.

Notwithstanding any other provision of this Agreement, in the event that Contractor provides EPSDT services reimbursable under the State's EPSDT mandate claim process, in excess of the Contractor's Fiscal Year N/A base of $ N/A, Contractor shall be paid by County from EPSDT funds upon receipt from the State. In the event that EPSDT funds are not available to pay EPSDT claims or that State denies any or all of the EPSDT 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 EPSDT claims or for the unavailability of EPSDT funds to pay for EPSDT claims. Contractor shall be solely liable and responsible for all data and information submitted by Contractor to County in support of all claims for EPSDT funds submitted by County as the fiscal intermediary.

(4) IMD: County agrees to reimburse Contractor during the term of this Agreement for providing IMD mental health services/activities in accordance with State laws and regulations.

(5) Negotiated Rate: County agrees to reimburse Contractor during the term of this Agreement for providing mental health services, and/or Title IV-A Emergency Assistance services hereunder in accordance with WIC Sections 5704, 5705, 5707, 5709, 5710, 5714, 5716, 5717, 5718, 5719, 5720, 5721, 5723, and 14132.44; CCR Titles 9 and 22; SDMH Policy Letters; CR/DC Manual; RO/TCM Manual; DMH policies and procedures; and all other applicable Federal, State, and local laws, ordinances, rules, regulations, manuals, guidelines, and directives. Except for Title XIX Medi-Cal Administrative Activities, reimbursement shall be at the Negotiated Rate(s), as mutually agreed upon between County and Contractor and approved by SDMH (for any NR funded in whole or in part by Title XIX Short-Doyle/Medi-Cal and/or State funds) and as shown on the Financial Summary less all fees paid by or on behalf of patients/clients receiving services

hereunder and all other revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor hereunder.

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 TWENTY-NINE THOUSAND ONE HUNDRED SIXTY-SEVEN---------- DOLLARS ($29,167) and shall consist of County, State, and/or Federal (excluding Medicare Partial Hospitalization services) funds as shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary. This Maximum Contract Amount includes Cash Flow Advance which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the Initial Period.

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 ONE HUNDRED SEVENTY-FIVE THOUSAND _____ DOLLARS ($175,000) and shall consist of County, State, and/or Federal (excluding Medicare Partial Hospitalization services) funds as shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary. This Maximum Contract Amount includes the Cash Flow Advance which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the First Automatic Renewal Period.

(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 ONE HUNDRED SEVENTY-FIVE THOUSAND _____ DOLLARS ($ 175,000) and shall consist of County, State, and/or Federal (excluding Medicare Partial Hospitalization services) funds as shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary. This Maximum Contract Amount includes the Cash Flow Advance which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the Second Automatic Renewal Period.

D. SDMH Approval of Negotiated Rate(s):

(1) Pursuant to WIC Section 5716, SDMH's approval of each NR, which is funded in whole or in part by Federal and/or State funds, shall be obtained prior to the commencement date of this Agreement and prior to the beginning of any subsequent Fiscal Year or portion thereof that this Agreement is

in effect. Each such NR shall be effective only upon SDMH approval. If SDMH approval is received after the commencement date of this Agreement or after the beginning of any subsequent Fiscal Year, SDMH approval may be retroactive. If any such NR is disapproved by SDMH for any Fiscal Year or portion thereof, Contractor shall be compensated for all mental health services under this Agreement in accordance with the provisions of WIC Section 5716.

(2) Contractor understands that any NR funded in whole or in part by Title XIX Short-Doyle/Medi-Cal and/or State funds may include County's share of reimbursement for administrative support costs, including, but not limited to, quality assurance, utilization review, technical assistance, training, cost accounting, contract administration, other direct administrative activities which result because of contracting activities, medications, monitoring, revenue generation, and client data collection. County shall pay Contractor for Contractor's share of reimbursement for any such NR and shall retain County's share of reimbursement to pay for County's associated administrative support costs, if any.

E. Established Maximum Allowable Rates:

(1) Notwithstanding any other provision of this Agreement, County shall not be required to pay Contractor more than the Established Maximum Allowable Rates for applicable Title XIX Short-Doyle/Medi-Cal SFC units. The Established Maximum Allowable Rates shall be those specified in CCR Title 22, as authorized by WIC Section 5720.

(2) Pursuant to Subparagraph D (SDMH Approval of Negotiated Rate(s)) and this Subparagraph E, the appropriate Established Maximum Allowable Rates in effect during the Initial Period of this Agreement, the First Automatic Renewal Period, or the Second Automatic Renewal Period, shall be applicable to this Agreement when adopted by State.

(3) The Established Maximum Allowable Rates shall not apply to SFC units which are wholly funded by CGF.

F. Shift of Funds:

(1) DMH control of funds shall be for each Financial Exhibit column(s) identified on the Financial Summary within this Agreement and in the amounts shown in that Financial Exhibit column(s) identified on the Financial Summary. Contractors may utilize realignment funds within a Financial Exhibit column identified on a Financial Summary based upon client service needs. With Director's prior written approval, Contractor may shift funds, on a dollar-for-dollar basis, from one Financial Exhibit column identified on the Financial Summary to another identified on the Financial Summary within this Agreement and within the applicable Fiscal Year.

(2) Contractor shall make a written report in the applicable Fiscal Year for Director's written approval of a shift of funds from one Financial Exhibit column identified on the Financial Summary to another identified on the Financial Summary. Director shall approve or deny in writing a request to shift funds after a program review within ten working days of the receipt of Contractor's written request.

(3) Before any shift of funds from one Financial Exhibit column identified on the

Financial Summary to another identified on the Financial Summary under this Subparagraph F may be requested, Contractor shall determine that the number of clients receiving services, as shown in the MIS reports, for the Financial Exhibit column identified on the Financial Summary whose amount is to be augmented, has been significantly greater during the preceding months than the number initially projected. Such shifting of funds shall be on a dollar-for-dollar basis and as the Maximum Contract Amount of a particular Financial Exhibit column identified on the Financial Summary is augmented, there shall be a corresponding reduction in the Maximum Contract Amount of another Financial Exhibit column identified on the Financial Summary. Under no circumstances can the total Maximum Contract Amount of this Agreement be increased or decreased without a properly executed amendment.

G. Medicare Partial Hospitalization Services:

(1) If Contractor provides any services which Director determines qualify as Medicare Partial Hospitalization services under this Agreement and which are included under any SFCs shown on the Financial Summary, then Contractor shall be reimbursed by County for such services only in arrears and only to the extent of the actual Federal Medicare payments made by the Federal government to County for such Medicare Partial Hospitalization services furnished to eligible Medicare beneficiaries.

Each Fiscal Year of the term of this Agreement, such reimbursement to Contractor shall be made only with Federal Medicare funds, which are not part of the applicable Maximum Contract Amount of this Agreement and are not paid by County to Contractor under this Agreement but which are paid by County to Contractor solely in County's capacity as the fiscal intermediary for such Medicare Partial Hospitalization services.

(2) Notwithstanding any other provision of this Agreement, if Medicare Partial Hospitalization services are provided hereunder, such services shall comply with and be compensated in accordance with all applicable Federal reimbursement requirements.

(3) If Medicare Partial Hospitalization services are provided under this Agreement, Contractor authorizes County to serve as the fiscal intermediary for claiming and reimbursement for Medicare Partial Hospitalization services and to act on Contractor's behalf with the Federal government in regard to claiming reimbursement for Medicare Partial Hospitalization services.

Contractor shall be solely liable and responsible for all data and information submitted by Contractor to County in support of all claims for Medicare Partial Hospitalization services submitted by County on Contractor's behalf to the Federal government and for any subsequent Federal approvals or denials of such claims that may be based on data and information submitted by Contractor.

Notwithstanding any other provision of this Agreement, Contractor shall hold County harmless from any and all such Federal denials and/or any and all Federal audit disallowances for such Medicare Partial Hospitalization services.

(4) Notwithstanding any other provision of this Agreement, Contractor shall be totally liable and responsible for the accuracy of all data and information on all claims for Medicare Partial

Hospitalization services which Contractor inputs into MIS.

(5) Contractor shall comply with all written instructions from County and/or Federal governments regarding Medicare Partial Hospitalization services claiming and documentation. Contractor shall certify in writing that all necessary Medicare Partial Hospitalization services documentation exists at the time any claim for Medicare Partial Hospitalization services is submitted by Contractor to County.

Contractor shall maintain an audit file documenting all Medicare Partial Hospitalization services as instructed by County for a period of seven years from the end of the Fiscal Year in which such services were provided or until final resolution of any audits, whichever occurs later.

(6) On Contractor's behalf, County shall submit a claim for Medicare Partial Hospitalization services reimbursement only for those services entered by Contractor into MIS which are identified by Contractor as "Y". The "Y" means that the service provided is to be claimed by County as Medicare Partial Hospitalization. Contractor shall comply with all written instructions from County and/or Federal governments regarding Medicare Partial Hospitalization services claiming and documentation.

(7) County may modify the claiming system for Medicare Partial Hospitalization services at any time in order to comply with changes in Federal laws, rules, regulations, manuals, guidelines, and directives. When possible, County shall notify Contractor in writing of any such modification and the reason for the modification thirty days prior to the implementation of the modification.

H. <u>EPSDT Title XIX Medi-Cal Services, Title XIX Short-Doyle/Medi-Cal Services, Title XIX Medi-Cal Administrative Activities, and Title IV-A Emergency Assistance Services</u>

(1) Except as otherwise provided in this Agreement, if Contractor provides EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services, then Contractor shall be reimbursed by County for the eligible and Federal and State-approved EPSDT Title XIX Medi-Cal SFC units furnished to eligible Medi-Cal beneficiaries; and/or for the eligible and State-approved Title XIX Short-Doyle/Medi-Cal SFC units furnished to eligible Medi-Cal beneficiaries; and/or as determined by the State, for the actual and allowable costs of eligible and State-approved Title XIX Medi-Cal Administrative Activities and/or for the eligible and State-approved Title IV-A Emergency Assistance SFC units furnished to eligible Title IV-A Emergency Assistance beneficiaries and household members only in arrears and only to the extent of actual EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal, and/or Title XIX Medi-Cal Administrative Activities and/or Title IV-A Emergency Assistance payments made by the Federal and State governments to County for such service and activities.

