

1 **DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT**

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CONTRACTOR:

Contract Number

Business Address:

Reference Number(s)

Legal Entity Number

Provider Number(s) _____

Contractor Headquarters' Supervisorial District _____

Mental Health Service Area(s) _____ OR Countywide _____

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

DISTRIBUTION

(Please type in the applicable name for each)

Deputy Director _____ Lead Manager _____

K: S _____ --or-- U _____

LEGAL ENTITY AGREEMENT FY 10-11 4/7/2010

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LEGAL ENTITY AGREEMENT FY 10-11 4/7/2010

DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

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THIS AGREEMENT is made and entered into this ____ day of _____, _____,
by and between the County of Los Angeles (hereafter "County"), and _____

_____(hereafter "Contractor") with the following business address at _____

_____.

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

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

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

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

WHEREAS, these services shall be provided by Contractor in accordance with all applicable federal, State and local laws, required licenses, ordinances, rules, Regulations, manuals, guidelines, and directives, which may include, but are not necessarily limited to, the following: Bronzan-McCorquodale Act, 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

APPENDIX H

1 14132.44; California Welfare and Institutions Code Section 15600 et seq., including
2 Section 15630; California Welfare and Institutions Code Section 17601 et seq.; California
3 Work Opportunities and Responsibilities to Kids Act, California Welfare and Institutions
4 Code Section 11200 et seq.; California Government Code Sections 26227 and 53703;
5 Title XIX of the Social Security Act, 42 United States Code Section 1396 et seq.; Part B
6 of Title XIX of the Public Health Service Act, 42 United States Code Section 300x et
7 seq.; Title XXI of the Social Security Act; California Penal Code (PC) Section 11164 et
8 seq.; Title 9 and Title 22, including, but not limited to, Sections 51516, 70001, 71001,
9 72001 et seq., and 72443 et seq. of the California Code of Regulations; 45 Code of
10 Federal Regulations Parts 160 and 164 and California Welfare and Institutions Code
11 Section 5328 et seq.; State Department of Mental Health's (SDMH) Cost Reporting/Data
12 Collection Manual (CR/DC); Los Angeles County DMH Organizational Provider's Manual
13 for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case
14 Management Services; State Department of Mental Health's Cost and Financial
15 Reporting System Instruction Manual; Federal Office of Management and Budget
16 Circular A-122 (Cost principles for non-profit organizations); Federal Office of
17 Management and Budget Circular A-133 (Audits of states, local governments, and non-
18 profit organizations); Auditor-Controller Contract Accounting and Administration
19 Handbook; policies and procedures developed by County; State's Medicaid Plan; and
20 policies and procedures which have been documented in the form of Policy Letters
21 issued by State Department of Mental Health; and/or for State Department of Health
22 Services; and

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

25 NOW, THEREFORE, Contractor and County agree as follows:

26 PREAMBLE

**For over a decade, the County has collaborated with its community partners to enhance
28 the capacity of the health and human services system to improve the lives of
29 children and families. These efforts require, as a fundamental expectation, that
30 the County's contracting partners share the County and community's commitment**

1 **to provide health and human services that support achievement of the County's**
 2 **vision, goals, values, and adopted outcomes. Key to these efforts is the**
 3 **integration of service delivery systems and the adoption of the Customer Service**
 4 **and Satisfaction Standards.**

5 The County of Los Angeles' Vision is to improve the quality of life in the County by
 6 providing responsive, efficient, and high quality public services that promote the self-
 7 sufficiency, well-being and prosperity of individuals, families, businesses and
 8 communities. This philosophy of teamwork and collaboration is anchored in the shared
 9 values of:

- 10
- | | |
|-------------------|-------------------------|
| ➤ Responsiveness | ➤ Integrity |
| ➤ Professionalism | ➤ Commitment |
| ➤ Accountability | ➤ A Can-Do Attitude |
| ➤ Compassion | ➤ Respect for Diversity |

11

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

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

- 23
- Good Health;
 - 24 • Economic Well-Being;
 - 25 • Safety and Survival;
 - 26 • Emotional and Social Well-Being; and
 - 27 • Education and Workforce Readiness.

Recognizing no single strategy – in isolation – can achieve the County's outcomes of
 29 **well-being for children and families, consensus has emerged among County and**

1 **community leaders that making substantial improvements in integrating the**
2 **County’s health and human services system is necessary to significantly move**
3 **toward achieving these outcomes. The County has also established the following**
4 **values and goals for guiding this effort to integrate the health and human services**
5 **delivery system:**

- 6 ✓ **Families are treated with respect in every encounter they have with the**
7 **health, educational, and social services systems.**
- 8 ✓ **Families can easily access a broad range of services to address their**
9 **needs, build on their strengths, and achieve their goals.**
- 10 ✓ **There is no “wrong door”: wherever a family enters the system is the**
11 **right place.**
- 12 ✓ **Families receive services tailored to their unique situations and needs.**
- 13 ✓ **Service providers and advocates involve families in the process of**
14 **determining service plans, and proactively provide families with**
15 **coordinated and comprehensive information, services, and resources.**
- 16 ✓ **The County service system is flexible, able to respond to service**
17 **demands for both the Countywide population and specific population**
18 **groups.**
- 19 ✓ **The County service system acts to strengthen communities,**
20 **recognizing that just as individuals live in families, families live in**
21 **communities.**
- 22 ✓ **In supporting families and communities, County agencies work**
23 **seamlessly with public and private service providers, community-based**
24 **organizations, and other community partners.**
- 25 ✓ **County agencies and their partners work together seamlessly to**
26 **demonstrate substantial progress towards making the system more**
27 **strength-based, family-focused, culturally-competent, accessible, user-**
28 **friendly, responsive, cohesive, efficient, professional, and accountable.**
- 29 ✓ **County agencies and their partners focus on administrative and**
30 **operational enhancements to optimize the sharing of information,**

1 resources, and best practices while also protecting the privacy rights of
2 families.

- 3 ✓ County agencies and their partners pursue multi-disciplinary service
4 delivery, a single service plan, staff development opportunities,
5 infrastructure enhancements, customer service and satisfaction
6 evaluation, and revenue maximization.
- 7 ✓ County agencies and their partners create incentives to reinforce the
8 direction toward service integration and a seamless service delivery
9 system.
- 10 ✓ The County human service system embraces a commitment to the
11 disciplined pursuit of results accountability across systems.
12 Specifically, any strategy designed to improve the County human
13 services system for children and families should ultimately be judged
14 by whether it helps achieve the County's five outcomes for children and
15 families: good health, economic well-being, safety and survival,
16 emotional and social well-being, and education and workforce
17 readiness.

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

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

Personal Service Delivery

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

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

Service Access

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

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

SERVICE ENVIRONMENT

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

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

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

1. TERM:

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

B. Automatic Renewal Period(s): After the Initial Period, this Agreement shall be automatically renewed two additional periods without further action by the parties

1 hereto unless either party desires to terminate this Agreement at the end of either the
2 Initial Period or First Automatic Renewal Period and gives written notice to the other
3 party not less than 30 calendar days prior to the end of the Initial Period or the end of the
4 First Automatic Renewal Period, as applicable.

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

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

11 /

12 2. TERMINATION WITHOUT CAUSE: This Agreement may be terminated by either
13 party at any time without cause by giving at least 30 calendar days prior written notice to
14 the other party.

15 3. IMMEDIATE TERMINATION BY COUNTY:

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

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

21 (2) Contractor has failed to comply with any of the provisions of
22 Paragraphs 18 (NONDISCRIMINATION IN SERVICES), 19 (NONDISCRIMINATION IN
23 EMPLOYMENT), 21 (INDEMNIFICATION AND INSURANCE), 22 (WARRANTY
24 AGAINST CONTINGENT FEES), 23 (CONFLICT OF INTEREST), 28 (DELEGATION
25 AND ASSIGNMENT), 29 (SUBCONTRACTING), 34 (CHILD SUPPORT COMPLIANCE
26 PROGRAM), 48 (CERTIFICATION OF DRUG-FREE WORK PLACE), 54
27 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED
28 PROGRAM) and/or 63 (CONTRACTOR'S WARRANTY OF COMPLIANCE WITH
29 COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM); or

1 (3) In accordance with Paragraphs 35 (TERMINATION FOR
2 INSOLVENCY), 36 (TERMINATION FOR DEFAULT), 37 (TERMINATION FOR
3 IMPROPER CONSIDERATION), 49 (COUNTY LOBBYISTS), and/or 64 (TERMINATION
4 FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S
5 DEFAULTED PROPERTY TAX REDUCTION PROGRAM).

6 B. In the event that this Agreement is terminated, then:

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

11 (2) Upon issuance of any notice of termination, Contractor shall make
12 immediate and appropriate plans to transfer or refer all patients/clients receiving services
13 under this Agreement to other agencies for continuing services in accordance with the
14 patient's/client's needs. Such plans shall be subject to prior written approval of Director
15 or his designee, except that in specific cases, as determined by Contractor, where an
16 immediate patient/client transfer or referral is indicated, Contractor may make an
17 immediate transfer or referral. If Contractor terminates this Agreement, all costs related
18 to all such transfers or referrals as well as all costs related to all continuing services shall
19 not be a charge to this Agreement nor reimbursable in any way under this Agreement;
20 and

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

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

26 C. Six Months Notification of Agreement Expiration: Contractor shall notify
27 County when this Agreement is within six (6) months of expiration. Contractor shall send
28 such notice to those persons and addresses which are set forth in Paragraph 65
29 (NOTICES).

30 **4. ADMINISTRATION: The Director of Mental Health (Director) shall have**
31 **the authority to administer this Agreement on behalf of the County. All references**

1 **to the actions or decisions to be made by the County in this Agreement shall be**
2 **made by the Director unless otherwise expressly provided.**

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

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

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

14 Contractor shall be responsible for delivering services to new clients to the extent
15 that funding is provided by County. Where Contractor determines that services to new
16 clients can no longer be delivered, Contractor shall provide 30 calendar days prior notice
17 to County. Contractor shall also thereafter make referrals of new clients to County or
18 other appropriate agencies.

19 Contractor shall not be required to provide the notice in the preceding paragraph
20 when County reduces funding to Contractor, either at the beginning or during the fiscal
21 year. In addition, when County cuts the funding for a particular program provided by
22 Contractor, Contractor shall not be responsible for continuing services for those clients
23 linked to that funding. Contractor shall also thereafter make referrals of those clients to
24 County or other appropriate agencies.

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

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

1 If, during Contractor's provision of services under this Agreement, there is any need
2 for substantial deviation from the services as described in Contractor's Negotiation
3 Package for this Agreement, as approved in writing by Director, then Contractor shall
4 submit a written request to Director for written approval before any such substantial
5 deviation may occur. A 30% variance of actual services from those projected and shown
6 by Contractor in the Negotiation Package will be considered a substantial deviation in
7 service delivery.

8 Contractors shall not be eligible to provide mental health services claimable under the
9 Mental Health Services Act (MHSA) unless Contractor has been found to be eligible to
10 provide mental health services as follows: (1) Contractor has submitted to the County a
11 Statement of Qualifications (SOQ) in response to County's Request For Statement of
12 Qualifications (RFSQ) for the provision of such services; Contractors has met the minimum
13 qualifications listed in the RFSQ and has been selected for recommendation for placement
14 on a MHSA Master Agreement eligibility list; and Contractor has demonstrated experience
15 and training in its specialized field and has been selected to provide MHSA services
16 pursuant to a Request for Services, or (2) Contractor intends to transform a portion of its
17 services to MHSA services, Contractor has submitted an abbreviated negotiation package
18 outlining the planned transformation and County has approved Contractor to provide MHSA
19 services through the transformation process. Placement on the Master Agreement
20 eligibility list does not guarantee that Contractor will be selected to provide mental health
21 services claimable as MHSA services. In order to provide mental health services claimable
22 as MHSA services, a provider must have been selected to provide MHSA services
23 pursuant to a Request for Services or be approved by the County to provide MHSA service
24 through the transformation process.

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

29 7. PRIOR AGREEMENT(S) SUPERSEDED:

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

TITLE COUNTY AGREEMENT NUMBER

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

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

9 C. Notwithstanding any other provision of this Agreement or the Agreement(s)
10 described in Subparagraph 7.A, the total reimbursement by County to Contractor under
11 all these Agreements for Fiscal Year _____ shall not exceed _____
12 _____
13 _____ DOLLARS (\$ _____); and for Fiscal Year _____
14 shall not exceed _____
15 _____ DOLLARS (\$ _____); and for Fiscal Year _____
16 shall not exceed _____
17 _____ DOLLARS (\$ _____).

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

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

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

4 A. Staff providing services under this Agreement shall be qualified and shall
5 possess all appropriate licenses in accordance with WIC Section 5603 and all other
6 applicable requirements of the California Business and Professions Code, WIC, CCR,
7 CR/DC Manual, Los Angeles County DMH Organizational Provider's Manual for
8 Specialty Mental Health Services under the Rehabilitation Option and Targeted Case
9 Management Services, SDMH Policy Letters, and shall only function within the scope of
10 practice as dictated by licensing boards/bodies.