(2) Each Fiscal Year of the term of this Agreement, such reimbursement for Title XIX Short-Doyle/Medi-Cal SFC units, and/or for Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services shall be made as applicable on the basis of: (1) fifty percent Title XIX Short-Doyle/Medi-Cal services FFP funds and/or fifty percent Title XIX Medi-Cal Administrative Activities FFP funds, and/or fifty percent Title IV-A Emergency Assistance services and/or fifty percent Specialty Mental

Health Services FFP funds which are part of the applicable Maximum Contract Amount of this Agreement and which are paid by County to Contractor solely in County's capacity as the fiscal intermediary for such Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services and (2) fifty percent match from funds which are part of the applicable Maximum Contract Amount of this Agreement, and which qualify as eligible FFP match as shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary.

(3) Each Fiscal Year of the term of this Agreement, such reimbursement for EPSDT and Specialty Mental Health Services Title XIX Medi-Cal services shall be one hundred percent of the program funds which are part of the applicable Maximum Contract Amount of this Agreement and which are paid by County to Contractor solely in County's capacity as the fiscal intermediary. EPSDT Title XIX Medi-Cal services shall be paid as applicable on the basis of fifty percent EPSDT Title XIX services FFP funds and fifty percent State matching general funds for EPSDT and only when such EPSDT Title XIX services exceed the individual Contractor's EPSDT base line as identified in Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph A(3) (EPSDT). Specialty Mental Health Services should be paid as applicable on the basis of fifty percent Title XIX services FFP and fifty percent local match funds.

(4) Notwithstanding any other provision of this Agreement, if EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities and/or Title IV-A Emergency Assistance services are provided hereunder, such services and administrative activities shall comply with and be compensated in accordance with all applicable Federal and State reimbursement requirements.

(5) If EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services are provided under this Agreement, Contractor authorizes County to serve as the fiscal intermediary for claiming and reimbursement for such EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services and to act on Contractor's behalf with SDMH, SDHS and/or SDSS in regard to claiming reimbursement for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services.

Contractor shall be solely liable and responsible for all data and information submitted by Contractor to County in support of all claims for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services submitted by County as the fiscal intermediary to SDMH, SDHS and/or SDSS and for any subsequent State approvals or denials of such claims that may be based on data and information submitted by Contractor. Contractor shall process all EPSDT Title XIX Medi-Cal and/or Title XIX Short-Doyle/Medi-Cal, and/or Title IV-A Emergency Assistance Explanation of Balance (EOB) or other data within the time frame prescribed by the State and Federal governments. County shall have no liability for

Contractor's failure to comply with State and Federal time frames.

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, unresolved EOB claims, and/or any Federal and/or State audit disallowances for such Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services.

(6) Contractor shall hold County harmless from and against any loss to Contractor resulting from any such State denials, unresolved EOB claims, and/or any Federal and/or State audit disallowances for such EPSDT Title XIX Medi-Cal services.

(7) Notwithstanding any other provision of this Agreement, Contractor shall be totally liable and responsible for: (1) the accuracy of all data and information on all claims for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services which Contractor inputs into MIS, (2) the accuracy of all data and information which Contractor provides to DMH, and (3) ensuring that all EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services are performed appropriately within Medi-Cal and/or Title IV-A Emergency Assistance guidelines, including, but not limited to, administration, utilization review, documentation, and staffing.

(8) As the State designated Short-Doyle/Medi-Cal fiscal intermediary, County shall submit a claim to SDMH for EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal reimbursement only for those services entered by Contractor into MIS which are identified by Contractor as "Y". The "Y" means that the service provided is to be claimed by County to Short-Doyle/Medi-Cal. Contractor shall comply with all written instructions from County and/or State regarding EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal claiming and documentation.

Contractor shall maintain an audit file documenting all EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal services as instructed by County for a period of seven years from the end of the Fiscal Year in which such services were provided or until final resolution of any audits, whichever occurs later.

(9) County is the State designated fiscal intermediary for EPSDT Title XIX Medi-Cal services, and Title XIX Short-Doyle/Medi-Cal services, and Title XIX Medi-Cal Administrative Activities, and for Title IV-A Emergency Assistance services. Contractor shall comply with all written instructions from County regarding any such Title XIX and Title IV-A claims and documentation. Contractor shall certify in writing that all necessary Title XIX and Title IV-A documentation exists at the time any such claims for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services are submitted by Contractor to County.

Contractor shall maintain all records, including, but not limited to, all time studies prepared by Contractor, documenting all EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services as instructed by County for a period of seven years from the end of the quarter in which such services were

provided or until final resolution of any audits, whichever occurs later.

(10) County may modify the claiming systems for either EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services at any time in order to comply with changes in, or interpretations of, State or Federal laws, rules, regulations, manuals, guidelines, and directives. When possible, County shall notify Contractor in writing of any such modification and the reason for the modification thirty days prior to the implementation of the modification.

(11) EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report: Prior to fourteen and one-half months after the close of each Fiscal Year, Contractor shall provide DMH with two copies of an accurate and complete EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report at the legal entity level for each of Contractor's Short-Doyle/Medi-Cal provider numbers which are part of the legal entity, for all EPSDT Title XIX Medi-Cal, and/or Title XIX Short-Doyle/Medi-Cal SFC units furnished and State-approved during the applicable Fiscal Year. Each such EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report shall be prepared by Contractor in accordance with all SDMH instructions and shall be certified in writing by Contractor's Chief Executive Officer. If Contractor does not so provide DMH with the EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report within such fourteen and one-half months, then Director, in his sole discretion, shall determine which State approved EPSDT Medi-Cal, and/or Short-Doyle/Medi-Cal data shall be used by County for completion of the EPSDT Title XIX Medi-Cal and Title XIX Short-Doyle/Medi-Cal Reconciliation Report.

(12) EPSDT Title XIX Medi-Cal Services, Title XIX Short-Doyle/Medi-Cal Services, Title XIX Medi-Cal Administrative Activities, Title IV-A Emergency Assistance Services and Medicare Partial Hospitalization Services Overpayment Recovery Procedures: Contractor shall repay to County the amount, if any, paid by County to Contractor for EPSDT Title XIX Medi-Cal services, and Title XIX Short-Doyle/Medi-Cal services, and Title XIX Medi-Cal Administrative Activities, and Title IV-A Emergency Assistance and Medicare Partial Hospitalization services which are found by County, State, and/or Federal governments not to be reimbursable.

For Federal audit exceptions, Federal audit appeal processes shall be followed. County recovery of Federal overpayment shall be made in accordance with all applicable Federal laws, regulations, manuals, guidelines, and directives.

For State audit exceptions, County shall immediately recover any overpayment from Contractor when the State recovers the overpayment from County.

For County audit exceptions, County shall immediately recover the overpayment from Contractor 30 days from the date of the applicable audit determination by Director.

Contractor shall pay County according to the method described in Subparagraph U (Payments Due to County/Method of Payment).

I. Funding Sources:

(1) County, State, and/or Federal funds shall be limited to and shall not exceed the respective amounts shown in the Financial Exhibit column(s) which are identified on the Financial Summary. County funds include the portion of Cash Flow Advance and is repayable through cash, and/or County SFC units, and/or approved EPSDT Title XIX Medi-Cal units of service, approved Title XIX Short-Doyle/Medi-Cal SFC units, and/or approved Title XIX Medi-Cal Administrative Activities units of activities, and/or approved Title IV-A Emergency Assistance services units of service.

(2) The reimbursement method of payment for the respective County, State and/or Federal funding source(s) is shown in the applicable Financial Exhibit column(s) which are identified on the Financial Summary.

(3) The combined CGF and any other funding sources shown in the Financial Exhibit column(s) identified on the Financial Summary as funds to be disbursed by County shall not total more than the Maximum Contract Amount for the applicable period of the Agreement term as specified in Subparagraphs B (Reimbursement For Initial Period) and C (Reimbursement If Agreement Is Automatically Renewed).

(4) County funds include Cash Flow Advance which is repayable through cash and/or County SFC units, and/or approved EPSDT Title XIX Medi-Cal SFC units, and/or approved Title XIX Short-Doyle/Medi-Cal SFC units, and/or approved Title XIX Medi-Cal Administrative Activities units of activities, and/or approved Title IV-A Emergency Assistance services units of service.

Notwithstanding any other provision of this Agreement, EPSDT Title XIX Medi-Cal, FFP and Medicare Partial Hospitalization funds shall be paid by County to Contractor solely in County's capacity as the fiscal intermediary for EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance and/or Medicare Partial Hospitalization services. In no event shall County be liable or responsible to Contractor for any payment for any disallowed EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services and/or Medicare Partial Hospitalization services.

EPSDT Title XIX Medi-Cal and FFP funds shall be subject to all applicable Federal and State laws, rules, regulations, manuals, guidelines, and directives.

(5) To the extent permitted by Federal law, certain funds, as designated in the Financial Exhibit column(s) which are identified on the Financial Summary, may be used to match the FFP component of reimbursement for Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services in order to achieve the maximum Federal reimbursement possible for mental health services and administrative activities provided under this Agreement.

J. 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.

K. Patient/Client Eligibility, UMDAP Fees, Third Party Revenue, and Interest:

(1) Contractor shall comply with all County, State, and Federal requirements and procedures, as described in WIC Sections 5709, 5710 and 5721, relating to: (1) the determination and collection of patient/client fees for services hereunder based on UMDAP and DMH's Revenue Manual, (2) the eligibility of patients/clients for Short-Doyle/Medi-Cal, Medicare, private insurance, or other third party revenue, and (3) the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. Contractor shall vigorously 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) If Contractor provides Title XIX Medi-Cal Administrative Activities funded by Title XIX pursuant to WIC Section 14132.44 as described in Paragraph 3 (DESCRIPTION OF SERVICES), or Title IV-A Emergency Assistance services funded by Title IV-A, then Contractor shall assure that FFP reimbursement for such Title XIX Medi-Cal Administrative Activities and Title IV-A Emergency Assistance services shall be utilized by Contractor only for the provision of Title XIX Medi-Cal Administrative Activities and Title IV-A Emergency Assistance services, respectively.

(4) 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 service units specified in this Agreement. Contractor shall report the mental health services funded by this unanticipated revenue in the Annual Cost Report submitted by Contractor to County. The Annual Cost Report shall be prepared as instructed by State and County.

(5) Contractor shall not retain any fees paid by any resources for or on behalf of Medi-Cal beneficiaries and/or Title IV-A Emergency Assistance recipients without having those fees deducted from the cost of providing the mental health service/units specified in this Agreement.

(6) 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 service units specified in this Agreement.

(7) 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 and/or Title IV-A Emergency Assistance recipients 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: (1) Contractor's submission of a revised claim statement showing all such nonreported revenue, (2) a report by County to SDMH of all such nonreported revenue, (3) a report by County to the Federal Health Care Financing Administration (HCFA) should any such unreported revenue be paid by any resources for or on behalf of Medi-Cal beneficiaries and/or Title IV-A Emergency Assistance recipients, and/or (4) any appropriate financial adjustment to Contractor's reimbursement.

L. Payment:

(1) For each month of the term of this Agreement, Contractor shall submit to County a claim for each applicable Financial Exhibit column identified on the Financial Summary and Rate Schedule, in the form and content specified by County. Each monthly claim shall be submitted within sixty days of Contractor's receipt of County's MIS reports for the last date mental health services were provided during the particular month, within sixty days of the last date Title XIX Medi-Cal Administrative Activities were provided during the particular month, and/or within sixty days of the last date Title IV-A Emergency Assistance services were provided during the particular month.

(a) Capitated Rate: Contractor's monthly claim to County shall show all Contractor's enrolled individuals/members covered by the Capitated Rate Program and all other revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor hereunder for the particular month.

(b) Cost Reimbursement: Contractor's monthly claim to County shall show all Contractor's actual and allowable costs and all other revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor hereunder for the particular month. The County may make provisional reimbursement, subject to final settlement to cost. All provisional reimbursement shall be based upon specialty mental health services actually provided as shown on County's Claims Systems reports. Contractor certifies that all units of service claimed by Contractor on a provisional reimbursement basis are true and accurate claims for reimbursement.

(c) For IMDs Only: Those Institutions for Mental Disease which are licensed as Skilled Nursing Facilities (SNF) by SDHS are, thereby, entitled by law to the rates established by SDHS for Skilled Nursing Facilities. The IMD rate consists of a basic SNF rate and a STP rate, or a MHRC rate. Contractor's monthly claim to County shall be for those patient days that have been approved in writing by the County and shall be separately itemized by each patient day. Claims shall be submitted to County within 30 days of the end of the billing period. Monthly claims shall be reviewed and approved by County.

(d) Negotiated Rate: Contractor's monthly claim to County shall be separately itemized by each SFC to show the payment calculation for each SFC by multiplying the SFC units as shown on MIS reports by the applicable NR for such SFC as shown on the Financial Summary, except that for PATH and SAMHSA services, Contractor's monthly claim shall show Contractor's actual and allowable costs, less all fees paid by or on behalf of patients/clients receiving services hereunder and all other revenue, interest and

return resulting from services/activities and/or funds paid by County to Contractor hereunder.

(1) DMH shall have the option to deny payment for services when documentation of clinical work does not meet minimum State and County standards.

(2) Final reimbursement to Contractor shall not exceed the listed rates as shown on the Financial Summary. Provisional reimbursement to contractor shall be at the State established Title XXII rates for CPT codes. At cost report, provisional reimbursement will be adjusted to State approved Negotiated Rates not to exceed the rates shown on the Financial Summary and shall be considered payment in full, subject to third party liability and beneficiary share of cost, for the specialty mental health services provided to a beneficiary. Reimbursement shall be made only for State approved Short-Doyle/Medi-Cal claims and to the extent that funds allocated by State for County specifically for these services are available.

(3) For Organizational Providers only. Provisional reimbursement shall be based on the rates shown on the Provisional Rate Schedule(s) as published and periodically revised as supplements to the Los Angeles County DMH Fee-For-Service Medi-Cal Specialty Mental Health Services Provider Manual by the DMH, Office of Managed Care and distributed to DMH Organizational Providers and to the Los Angeles County DMH Contracts Development and Administration Division.

Further, 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.

(2) On the basis of this monthly claim and after Director's review and approval of the monthly claim, Contractor shall receive from County payment of Contractor's claimed amount for NR services, actual and allowable costs for all cost reimbursed services and activities, and claimed amount for Capitated Rate, less all revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor hereunder, including, but not limited to, all Medicare, patient/client fees, private insurance, and any other revenue, interest and return as described in Subsection 7 of Subparagraph K (Patient/Client Eligibility, UMDAP Fees, Third Party Revenue, and Interest).

The monthly claim and subsequent payment shall be made in accordance with County policies and procedures. If a claim is not submitted as required by County, then payment shall be withheld until County is in receipt of a complete and correct claim and such claim has been reviewed and approved by Director.

If Contractor has received any Cash Flow Advance pursuant to Subparagraph M (Cash Flow Advances In Expectation of Services/Activities To Be Rendered), then Director 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 determined by multiplying the SFC units as shown on MIS reports by the applicable NR for such SFC as shown on the Financial Summary for NR services and/or Contractor's actual and allowable costs of providing mental health services and Title XIX Medi-Cal Administrative Activities and/or a sum in excess of the amount determined by multiplying the Capitated Rate

by the applicable enrolled individuals/members for Capitated Rate Contractors, or the Maximum Contract Amount for such Fiscal Year as shown in Subparagraphs B (Reimbursement for Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), whichever is less, less all revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor hereunder. Contractor may request in writing, and shall receive if requested, DMH's computations for determining any adjustment to Contractor's monthly claim.

(3) All monthly claims shall be subject to adjustment based upon the MIS reports, EOB data, and/or Contractor's Annual Cost Report which shall supersede and take precedence over all claims.

(4) All monthly claims shall be based on mental health services actually provided as shown on MIS reports and/or Title XIX Medi-Cal Administrative Activities actually provided as shown by State-approved time studies prepared or actual and allowable costs for State approved units of activities reported by Contractor. Contractor certifies that all units of services reported by Contractor into MIS are true and accurate claims for reimbursement.

(5) EPSDT Title XIX Medi-Cal funds, and Title XIX Short-Doyle/Medi-Cal and Title IV-A Emergency Assistance FFP funds shall be paid by County to Contractor only for State approved claims for EPSDT Title XIX Medi-Cal and/or Title XIX Short-Doyle/Medi-Cal and/or Title IV-A Emergency Assistance SFC units provided to eligible Medi-Cal beneficiaries. EPSDT Title XIX Medi-Cal funds, and Title XIX Short-Doyle/Medi-Cal and Title IV-A Emergency Assistance FFP funds shall be paid by County to Contractor only in arrears, only for the period of time Contractor is certified as a Title XIX Short-Doyle/Medi-Cal provider and/or is authorized as Title IV-A Emergency Assistance provider, only to the extent that eligible FFP matching funds are available under this Agreement, and only after County has received EPSDT and FFP payment from State.

(6) Title XIX Medi-Cal Administrative Activities FFP funds shall be paid by County to Contractor only for State approved claims for Title XIX Medi-Cal Administrative Activities based on time studies prepared or actual and allowable costs for units of activities reported by Contractor. Title XIX Medi-Cal Administrative Activities FFP funds shall be paid by County to Contractor only in arrears and only if Contractor is authorized as a Title XIX Medi-Cal Administrative Activities provider, only to the extent that eligible FFP matching funds are available under this Agreement, and only after County has received FFP payment from State.

(7) EPSDT and FFP funds shall be paid by County to Contractor solely in County's capacity as the fiscal intermediary for EPSDT Title XIX Medi-Cal services, Title XIX Short-Doyle/Medi-Cal services, Title XIX Medi-Cal Administrative Activities, and Title IV-A Emergency Assistance services. Each Fiscal Year of the term of this Agreement, County shall pay to Contractor FFP funds only to the extent that the applicable Maximum Contract Amount has eligible State and/or local funds which qualify as the match to FFP, as required by Federal and/or State laws, regulations, manuals, guidelines, and directives.

(8) Federal Medicare Partial Hospitalization services funds shall be paid by County to

Contractor only for Federal-approved claims for Medicare Partial Hospitalization services SFC units provided to eligible Medicare beneficiaries. Federal Medicare Partial Hospitalization services funds shall be paid by County to Contractor only in arrears and only after County has received Federal Medicare Partial Hospitalization payment.

(9) EPSDT Title XIX Medi-Cal services funds, Title XIX Short-Doyle/Medi-Cal services FFP funds, Title XIX Medi-Cal Administrative Activities FFP funds, Title IV-A Emergency Assistance services FFP funds and/or Medicare Partial Hospitalization services funds shall be paid by County to Contractor solely in County's capacity as the fiscal intermediary for EPSDT Title XIX Medi-Cal services, Title XIX Short-Doyle/Medi-Cal services, Title XIX Medi-Cal Administrative Activities, Title IV-A Emergency Assistance services, and/or Medicare Partial Hospitalization services. Each Fiscal Year of the term of this Agreement, County shall pay to Contractor EPSDT Title XIX Medi-Cal services, and/or Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services and/or Medicare Partial Hospitalization services funds only to the extent required by Federal laws, regulations, manuals, guidelines, and directives.

(10) Notwithstanding any other provision of this Agreement, in the event that Contractor provides EPSDT Title XIX Medi-Cal services pursuant to the EPSDT provisions of this Agreement in excess of Contractor's EPSDT baseline as identified in Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph A(3) (EPSDT) as calculated with SDMH service approval data, and County does not meet the Fiscal Year 1994-95 base as adjusted by the State, Contractor shall be paid by County from a CGF risk reserve pool established for this purpose. The CGF risk reserve pool funds shall be maintained in accordance with County policies and procedures and shall be for the SDMH general fund portion of the individual Contractor's EPSDT approved services.

(11) County pays any EPSDT-SGF (Early and Periodic Screening, Diagnosis, and Treatment–State General Funds) local matching funds in excess of the EPSDT baseline as identified in Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph A(3) (EPSDT) and Medi-Cal Federal Financial Participation Funds (FFP) to Contractor solely in County's capacity as the EPSDT-SGF and FFP intermediary between the Contractor and the State. Solely to assist the County in expeditiously processing and initially paying Contractor (because of the internal accounting necessity for appropriation authority) for such claims for payment pending reimbursement from the state, the Maximum Contract Amount(s) of this Agreement shall include EPSDT-SGF and/or FFP. This will establish legal authorization by the Board of Supervisors to make expenditures for the services and/or activities identified on the Financial Summary and Service Exhibit(s) of this Agreement, pending reimbursement by the state. To the extent Contractor exceeds the EPSDT-SGF and/or FFP amount(s) included in this Agreement, such excess will be paid to Contractor only upon Contract Amendment approved by the Board of Supervisors, or from an Appropriation Account set up to record the Board's specific authorization to spend EPSDT-SGF and FFP in excess of the Maximum Contract Amount(s).

Contractor understands and agrees that County's assistance in processing and, as an intermediary for the State and Federal governments, initially paying for EPSDT-SGF and FFP 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 services. Contractor's entitlement to payment for such services, or claimed services, is entirely dependent upon compliance with the law and regulations related to same. In the event of a dispute regarding entitlement for payment, Contractor agrees that County is not liable for payment for such claims and will not pursue any such claims for payment against County.