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

15 C. During the Term of this Agreement, Contractor shall twice per year, by
16 December 31st and June 30th, provide County with accurate and complete item control
17 reports identifying all persons providing services under this Agreement. Such report
18 shall be in the manner and format determined by the County and shall include, but shall
19 not be limited to, the name, title, professional degree and license of the persons
20 providing services or performing work under this Agreement. The reports are to be
21 forwarded to the address(es) and person(s) identified in Paragraph 65 (NOTICES).

22 D. Notwithstanding the above, at all times during the term of this Agreement,
23 Contractor shall have available and shall provide upon request to authorized
24 representatives of County, a list of all persons by name, title, professional degree, and
25 experience, who are providing any services under this Agreement.

26 9. STAFF TRAINING AND SUPERVISION: Contractor shall institute and maintain
27 an in-service training program of treatment review and case conferences in which all its
28 professional, para-professional, intern, student and clinical volunteer personnel shall
29 participate. Contractor shall institute and maintain appropriate supervision of all persons
30 providing services under this Agreement with particular emphasis on the supervision of

1 para-professionals, interns, students, and clinical volunteers in accordance with
2 Departmental clinical supervision policy. Contractor shall be responsible for the provision
3 of mandatory training for all staff at the time of initial employment and on an ongoing
4 basis as required by federal and State law, including but not limited to HIPAA and Sexual
5 Harassment, and for the training of all appropriate staff on the Los Angeles County DMH
6 Organizational Provider's Manual for Specialty Mental Health Services under the
7 Rehabilitation Option and Targeted Case Management Services, CR/DC Manual (as
8 applicable), and other State and County policies and procedures as well as on any other
9 matters that County may reasonably require.

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

13 10. PROGRAM SUPERVISION, MONITORING AND REVIEW:

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

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

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

29 D. To assure compliance with this Agreement and for any other reasonable
30 purpose relating to performance of this Agreement, and subject to the provisions of State

1 and federal law, authorized County, State, and/or federal representatives and designees
2 shall have the right to enter Contractor's premises (including all other places where
3 duties under this Agreement are being performed), with or without notice, to: inspect,
4 monitor and/or audit Contractor's facilities, programs and procedures, or to otherwise
5 evaluate the work performed or being performed; review and copy any records and
6 supporting documentation pertaining to the performance of this Agreement; and elicit
7 information regarding the performance of this Agreement or any related work. The
8 representatives and designees of such agencies may examine, audit and copy such
9 records at the site at which they are located. Contractor shall provide access to facilities
10 and shall cooperate and assist County, State, and/or federal representatives and
11 designees in the performance of their duties. Unless otherwise agreed upon in writing,
12 Contractor must provide specified data upon request by County, State, and/or federal
13 representatives and designees within ten (10) business days.

14 11. PERFORMANCE STANDARDS AND OUTCOME MEASURES: The Contractor
15 shall comply with all applicable federal, State, and County policies and procedures
16 relating to performance standards and outcome measures, including but not limited to
17 those performance standards and outcome measures required by specific federal or
18 State rules for entities receiving their funding, those identified in Attachment X and
19 performance standards and/or outcome measures provided in the applicable MHSA
20 Service Exhibits.

21 Performance standards and/or outcome measures will be used as part of the
22 determination of the effectiveness of the services delivered by Contractor.

23 12. QUALITY MANAGEMENT PROGRAM:

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

1 (a) Patient/Client Records (Direct Services): Contractor shall
2 maintain treatment and other records for each individual patient/client of all direct
3 services (e.g., 24-hour services, day services, targeted case management, mental health
4 services, medication support, and crisis intervention) in accordance with all applicable
5 County, State and federal requirements. Treatment and other records shall include, but
6 not be limited to, patient/client identification number, patient/client face sheet, all data
7 elements required by the County's claims processing information system, consent for
8 treatment form, initial evaluation form, treatment plan, progress notes and discharge
9 summary. All patient/client records shall be maintained by Contractor at a location in Los
10 Angeles County for a minimum period that is at least equivalent to the later of any of the
11 following:

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

14 2) For un-emancipated minors, one (1) year after such
15 minor has reached the age of 18 years and in any case not less than seven (7) years;

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

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

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

25 (b) Case Management Support Services, Outreach Services, and
26 Client Supportive Services Records (Indirect Services): Contractor shall maintain
27 accurate and complete program records of all indirect services (i.e., all services other
28 than direct services) in accordance with all applicable County, State and federal
29 requirements. All program records shall be maintained by Contractor at a location in Los

1 Angeles County for a minimum period that is at least equivalent to the later of any of the
2 following:

- 3 1) Seven (7) years following the expiration or earlier
4 termination of this agreement;
- 5 2) Three (3) years after completion of all County, State
6 and/or federal audits; or
- 7 3) Three (3) years after the conclusion of any audit
8 appeal and/or when audit findings are fully resolved.

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

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

- 23 (a) Books of original entry and a general ledger.
- 24 (b) Reports, studies, statistical surveys or other information
25 Contractor used to identify and allocate indirect costs. "Indirect costs" shall mean those
26 costs as described by the guidelines, standards, and procedures which may be provided by
27 County in writing to Contractor, the Centers for Medicare and Medicaid Provider
28 Reimbursement Manual, and the Federal Office of Management and Budget Circular A-122
29 (Cost principles for non-profit organizations).

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

5 (d) A listing of all County remittances received.

6 (e) Patient/client financial folders clearly documenting:

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

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

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

13 (g) Employment records.

14 (3) The entries in all of the above financial records must be readily
15 traceable to applicable source documentation (e.g., remittance invoices, vendor invoices,
16 employee timecards signed by employee and countersigned by supervisor in ink,
17 subsidiary ledgers and journals, appointment logs, patient ledger cards, etc.). Any
18 apportionment of costs shall be made in accordance with the requirements of the State
19 Department of Mental Health Cost and Financial Reporting System (CFRS) Instruction
20 Manual, the Federal Centers for Medicare and Medicaid Provider Reimbursement
21 Manual Parts 1 and 2 (Publications #15-1 and #15-2), and Los Angeles County DMH
22 Organizational Provider's Manual for Specialty Mental Health Services under the
23 Rehabilitation Option and Targeted Case Management Services. All such records shall
24 be maintained by Contractor at a location in Los Angeles County for a minimum period
25 that is at least equivalent to the later of any of the following:

26 1) Seven (7) years following the expiration or earlier
27 termination of this agreement;

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

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

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

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

17 B. Audits:

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

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

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

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

7 (4) State Department of Mental Health Access to Records: Contractor
8 agrees that for a period of seven (7) years or until final audit is completed, which ever
9 occurs later, following the furnishing of services under this Agreement, Contractor shall
10 maintain and make available to the State Department of Mental Health, the Secretary of
11 the United States Department of Health and Human Services or the Controller General
12 of the United States, and any other authorized federal and State agencies, or to any of
13 their duly authorized representatives, the contracts, books, documents and records of
14 Contractor which are necessary to verify the nature and extent of the cost of services
15 hereunder. Furthermore, if Contractor carries out any of the services provided
16 hereunder through any subcontract with a value or cost of TEN THOUSAND DOLLARS
17 (\$10,000) or more over a 12-month period with a related organization (as that term is
18 defined under federal law), Contractor agrees that each such subcontract shall provide
19 for such access to the subcontract, books, documents and records of the subcontractor
20 as provided in Paragraph 10 and in this Paragraph 13.

21 (5) Federal Access to Records: Grant-funded programs require audits
22 and compliance with federal guidelines pursuant to Circular A-133 issued by the Federal
23 Office of Management and Budgets (OMB), If, and to the extent that, Section
24 1861(v)(1)(I) of the Social Security Act (42 United States Code Section 1395x(v)(1)(I)) is
25 applicable, Contractor agrees that for a period of seven (7) years following the furnishing
26 of services under this Agreement, Contractor shall maintain and make available to the
27 Secretary of the United States Department of Health and Human Services or the
28 Controller General of the United States, or to any of their duly authorized
29 representatives, the contracts, books, documents and records of Contractor which are
30 necessary to verify the nature and extent of the cost of services hereunder.

1 Furthermore, if Contractor carries out any of the services provided hereunder through
2 any subcontract with a value or cost of TEN THOUSAND DOLLARS (\$10,000) or more
3 over a 12-month period with a related organization (as that term is defined under federal
4 law), Contractor agrees that each such subcontract shall provide for such access to the
5 subcontract, books, documents and records of the subcontractor as provided in
6 Paragraph 10 and in this Paragraph 13.

7 14. REPORTS:

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

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

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

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

22 C. County Claims Processing Information System:

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

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

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

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

12 15. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records
13 and information, including, but not limited to, claims, County records, patient/client
14 records and information, and County claims processing information system records, in
15 accordance with WIC Sections 5328 through 5330, inclusive, and all other applicable
16 County, State, and federal laws, ordinances, rules, regulations, manuals, guidelines, and
17 directives, relating to confidentiality and privacy. Contractor shall require all its officers,
18 employees, and agents providing services hereunder to acknowledge, in writing,
19 understanding of, and agreement to fully comply with, all such confidentiality and privacy
20 provisions. Contractor shall indemnify and hold harmless County, its officers,
21 employees, and agents, from and against any and all loss, damage, liability, and
22 expense arising from any disclosure of such records and information by Contractor, its
23 officers, employees, or agents.

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

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

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

12 B. Minor Children Abuse: Contractor and all persons employed or
13 subcontracted by Contractor, shall comply with California Penal Code Section 11164 et
14 seq. and shall report all known or suspected instances of child abuse to an appropriate
15 child protective agency, as mandated by California Penal Code Sections 11164, 11165.8
16 and 11166. Contractor and all persons employed or subcontracted by Contractor, shall
17 make the report on such abuse, and shall submit all required information, in accordance
18 with California Penal Code Sections 11166 and 11167.

19 C. Contractor Staff:

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

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

29 (3) For the safety and welfare of elders, dependent adults, and minor
30 children, Contractor shall, to the maximum extent permitted by law, ascertain arrest and

1 conviction records for all current and prospective employees and shall not employ or
2 continue to employ any person convicted of any crime involving any harm to elders,
3 dependent adults, or minor children.

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

8 18. NONDISCRIMINATION IN SERVICES:

9 A. Contractor shall not discriminate in the provision of services hereunder
10 because of race, religion, national origin, ancestry, gender, age, marital status, sexual
11 orientation and/or physical or mental handicap or medical conditions (except to the
12 extent clinically appropriate), in accordance with requirements of federal and State law.
13 For the purpose of this Paragraph 18, discrimination in the provision of services may
14 include, but is not limited to, the following: denying any person any service or benefit or
15 the availability of a facility; providing any service or benefit to any person which is
16 different or is provided in a different manner or at a different time from that provided to
17 others; subjecting any person to segregation or separate treatment in any matter related
18 to the receipt of any service; restricting any person in any way in the enjoyment of any
19 advantage or privilege enjoyed by others receiving any service or benefit; and treating
20 any person differently from others in determining admission, enrollment, eligibility,
21 membership, or any other requirement or condition which persons must meet in order to
22 be provided any service or benefit. Contractor shall take affirmative steps to ensure that
23 those persons who qualify for services under this Agreement are provided services
24 without regard to ability to pay or source of payment, race, religion, national origin,
25 ancestry, gender, age, marital status, sexual orientation and/or physical or mental
26 handicap, or medical conditions.

27 B. Contractor shall establish and maintain written complaint procedures under
28 which any person applying for or receiving any services under this Agreement may seek
29 resolution from Contractor of a complaint with respect to any alleged discrimination in the
30 rendering of services by Contractor's personnel. Such procedures shall also include a

1 provision whereby any such person, who is dissatisfied with Contractor's resolution of
2 the matter, shall be referred by Contractor to Director for the purpose of presenting his
3 complaint of the alleged discrimination. Such complaint procedures shall also indicate
4 that if such person is not satisfied with County's resolution or decision with respect to the
5 complaint of alleged discrimination, such person may appeal the matter to the State, if
6 appropriate.

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

18 19. NONDISCRIMINATION IN EMPLOYMENT:

19 A. Contractor certifies and agrees that all persons employed by it, its affiliates,
20 subsidiaries, or holding companies are and will be treated equally by it without regard to,
21 or because of, race, color, religion, national origin, ancestry, gender, age, marital status,
22 sexual orientation, condition of physical disability (including HIV and AIDS) or mental
23 disability, medical condition (e.g., cancer), denial of family care leave, or political
24 affiliation, and in compliance with all applicable federal and State anti-discrimination laws
25 and regulations. The applicable regulations of the Fair Employment and Housing
26 Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5
27 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this
28 Agreement by reference and made a part hereof as if set forth in full. Contractor and its
29 subcontractors shall give written notice of their obligations under this clause to labor
30 organizations with which they have a collective bargaining or other agreement.