M. Cash Flow Advances In Expectation of Services/Activities To Be Rendered:

Cash Flow Advances are intended to provide cash flow to Contractor pending Contractor's rendering and billing of eligible services/activities, as identified by 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.

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 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 shown in the applicable Financial Exhibit column(s) identified on the Financial Summary. Contractor shall make such a request separately for a maximum of three (3) consecutive months that such Cash Flow Advances are sought. Contractor shall specify in their request the amount of the monthly Cash Flow Advance not to exceed $174,540 per month, which is 1/12th of the Maximum Contract Amount, annualized Maximum Contract Amount if a partial year. Upon receipt of a request, Director, in his sole discretion, shall determine whether to approve the request and, if approved, whether the request is approved in whole or in part.

For each month after such three (3) consecutive months of each fiscal year, County may, for Short-Doyle/Medi-Cal services claimed by Contractor but not yet adjudicated by the State, disburse a Cash Flow Advance based upon the following calculation. The calculation will be the percentage derived by dividing the Contractor's immediate prior fiscal year's total State approved Short-Doyle/Medi-Cal services by the Contractor's immediate prior fiscal year's total Short-Doyle/Medi-Cal billings multiplied by the Contractor's Short-Doyle/Medi-Cal current fiscal year billing for the third month preceding the month for which the Cash Flow Advance is to be disbursed. For example, the Cash Flow Advance for October would be based upon the Contractor's July Short-Doyle/Medi-Cal billing to the State as adjusted by the aforesaid calculation; the cash flow advance for November would be based upon the Contractor's August Short-Doyle/Medi-Cal billing to the State as adjusted by the aforesaid calculation; et cetera. Should Contractor not have any prior fiscal year Short-Doyle/Medi-Cal billings and approvals to develop the above calculation, the calculation will

be based upon the most recent current fiscal year month for which there is Short-Doyle/Medi-Cal billing and approval data.

All State approved Short-Doyle/Medi-Cal claims for a particular month shall be paid to Contractor by County and County shall immediately recover the entire Cash Flow Advance disbursed for such particular month within fifteen (15) business days from the date of County receipt of the State approved Short-Doyle/Medi-Cal claims data for that same month. To accomplish this payment, County shall first apply, as repayment, the State and federal reimbursements for the State approved Short-Doyle/Medi-Cal claims to the actual Cash Flow Advance amount for the particular month. The resulting remaining balance of Cash Flow Advance, if any, is the amount by which the actual Cash Flow Advance exceeds the actual Short-Doyle/Medi-Cal State approvals for the particular month. Such amount shall be recovered by means of an offset adjustment to the next payment made by County to Contractor. For example, the actual State approved Short-Doyle/Medi-Cal claims for July are subtracted from the July actual Cash Flow Advance and the remaining balance is the amount that the July actual Cash Flow Advance exceeds the July actual State approved Short-Doyle/Medi-Cal claims, and is to be recovered. Should the State approved Short-Doyle/Medi-Cal claims for a particular month exceed the actual Cash Flow Advance amount for that same month, County will pay such excess of approvals to Contractor. For example, the July actual State approved Short-Doyle/Medi-Cal claims exceed the July actual Cash Flow Advance, and the excess of State approved Short-Doyle/Medi-Cal claims over the Cash Flow Advance would be paid to Contractor.

Cash Flow Advances 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.

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

(1) For IMD and Mental Health Rehabilitation Center Contractors Only: The amount of a Cash Flow Advance payment shall be based on 95% of the average daily census for the last two months of the preceding fiscal year.

N. Maximum Monthly Payment: County's Maximum Monthly Payment to Contractor for each monthly claim shall not exceed an amount determined pursuant to County policies and procedures.

The State and FFP funds for State approved claims for EPSDT Title XIX Medi-Cal SFC units claimed by County to State on behalf of the Contractor shall be paid by County to Contractor only in arrears and only after County has received State and FFP payment from State.

The FFP funds for State approved claims for EPSDT Title XIX Medi-Cal SFC units, and/or Title XIX Short-Doyle/Medi-Cal SFC units, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services claimed by County to State on behalf of the Contractor shall be paid by County to Contractor only in arrears and only after County has received FFP payment from State.

In order to recover CGF provided to Contractor as Cash Flow Advance pursuant to this

Subparagraph N, or any amounts due to County by Contractor under this Agreement or otherwise, County shall withhold from any amounts due by County to Contractor under this Agreement or otherwise: (1) the FFP and/or EPSDT-SGF portions of total State approved Short-Doyle/Medi-Cal claims Cash Flow Advances that are in excess of a cumulative, for each month actual State approval data has been received, 1/12 of the Maximum Contract Amount and/or (2) the FFP portion of Title XIX Short-Doyle/Medi-Cal for State approved claims for Title XIX Short-Doyle/Medi-Cal SFC units and/or (3) the FFP portion of Title IV-A Emergency Assistance for State approved claims for Title IV-A Emergency Assistance SFC units and/or (4) the State and FFP portion of EPSDT Title XIX Medi-Cal for State approved claims for EPSDT Title XIX Medi-Cal SFC units and/or (5) the FFP for Title XIX Medi-Cal Administrative Activities and/or (6) the County, State and Federal portions of SFC units claimed by Contractor in MIS for non-Title XIX Medi-Cal and non-Title IV-A Emergency Assistance services. Contractor may request in writing, and shall receive if requested, DMH's computations for determining any amounts withheld.

O. Withholding of Payment For Nonsubmission of MIS and Other Information: County may withhold a maximum of ten percent of any monthly claim, if any MIS data, EOB data, RGMS report, or other information is not submitted by Contractor to County within the time limits of submission of this Agreement or if any MIS data, EOB data, RGMS report, or other information is incomplete, incorrect, or is not completed in accordance with the requirements of this Agreement.

P. Annual Cost Reports:

(1) For each Fiscal Year or portion thereof that this Agreement is in effect, Contractor shall provide DMH with two copies of an accurate and complete Annual Cost Report, with a statement of expenses and revenue. The annual cost report will be comprised of a separate set of forms for the County and State for each Financial Exhibit column identified on the Financial Summary within each entity. Such reports will be due within seventy-five days following either the end of such Fiscal Year or the expiration or termination date of this Agreement, whichever occurs earlier. Each such Annual Cost Report shall be prepared by Contractor in accordance with the requirements set forth in the Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual, CR/DC Manual, RO/TCM Manual, and any other written guidelines which may be provided to Contractor by Director by June 30 of the Fiscal Year for which the Annual Cost Report is to be prepared.

(2) If Contractor fails to submit accurate and complete Annual Cost Report(s) by such due date, and if this Agreement is automatically renewed as provided in Paragraph 1 (TERM), then County shall not make any further payments to Contractor under this Agreement until the accurate and complete Annual Cost Report(s) is (are) submitted.

(3) Failure of Contractor to submit accurate and complete Annual Cost Report(s) by such due date shall result in a Late Penalty of ONE HUNDRED DOLLARS ($100) for each day that the accurate and complete Annual Cost Report(s) is (are) not submitted. The Late Penalty shall be assessed separately on each outstanding Annual Cost Report. The Late Penalty shall commence on the seventy-sixth

day following either the end of the applicable Fiscal Year or the expiration or termination date of this Agreement and shall continue thereafter up to the one hundred and fifth day.

In the event that Contractor does not submit accurate and complete Annual Cost Report(s) by the one hundred and fifth day, 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 Subparagraph U (Payments Due to County/Method of Payment).

Q. Annual Cost Report Adjustment and Settlement: Based on the Annual Cost Report(s) submitted pursuant to Subparagraph P (Annual Cost Reports), at the end of each Fiscal Year or portion thereof that this Agreement is in effect, the cost of all mental health services, Title IV-A Emergency Assistance services, and Title XIX Medi-Cal Administrative Activities rendered hereunder shall be adjusted as follows:

(1) Capitated Rate - to the applicable Capitated Rate per enrolled individual/member multiplied by the applicable number of enrolled individuals/members assigned to the Contractor multiplied by the applicable number of months which the enrolled individual/member was assigned to the Contractor less all revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor hereunder, including but not limited to, all Medicare, patient/client fees, private insurance, and any other revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor as described in Subsection 7 of Subparagraph K (Patient/Client Eligibility, UMDAP Fees, Third Party Revenue and Interest), not to exceed the applicable Maximum Contract Amount as shown in Subparagraph B (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), provided that reimbursement for Title XIX Short-Doyle/Medi-Cal funded services shall be consistent with the amounts authorized by State law and State's Medicaid Plan, reimbursement for Title IV-A Emergency Assistance services funded services shall be consistent with the amounts authorized by State law and State's Mental Health Title IV-A Emergency Assistance Plan and reimbursement for Title XIX Medi-Cal Administrative Activities shall be consistent with the amounts authorized by State law and State's Title XIX Medi-Cal Administrative Activities Plan not to exceed the Maximum Contract Amount. Reimbursement for Title XIX Short-Doyle/Medi-Cal services, Title XIX Medi-Cal Administrative Activities and Title IV-A Emergency Assistance services shall not exceed an amount for which there is sufficient CGF/State match funds in the applicable Maximum Contract Amount.

(2) Cost Reimbursement - to actual and allowable costs, not to exceed the applicable Maximum Contract Amount as shown in Subparagraph B (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), provided that reimbursement for Short-Doyle/Medi-Cal funded services shall be consistent with the amounts authorized by State law and State's Medicaid Plan, reimbursement for Title IV-A Emergency Assistance services funded services shall be consistent with the amounts authorized by State law and State's Mental Health Title IV-A Emergency Assistance Plan and reimbursement for Title XIX Medi-Cal Administrative Activities shall be consistent with the

amounts authorized by State law and State's Title XIX Medi-Cal Administrative Activities Plan not to exceed the Maximum Contract Amount. Reimbursement for Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services shall not exceed an amount for which there is sufficient CGF/State match funds in the applicable Maximum Contract Amount.

(3) IMD - to the lower of the DMH determined final MIS run of reported patient days or the patient days reported in Contractor's Annual Cost Report, multiplied by the applicable SDHS's currently approved Skilled Nursing Facility Rate per patient day for Basic Service plus SDHS's currently approved STP Rate per patient day for STP Services.

(4) Negotiated Rate - to the lower of the DMH determined final MIS run of reported SFC units, or the SFC units reported in Contractor's Annual Cost Report, multiplied by the applicable NR less all revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor, including, but not limited to, all Medicare, patient/client fees, private insurance, and any other revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor as described in Subsection 7 of Subparagraph K (Patient/Client Eligibility, UMDAP Fees, Third Party Revenue, and Interest), not to exceed the applicable Maximum Contract Amount as shown in Subparagraph B (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), provided that reimbursement for Title XIX Short-Doyle/Medi-Cal funded services shall be consistent with the amounts authorized by State law and State's Medicaid Plan, reimbursement for Title IV-A Emergency Assistance services funded services shall be consistent with the amounts authorized by State law and State's Mental Health Title IV-A Emergency Assistance Plan, and reimbursement for Title XIX Medi-Cal Administrative Activities shall be consistent with the amounts authorized by State law and State's Title XIX Medi-Cal Administrative Activities Plan not to exceed the Maximum Contract Amount. Reimbursement for Title XIX Short-Doyle/Medi-Cal services, and/or Title XIX Medi-Cal Administrative Activities, and/or Title IV-A Emergency Assistance services shall not exceed an amount for which there is sufficient CGF/State match funds in the applicable Maximum Contract Amount. 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 Subparagraph U (Payments Due to County/Method of Payment).

R. Post-Contract Audit Settlement:

(1) In the event of a post-contract audit conducted by County, State, and/or Federal personnel, actual and allowable SFC units for NR services and actual and allowable costs for cost reimbursement services shall be determined for each Fiscal Year or portion thereof that this Agreement is in effect. Such audit may include requests to review any fiscal, programmatic, or SFC unit concerns County, State, and/or Federal auditors may have under this Agreement. CR/DC Manual, RO/TCM Manual, SDMH's utilization review policies and procedures, State's Medicaid Plan, State's Title XIX Medi-Cal Administrative Activities Plan, State's Title IV-A Emergency Assistance Plan, and the Federal Health Care Financing Administration's Health Insurance Manual Volume 15 (HIM 15) shall serve as the basic reference and

authority for the audit determination of actual and allowable SFC units for mental health services and actual and allowable costs for Title XIX Medi-Cal Administrative Activities and PATH and SAMHSA services. One of the purposes of the audit determination of actual and allowable SFC units is to identify and adjust for duplicated claims; SFC units not provided; SFC units not documented; and utilization review findings, including, but not limited to, unnecessary care and the lack of appropriate licensed practitioners of the healing arts.

(2) For mental health services, if the post-contract audit conducted by County, State, and/or Federal personnel determines that the amounts paid by County to Contractor for any SFC units furnished hereunder are more than the amounts allowable pursuant to this Agreement, then the difference shall be due by Contractor to County.

For Title XIX Medi-Cal Administrative Activities, if the post-contract audit conducted by County, State, and/or Federal personnel determines that the actual and allowable costs for Title XIX Medi-Cal Administrative Activities furnished hereunder are more than the amounts allowable pursuant to this Agreement, then the difference shall be due by Contractor to County. Contractor shall pay County according to the method described in Subparagraph U (Payments Due to County/Method of Payment).

(3) For NR and CR services, if the post-contract audit conducted by County, State, and/or Federal personnel determines that the amounts paid by County to Contractor for any NR SFC units furnished hereunder are less than the allowable pursuant to this Agreement and/or CR services, 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 Subparagraph B (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), be exceeded.

For Title XIX Medi-Cal Administrative Activities, if the post-contract audit conducted by County, State, and/or Federal personnel determines that the actual and allowable costs for Title XIX Medi-Cal Administrative Activities furnished 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 Subparagraph B (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), be exceeded.

S. Audit Appeals After Post-Contract Audit Settlement: If Contractor appeals any audit report, the appeal shall not prevent the post-contract audit settlement pursuant to Subparagraph R (Post-Contract Audit Settlement).

T. County Audit Settlements: If, at any time during the term of this Agreement or at any time after the expiration or termination of this Agreement, authorized representatives of County conduct an audit of Contractor regarding the mental health services and/or Title XIX Medi-Cal Administrative Activities provided hereunder and if such audit finds that County's dollar liability for such services and/or administrative activities is less than payments made by County to Contractor, then the difference shall be due by Contractor to County. Contractor shall pay County according to the method described in Subparagraph U (Payments Due to

County/Method of Payment).

If such audit finds that County's dollar liability for such services and/or administrative activities provided hereunder is more than payments made by County to Contractor, then the difference shall be paid to Contractor by County by cash payment, provided that in no event shall County's Maximum Contract Amount for the applicable Fiscal Year, as shown in Subparagraph B (Reimbursement For Initial Period) or C (Reimbursement If Agreement Is Automatically Renewed), be exceeded.

U. Payments Due to County/Method of Payment: Within ten 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) offset against prior year(s) liability(ies), (3) deducted from future claims over a period not to exceed three months, (4) deducted from any amounts due from County to Contractor whether under this Agreement or otherwise, (5) paid by cash payment(s) by Contractor to County over a period not to exceed three months, or (6) 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.

V. 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 sixty 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 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 sixty 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, deducted from any amounts due by County to Contractor whether under this Agreement or otherwise.

W. Financial Solvency: Contractor shall maintain adequate provisions against the risk of insolvency.

X. 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 Subparagraph B (Reimbursement For Initial Period) and Subparagraph 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.

Y. Use of Certain Non-County Funds: A review of Contractor's expenditures and commitments to utilize any non-County funds, which are specified in this Agreement for the services hereunder and which are subject to time limitations as determined by Director, shall be conducted by County and Contractor midway through each Fiscal Year during the term of this Agreement, midway through the applicable time limitation period for such non-County funds if such period is less than a Fiscal Year, and/or at any other time or times during each Fiscal Year as requested by Director. At least fifteen days prior to each such review, Contractor shall provide Director with a current update of all Contractor's expenditures and commitments of such non-County funds during such Fiscal Year or other applicable time period. If Director, in his sole judgment, determines from such review that there will be any nonexpenditure of such non-County funds, then Director, to the extent authorized by County's Board of Supervisors, shall reduce the Maximum Contract Amount for the applicable Fiscal Year up to the amount of such anticipated nonexpenditure, or Director shall recommend to County's Board of Supervisors a reduction in the Maximum Contract Amount for the applicable Fiscal Year up to the amount of such anticipated nonexpenditure. If Director determines to reduce, or recommend a reduction in, the Maximum Contract Amount for such Fiscal Year, then Director shall notify Contractor in writing and shall provide Contractor with the revised Maximum Contract Amount for such Fiscal Year. Any reduction in the Maximum Contract Amount for the applicable Fiscal Year shall be effected by an amendment to this Agreement pursuant to Paragraph 37 (ALTERATION OF TERMS) which shall set forth the revised Maximum Contract Amount and the revised Financial Exhibit column(s) identified in the Financial Summary for such Fiscal Year.

Notwithstanding any other provision of this Agreement, the revised Maximum Contract Amount and the revised Financial Exhibit column(s) identified in the Financial Summary for such Fiscal Year shall entirely supersede the then existing Maximum Contract Amount and Financial Exhibit column(s) identified in the Financial Summary as of the date determined by Director or County's Board of Supervisors and set forth in the amendment.

Z. Contractor Requested Changes:

(1) If Contractor desires any change in the terms and conditions of this Agreement, Contractor shall request such change in writing prior to April 1 of the Fiscal Year for which the change would be applicable, and all changes shall be made by an amendment pursuant to Agreement Paragraph 37 (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.

AA. 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 or shall not be reduced by more than the Board approved percentage of the applicable Maximum Contract Amount; and

(2) Any such increase 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 is obtained prior to any such amendment to this Agreement; and

(5) County's Department of Mental Health Director shall notify County's Board of Supervisors and Chief Administrative Officer of all Agreement changes, in writing, within fifteen days following execution of any such amendment(s).

BB. CalWORKs Reimbursement:

(1) Reimbursement at cost for existing services under this Agreement shall be considered payment in full, subject to third party liability and beneficiary share of costs, for the CalWORKs beneficiaries.

For each month of the term of this Agreement, Contractor shall submit to County a separate claim for CalWORKs services in the form and content specified by County. Each monthly claim shall be submitted within thirty days of Contractor's receipt of County's MIS CalWORKs Service Reports for the last date CalWORKs' mental health services were provided during the particular month.

All monthly claims shall be subject to adjustment based upon the MIS reports, EOB data, and/or Contractor's annual Cost Report which shall supersede and take precedence over all claims. No billing changes/adjustments or audits will be allowed after such time.

(2) Under no circumstances shall Contractor be reimbursed for the provision of CalWORKs services from any funds included in the Cash Flow Loan Exhibit(s).

(3) In its sole discretion, Director shall have the option to deny payment for services when documentation of clinical work does not meet minimum State and County standards as set forth in the Los Angeles County annotated version of the Rehabilitation Option and Targeted Case Management Manual.

(4) Reimbursement shall only be made for CalWORKs services to the extent that funds are allocated by DPSS and the State for these services.

(5) Services to CalWORKS beneficiaries shall be limited to Contractor's existing

services as provided in this Agreement.

CC. CalWORKs Suspension of Payment: At the sole discretion of Director, payments to Contractor under this Agreement shall be suspended if Director determines that Contractor is in default under any of the provisions of this Agreement, or if funds are unavailable from the State or DPSS for payment on CalWORKs claims.

DD. AB3632 Services Utilizing SB90 Funds: SB90 funds are part of the Maximum Contract Amount(s) of this Agreement and shall be paid by County to Contractor solely in County's capacity as the SB90 claim intermediary between the Contractor and the State. County shall make all instructions issued by the State for SB90 claiming available to Contractor.

Notwithstanding any other provision of this Agreement, in the event that Contractor provides AB3632 services reimbursable under the State's SB90 mandate claim process, in excess of the Contractor's Fiscal Year 1997-1998 base of $ N/A, Contractor shall be paid by County from SB90 funds upon receipt from the State. In the event that SB90 funds are not available to pay SB90 claims or that State denies any or all of the SB90 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 SB90 claims or for the unavailability of SB90 funds to pay for SB90 claims. Contractor shall be solely liable and responsible for all data and information submitted by Contractor to County in support of all claims for SB90 funds submitted by County as the fiscal intermediary.

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
Non-applicable	Non-applicable	

The parties agree that the provisions of such prior Agreement(s), and all Amendments thereto, shall be entirely superseded as of upon Board approval, 2003, 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 upon Board approval, 2003, 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 A, the total reimbursement by County to Contractor under all these Agreements for Fiscal Year 2002-2003 shall not exceed ----------TWENTY-NINE THOUSAND ONE HUNDRED SIXTY-SEVEN DOLLARS ($29,167); and for Fiscal Year 2003-2004 shall not exceed ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS ($175,000); and for Fiscal Year 2004-2005 shall not exceed ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS ($175,000).