1 B. Contractor shall take affirmative steps to ensure that qualified applicants
2 are employed, and that employees are treated during employment without regard to
3 race, color, religion, national origin, ancestry, gender, age, marital status, sexual
4 orientation, condition of physical disability (including HIV and AIDS) or mental disability,
5 medical condition (e.g., cancer), denial of family care leave, or political affiliation. Such
6 treatment shall include, but is not limited to, the following actions: employment,
7 promotion, demotion, transfer, recruitment or recruitment advertising, layoff or
8 termination, rates of pay or other forms of compensation, selection for training, including
9 apprenticeship, and granting or denying family care leave. Contractor shall not
10 discriminate against or harass, nor shall it permit harassment of, its employees during
11 employment based upon race, color, religion, national origin, ancestry, gender, age,
12 marital status, sexual orientation, condition of physical disability (including HIV and
13 AIDS) or mental disability, medical condition (e.g., cancer), denial of family care leave, or
14 political affiliation in compliance with all applicable federal and State anti-discrimination
15 laws and regulations. Contractor shall insure that the evaluation and treatment of its
16 employees and applicants for employment are free from such discrimination and
17 harassment, and will comply with the provisions of the Fair Employment and Housing Act
18 (Government Code section 12990 et seq.) and the applicable regulations promulgated
19 thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.).

20 C. Contractor shall deal with its subcontractors, bidders, or vendors without
21 regard to or because of race, color, religion, national origin, ancestry, gender, age,
22 marital status, sexual orientation, condition of physical disability (including HIV and
23 AIDS) or mental disability, medical condition (e.g., cancer), denial of family care leave, or
24 political affiliation. Further, Contractor shall give written notice of its obligations under
25 this Paragraph 19 to labor organizations with which it has a collective bargaining or other
26 agreement.

27 D. Contractor shall allow County representatives access to its employment
28 records during regular business hours to verify compliance with the provisions of this
29 Paragraph 19 when so requested by Director.

30 E. If County finds that any of the above provisions has been violated, the

1 same shall constitute a material breach of this Agreement upon which County may
2 immediately terminate or suspend this Agreement. The County reserves the right to
3 determine independently that the anti-discrimination provisions of this Agreement have
4 been violated. In addition, a determination by the California Fair Employment Practices
5 Commission or the Federal Equal Employment Opportunity Commission that Contractor
6 has violated State or federal anti-discrimination laws or regulations shall constitute a
7 finding by County that Contractor has violated the anti-discrimination provisions of this
8 Agreement.

F9 **In the event that Contractor violates any of the anti-discrimination provisions of**
10 **this Paragraph 19, County shall be entitled, at its option, to the sum of FIVE**
11 **HUNDRED DOLLARS (\$500) pursuant to California Civil Code Section 1671 as**
12 **liquidated damages in lieu of terminating or suspending this Agreement.**

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

20 21. INDEMNIFICATION AND INSURANCE:

21 A. Indemnification: Contractor shall indemnify, defend and hold harmless the
22 County, its Special Districts, elected and appointed officers, employees, and agents from
23 and against any and all liability, including but not limited to demands, claims, actions,
24 fees, costs, and expenses (including attorney and expert witness fees), arising from or
25 connected with the Contractor's acts and/or omissions arising from and/or relating to this
26 Agreement.

27 B. General Provisions for all Insurance Coverage: Without limiting
28 Contractor's indemnification of County, and in the performance of this Agreement and
29 until all of its obligations pursuant to this Agreement have been met, Contractor shall
30 provide and maintain at its own expense insurance coverage satisfying the requirements

1 specified in Subparagraphs B. and C. of this Paragraph 21. These minimum insurance
2 coverage terms, types and limits (the "Required Insurance") also are in addition to and
3 separate from any other contractual obligation imposed upon Contractor pursuant to this
4 Agreement. The County in no way warrants that the Required Insurance is sufficient to
5 protect the Contractor for liabilities which may arise from or relate to this Agreement.

6 1) Evidence of Coverage and Notice to County

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

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

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

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

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

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

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

14 2) Additional Insured Status and Scope of Coverage

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

26 3) Cancellation of Insurance

27 Except in the case of cancellation for non-payment of premium,
28 Contractor's insurance policies shall provide, and Certificates shall specify, that County
29 shall receive not less than thirty (30) days advance written notice by mail of any
30 cancellation of the Required Insurance. Ten (10) days prior notice may be given to
31 County in event of cancellation for non-payment of premium.

1 4) Failure to Maintain Insurance

2 Contractor's failure to maintain or to provide acceptable evidence
3 that it maintains the Required Insurance shall constitute a material breach of the
4 Agreement, upon which County immediately may withhold payments due to Contractor,
5 and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain
6 damages from Contractor resulting from said breach.

7 5) Insurer Financial Ratings

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

10 6) Contractor's Insurance Shall Be Primary

11 Contractor's insurance policies, with respect to any claims related to this
12 Agreement, shall be primary with respect to all other sources of coverage available to
13 Contractor. Any County maintained insurance or self-insurance coverage shall be in
14 excess of and not contribute to any Contractor coverage.

15 7) Waivers of Subrogation

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

21 8) Subcontractor Insurance Coverage Requirements

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

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

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

7 10) Claims Made Coverage

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

12 11) Application of Excess Liability Coverage

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

16 12) Separation of Insureds

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

20 13) Alternative Risk Financing Programs

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

26 14) County Review and Approval of Insurance Requirements

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

30 C. Insurance Coverage

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

4 General Aggregate:	\$2 million
5 Products/Completed Operations Aggregate:	\$1 million
6 Personal and Advertising Injury:	\$1 million
7 Each Occurrence:	\$1 million

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

14 3) Workers Compensation and Employers’ Liability insurance or
 15 qualified self-insurance satisfying statutory requirements, which includes Employers’
 16 Liability coverage with limits of not less than \$1 million per accident. If Contractor will
 17 provide leased employees, or, is an employee leasing or temporary staffing firm or a
 18 professional employer organization (PEO), coverage also shall include an Alternate
 19 Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC
 20 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form
 21 shall be modified to provide that County will receive not less than thirty (30) days
 22 advance written notice of cancellation of this coverage provision. If applicable to
 23 Contractor’s operations, coverage also shall be arranged to satisfy the requirements of
 24 any federal workers or workmen’s compensation law or any federal occupational disease
 25 law.

26 4) Unique Insurance Coverage

27 (a) Sexual Misconduct Liability

28 Insurance covering actual or alleged claims for sexual
 29 misconduct and/or molestation with limits of not less than \$2 million per claim and \$2
 30 million aggregate, and claims for negligent employment, investigation, supervision,

1 training or retention of, or failure to report to proper authorities, a person(s) who
2 committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a
3 sexual nature.

4 (b) Professional Liability/Errors and Omissions

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

10 (c) Property Coverage

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

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

26 23. CONFLICT OF INTEREST:

27 A. No County employee whose position in County enables such employee to
28 influence the award or administration of this Agreement or any competing agreement,
29 and no spouse or economic dependent of such employee, shall be employed in any
30 capacity by Contractor or have any direct or indirect financial interest in this Agreement.

1 No officer or employee of Contractor who may financially benefit from the provision of
2 services hereunder shall in any way participate in County's approval, or ongoing
3 evaluation, of such services, or in any way attempt to unlawfully influence County's
4 approval or ongoing evaluation of such services.

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

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

20 25. INDEPENDENT STATUS OF CONTRACTOR:

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

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

1 compensation, benefits, or taxes for any personnel provided by or on behalf of
2 Contractor.

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

9 D. Contractor shall obtain and maintain on file an executed Contractor
10 Employee Acknowledgment of Employer, in the form as contained in Contractor's
11 Negotiation Package for this Agreement, for each of its employees performing services
12 under this Agreement. Such Acknowledgments shall be executed by each such
13 employee on or immediately after the commencement date of this Agreement but in no
14 event later than the date such employee first performs services under this Agreement.

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

22 27. CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR
23 GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR
24 EMPLOYMENT: Should contractor require additional or replacement personnel after the
25 effective date of this agreement, contractor shall give consideration for any such
26 employment openings to participants in the County's Department of Public Social
27 Services' Greater Avenues for Independence (GAIN) Program or General Relief
28 Opportunities for Work (GROW) Program who meet contractor's minimum qualifications
29 for the open position. If contractor decides to pursue consideration of GAIN/GROW
30 participants for hiring, Contractor shall provide information regarding job openings and

1 job requirements to Department of Public Social Services' GAIN/GROW staff at
2 GAINGROW@dpss.lacounty.gov. County will refer GAIN/GROW participants, by job
3 category, to contractor.

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

6 28. DELEGATION AND ASSIGNMENT BY CONTRACTOR:

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

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

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

1 29. SUBCONTRACTING:

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

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

15 (1) The reasons for the particular subcontract.

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

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

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

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

25 "This contract is a subcontract under the terms of the prime contract with the
26 County of Los Angeles and shall be subject to all of the provisions of such
27 prime contract."

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

1 "The contracting parties shall be subject to the examination and audit of the
2 State Auditor, pursuant to the California Government Code, Section
3 8546.7. for a period of seven (7) years from the end of the Fiscal Year in
4 which such services were provided or until final resolution of any audits,
5 whichever occurs later."

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

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

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

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

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

29 F. In the event that County consents to any subcontracting, such consent shall
30 be subject to County's right to give prior and continuing approval of any and all

1 subcontractor personnel providing services under such subcontract. Contractor shall
2 assure that any subcontractor personnel not approved by County shall be immediately
3 removed from the provision of any services under the particular subcontract or that other
4 action is taken as requested by County. County shall not be liable or responsible in any
5 way to Contractor, to any subcontractor, or to any officers, employees, or agents of
6 Contractor or any subcontractor, for any liability, damages, costs or expenses arising from
7 or related to County's exercise of such right.

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

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

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

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

27 K. Contractor shall deliver to the Chief of DMH's Contracts Development and
28 Administration Division a fully executed copy of each subcontract entered into by
29 Contractor pursuant to this Paragraph 29, on or immediately after the effective date of

1 the subcontract but in no event later than the date any services are performed under the
2 subcontract.

3 L. In the event that County consents to any subcontracting, Contractor shall
4 obtain and maintain on file an executed Subcontractor Employee Acknowledgment of
5 Employer, in the form as contained in Contractor's Negotiation Package for the
6 Agreement, for each of the subcontractor's employees performing services under the
7 subcontract. Such Acknowledgments shall be obtained and maintained on file and made
8 available upon request on or immediately after the commencement date of the particular
9 subcontract but in no event later than the date such employee first performs any services
10 under the subcontract.

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

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

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

24 31. COMPLIANCE WITH APPLICABLE LAW:

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

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

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

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

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

18 33. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND
19 CERTIFICATES:

20 A. Contractor shall obtain and maintain in effect during the term of this
21 Agreement, all licenses, permits, registrations, accreditations, and certificates (including,
22 but not limited to, certification as a Short-Doyle/Medi-Cal provider if Title XIX
23 Short-Doyle/Medi-Cal services are provided hereunder), as required by all federal, State,
24 and local laws, ordinances, rules, regulations, manuals, guidelines, and directives, which
25 are applicable to Contractor's facility(ies) and services under this Agreement. Contractor
26 shall further ensure that all of its officers, employees, and agents, who perform services
27 hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses,
28 permits, registrations, accreditations, and certificates which are applicable to their
29 performance hereunder. A copy of each such license, permit, registration, accreditation,
30 and certificate (including, but not limited to, certification as a Short-Doyle/Medi-Cal provider

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

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

9 34.CHILD SUPPORT COMPLIANCE PROGRAM:

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

15 As required by County's Child Support Compliance Program (County Code
16 Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply
17 with all applicable provisions of law, Contractor warrants that it is now in compliance and
18 shall during the term of this Agreement maintain in compliance with employment and
19 wage reporting requirements as required by the Federal Social Security Act (42 United
20 States Code (USC) Section 653a) and California Unemployment Insurance Code
21 Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholdings
22 Orders or Child Support Services Department Notices of Wage and Earnings
23 Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure
24 Section 706.031 and Family Code Section 5246(b).

25 B. Termination for Breach of Warranty to Maintain Compliance with County's
26 Child Support Compliance Program: Failure of Contractor to maintain compliance with
27 the requirements set forth in Subparagraph A (Contractor's Warranty of Adherence to
28 County's Child Support Compliance Program) shall constitute default under this
29 Agreement. Without limiting the rights and remedies available to County under any other
30 provision of this Agreement, failure of Contractor to cure such default within 90 calendar

1 days of written notice shall be grounds upon which County may terminate this
2 Agreement pursuant to Paragraph 36 (TERMINATION FOR DEFAULT) and pursue
3 debarment of Contractor, pursuant to County Code Chapter 2.202.

4 35. TERMINATION FOR INSOLVENCY:

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

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

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

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

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

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

20 36. TERMINATION FOR DEFAULT:

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

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

26 (2) If, as determined in the sole judgment of County, Contractor fails to
27 perform and/or comply with any of the other provisions of this Agreement or so fails to
28 make progress as to endanger performance of this Agreement in accordance with its
29 terms, and in either of these two circumstances, does not cure such failure within a

1 period of five days (or such longer period as County may authorize in writing) after
2 receipt of notice from County specifying such failure.