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, including any addenda thereto as approved in writing by Director, 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, RO/TCM Manual, SDMH Policy Letters, and function within the scope of practice as dictated by licensing boards/bodies. (1) 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 of such vacancies. (2) 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 training of all appropriate staff on CR/DC Manual, RO/TCM Manual, and other State and County policies and procedures as well as on any other matters that County may reasonably require.

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. Director 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 a DMH Contract Monitoring Report, Contractor shall respond in writing to the particular DMH Contract Monitor within the time specified in the 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 working days for monitoring purposes.

10. 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 penalties as specified in this Agreement.

11. 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 11, 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, case management brokerage, 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, MIS patient/client face sheet, all data elements required by MIS, 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 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 eighteen years and in any case not less than seven 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 Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual, and with all guidelines, standards, and procedures which may be provided by County to Contractor. 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 CR/DC Manual and all guidelines, standards, and procedures which may be provided by County to Contractor.

(c) Bronzan-McCorquodale/County statistics and total facility statistics (e.g.,

patient days, visits) which can be identified by type of service pursuant to the CR/DC Manual and any policies and procedures which may be provided by County 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 Short-Doyle/Medi-Cal Automated Cost Reporting System Users Manual, the Federal Health Care Financing Administration's Health Insurance Manual Volume 15 (HIM 15), CR/DC Manual, and RO/TCM Manual. All such 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 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 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 11.

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, and if the results of any fiscal and/or program review requires a corrective plan of action, Contractor shall submit such a plan to DMH no later than thirty days after receiving the findings of the fiscal and/or program review.

(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 thirty 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 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 twelve 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 11.

(5) Federal Access to Records: 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 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 twelve 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 11.

12. REPORTS:

A. Contractor shall make reports as required by Director 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 thirty days' prior written notification. County shall provide Contractor with a written explanation of the procedures for reporting the required

information.

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

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

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

C. Management Information System (MIS):

(1) Contractor shall participate in MIS, including, but not limited to, RGMS, as required by Director. 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 DMH's Management Information Systems Procedure Manual 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 entered by Contractor into MIS shall be counted as delivered units of service. All units of service generated during the Start-Up Period, if any, shall be entered by Contractor into MIS. After the close of the monthly MIS time frame, no data and information relating to units of service for that month may be added without the written approval of Director.

(3) If, after the close of the monthly MIS time-frame, Contractor desires to enter any data and information documenting units of services for a particular month, then Contractor shall submit a request in writing setting forth the good cause reasons which prevented Contractor from timely entering such particular data and information into MIS. Director may, at his sole discretion, approve in writing Contractor's request to enter the data and information into MIS. 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 entered by Contractor into MIS.

(4) Contractor shall train its staff in the operation, procedures, policies, and all related use, of MIS as required by County.

13. 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 MIS 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.

14. 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.

15. 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 15630 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, 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.

16. 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 16, 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, case management services, day services, and outpatient services) 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.

17. 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 17 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 17 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 17, 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.

18. 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.

19. 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 thirty (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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. CONSIDERATION FOR HIRING GREATER AVENUES FOR INDEPENDENCE (GAIN) PARTICIPANTS: 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 who meet Contractor's minimum qualifications for the open position. The County will refer GAIN participants by job category to the contractor.

26. DELEGATION AND ASSIGNMENT: Contractor shall not delegate its duties or assign its rights under this Agreement, or both, either in whole or in part, without the prior written consent of County, and any prohibited delegation or assignment shall be null and void. Any payments by County to any delegatee or assignee on any claim under this Agreement, in consequence of any such consent, shall be subject to set off, recoupment, or other reduction for any claim which Contractor may have against County.

27. 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 27. 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 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 years after final payment under contract (Government Code, Section

8546.7)."

The Contractor will also be subject to the examination and audit of the State Auditor General for a period of three 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 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 27 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 27, 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 delivered to the Chief of DMH's Contracts 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 subcontractor or its officers, employees, and agents.

N. Director is hereby authorized to act for and on behalf of County pursuant to this Paragraph 27, including, but not limited to, consenting to any subcontracting.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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 sixty 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 32 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

33. 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 33 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

34. 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 (213) 974-0914 or (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.

35. 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.

36. 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.

37. ALTERATION OF TERMS: No addition to, or alteration of, the terms of the body of this Agreement,

or the Financial Exhibit column(s) which are identified on 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.

38. ENTIRE AGREEMENT: The body of this Agreement; all attachments; Financial Summary(ies) which identify the Financial Exhibit column(s) FY 2002-2003, 2003-2004 and 2004-2005 Service Delivery Site Exhibit, and Service Exhibit(s) A, B and C, 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 Summary(ies) which identify the Financial Exhibit column(s)

B. Service Delivery Site Exhibit

C. Service Exhibit(s)

D. Contractor's Negotiation Package.

39. 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 39 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

40. 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.

41. 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.

42. 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 thirty 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 ninety 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 thirty days of any change in the inventory. Within five 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.

43. 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.

44. 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.

45. 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 days thereafter, shall notify Director in writing.

46. 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.

47. 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 47.

48. CHILD SUPPORT COMPLIANCE PROGRAM:

A. Contractor's Acknowledgement of County's Commitment to Child Support Enforcement: The Contractor acknowledges that the County places a high priority on the enforcement of child support laws and the apprehensive of child support evaders. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "LA's Most Wanted: Delinquent Parent's" poster in a prominent position at the Contractor's place of business. The County's Child Support Services Department will supply the Contractor with the poster to be used.

B. Contractor's Warranty of Adherence to County's Child Support Compliance Program:

(1) The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Purchase Order or Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

(2) As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all applicable provisions of law, the Contractor 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 Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

49. 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.

50. 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.

51. CONTRACTOR RESPONSIBILITY AND DEBARMENT: The following requirements set forth in the Ordinance 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 on County contracts for a specified period of time not to exceed 3 years, and terminate any or all existing contracts 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 any term of an Agreement with the County, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County or any other public entity, 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 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. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.

F. 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. These terms shall also apply to subcontractors/subconsultants of County Contractors.

52. <u>CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM</u>: 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 thirty (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.

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.

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

53. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT: 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.

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.

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.

54. 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 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.

55. 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 days prior written notice thereof to the other party.

To Contractor:	New Directions, Inc.
	11303 Wilshire Blvd., V.A. Bldg. 116
	Los Angeles CA 90073
Attention:	Toni Reinis
	Executive Director
To County:	Department of Mental Health
	Contracts Development and Administration Division
	550 South Vermont Ave., 5th Floor
	Los Angeles, CA 90020
Attention:	Chief of Contracts

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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, 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

New Directions, Inc.
CONTRACTOR

By _____

Name Toni Reinis

Title Executive Officer

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

LLOYD W. PELLMAN
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. "Capitated Rate" means a fixed amount, including all revenue, interest and return, per enrolled individual/member paid monthly to Contractor for providing comprehensive mental health services/activities under this Agreement as required in that period for the covered individual/member. All fees paid by or paid on behalf of an enrolled individual/member and all other revenue, interest and return resulting from the same service shall be deducted from the Capitated Rate. In no event shall the County's obligation exceed the CGF allocation as shown in the applicable Negotiated Rate - ISA/Partners (Capitated Rate) Financial Exhibit column(s) which are identified on the Financial Summary;

E. "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;

F. "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;

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;

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DEFINITIONS CONTINUED

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;

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. EPSDT funds consist of fifty percent Title XIX FFP funds, and fifty percent State funds. 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., and/or Title IV-A Emergency Assistance services as authorized by Title IV of the Social Security Act; 42 United States Code Section 601 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, and/or Title IV-A Emergency Assistance services, and/or Medicare Partial Hospitalization services;

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

T. "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;

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

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

W. "MIS" means DMH's Management Information System which includes RGMS as one subsystem;

DEFINITIONS CONTINUED

X. "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;

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

Z. PLCP means Primary Linkage and Coordination Programs which are responsible for the linkage and coordination of specialty mental health professional services provided by members of the Local Mental Health Plan (LMHP) Provider Network to Medi-Cal beneficiaries including Medi-Cal Prepaid Health Plan members;

AA. "RO/TCM Manual" means SDMH's Short-Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management;

BB. "RGMS" means DMH's Revenue Generation Management System which is included as a subsystem in MIS;

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

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

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

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

GG. "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, and/or Title IV-A Emergency Assistance services;

HH. "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;

DEFINITIONS CONTINUED

II. "State" means the State of California;

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

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

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

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

NN. Not Applicable;

OO. Not Applicable;

PP. Not Applicable;

QQ. Not Applicable;

RR. Not Applicable;

SS. "Maximum Contract Amount" 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 Maximum Contract Amount shall be equal to the Net Program Budget;

TT. "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; and

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

Contractor Name : New Directions, Inc.

Legal Entity No : TBA

DMH Legal Entity Agreement (Financial Summary Page)
Fiscal Year: 2002-2003
Period : Upon Board approval through June 30, 2003

ATTACHMENT II

Categories		ASOC												MAA	Sources of Funding Totals
Provider Number (s)		TBA													
Reimbursement Method		NR												CR	
Financial Exhibits (FE):		A													
	Eligible for FFP Match														
A. Allocations:															
1. Realignment	Yes	$ 29,167													$ 29,167
2. STOP	Yes														
3. SCHIFF-CARDENAS	Yes														
4. Other	Yes														$ -
5. Other	Yes														$ -
B. Pass Through:															
1. FFP															
2. EPSDT--SGF															
3. SB90															
4. Other															$ -
C. Third Party:															
1. Medicare															$ -
2. Patient Fees															$ -
3. Insurance															$ -
4. Other															$ -

Maximum Contract Amount/Net Program Budget (A+B): $ 29,167

Gross Program Budget (A+B+C): $ 29,167

For PARTNERS/ISA only:

Footnotes Section:

FN:Almansor Fin Sum 02-03

Contractor Name : New Directions, Inc.

Legal Entity No : TBA

DMH Legal Entity Agreement (Rate Summary Page)

Fiscal Year: 2002-2003

Period : Upon Board approval through June 30, 2003

MENTAL HEALTH SERVICES		Mode of Service	SFC RANGE	Rates	FE for 7184 7368	FE for 7184	FE for 7368	FE for 7184	FE for 7368	FE for	FE for	FE for	FE for	FE for	FE for
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	Indigent	05	36 - 39												
	Regular	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 Rehabilitative : Half Day		10	91-94												
Day Rehabilitative : Full Day		10	95-99												
C. OUTPATIENT SERVICES:															
Case Management, Brokerage		15	01 - 09												
Mental Health Services		15	10 - 19 /30-59												
Therapeutic Behavioral Services (TBS)		15	58												
Medication Support		15	60 - 69												
Crisis Intervention		15	70 - 79												
D. OUTREACH SERVICES :															
Mental Health Promotion		45	10 - 19												
Community Client Services		45	20 - 29	29.00	A										
E. SUPPORT SERVICES :															
Life Support/Board & Care		60	40 - 49												
Case Management Support		60	60 - 69		B										
Flexible Funding (Cost Reimbursement) Identify the applicable FE column(s)		60	64		C										
F. HEALTHY FAMILIES :															
Alcohol/Drug Abuse Counseling and Ed. Srvcs.															

Abbreviations: SFC - Service Function Code; FE - Financial Exhibit

Contractor Name : New Directions, Inc.

Legal Entity No : TBA

DMH Legal Entity Agreement (Financial Summary Page)
Fiscal Year: 2003-2004
Period : July 1, 2003 through June 30, 2004

Categories		ASOC												MAA	Sources of Funding Totals
Provider Number (s)		TBA													
Reimbursement Method		NR												CR	
Financial Exhibits (FE):		A													
	Eligible for FFP Match														
A. Allocations:															
1. Realignment	Yes	$ 175,000													$ 175,000
2. STOP	Yes														
3. SCHIFF-CARDENAS	Yes														
4. Other	Yes														$ -
5. Other	Yes														$ -
B. Pass Through:															
1. FFP															
2. EPSDT–SGF															
3. SB90															
4. Other															$ -
C. Third Party:															
1. Medicare															$ -
2. Patient Fees															$ -
3. Insurance															$ -
4. Other															$ -

Maximum Contract Amount/Net Program Budget (A+B): $ 175,000

Gross Program Budget (A+B+C): $ 175,000

For PARTNERS/ISA only:

Footnotes Section:

FN:Almansor Fin Sum 02-03

Contractor Name : New Directions, Inc.

Legal Entity No : TBA

DMH Legal Entity Agreement (Rate Summary Page)

Fiscal Year: 2003-2004

Period : July 1, 2003 through June 30, 2004

MENTAL HEALTH SERVICES		Mode of Service	SFC RANGE	Rates	FE for 7184 7368	FE for 7184	FE for 7368	FE for 7184	FE for 7368	FE for	FE for	FE for	FE for	FE for	FE for
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	Indigent	05	36 - 39												
	Regular	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 Rehabilitative : Half Day		10	91-94												
Day Rehabilitative : Full Day		10	95-99												
C. OUTPATIENT SERVICES :															
Case Management, Brokerage		15	01 - 09												
Mental Health Services		15	10 - 19 /30-59												
Therapeutic Behavioral Services (TBS)		15	58												
Medication Support		15	60 - 69												
Crisis Intervention		15	70 - 79												
D. OUTREACH SERVICES :															
Mental Health Promotion		45	10 - 19												
Community Client Services		45	20 - 29	29.00	A										
E. SUPPORT SERVICES :															
Life Support/Board & Care		60	40 - 49												
Case Management Support		60	60 - 69		B										
Flexible Funding (Cost Reimbursement) Identify the applicable FE column(s)		60	64		C										
F. HEALTHY FAMILIES :															
Alcohol/Drug Abuse Counseling and Ed. Srvcs.															

Abbreviations: SFC - Service Function Code; FE - Financial Exhibit

FN:Almansor Fin Sum 02-03

Contractor Name : New Directions, Inc.

Legal Entity No : TBA

DMH Legal Entity Agreement (Financial Summary Page)
Fiscal Year: 2004-2005
Period : July 1, 2004 through June 30, 2005

Categories		ASOC												MAA	Sources of Funding Totals
Provider Number (s)		TBA													
Reimbursement Method		NR												CR	
Financial Exhibits (FE):		A													
	Eligible for FFP Match														
A. Allocations:															
1. Realignment	Yes	$ 175,000													$ 175,000
2. STOP	Yes														
3. SCHIFF-CARDENAS	Yes														
4. Other	Yes														$ -
5. Other	Yes														$ -
B. Pass Through:															
1. FFP															
2. EPSDT–SGF															
3. SB90															
4. Other															$ -
C. Third Party:															
1. Medicare															$ -
2. Patient Fees															$ -
3. Insurance															$ -
4. Other															$ -

Maximum Contract Amount/Net Program Budget (A+B): $ 175,000

Gross Program Budget (A+B+C): $ 175,000

For PARTNERS/ISA only:

Footnotes Section:

FN:Almansor Fin Sum 02-03

Contractor Name : New Directions, Inc.

Legal Entity No : TBA

DMH Legal Entity Agreement (Rate Summary Page)

Fiscal Year: 2004-2005

Period : July 1, 2004 through June 30, 2005

MENTAL HEALTH SERVICES		Mode of Service	SFC RANGE	Rates	FE for 7184 7368	FE for 7184	FE for 7368	FE for 7184	FE for 7368	FE for	FE for	FE for	FE for	FE for	FE for
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	Indigent	05	36 - 39												
	Regular	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 Rehabilitative : Half Day		10	91-94												
Day Rehabilitative : Full Day		10	95-99												
C. OUTPATIENT SERVICES															
Case Management, Brokerage		15	01 - 09												
Mental Health Services		15	10 - 19 /30-59												
Therapeutic Behavioral Services (TBS)		15	58												
Medication Support		15	60 - 69												
Crisis Intervention		15	70 - 79												
D. OUTREACH SERVICES															
Mental Health Promotion		45	10 - 19												
Community Client Services		45	20 - 29	29.00	A										
E. SUPPORT SERVICES															
Life Support/Board & Care		60	40 - 49												
Case Management Support		60	60 - 69		B										
Flexible Funding (Cost Reimbursement) Identify the applicable FE column(s)		60	64		C										
F. HEALTHY FAMILIES															
Alcohol/Drug Abuse Counseling and Ed. Srvcs.															

Abbreviations: SFC - Service Function Code; FE - Financial Exhibit

ATTACHMENT III
DMH LEGAL ENTITY AGREEMENT

Service Delivery Site Exhibit

CONTRACTOR NAME: New Directions, Inc.

LEGAL ENTITY NO.: TBA **PERIOD:** Upon Board approval through June 30, 2005

*DESIGNATED PROGRAM OFFICE	SERVICE EXHIBIT NO.	PROV. NO.	SERVICE DELIVERY SITE(S)	M.H. SERVICE AREA(S) SERVED	SITE SUP. DISTRICT
ASOC	1, 2 & 3	TBA	11301 Wilshire Blvd., #257, Los Angeles, CA 90073	5	3

*Legend: ASOC(A) Critical Care (CC) Homeless (H)
CSOC (C) Court Programs (CP) Managed Care (MC)

FN:Almansor Svc Deli Site Exhibit

SERVICE EXHIBIT A

OUTREACH SERVICES

(MODE OF SERVICE 45)

1. GENERAL: Outreach services are delivered in the community-at-large to special population groups, to human services agencies, and to individuals and families who are not usually patients/clients of the mental health system. The intent of these services is to enhance the mental health of the general population, to prevent the onset of mental health problems in individuals and communities, and to assist those persons experiencing stress who are not reached by traditional mental health treatment services to obtain a more adaptive level of functioning. Outreach services are either community-related (Mental Health Promotion Services) or patient/client-related (Community Client Services).

The services to be provided hereunder are generally described in the CR/DC Manual, Chapter I (Introduction).

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.

2. PERSONS TO BE SERVED: Contractor shall provide services primarily within Los Angeles County Mental Health Service Areas identified on the Service Delivery Site Exhibit to the target population designated by Director.

(501: Revised 6/1/92)

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. PROGRAM ELEMENTS AND SERVICES: Contractor shall provide services to the community (Mental Health Promotion Services) and/or individual patients/clients (Community Client Services) in accordance with Contractor's Negotiation Package and any addenda thereto, as approved in writing by Director, for the term of this Agreement. Services shall include, but are not limited to:

A. Mental Health Promotion Services: Services shall be directed toward: (1) enhancing and/or expanding agencies' or organizations' knowledge and skills in the mental health field for the benefit of the community-at-large or special population groups, and (2) providing education and/or consultation to individuals and communities regarding mental health service programs in order to prevent the onset of mental health problems. Services shall

include, but are not limited to:

(1) Contact with school personnel, residential care providers, criminal justice system personnel, and others, in regard to meeting the mental health needs of the populations they serve;

(2) Providing classes (such as parenting and drug abuse) requested by local schools, law enforcement agencies, and others, to high-risk, minority adolescents;

(3) Participation in the organization of community advisory committees regarding local mental health needs; and

(4) Training individuals, human service organizations, and others on how residents may be better informed of services available at their local mental health center.

B. Community Client Services: Services shall be directed toward: (1) assisting individuals and families for whom there is no open case record to achieve a more adaptive level of functioning through single contact or occasional contact, and (2) enhancing or expanding the knowledge and skills of human services agency staff in meeting the needs of mental health patients/

clients. Services shall include, but are not limited to:

(1) Contact with school personnel, residential care providers, criminal justice system personnel, and others, in regard to specific mental health problems of individual patients/clients within their target population;

(2) Presentations that import principles of sound mental health to high risk populations experiencing symptoms that, if unattended, could lead to mental health treatment;

(3) Providing leadership in organizing self-help type support groups within an existing human services program or agency; and

(4) Home or field visits to underserved populations who can not or are unwilling to avail themselves to mental health services.

SERVICE EXHIBIT B

CASE MANAGEMENT SUPPORT SERVICES

(MODE OF SERVICE 60)

1. GENERAL: Case management support services supplement direct case management services and are designed to be system-oriented and not directed to specific patients/clients. Services shall include, but are not limited to, case management activities which are not related to identified patients/clients.

The services to be provided hereunder are generally described in the CR/DC Manual, Chapter I (Introduction).

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.

2. PERSONS TO BE SERVED: Contractor shall provide services to emotionally disturbed children referred by the Family Preservation Lead Agency and Department of Children's Services who are at high risk of removal from their homes, to acutely and severely mentally disturbed children and adolescents and clients who are eligible for the State's Special Education Pupil (SEP) Program who reside primarily within County Mental Health Service Areas 4 and 6, who are referred to Contractor by Director, and who are characterized by at least one of the following:

A. Patient/client had an admission to a local psychiatric hospital or State psychiatric hospital within the past year.

B. Patient/client has a mental or emotional condition that has been diagnosed in the past year as a serious mental disorder.