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

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

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

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

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

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

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

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

10 41. ENTIRE AGREEMENT: The body of this Agreement, all attachments, Financial
11 Exhibit A (Financial Provisions), Financial Summary(ies), Fiscal Years _____
12 _____ Service Delivery Site Exhibit, and Service Exhibit(s) _____
13 _____, attached hereto and incorporated herein by
14 reference, and Contractor's Negotiation Package for this Agreement, as approved in
15 writing by Director, including any addenda thereto as approved in writing by Director,
16 which are hereby incorporated herein by reference but not attached, shall constitute the
17 complete and exclusive statement of understanding between the parties which
18 supersedes all previous agreements, written or oral, and all other communications
19 between the parties relating to the subject matter of this Agreement. In the event of any
20 conflict or inconsistency in the definition or interpretation of any word, responsibility, or
21 schedule, or the contents or description of any service or other work, or otherwise,
22 between the body of this Agreement and the other referenced documents, or between
23 such other documents, such conflict or inconsistency shall be resolved by giving
24 precedence first to the body of this Agreement and its definitions and then to such other
25 documents according to the following priority:

- 26 A. Financial Exhibit A (Financial Provisions)
- 27 B. Financial Summary(ies)
- 28 C. Service Delivery Site Exhibit
- 29 D. Service Exhibit(s)
- 30 E. Contractor's Negotiation Package.

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

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

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

25 45. PURCHASES:

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

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

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

28 D. Protection of Property in Contractor's Custody: Contractor shall maintain
29 vigilance and take all reasonable precautions, to protect all furniture, fixtures, equipment,
30 materials, and supplies, purchased or obtained using any County funds, against any

1 damage or loss by fire, burglary, theft, disappearance, vandalism or misuse. In the event
2 of any burglary, theft, disappearance, or vandalism of any item of furniture, fixtures,
3 equipment, materials, and supplies, Contractor shall immediately notify the police and
4 make a written report thereof, including a report of the results of any investigation which
5 may be made. In the event of any damage or loss of any item of furniture, fixtures,
6 equipment, materials, and supplies, from any cause, Contractor shall immediately send
7 Director a detailed, written report. Contractor shall contact DMH's Administrative
8 Services Division for instructions for disposition of any such property which is worn out or
9 unusable.

10 E. Disposition of Property in Contractor's Custody: Upon the termination of
11 the funding of any program covered by this Agreement, or upon the expiration or
12 termination of this Agreement, or at any other time that County may request, Contractor
13 shall:

14 (1) provide access to and render all necessary assistance for physical removal by
15 County or its authorized representatives of any or all furniture, fixtures, equipment,
16 materials, and supplies, purchased or obtained using any County funds, in the same
17 condition as such property was received by Contractor, reasonable wear and tear
18 excepted, or (2) at Director's option, deliver any or all items of such property to a location
19 designated by Director. Any disposition, settlement or adjustment connected with such
20 property shall be in accordance with all applicable federal, State and County laws,
21 ordinances, rules, regulations, manuals, guidelines and directives.

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

27 47. RESTRICTIONS ON LOBBYING: If any federal funds are to be used to pay for
28 any of Contractor's services under this Agreement, Contractor shall fully comply with all
29 certification and disclosure requirements prescribed by Section 319 of Public Law
30 101-121 (31 United States Code Section 1352) and any implementing regulations, and

1 shall ensure that each of its subcontractors receiving funds under this Agreement also
2 fully complies with all such certification and disclosure requirements.

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

12 49. COUNTY LOBBYISTS: Contractor and each County lobbyist or County lobbying
13 firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor,
14 shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter
15 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm
16 retained by Contractor to fully comply with County's Lobbyist Ordinance shall constitute a
17 material breach of this Agreement upon which County may immediately terminate or
18 suspend this Agreement.

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

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

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

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

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

14 B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of
15 the County Code, if the County acquires information concerning the performance of the
16 Contractor on this or other Agreements which indicates that the Contractor is not
17 responsible, the County may, in addition to other remedies provided in the Agreement,
18 debar the Contractor from bidding or proposing on, or being awarded, and/or performing
19 work on County Agreements for a specified period of time, which generally will not
20 exceed five years but may exceed five years or be permanent if warranted by the
21 circumstances, and terminate any or all existing Agreements the Contractor may have
22 with the County.

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

1 business integrity or business honesty, or (4) made or submitted a false claim against
2 the County or any other public entity.

3 **2.0 D. If there is evidence that the Contractor may be subject to**
4 **debarment, the Department will notify the Contractor in writing of the**
5 **evidence which is the basis for the proposed debarment and will advise**
6 **the Contractor of the scheduled date for a debarment hearing before the**
7 **Contractor Hearing Board.**

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

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

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

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

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

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

20 54. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY
21 FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff
22 members is restricted, excluded or suspended from providing services under any health
23 care program funded by the federal government, directly or indirectly, in whole or in part,
24 and that Contractor will notify Director within 30 calendar days in writing of: (1) any event
25 that would require Contractor or a staff member's mandatory exclusion or suspension
26 from participation in a federally funded health care program; and (2) any exclusionary or
27 suspension action taken by any agency of the federal or State governments against
28 Contractor or one or more staff members barring it or the staff members from
29 participation in a federally funded health care program, whether such bar is direct or
30 indirect, or whether such bar is in whole or in part. This warranty and notice

1 requirements apply equally to suspensions from the Medi-Cal program as well as any
2 other federally funded health care programs including but not limited to Medicare and
3 Healthy Families.

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

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

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

24 Mandatory exclusions under State law from Medi-Cal are similar but also include
25 convictions of a misdemeanor for fraud or abuse involving the Medi-Cal program or a Medi-
26 Cal beneficiary.

27 Contractor shall indemnify and hold County harmless against any and all loss or
28 damage County may suffer arising from any federal or State exclusion or suspension of
29 Contractor or its staff members from such participation in a federally funded health care

1 program. Contractor shall provide the certification set forth in Attachment VI as part of its
2 obligation under this Paragraph 54.

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

6 55. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT:

7 A. The parties acknowledge the existence of the Health Insurance Portability
8 and Accountability Act of 1996, its implementing regulations ("HIPAA"), and subtitle D,
9 Privacy, of the Health Information Technology for Economic and Clinical Health Act
10 ("HITECH"). Contractor understands and agrees that it is a "*Covered Entity*" under
11 HIPAA and, as such, has obligations with respect to the confidentiality, privacy, and
12 security of patients' medical information, and must take certain steps to preserve the
13 confidentiality of this information, both internally and externally, including the training of
14 staff and the establishment of proper procedures for the release of such information,
15 including the use of appropriate consents and authorizations specified under HIPAA.

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

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

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

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

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

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

14 (b) County has added to the DMH Provider Manual an Electronic Data Interchange
15 Fact Sheet which includes information about the applicable HIPAA transactions that can
16 be processed in the County's claims processing information system. Contractor
17 acknowledges that County intends to transition to an environment under the Integrated
18 Behavioral Health Information System (IBHIS) in which clinical, administrative, and
19 financial information, including claims, will be exchanged between DMH and contract
20 providers exclusively electronically. County shall notify Contractor as soon as possible
21 of the date by which County anticipates that Contractor will be required to use specific
22 standards-based electronic transactions, such as Electronic Data Interchange. County
23 shall notify Contractor of the specific date by which Contractor shall in fact be required
24 to use specific standards-based electronic transactions, such as Electronic Data
25 Interchange; County shall notify Contractor no less than 180 days prior to the effective
26 date. Contractor agrees to comply with the specific standards-based electronic
27 transactions specified by County as of the effective date specified by County.

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

E.1 Contractor understands that County operates an informational website
2 <http://dmh.lacounty.info/hipaa/index.html> related to the services under this Agreement
3 and the parties' HIPAA obligations, and agrees to undertake reasonable efforts to
4 utilize said website to obtain updates, other information, and forms to assist
5 Contractor in its performance.

F.6 Contractor understands and agrees that if it uses the services of an Agent in any
7 capacity in order to receive, transmit, store or otherwise process Data or Data
8 Transmissions or perform related activities, the Contractor shall be fully liable to
9 DMH or for any acts, failures or omissions of the Agent in providing said services
10 as though they were the Contractor's own acts, failures, or omissions.

11 G. Contractor further understands and agrees that the terms and conditions of
12 the current Trading Partner Agreement (TPA) set forth in the DMH Provider Manual shall
13 apply to this Agreement and that said Terms and Conditions are incorporated by reference
14 as though fully set forth herein.

15 56. COMPLIANCE WITH JURY SERVICE PROGRAM:

16 A. Jury Service Program: This Agreement is subject to the provisions of the
17 County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program")
18 as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

19 B. Written Employee Jury Service Policy:

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

29 (2) For purposes of this Section, "Contractor" means a person,
30 partnership, corporation or other entity which has an Agreement with the County or a

1 subcontract with a County Contractor and has received or will receive an aggregate sum
2 of \$50,000 or more in any 12-month period under one or more County Agreements or
3 subcontracts. "Employee" means any California resident who is a full-time employee of
4 Contractor. "Full-time" means 40 hours or more worked per week or a lesser number of
5 hours if: 1) the lesser number is a recognized industry standard as determined by the
6 County, or 2) Contractor has a long-standing practice that defines the lesser number of
7 hours as full-time. Full-time employees providing short-term, temporary services of 90
8 days or less within a 12-month period are not considered full-time for purposes of the
9 Jury Service Program. If Contractor uses any subcontractor to perform services for the
10 County under the Agreement, the subcontractor shall also be subject to the provisions of
11 this Section. The provisions of this Section shall be inserted into any such subcontract
12 Agreement and a copy of the Jury Service Program shall be attached to the Agreement.

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

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

29 57. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY
30 LAW: The Contractor shall notify and provide to its employees, and shall require each

1 subcontractor to notify and provide to its employees, a fact sheet regarding the Safely
2 Surrendered Baby Law, its implementation in Los Angeles County, and where and how
3 to safely surrender a baby.

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

6 58. CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO

7 THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the
8 County places a high priority on the implementation of the Safely Surrendered Baby Law.
9 The Contractor understands that it is the County's policy to encourage all County
10 Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a
11 prominent position at the Contractor's place of business. The Contractor will also
12 encourage its subcontractors, if any, to post this poster in a prominent position in the
13 subcontractor's place of business. The County's Department of Children and Family
14 Services will supply the Contractor with the poster to be used.

15 59. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY
16 AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (45

17 C.F.R. PART 76): The Contractor hereby acknowledges that the County is prohibited
18 from contracting with and making sub-awards to parties that are suspended, debarred,
19 ineligible, or excluded or whose principals are suspended, debarred, ineligible, or
20 excluded from securing federally funded contracts. By executing this Agreement,
21 Contractor certifies that neither it nor any of its owners, officers, partners, directors or
22 other principals is currently suspended, debarred, ineligible, or excluded from securing
23 federally funded contracts. Further, by executing this Agreement, Contractor certifies
24 that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer,
25 partner, director or other principal of any subcontractor is currently suspended, debarred,
26 ineligible, or excluded from securing federally funded contracts. Contractor shall
27 immediately notify County in writing, during the term of this Agreement, should it or any
28 of its subcontractors or any principals of either be suspended, debarred, ineligible, or
29 excluded from securing federally funded contracts. Failure of Contractor to comply with

1 this provision shall constitute a material breach of this Agreement upon which the County
2 may immediately terminate or suspend this Agreement.

3 60. CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE:

4 The Supervision of Trustees and Fundraisers for Charitable Purposes Act
5 regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity
6 Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements.
7 By requiring Contractors to complete the certification in Attachment IX, the County seeks
8 to ensure that all County contractors which receive or raise charitable contributions
9 comply with California law in order to protect the County and its taxpayers. A Contractor
10 which receives or raises charitable contributions without complying with its obligations
11 under California law commits a material breach subjecting it to either contract termination
12 or debarment proceedings or both. (County Code Chapter 2.202)

13 61. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM: This
14 Contract is subject to all provisions of the County's ordinance entitled Local Business
15 Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County
16 Code. Specifically, Contractor shall pay particular attention to the following provisions in
17 Chapter 2.204:

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

21 Contractor shall not willfully and knowingly make a false statement with the intent
22 to defraud, whether by affidavit, report, or other representation, to a County official or
23 employee for the purpose of influencing the certification or denial of certification of any
24 entity as a Local Small Business Enterprise.

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

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

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

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

8 The above penalties shall also apply to any Contractor that has previously obtained
9 proper certification, however, as a result of a change in their status would no longer be
10 eligible for certification, and fails to notify the State and the Office of Affirmative Action
11 Compliance of this information prior to responding to a solicitation or accepting a contract
12 award.

13 62. FORCE MAJEURE:

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

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

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

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

14 64. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN
15 COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION
16 PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth
17 in Paragraph 63 (CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S
18 DEFAULTED PROPERTY TAX REDUCTION PROGRAM) shall constitute default under
19 this contract. Without limiting the rights and remedies available to County under any
20 other provision of this contract, failure of Contractor to cure such default within 10 days
21 of notice shall be grounds upon which County may terminate this contract and/or pursue
22 debarment of Contractor, pursuant to County Code Chapter 2.206.

23 /
24 /
25 /
26 /

27 65. NOTICES: All notices or demands required or permitted to be given under this
28 Agreement shall be in writing and shall be delivered with signed receipt or mailed by first
29 class, registered or certified mail, postage pre-paid, addressed to the parties at the
30 following addresses and to the attention of the persons named. Director shall have the

1 authority to execute all notices or demands which are required or permitted by County
2 under this Agreement. Addresses and persons to be notified may be changed by either
3 party by giving ten (10) days prior written notice thereof to the other party.

4
5 For the County, please use the following contact information:

6 County of Los Angeles - Department of Mental Health
7 Contracts Development and Administration Division
8 550 South Vermont Ave., 5th Floor
9 Los Angeles, CA 90020
10 Attention: Chief of Contracts

11
12
13 For the Contractor, please use the following contact information:

14 _____
15 _____
16 _____
17 _____

18 /
19 /
20 /
21 /
22 /
23 /
24 /
25 /
26 /
27

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

5
6
7 COUNTY OF LOS ANGELES

8 APPROVED AS TO FORM:
9 OFFICE OF THE COUNTY COUNSEL

10
11
12
13
14 By _____
15 Deputy County Counsel

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

16
17
18
19
20
21 _____
CONTRACTOR

22
23 By _____

24
25 Name _____

26
27 Title _____
28 (AFFIX CORPORATE SEAL HERE)

29
30
31
32 APPROVED AS TO CONTRACT
33 ADMINISTRATION:
34
35 DEPARTMENT OF MENTAL HEALTH

36
37
38 By _____
39 Chief, Contracts Development
40 and Administration Division

FINANCIAL EXHIBIT A
(FINANCIAL PROVISIONS)

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FINANCIAL EXHIBIT A
FINANCIAL PROVISIONS

A. GENERAL

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

(a) For the purposes of the Agreement, a “Funded Program” is a set of services paid through a particular funding source identified as a line on the Financial Summary.

(b) For the purposes of the Agreement, the “Program Amount” is the amount shown in each column in the Financial Summary that identifies the beneficiary status of the client (e.g., Medi-Cal/Healthy Families or Non-Medi-Cal/Indigent) for each Funded Program.

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

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

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

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

(b) To the extent that the County determines Contractor has improperly claimed services to a particular Program Amount, County may disallow payment of said services and require Contractor to resubmit said services for payment from the correct Program Amount, or may make corrective accounting transactions to transfer the payment of the services to the appropriate Program Amount.

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

B. LIMITATIONS ON MAXIMUM REIMBURSEMENT

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

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

(2) Contractor shall immediately provide written notice to the County when, based on the Contractor's own internal records, it has billed for services/activities under this Agreement in an amount equal to 75 percent (75%) of the total Maximum Contract Amount or 75 percent (75%) of the Maximum Program Amount(s) during the Initial Period, First Automatic Renewal Period or the Second Automatic Renewal Period of this Agreement.

(a) Contractor shall send such notice to those persons and addresses which are set forth in the DMH Legal Entity Agreement, Paragraph 65 (NOTICES).

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

(3) Except as otherwise provided in this Agreement, the total Maximum Contract Amount and/or the Maximum Program Amount(s) for any of the periods specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraphs C (Reimbursement for Initial Period) and D (Reimbursement if Agreement is Automatically Renewed) may not be increased or decreased without a properly executed amendment to this Agreement. The Parties acknowledge that the actual number of individuals seeking care from Contractor who have coverage under a particular Funded Program may differ from the estimate number upon which the Maximum Program Amounts were based and that it may be appropriate to increase Contractor's responsibility to provide services to some eligible individuals while decreasing its responsibilities to provide services to other types of eligible individuals. Any such modification in Contractor's responsibilities, along with commensurate changes in the appropriate Funded Programs and Maximum Program Amounts, may be accomplished through a formal amendment completed in advance of the provision of services, except as provided in Subparagraph (4) of this Paragraph B (Limitations on Maximum Reimbursement).

(4) Notwithstanding the requirement in Subparagraph (3) above that changes in Contractor's responsibilities or Funded Programs or Maximum Program Amounts must be accomplished through formal amendment and the requirements of Paragraph V (Contractor Requested Changes), Contractor may request, and County shall grant, a reallocation of up to fifteen percent (15%) of the aggregate County General Funds (CGF) included in the Financial Summary between Funded Programs or Maximum Program Amounts, and a commensurate change in Contractor's responsibilities, so long as the following conditions are met:

(a) Contractor's request is made in writing, and indicates the existing Funded Programs or Maximum Program Amounts which will be affected, and the new Funded Programs and Maximum Program Amounts to which the reallocation is to be made.

(b) The reallocation may only be made to the extent that all of the following conditions are satisfied:

- i. The reallocation will not cause Contractor to exceed its Maximum Contract Amount;
- ii. The reallocation will not increase County General Funds required under this Agreement;
- iii. The reallocation does not result in the Contractor allocating funds to a Funded Program for which no dollars are originally allocated in the Agreement;

iv. Categorical funds (e.g. CalWORKs) are only used for the purpose for which they have been designated, and the reallocation is consistent with local, State and federal law; and

v. County General Funds are reallocated only within or between Funded Programs in which County General Funds are utilized to provide services (i.e., Juvenile Justice Program (STOP); Inpatient/Residential Services; Other Mental Health Services for Clients under the age of 21; Other Mental Health Services for clients 21 of age or older; and certain Unique Programs).

(c) The reallocation shall only be effective for services provided on or after the effective date of an administrative amendment memorializing the revisions to the Funded Programs and Maximum Program Amounts. Such administrative amendment may be executed by Director under delegated authority from the Board of Supervisors without prior approval of County Counsel or the Chief Executive Office. By making the written request, Contractor consents to such administrative amendment, and Contractor's signature is not required to make the amendment effective.

(5) The Maximum Contract Amount for each period of this Agreement includes Cash Flow Advance which is an advance of funds to be repaid by Contractor through direct payment of cash and/or through the provision of appropriate services/activities under this Agreement for the applicable period.

C. REIMBURSEMENT FOR INITIAL PERIOD

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

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

D. REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED

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

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

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

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

E. REIMBURSEMENT BASIS

(1) Reimbursement Rates for Mental Health Services: For mental health services claimed and billed through the County's claims processing information system, and except as further limited elsewhere in this Agreement, Contractor may elect to request provisional rates based on either 1) a Cost Reimbursement Methodology or 2) a Negotiated Rate Methodology. Contractor is prohibited from requesting or utilizing both Cost Reimbursement and Negotiated Rates under this Agreement, except as may be provided under Paragraph E (6) of this Financial Exhibit A.

(a) Contractor shall calculate its requested rates in accordance with the terms and limitations set forth in County Department of Mental Health Policy "Provisional Rate Setting."

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

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

(d) All rates are subject to prior review and approval of the County consistent with the Department of Mental Health Policy "Provisional Rate Setting."

(e) Negotiated rates are subject to prior review and approval by the State pursuant to the Department of Mental Health Policy "Provisional Rate Setting." County shall, within 20 business days of receiving State approval of a requested negotiated rate(s), notify Contractor of such approval and update the County's claims processing information system's rate table with the approved rate(s).

(2) Reimbursement Rates for Institutions for Mental Diseases: Pursuant to Section 5902(e) of the Welfare and Institutions Code (WIC), Institutions for Mental Diseases (IMD), which are licensed as level two nursing facilities (SNF) by the State Department of Health Care Services (SDHCS), are reimbursed for basic services at the rate(s) established by SDHCS for Medi-Cal services provided by level B nursing facilities, in addition to the Medi-Cal rate established by SDHCS

for a Special Treatment Plan (STP). Accordingly, the IMD reimbursement rate will consist of a basic SNF rate and a STP rate, or a Mental Health Rehabilitation Center (MHRC) rate established by the County for specialized programming and/or provision of more intensive mental health services provided to clients at County's request.

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

(4) Reimbursement Rates for Organizational Providers for Medi-Cal Specialty Mental Health Services: Reimbursement shall be based upon rate(s) shown in the Provisional Rate Schedule(s) as published and periodically revised as supplements to the Los Angeles County DMH Medi-Cal Specialty Mental Health Services Provider Manual.

(5) Reimbursement of Other Costs and Direct Charges: Certain Funded Programs may provide for and allow Contractor to submit requests for reimbursement to the County for specific expenses that cannot be claimed through the County's claims processing information system. These expenses shall be referred to as a "Direct Charge." Such reimbursement shall be based on actual costs plus an administrative fee, expressed as a percentage of actual costs, which shall be reviewed and approved in advance by the County.

(6) Unique Funded Program: To the extent that Contractor's Agreement includes a Funded Program which has billing and payment requirements that are not consistent with the provisions of this Paragraph E (Reimbursement Basis) of Financial Exhibit A, the special billing and payment requirements shall be set forth in an addendum to this Financial Exhibit A and signed by Contractor and Director.

F. BILLING PROCEDURES

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

(2) Claims Certification and Program Integrity

a) Contractor hereby certifies that all units of service entered by Contractor into the County's claims processing information system and/or the Medi-Cal Administrative Activities (MAA) data base system and/or claims for actual costs submitted as Direct Charges to County for any Funded Program covered by this Agreement are true and accurate to the best of Contractor's knowledge.

(b) Contractor shall annually provide the additional certification set forth in the "Contractor Claims Certification for Title XIX Short-Doyle/Medi-Cal and Title XXI Healthy Families Reimbursements" (Exhibit A-1 to this Attachment II) related to the Contractor's compliance with specific State and Federal statutory and regulatory requirements which are conditions for the reimbursement of Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities and/or Title XXI Healthy Families claims.

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

(a) The County shall extend the period of time specified above as appropriate, where the delay in the submission of the claims is reasonably justified.

(b) With the exception of section F(3)(c) below, Contractor must submit an initial or original claim within four (4) months after the end of the month in which the services were rendered, to the extent doing so would not preclude payment from a funding source.

(c) The County may, using reasonable discretion, extend the time to submit claims for services under Title XIX Short-Doyle/Medi-Cal or under Title XXI Health Families to within ten (10) months after the end of the month in which the services were rendered where good cause for the delayed submission would be recognized under California Code of Regulations, Title 22 Section 51008.5.

(d) Contractor shall, as soon as practicable, notify County of any delay in meeting the timeframe for submitting claims specified in this Paragraph F (3) in the event Contractor is not able to make timely data entry into the County's claims processing information system due to no fault on the part of Contractor. Such Contractor notification should be immediate upon Contractor's recognition of the delay and must include a specific description of the problem that the Contractor is having with the County's claims processing information system. Notification shall be pursuant to the DMH Legal Entity Agreement, Paragraph 65 (NOTICES), and such notification shall also be made by Contractor to the DMH Chief Information Office Bureau's Help Desk.

(e) The County will notify Contractor in writing as soon as practicable of any County issue(s) which will prevent the entry by Contractor of claiming information into the County's claims processing information system, and County will waive the requirement of this Paragraph F (3) in the event of any such County issue(s). Once County has notified Contractor that its issues are resolved, Contractor shall enter billing information into the County's claims processing information

system within 30 calendar days of County's notice unless otherwise agreed to by County and Contractor.

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

(f) County may modify the County's claims processing information system at any time in order to comply with changes in, or interpretations of, State or Federal laws, rules, regulations, manuals, guidelines, and directives. County shall notify Contractor in writing of any such modification and the reason, if known, for the modification and the planned implementation date of the modification. To the extent that such modifications create a delay in Contractor submitting claims into the County's claims processing information system for a period of time, the timelines under this Paragraph F shall be extended by the number of calendar days that Contractor was unable to submit claims into the County's claims processing information system.

(g) In the event the State or federal government denies any or all claims submitted by County on behalf of Contractor, County will not be responsible for any payment obligation and, accordingly, Contractor shall not seek payment from County and shall indemnify and hold harmless County from any and all liabilities for payment of any or all of those specified denied claims, except for any claims which are denied due to the fault of the County. Any controversy or dispute arising from such State or federal denied claims shall be handled by Contractor in accordance with the applicable State and/or federal administrative appeal process.

(4) Institutions for Mental Diseases: If Contractor is an Institution for Mental Diseases, Contractor shall, no later than the 15th of each month, submit an invoice to the County for patient days approved in writing by the County for the previous month. Said invoice shall be in a form as specified by the County, and will include an itemized accounting of all charges for each patient day. Invoices shall be submitted to the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

(5) Medi-Cal Administrative Activities (MAA): To the extent that MAA is identified as a Unique Funded Program in the Financial Summary, Contractor shall submit claims for reimbursement for MAA by entering the eligible MAA services provided and the actual time incurred

rendering the MAA services into the County's MAA data base system within 30 days of rendering the MAA services.

(a) County may modify the County's MAA data base system, at any time in order to comply with changes in, or interpretations of, State or Federal laws, rules, regulations, manuals, guidelines, and directives. County shall notify Contractor in writing prior to implementing any such modification and the reason, if known, for the modification and the planned implementation date of the modification.