C. Patient/client has a diagnosed mental disorder requiring the coordination of mental health services with related social service systems.

D. Patient/client, as a result of any evaluation, has been determined to be incapable of appropriately utilizing available mental health resources or living independently in the community.

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. PROGRAM ELEMENTS AND SERVICES: Contractor shall provide services to mental health systems and related social service systems and organizations in accordance with Contractor's Negotiation Package and any addenda thereto, as approved in writing by Director, for the term of this Agreement. Services shall not be provided for specific patients/clients and shall include, but are not limited to:

A. Coordinating services provided by local agencies and community resources to avoid duplication of services and to assure a continuum of care on a systemwide basis;

B. Establishing specific linkages with local agencies and community resources in preparation for relationships for the benefit of all patients/clients provided case management services;

C. Providing consultation and education for local agencies and community resources regarding case management services issues and case management support services issues;

D. Establishing systems of planning, monitoring and evaluation of case management services;

E. Providing case management services to patients/clients and their families when there is no open case management services record;

F. Facilitating the development and utilization of appropriate community resources; and

G. Engaging in discussions and activities preparatory to a patient/client beginning an aftercare program and prior to the patient's/client's acceptance of the aftercare plan.

Provider No. TBA

SERVICE EXHIBIT C

CLIENT SUPPORTIVE SERVICES

I. OVERVIEW

The inception in 1991 of Realignment and the Rehabilitation Option in California public mental health services enabled counties to expand mental health services into non-traditional areas and move the focus of service provision from clinics into the community. Counties can now treat clients in a holistic way, taking into consideration all of their needs. In order to support and maintain clients' highest level of functioning, mental health services addressing the areas of housing, personal, vocational, and program/socialization needs must be provided, in addition to more traditional therapeutic services.

With the inception in 2000 of the AB 2034 Program, with its focus on individuals who are homeless, recently released from jail or prison, or who are untreated, unstable, and at risk of incarceration or homelessness, the State mandated that counties provide services in all of the above areas. In response to this mandate, counties designed and implemented contracts, policies, procedures and payment processes that supported the provision of these services.

The Department of Mental Health (DMH) provides services to many mentally ill individuals in need of assistance with housing, personal, vocational and program/socialization needs in addition to therapeutic interventions. Many DMH clients receive services from mental health programs other than the AB 2034 Program. DMH has developed this service exhibit to facilitate making these services available to any clients of its agencies and programs, wherever needed.

II. PROGRAM ELEMENTS AND SERVICES

A. Housing Expenses

Key goals of mental health services include assisting clients in achieving stability and living in the least restrictive setting possible. Stable, affordable housing is of critical importance to achieving these goals. Funding for housing expenses may be utilized to augment existing housing resources for clients, who may be linked to a broad array of housing, ranging from temporary/emergent housing to permanent housing. Clients may receive assistance with housing expenses, including, but not limited to, rental and utility deposits, ongoing assistance with utility expenses, furniture, appliances, housewares, moving expenses, repair of housing damages caused by the client, and expenses related to prevention of eviction.

Upon pre-approval by the Director of Mental Health, the services of housing specialists and capital development projects may be included. All fixed assets or real estate acquisitions purchased within the parameters of this exhibit require the Director's prior approval.

B. Personal/Community Integration Expenses

Funding may be provided to assist clients in achieving their treatmant goals and in supporting their integration into the larger community. Items may include, but are not limited to, food, clothing, school supplies, tuition, transportation, hygiene and personal items, medical and dental care, prescriptions, laboratory tests, dental work and eyeglasses.

C. Vocational Expenses

Funding may be provided to maximize clients' ability to achieve their vocational goals. To prepare and support clients in obtaining employment, these funds can be allocated for, but are not limited to, educational/vocational supplies and training, job searches, job development, job placement, job coaching, and the services of vocational specialists.

III. PERSONS TO BE SERVED

DMH contractors serve clients of all ages, races, cultures and conditions who are severely and persistently mentally ill. Persons to be served by this program include individuals with insufficient funds to provide the materials and resources necessary to achieve their treatment goals.

IV. REIMBURSEMENT

The procedures for reimbursement for Client Supportive Services expenditures are provided in Attachment A.

ATTACHMENT A

CLIENT SUPPORTIVE SERVICES
REIMBURSEMENT PROCEDURES

The following procedures will be used for reimbursement of Client Supportive Services expenditures:

1. **EXPENDITURES ELIGIBLE FOR REIMBURSEMENT THROUGH CLIENT SUPPORTIVE SERVICES**

   A. Housing

   Expenditures to augment existing housing resources for clients who may be linked to a broad array of housing, ranging from temporary/emergent housing to permanent housing, may be reimbursed. Clients may receive assistance with housing expenses, including, but not limited to, rental and utility deposits, ongoing assistance with utility expenses, furniture, appliances, housewares, moving expenses, repair of housing damages caused by the client, housing outreach and searches, assisting clients in obtaining letters of reference, preparing for housing interviews, and expenses related to prevention of eviction.

   Upon pre-approval by the Director of Mental Health, the services of housing specialists and capital development projects may be included. All fixed assets or real estate acquisitions purchased within the parameters of this exhibit require the Director's prior approval.

   B. Personal/Community Integration

   Expenditures to assist clients in achieving their treatmant goals and to support their integration into the community may be reimbursed. Personal/community integration items for clients may include, but are not limited to, food, clothing, transportation, school supplies, tuition, hygiene and personal items, medical and dental care, prescriptions, laboratory tests, dental work and eyeglasses.

   C. Vocational

   Expenditures to maximize clients' ability to achieve their vocational goals may be reimbursed. To prepare and support clients in obtaining employment, these funds can be allocated for, but are not limited to, educational/vocational supplies and training, job searches, job development, job placement, job coaching, and the services of vocational specialists.

   Staff time and services in the above areas (Subsections A-C) are reimbursable for those activities which are not Medi-Cal reimbursable services.

2. REIMBURSEMENT GUIDELINES

The funds allocated for Client Supportive Services shall be used only when there are no other funds available. If the client is a current Supplemental Security Income (SSI) recipient, Client Supportive Services' funds shall be utilized only after it has been clearly established that there are no SSI funds available for housing, personal/community integration, vocational, and other expenditures.

3. DOCUMENTATION REQUIREMENTS FOR REIMBURSEMENT

The following supportive documentation shall be maintained on file with the Contract Provider in accordance with the Records and Audits paragraph of the Agreement:

a) Original receipts to support payment invoices (If an original receipt is not obtainable, a copy of the receipt or justification as to why the receipt was not obtained should be retained), identifying individual clients and/or bulk purchases;

b) Copies of original rental agreements, including the "Return of Security and Rental Deposit Agreement", signed by the client and the property owner or authorized agent, when a client receives or secures an apartment or a house;

c) Copies of signed checks issued and petty cash payments; and

d) Copies of staff time records identifying time spent on providing eligible housing, vocational, and socialization services that are not being captured through mental health units of service billings.

Each Contract Provider shall, on the last day of each month, complete the Client Supportive Services invoice indicating the categories of expenses (housing, personal/community integration or vocational), and the amount spent, including staff salaries expended. All claims are to be submitted by Contractor to DMH within sixty (60) days from the month of the expenditure occurrence.

The Client Supportive Services Expense Claim form(s) (Attachment B) shall be submitted to:

County of Los Angeles - Department of Mental Health
550 S. Vermont Avenue, 12th Floor
Los Angeles, CA 90020
ATTN: Adult Systems of Care Program Manager

4. DMH REVIEW AND APPROVAL OF INVOICES

The DMH Adult Systems of Care (ASOC) Program Manager will review monthly invoices and sign to affirm that expenditures meet established Client Supportive Services Procedures. Approved invoices will be forwarded to the DMH Provider Reimbursment Unit for payment.

DMH shall process all completed requests for Client Supportive Services reimbursement

on a monthly basis. The judgment of DMH as to the allowability of any expenditure shall be final.

5. **MONTHLY RECONCILIATION REPORT**

DMH has allocated each Contract Provider a specified amount of funding for Client Supportive Services. Monthly reconciliation reports will be generated by the Provider Reimbursement Unit for each Contract Provider to ensure expenditures have not been exceeded. The County shall not be liable for reimbursement of any expenses claimable hereunder in the event that any contractor exceeds its allocation or violates the terms and conditions of the Client Supportive Services Procedures or the Legal Entity Agreement.

ATTACHMENT B

County of Los Angeles-Department of Mental Health-Provider Reimbursement Division

Monthly Claim for Cost Reimbursement

Fiscal Year _____

SPECIAL HANDLING REQUIRED

SPECIAL HANDLING REQUIRED

Client Supportive Services

Funding Source Name: _____

Legal Entity Name: _____

Legal Entity Mailing Address: _____

Billing Month(s): _____ Contract Amendment No.: _____

Provider Number(s): _____

1. Expenditures:

1.1	Housing	_____	(1.1)
1.2	Personal/Community Integration	_____	(1.2)
1.3	Vocational	_____	(1.3)
1.4	Other	_____	(1.4)

2. Total Expenditures (add lines 1.1 through 1.4) _____ (2.)

3. Less: Patient & Third Party Revenues

3.1	Patient Fees	_____	(3.1)
3.2	Patient Insurance	_____	(3.2)
3.3	Medicare	_____	(3.3)
3.4	Other: _____	_____	(3.4)

4. Total Revenues (add lines 3.1 through 3.4) _____ (4.)

5. Expenditures less revenues (subtract line 4 from line 2) _____ (5.)

6. Total Net Costs _____ (6.)

7. **Total Payment Requested** _____ (7.)

Comments: _____

I hereby certify that all information contained above are services and costs eligible under the terms and conditions for reimbursement under Client Supportive Services and is true and correct to the best of my knowledge. All supporting documentation will be maintained in a separate file for the period specified under the provsions of the Mental Health Services Agreement - Legal Entity, Paragraph 11, Section A, Sub-section (1), Sub-section (1)(a), Sub-section (1)(b), Sub-section (2), Sub-section (3), and Sub-section (4).

NOTE: THE SERVICES OF HOUSING SPECIALISTS AND CAPITAL DEVELOPMENT PROJECTS, INCLUDING ALL FIXED ASSETS OR REAL ESTATE ACQUISITIONS PURCHASED WITHIN THE PARAMETERS OF CLIENT SUPPORTIVE SERVICES, REQUIRE THE DIRECTOR'S PRIOR APPROVAL.

Signature: _____ Phone No.: _____

Title: _____ Date: _____

LAC-DMH Program Approval:

_____ Approved By

_____ Date

_____ Title

EX 1010b