(6) Direct Charges: Contractor shall submit invoices for Direct Charges within 30 calendar days of the end of the month in which the eligible expense was incurred. Such invoice shall be in the form and include the content specified by County for each Funded Program. Invoices shall be submitted to the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

G. COUNTY PAYMENT FOR SERVICES RENDERED

(1) General: County agrees to reimburse Contractor for services rendered under Funded Programs during the term of this Agreement based on the provisional rates agreed to by the County for the Initial Period, First Automatic Renewal Period and Second Automatic Renewal Period, respectively, subject to all of the rules, regulations and policies established by the County, State and/or Federal governments regarding payment and reimbursement of services, and in accordance with the terms of this Agreement.

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

(a) County shall make good faith efforts to make payments for services billed through the County's claims processing information system as soon as possible after submission and approval, subject to the limitations and conditions specified in this Agreement, but no later than eight (8) weeks after submission and approval. County shall make available a schedule of anticipated payment dates for claims submitted by Contractor into the County's claims processing information system prior to July 1 of each year.

(b) Payments for services or Direct Charges billed through invoices shall be paid no more than 30 days after receipt of a complete and accurate invoice, subject to the limitations and conditions specified in this Agreement.

(c) Payments for MAA will be made on a quarterly basis and will be based upon actual State approval and State payment to the County of MAA claims. Only Contractors who

have been approved by the State to participate in and to claim reimbursement for MAA and who have MAA authorized as a Unique Funded Program in their Contract are permitted to claim MAA.

H. BILLING AND PAYMENT LIMITATIONS

(1) Provisional Payments: County payments to Contractor for performance of eligible services hereunder are provisional until the completion of all settlement activities and audits, as such payments are subject to future County, State and/or Federal adjustments. County adjustments to provisional payments to Contractor may be based upon County's claims processing information system data, Medi-Cal Administrative Activities (MAA) data base information, State adjudication of Medi-Cal and Healthy Families claims files, contractual limitations of this Agreement, annual cost report, application of various County, State and/or Federal reimbursement limitations, application of any County, State and/or Federal policies, procedures and regulations, and/or County, State or Federal audits, all of which take precedence over monthly claim reimbursements. County and Contractor acknowledge that the references in this paragraph represent examples only and are not intended, nor shall be construed, to represent all of the circumstances or conditions that may result in adjustments to provisional payments.

(2) Limitations on Payments to Organizational Providers: In addition all other limitations provided in this Paragraph H (Billing and Payment Limitations), reimbursement to Organizational Providers also shall be limited by the maximum number of allowable visits stipulated in the Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services

(3) Other Limitations for Certain Funded Programs: In addition to all other limitations provided in this Paragraph H (Billing and Payment Limitations), reimbursement for services rendered under certain Funded Programs may be further limited by rules, regulations and procedures applicable only to that Funded Program. Contractor shall be familiar with said rules, regulations and procedures and submit all claims in accordance therewith.

(4) Adjustment of Claims Based on Other Data and Information: The County shall have the right to adjust claims based upon data and information that may include, but is not limited to, County's claims processing information system reports, remittance advices, State adjudication of Medi-Cal claims, 835 data, and Contractor's annual Cost Report, all of which shall supersede and take precedence over claims.

(5) Adjustment of Claims for Agreement Compliance: Director, in his sole discretion and at any time and without prior written notice to Contractor, may take any necessary actions required to ensure that Contractor shall not be paid a sum in excess of the amount due to the

Contractor under the terms and conditions of this Agreement. Such actions may include, but are not limited to, reimbursing claims submitted through the claims processing information system at an amount less than that amount that would be calculated using Contractor's requested rates, denying claims for payment; holding claims for Medi-Cal services from being forwarded for adjudication by the State; and/or withholding payment of certain claims.

(a) Concurrent with any such action, Director shall provide Contractor with written notice of the County's decision to take such action(s), including the reason(s) for the action. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the County's decision. Contractor may request in writing, and shall receive if requested, County's computations for making a determination that such action was necessary, including any amount(s) held, denied or reduced.

(b) Upon receiving a request for reconsideration from Contractor, County shall, within 15 calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or documentation relevant to the circumstances that led the County to take such actions and may propose alternative actions.

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

(6) County Withhold of Payment for Contractor Lapse in Providing Service Data: If Contractor fails to submit service data as required by County, then the County may, in its discretion, withhold all or a portion of its payment until County is in receipt of complete and correct service data and such service data has been reviewed and approved by Director.

(a) Prior to withholding payment, Director shall provide Contractor with at least 30 calendar days written notice of the County's decision to withhold payment, including the reason(s) for intended action and the identification of the incomplete or incorrect service data. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the County's decision.

(b) Upon receiving a request for reconsideration from Contractor, County shall, within 15 calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or documentation relevant to the circumstances that led the County to take such actions and may propose a date for submitting the complete and correct data.

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

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

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

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

(b) Upon receiving a request for reconsideration from Contractor, County shall, within 15 calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or documentation relevant to the circumstances that led the County to take such actions and may propose alternative actions.

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

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

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

(b) Upon receiving a request for reconsideration from Contractor, County shall, within 15 calendar days, schedule a meeting with Contractor to consider Contractor's request to reconsider its action. At said meeting, Contractor may present to the County information or

documentation relevant to the circumstances that led the County to take such actions and may propose alternative actions.

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

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

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

I. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

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

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

(3) In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in County contracts, the County reserves the right to unilaterally reduce its payment obligation under this Agreement to implement such Board reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement, and the services to be provided by the Contractor under this Agreement shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such action. Except as set forth above in this Paragraph I (3) and Paragraph J (5), the Contractor shall continue to provide all of the services set forth in this Agreement.

(4) Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during this or

any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such fiscal year. In the event funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor of any such non-appropriation of funds at the earliest possible date.

J. CONTRACTOR PROHIBITED FROM REDIRECTION OF CONTRACTED FUNDS

(1) Funds under this Agreement are provided for the delivery of mental health services to eligible beneficiaries under each of the Funded Programs identified in the Financial Summary (Attachment III). Each Funded Program has been established in accordance with the requirements and restrictions imposed by each respective County, State and/or Federal payer source contributing to the Funded Program.

(2) Contractor may not redirect funds from one Funded Program to another Funded Program, nor redirect funds from one Program Amount to another Program Amount within a Funded Program, except through a duly executed amendment to this Agreement or as provided in Paragraph B (4) of the Financial Exhibit A with regard to shift of funds.

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

(4) Contractor also shall not charge services delivered to an eligible beneficiary for Medi-Cal/Healthy Families to the Non-Medi-Cal/Indigent Program Amount except in such cases where a client's eligibility for benefits is being established or determined. Upon confirming that said client is approved for Medi-Cal/Healthy Families benefits, or in such case that the County may determine that a service paid originally through the Non-Medi-Cal/Indigent Program Amount was to a client approved for Medi-Cal/Healthy Families, Contractor shall void the original claims for services provided on or after the effective date that Medi-Cal/Healthy Family services became eligible for reimbursement, and resubmit such claims for Medi-Cal/Healthy Families under the correct Funded Program.

(5) Contractor shall be responsible for delivering services to clients to the extent that funding is provided by the County. Where Contractor determines that services to clients can no

longer be delivered, Contractor shall provide 30 days prior written notice to County. Contractor shall thereafter refer clients to County or to another appropriate Contractor.

(a) Contractor shall not be required to provide the notice required under this Paragraph J (5) if the County reduces funding to the Contractor under Paragraph I (Limitation of Payments Based on Funding and Budgetary Restrictions) whether such reductions occur at the beginning or during a fiscal year. In addition, if County reduces or eliminates funding for a specific Funded Program, or portion thereof, Contractor shall not be responsible for continuing services for those clients served by the Funded Program, or portion thereof.

K. COUNTY'S RIGHT TO RE-ALLOCATE UNDERUTILIZED FUNDS

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

(2) Notwithstanding Paragraph K (1), if the County in its sole discretion determines from a review of Contractor's service and billing records that a significant portion of the funds provided for services under this Agreement will be underutilized in any period of the Agreement term, then the Director shall provide 15 business days prior written notification to Contractor of County's intent to reallocate underutilized funds by the moving of such funds into another program budget category for the same period on the Financial Summary (Attachment III) within this Agreement, and/or reallocate such funds into another DMH Legal Entity Agreement with another contract provider that readily provides for the efficient use of such funds before the expiration of the same period in this Agreement. This written notification is to include an explanation of how the County reached the conclusion that Contractor is underutilizing funds; copies of relevant data, such as but not limited to County information system reports that County used in making this decision; the nature and amount of funding changes to Contractor; and any changes in the amount of services to be received by County.

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

period of time, Contractor is deemed to have waived its opportunity to meet with County and accepts County recommended changes to its Maximum Contract Amount.

If, thereafter, it is still determined that a significant portion of the Maximum Contract Amount will be underutilized the County shall reallocate such funds, as provided above. Director shall provide final prior written notice of such funding changes to Contractor, including any changes in the amount of services to be received by County, to Contractor, DMH Contracts Development and Administration Division, and to County's Chief Executive Office and the determination of the Director will be final. Any such change in any applicable Maximum Contract Amount shall be effected by an administrative amendment to this Agreement by Director. Changes that are based on one-time circumstances will be applicable to the current contract year only and shall not result in reductions (or increases) of Maximum Contract Amounts in subsequent years, while changes that are based on clearly documented ongoing historical trends may result in ongoing reductions (or increases) of Maximum Contract Amounts in subsequent years.

The determination by the Director shall be effective upon the receipt of such final prior written notice by Contractor and the changes to funding and services shall be incorporated into this Agreement as of the date of receipt. Contractor understands and agrees that its Maximum Contract Amount may be reduced as a result of the adjustments authorized by this provision, and further acknowledges that County has relied upon this flexibility in establishing the Maximum Contract Amount for this Agreement. By executing this Agreement, Contractor specifically consents to the prospective adjustments set forth in this provision.

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

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

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

(2) Contractor acknowledges and agrees that the County, in undertaking the processing of claims and payment for services rendered under this Agreement for these Funded Programs, does so as the Mental Health Plan for the State and federal governments.

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

(4) County, as the Mental Health Plan, shall submit to the State in a timely manner claims for Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services only for those services/activities identified and entered into the County's claims processing information system and/or into the Medi-Cal Administrative Activities data base system, as appropriate, which are compliant with State and federal requirements. County shall make available to Contractor any subsequent State approvals or denials of such claims within 30 days of receipt thereof.

(5) Contractor acknowledges and agrees that County's final payment for services and activities claimed by Contractor for Title XIX Short-Doyle/Medi-Cal services and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services is contingent upon reimbursement from the State and federal governments and that County's provisional payment for said services does not render County in any way responsible for payment of, or liable for, Contractor's claims for payment for these services.

(6) Contractor's ability to retain payment for such services and/or activities is entirely dependent upon Contractor's compliance with all laws and regulations related to same.

(7) Notwithstanding any other provision of this Agreement, Contractor shall hold County harmless from and against any loss to Contractor resulting from the denial or disallowance of claims for or any audit disallowances related to said services by the County, State or federal governments, or other applicable payer source, unless the denial or disallowance was due to the fault of the County.

(8) Contractor shall repay to County the amount paid by County to Contractor for Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services/activities which are subsequently denied or disallowed by the County, State, and/or Federal governments. In no event shall County be liable or responsible to Contractor for any State

approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services/activities that are subsequently denied or disallowed by County, State, and/or Federal governments unless the denial or disallowance was due to the fault of the County.

(9) Notwithstanding any other provision of this Agreement, Contractor agrees that the County may offset future payments to the Contractor and/or demand repayment from Contractor when amounts are owed to the County pursuant to Subparagraphs (7) and (8) above. Such demand for repayment and Contractor's repayment shall be in accordance with Paragraph S (Method of Payments for Amounts Due to County) of this Agreement.

(10) Contractor shall comply with all written instructions provided to Contractor by Director, State or other applicable payer source regarding claiming and documentation.

(11) Nothing in this Paragraph L shall be construed to limit Contractor's rights to appeal State and Federal settlement and/or audit findings in accordance with the applicable State and Federal regulations.

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

(1) Contractor shall comply with all County, State, and Federal requirements and procedures relating to:

(a) The determination and collection of patient/client fees for services hereunder based on the Uniform Method of Determining Payment (UMDAP), in accordance with the State Department of Mental Health guidelines and Welfare and Institutions Code Sections 5709 and 5710.

(b) The eligibility of patients/clients for Short-Doyle/Medi-Cal, Medicare, private insurance, or other third party revenue, and the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. Contractor shall pursue and report collection of all patient/client and other revenue.

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

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

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

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

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

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

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

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

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

(1) The Maximum Contract Amount for each period of this Agreement includes Cash Flow Advance (CFA) which is an advance of funds to be repaid by Contractor through direct payment of cash and/or through the provision of appropriate services/activities under this Agreement during the applicable period.

(2) For each month of each period of this Agreement, County will reimburse Contractor based upon Contractor's submitted claims for rendered services/activities subject to claim edits, and future settlement and audit processes. However, for each month of the first three (3) or five (5) months, of the Initial Term, the First Automatic Renewal Period, or the Second Automatic Renewal Period, Contractor may request in writing from County a monthly County General Fund Cash Flow Advance as herein described.

(3) Cash Flow Advance shall consist of, and shall be payable only from, the Maximum Contract Amount for the particular fiscal year in which the related services are to be rendered and upon which the request(s) is (are) based.

(4) Cash Flow Advance is intended to provide cash flow to Contractor pending Contractor's rendering and billing of eligible services/activities, as identified in DMH Legal Entity Agreement Paragraph 5 (DESCRIPTION OF SERVICES/ACTIVITIES), and County payment thereof. Contractor may request each monthly Cash Flow Advance only for such services/activities and only to the extent that there is no reimbursement from any public or private sources for such services/activities.

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

(6) Cash Flow Advance Request Letter: For each month for which Contractor is eligible to request and receive a CFA, Contractor must submit to the County a letter requesting a CFA and the amount of CFA Contractor is requesting.

(a) In order to be eligible to receive a CFA, the letter requesting a CFA must be received by County on or before the 15th of that month (i.e., for the month of July 2009, the request must be received by July 15, 2009).

i. If the letter requesting CFA is received by the County from the Contractor after the 15th of the month, Contractor will not be eligible to receive a CFA for that month.

(b) The signed letter requesting a CFA must be sent via mail, fax or email (PDF file) to the Department of Mental Health Financial Services Bureau – Accounting Division, Provider Reimbursement Unit (PRU).

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

(c) Upon receipt of a request, Director, in his sole discretion, shall determine whether to approve the CFA and, if approved, whether the request is approved in whole or in part.

i. If a CFA is not approved, Director will notify Contractor within 10 business days of the decision, including the reason(s) for non-approval. Thereafter, Contractor may, within 15 calendar days, request reconsideration of the decision.

(7) Reduction of Cash Flow Advance Amount by Actual Adjudicated Claims: The Cash Flow Advance amount available to Contractor for any particular month will be reduced by County payments of claims received from Contractor. The County's claims payment process is initiated immediately upon County receipt from Contractor of a reimbursement claim.

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

(a) For each of the first three months of each period that this Agreement is in effect, Contractor may request in writing from County a monthly County General Fund CFA for any funds which may be part of the Maximum Contract Amount for such period as identified in the Financial Summary. Contractor shall specify in its request the amount of the monthly CFA it is requesting, not to exceed \$_____per month. The total CFA for the three (3) months shall not exceed \$_____. In no event shall the monthly CFA requested by Contractor exceed 1/12th of Maximum Contract Amount as identified on the Financial Summary, or 1/12th of the annualized Maximum Contract Amount if period includes only a partial fiscal year.

(b) In addition to the amounts in Paragraph N (8) (a) above, if Contractor provides EPSDT Short-Doyle/Medi-Cal services as part of this Agreement, Contractor may request in writing from County a monthly County General Fund CFA for any EPSDT Title XIX Medi-Cal funds that may be part of the Maximum Contract Amount for such fiscal year for two additional months. Contractor shall specify in its request the amount of the monthly CFA it is requesting, not to exceed \$_____ per month for each of the two (2) additional consecutive months. The total CFA for the two (2) additional consecutive months shall not exceed \$_____.

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

(a) Generally, when Contractor rendering services at a level that would indicate it will utilize all or a substantial portion of its Maximum Contract Amount, County initiates recovery of the CFA balance, if any, for a particular Fiscal Year in July following the close of such Fiscal Year or at such time as payments to Contractor, including the CFA, reach the Maximum Contract Amount. Such recovery is initiated through the Contractor's rendering and submitting of appropriate services and activities into the County's claims processing information system and/or the submission of invoices for direct charges. The determination to begin recovery of CFA balance in July of the following fiscal year, or at such time as payments to Contractor, including the CFA, reach the Maximum Contract Amount, is based on the presumption that when a contractor is meeting its contractual levels, then the Contractor will have rendered sufficient services/activities and entered such services/activities into the County's claims processing information system by September 30 following the end of the fiscal year. September 30 is the date by which all or a substantial portion of

the Contractor's prior Fiscal Year's claims should have been received from Contractor and processed by County.

(b) If at any time during the Fiscal Year, County determines that Contractor is not rendering services at a level that would utilize all of its Maximum Contract Amount, County may initiate recovery of the CFA as specified in Subparagraph (a) above prior to July 1. If County intends to initiate recovery of the CFA prior to July 1, County will give Contractor 30 calendar days prior written notice, including the reason(s) for the intended actions, to ensure Contractor renders and submits sufficient services/activities to have repaid all, or a substantial portion of the CFA, by September 30 following the Fiscal Year close. Contractor may, within 15 calendar days of the receipt of County's written notice, request reconsideration of the County's decision.

(c) Should a Contractor have any remaining CFA balance for a particular Fiscal Year on September 30 following the close of such Fiscal Year, Contractor repayment of the remaining CFA balance shall be conducted as specified in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph S (Method of Payments for Amounts Due to County) unless otherwise agreed to by County. County will recover all CFA balances, if any, for a particular Fiscal Year no later than March 31 following the close of such Fiscal Year.

(10) When Contractor's Cash Flow Advance balance is zero in any fiscal year of the Term of this Agreement, any County and/or State and/or Federal government(s) approved Contractor reimbursement claims for eligible services/activities will be disbursed in accordance with the terms and conditions of this Agreement.

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

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

O. ANNUAL COST REPORTS

(1) For each Fiscal Year or portion thereof that this Agreement is in effect, Contractor shall provide County with two copies of an accurate and complete annual cost report, with a statement of expenses and revenue, by the due date specified in Paragraph O (4) of this Financial Exhibit A.

(2) An accurate and complete annual cost report (Annual Cost Report) shall be defined as a cost report which is completed to the best of the ability of Contractor on such forms or in

such formats as specified by the County and consistent with such instructions as the County may issue and is based on the best available data.

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

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

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

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

A) In such instance that Contractor does not submit an annual cost report(s) by such 30 calendar days after the applicable due date specified in Paragraph O (Annual Cost Reports), Subparagraph (4), then all amounts covered by the outstanding annual cost report(s) and paid by County to Contractor for the Fiscal Year for which the annual cost report(s) is (are) outstanding shall be due by Contractor to County. Contractor shall pay County according to the method described in this Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph S (Method of Payments for Amounts Due to County). Such payments shall be submitted to the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A. (B)

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

(b) Failure by the Contractor to submit an Annual Cost Report(s) by the due date specified in this Subparagraph (4) will result in damages being sustained by the County. County and Contractor agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to submit its Annual Cost Report(s) to the County

under this Paragraph. The County and Contractor hereby agree that a reasonable estimate of said damages is \$100 per day for each day that the Contractor fails to submit to the County by the due date.

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

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

iii. Upon written request from the County, Contractor shall, within 30 days, submit to the County payment for said damages. Said Payment shall be submitted to the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

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

(5) Each Annual Cost Report shall be prepared by Contractor in accordance with the Centers for Medicare and Medicaid Services' Publications #15-1 and #15-2; "The Provider Reimbursement Manual Parts 1 and 2;" the State's Cost Reporting/Data Collections (CR/DC) Manual; and for organizational providers in the Mental Health Specialty Services Mental Health Plan' service provider network, the "Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management;" and any other written guidelines that shall be provided to Contractor at the Cost Report training, to be conducted by County on or before June 30 of the Fiscal Year for which the Annual Cost Report is to be prepared.

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

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

occurrence. Therefore, County may, in its sole discretion, assess liquidated damages in the amount of \$100 for Contractor's non-attendance at the Cost Report Training. Said Payment shall be submitted to the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

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

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

i. Upon written notice from the County, Contractor shall have thirty (30) calendar days to make payment to the County in the amount specified by the County. Said payment shall be submitted to the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

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

P. OTHER REQUIREMENTS FOR CONTRACTORS PROVIDING TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES, MEDI-CAL ADMINISTRATIVE ACTIVITIES AND/OR TITLE XXI HEALTHY FAMILIES SERVICES

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

(2) Contractor shall complete and certify, in accordance with State and County instructions, and provide DMH with two (2) copies of an accurate and complete Title XIX Short-Doyle/Medi-Cal Reconciliation Report at the legal entity level by the due date set by the State for the applicable fiscal year. The due date is approximately 16 months after the close of the fiscal year.

(a) Should Contractor fail to provide County with the Title XIX Short-Doyle/Medi-Cal Reconciliation Report by the due date, then Director, in his sole discretion, shall

determine which State approved Short-Doyle/Medi-Cal services shall be used by County for completion of the Title XIX Short-Doyle/Medi-Cal Reconciliation Report.

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

Q. PRE-AUDIT FINAL COST REPORT SETTLEMENT

(1) Based on the Annual Cost Report(s) submitted pursuant to this Financial Exhibit A (FINANCIAL PROVISIONS) Paragraph O (Annual Cost Reports), at the end of each Fiscal Year or portion thereof that this Agreement is in effect, the State and County will perform a pre-audit final cost report settlement.

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

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

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

(a) As part of its pre-audit cost report settlement findings, County shall identify any amounts due to Contractor by the County or due from the Contractor to the County.

(b) Upon issuance of the County's pre-audit cost report settlement findings, Contractor may, within 30 calendar days, submit a written request to the County for review of the pre-audit cost report settlement findings.

i. Upon receipt by County of the Contractor's written request, the County shall, within 30 calendar days, meet with the Contractor to review the pre-audit cost report settlement and to consider any documentation or information presented by the Contractor. Contractor may waive such meeting and elect to proceed based on written submission at its sole discretion.

ii. Within 30 calendar days of the meeting specified in (i) above, or if no meeting is requested, within 30 calendar days of the issuance of the County's pre-audit cost report settlement findings, County shall issue a final pre-audit cost report settlement finding to the Contractor including confirming or adjusting any amounts due to Contractor by the County or due from Contractor to the County.

(4) In the event that the pre-audit cost report settlement finding indicates that the Contractor is due payment from the County, County shall make payment to Contractor within 30 calendar days following the expiration of the date to request a review as specified in Subparagraph (3) (b) above or issuance of the final pre-audit cost report settlement finding as specified in Subparagraph (3) (b) ii. above, whichever is later.

(5) In the event that the pre-audit cost report settlement finding indicates that the Contractor owes payments to the County, Contractor shall make payment to the County in accordance with the terms of Paragraph S (Method of Payments for Amounts Due to County) of this Financial Exhibit A (Financial Provisions). Said payment shall be submitted to the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

(6) Regardless of any other provision of this Paragraph Q, reimbursement to Contractor shall not exceed the Maximum Contract Amount and shall not exceed the Maximum Program Amount for each Funded Program, as identified on the Financial Summary (Attachment III).

R. AUDITS, AUDIT APPEALS AND POST-AUDIT SHORT-DOYLE/MEDI-CAL FINAL SETTLEMENT

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

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

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

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

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

(c) County shall issue an invoice to Contractor for any amount due County no later than ninety (90) calendar days after the State issues its settlement letter to the County. Contractor shall make payment to the County in accordance with the terms of Paragraph S (Method of Payments for Amounts Due to County) of this Financial Exhibit A (Financial Provisions). Said payment shall be submitted to the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

(4) Contractor may appeal any such audit findings in accordance with the audit appeal process established by the party performing the audit.

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

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

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

i. If the re-computed final settlement results in amounts due to Contractor by the County, County shall make such payments to Contractor within 30 calendar days of issuing the revised settlement amount to the Contractor.

ii. If the re-computed final settlement results in amounts due from Contractor to the County, Contractor shall make payment to the County in accordance with the terms

of Paragraph S (Method of Payments for Amounts Due to County) of this Financial Exhibit A (Financial Provisions). Said payment shall be submitted to the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

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

(6) Should the auditing party be the County, Contractor will have thirty (30) calendar days from the date of the audit report within which to file an appeal with County. The letter providing the Contractor with notice of the audit findings shall indicate the persons and address to which the appeal should be directed. County shall consider all information and argument provided by Contractor with its appeal, and will issue its decision on the appeal after such consideration. Such decision is final. County will issue an invoice for any amount due County fifteen calendar days (15) after County has notified Contractor of the County's audit appeal findings. Contractor shall make payment to the County in accordance with the terms of Section S (Payment of Amounts Due to County) of this Financial Exhibit A (Financial Provisions). Said payment shall be submitted to the persons and at the address identified in Paragraph X (Payment and Invoice Notifications) of this Financial Exhibit A.

S. METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY

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

- (a) paid in one cash payment by Contractor to County;
- (b) deducted from future claims over a period not to exceed three months;
- (c) deducted from any amounts due from County to Contractor whether under this Agreement or otherwise;
- (d) paid by cash payment(s) by Contractor to County over a period not to exceed three months; or
- (e) a combination of any or all of the above.

(2) 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 five payment options shall be used by County for recovery of such amount from Contractor.

T. INTEREST CHARGES ON DELINQUENT PAYMENTS

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

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

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

(3) 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 to Contractor by County whether under this Agreement or otherwise.

U. FINANCIAL SOLVENCY

(1) Contractor shall maintain adequate provisions against the risk of insolvency at all times.

(2) Contractor shall maintain adequate provisions to meet the solvency/working capital criteria specified in the DMH's financial responsibility requirements policy.

V. 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, unless otherwise agreed to by County.

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

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

(a) Contactor's request for consideration of an increase in the Maximum Contract Amount, or in the Maximum Program Amount, must be made and approved prior to Contractor rendering services that exceed the Maximum Contract Amount or the Maximum Program Amount. To the extent that County agrees to increase the Maximum Contract Amount, or a Maximum Program Amount, such approval shall be in the form of an executed amendment to this Agreement. Director will make best efforts to expedite the amendments provided under this Subparagraph (2) (a).

(b) Requests received after the Contractor has rendered services in excess of the Maximum Contract Amount, or the Maximum Program Amount, will only be considered on a prospective basis for payment of services rendered after the effective date of any executed amendment. The County shall not be responsible for payment, nor otherwise be liable for, services/activities that Contractor provided in excess of the Maximum Contract Amount or the Maximum Program Amount during any part of the Initial Period, First Automatic Renewal Period or Second Automatic Renewal Period, respectively.

W. DELEGATED AUTHORITY

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

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

(b) Any such Maximum Contract Amount amendment increase or amendment change shall only be for the provision of additional services; for the provision of new services as reflected on Attachment V (Service Exhibits); or to reflect program and/or policy changes that affect this Agreement; and

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

(d) Approval of County Counsel and the Chief Executive Officer or their designees is obtained prior to any such amendment to this Agreement.

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

X. PAYMENT AND INVOICE NOTIFICATIONS

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

/

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

EXHIBIT A-1

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

Legal Entity: _____

Legal Entity Number: _____

Claims for services/activities with dates of services: July 1, _____ through June 30, _____ .

I HEREBY CERTIFY under penalty of perjury that I am the official responsible for the administration of the mental health services in and for said claimant; that the amounts for which reimbursement will be claimed for Medi-Cal and Healthy Families services to be rendered during the above indicated fiscal year and to be claimed to the County of Los Angeles Department of Mental Health will be in accordance the terms and conditions of the Legal Entity Agreement; and that to the best of my knowledge and belief each claim will be in all respects true, correct, and in accordance with State and Federal law and regulation. I agree and shall certify under penalty of perjury that all claims for services to be provided to county mental health clients will be provided to the clients by this Legal Entity. The services will be provided in accordance with the client's written treatment plan. This Legal Entity also certifies that all information submitted to the County Department of Mental Health will be accurate and complete. I and this Legal Entity understand that payment of these claims will be from County, State and Federal funds, and any falsification or concealment of a material fact may be prosecuted under Federal and/or State laws. The Legal Entity agrees to keep for a minimum period of as specified in its Legal Entity Agreement with County a printed representation of all records which are necessary to disclose fully the extent of services furnished to the client. The Legal Entity agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California, to the County of Los Angeles Department of Mental Health, California Department of Health Services; the Medi-Cal Fraud Unit; California Department of Mental Health; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services, or their duly authorized representatives. Amounts, if any, to be claimed during the above stated period for the Healthy Families program will only be for children between the ages of one (1) year old to their nineteenth (19th) birthday who will be assessed or will be treated for a serious emotional disturbance (SED). The Legal Entity also agrees that services will be offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.

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

Date: _____

Signature: _____

Executed at _____, California

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

Date: _____

Signature: _____

SERVICE EXHIBITS

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

<u>DESCRIPTION</u>	<u>CODES</u>
<u>Targeted Case Management Services (Rehab. Option)</u>	<u>104-A</u>
<u>Short-Term Crisis Residential Services (Forensic)</u>	<u>201</u>
<u>Crisis Stabilization Services (Rehab. Option)</u>	<u>202-A</u>
<u>Vocational Services</u>	<u>304-A</u>
<u>Day Rehabilitation Services (Adult) (Rehab. Option)</u>	<u>308-B</u>
<u>Day Rehabilitation Services (Children/Adolescents) (Rehab. Option)</u>	<u>309-B</u>
<u>Day Treatment Intensive Services (Adult) (Rehab. Option)</u>	<u>310-B</u>
<u>Day Treatment Intensive Services (Children/Adolescents) (Rehab. Option)</u>	<u>311-B</u>
<u>Mental Health Services (Rehab. Option)</u>	<u>402</u>
<u>Medication Support Services (Rehab. Option)</u>	<u>403</u>
<u>Crisis Intervention Services (Rehab. Option)</u>	<u>404-A</u>
<u>Mental Health Service Treatment Patch (La Casa)</u>	<u>405</u>
<u>Therapeutic Behavioral Services</u>	<u>406-A</u>
<u>Outreach Services</u>	<u>501-A</u>
<u>Outreach Services (Suicide Prevention Services)</u>	<u>502-A</u>
<u>Intensive Skilled Nursing Facility Services</u>	<u>601</u>
<u>Mental Health Rehabilitation Centers (La Casa Mental Health Rehabilitation Center)</u>	<u>602</u>
<u>Intensive Skilled Nursing Facility Services (La Paz)</u>	<u>603</u>
<u>Intensive Skilled Nursing Facility Services Forensic Treatment</u>	<u>604</u>
<u>Skilled Nursing Facilities (Psychiatric Services)</u>	<u>605</u>
<u>Skilled Nursing Facility – Special Treatment Program Services</u>	
<u>(SNF-STP/Psychiatric Services)</u>	<u>608</u>
<u>Intensive Skilled Nursing Facility Services – Enhanced Treatment Program (ETP)</u>	<u>609</u>
<u>Socialization Services</u>	<u>701-A</u>
<u>Life Support Services</u>	<u>801</u>
<u>Case Management Support Services</u>	<u>802-A</u>
<u>Case Management Support Services (Forensic)</u>	<u>803-A</u>
<u>Case Management Support Services (Children & Youth)</u>	<u>804-A</u>
<u>Life Support Services (Forensic)</u>	<u>805</u>
<u>Independent Living Services</u>	<u>901</u>
<u>Local Hospital Services</u>	<u>902</u>
<u>Semi-Supervised Living Services</u>	<u>904</u>
<u>Adult Residential Treatment Services (Transitional) (MSHA)</u>	<u>912</u>

<u>Adult Residential Treatment Services (Long Term)</u>	<u>913</u>	<u>_____</u>
<u>Non-Hospital Acute Inpatient Services (La Casa PHF)</u>	<u>914</u>	<u>_____</u>
<u>Comprehensive Adult Residential Treatment Services (Bio-Psycho-Social Services)</u>	<u>915</u>	<u>_____</u>
<u>Assertive Community Treatment Program (ACT)</u>	<u>921</u>	<u>_____</u>
<u>Psychiatric Inpatient Hospital Services</u>	<u>930</u>	<u>_____</u>
<u>Primary Linkage and Coordination Program</u>	<u>1001</u>	<u>_____</u>
<u>Service Provisions (Organizational Provider Only)</u>	<u>1003</u>	<u>_____</u>
<u>Consumer Run/Employment Program</u>	<u>1005</u>	<u>_____</u>
<u>Client Supportive Services (<i>Includes Attachment A Reimbursement Procedures and Attachment B Monthly Claim for Cost Reimbursement</i>)</u>	<u>1010-A</u>	<u>_____</u>
<u>Mental Health 24-Hour Services Interim Placement Funding for Basic Care Services</u>	<u>1011</u>	<u>_____</u>
<u>Mental Health 24-Hour Services Children Under Age 18 Basic Services</u>	<u>1012</u>	<u>_____</u>
<u>Supportive Services – Residential Programs (<i>Includes Attachment A Reimbursement Procedures and Attachment B- Monthly Claim for Cost Reimbursement</i>)</u>	<u>1013</u>	<u>_____</u>
<u>Client Supportive Services-Mental Health Services Act Programs (<i>Includes Attachment A - Reimbursement Procedures and Attachment B - Monthly Claim for Cost Reimbursement</i>)</u>	<u>1014-A</u>	<u>_____</u>
<u>Full Service Partnership (FSP)</u>	<u>1015</u>	<u>_____</u>
<u>Supportive Services – Intensive Residential Program (<i>Includes Attachment A- Reimbursement Procedures and Attachment B - (Monthly Claim for Cost Reimbursement)</i>)</u>	<u>1016</u>	<u>_____</u>
<u>One-Time Expenses Associated with Starting a new MHSA Program (<i>Includes Attachment A-Reimbursement Procedures and Attachment B – Monthly Claim for Cost Reimbursement</i>)</u>	<u>1017</u>	<u>_____</u>
<u>Client Supportive Services (New Directions) (<i>Includes Attachment A Reimbursement Procedures and Attachment B Monthly Claim for Cost Reimbursement</i>)</u>	<u>1018</u>	<u>_____</u>
<u>Family Support Services</u>	<u>1019</u>	<u>_____</u>
<u>Service Extender Stipend Program Mental Health Services Act Programs (<i>Includes Attachment A Reimbursement Procedures and Attachment B Monthly Claim for Cost Reimbursement</i>)</u>	<u>1020</u>	<u>_____</u>
<u>Client Supportive Services Field Capable Clinical Services (FCCS) Mental Health Services Act Programs (<i>Includes Attachment A Reimbursement Procedures and Attachment B Monthly Claim for Cost Reimbursement</i>)</u>	<u>1021</u>	<u>_____</u>
<u>Intensive In-Home Mental Health Services</u>	<u>1022</u>	<u>_____</u>
<u>One-Time Expenses Associated with Starting a new Mental Health Services Act Program for Probation Camp Services (<i>Includes Attachment A Reimbursement Procedures and Attachment B Monthly Claim Cost Reimbursement</i>)</u>	<u>1023</u>	<u>_____</u>
<u>One-Time Expenses Associated with Starting a new MHSA Program for</u>		<u>_____</u>

<u>Transitional Living Centers for L.A. County, Inc. (Includes Attachment A</u> <u>-Reimbursement Procedures and Attachment B Monthly Claim Cost</u> <u>Reimbursement)</u>	1024	_____
<u>Intensive Treatment Foster Care</u>	1025	_____
<u>One-Time Expenses Associated with Program Development for Intensive</u> <u>In-Home Evidence Based Practices (Includes Attachment A Reimbursement</u> <u>Procedures and Attachment B Monthly Claim Cost Reimbursement)</u>	1026	_____
<u>Outreach and Engagement Services (MHSA Only)</u>	1027	_____
<u>Enriched Residential Services (Alternative Crisis) (Adults)</u>	1028	_____
<u>IMD Step-Down Programs (Adults)</u>	1029	_____
<u>Urgent Care Centers (Alternative Crisis) (Adults)</u>	1030	_____
<u>Client Supportive Services Homeless CalWORKs Families Project (Includes</u> <u>Attachment A Reimbursement Procedures and Attachment B Monthly</u> <u>Claim for Cost Reimbursement)</u>	1031	_____
<u>Star View-PHF-Supplemental Financial Support</u>	1032	_____
<u>Star View-CTF-Supplemental Financial Support</u>	1033	_____
<u>One-Time Expenses Associated with Program/Program Development for Intensive</u> <u>In-Home Evidence Based Practices Non-MHSA (Includes Attachment</u> <u>A Reimbursement Procedures and Attachment B Monthly Claim for Cost</u> <u>Reimbursement)</u>	1034	_____
<u>Field Capable Clinical Services (FCCS)</u>	1035	_____
<u>Suicide Prevention Program Mental Health Services Act (MHSA) Prevention and</u> <u>Early Intervention (PEI) Plan</u>	1036	_____
<u>One-Time Expenses Associated with Starting a new MHSA Program for PEI Early</u> <u>Start Suicide Prevention Program (Includes Attachment A-Reimbursement</u> <u>Procedures and Attachment B Monthly Claim Cost Reimbursement)</u>	1037	_____
<u>One-Time Expenses Associated with Starting a New MHSA Program for</u> <u>Urgent Care Center – Exodus Recovery, Inc. (Includes Attachment A</u> <u>Reimbursement Procedures and Attachment B Monthly Claim for Cost</u> <u>Reimbursement)</u>	1038	_____
<u>PEI Early Intervention EBP programs for Children & TAY</u>	1039	_____

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT VI
ATTESTATION REGARDING FEDERALLY FUNDED PROGRAMS**

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

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

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

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

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

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

Signature of authorized official _____ Date _____

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT VII**

SAFELY SURRENDERED BABY LAW

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

www.babysafela.org

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT VIII
CROSSWALK FACT SHEET**

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

**DMH LEGAL ENTITY AGREEMENT
ATTACHMENT IX**

CHARITABLE CONTRIBUTIONS CERTIFICATION

Legal Entity Name _____

Company Name _____

Legal Entity Address, City, State Zip _____

Address _____

Internal Revenue Service Employer Identification Number _____

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

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

Check the Certification below that is applicable to your company.

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

OR

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

Signature

Date

Name and Title of Signer (Official Name, Official Title)

Please print

LIST OF FUNDING SOURCES
(Please check all applicable contract funding.)

101	Family Preservation Program		304	MHSA – FSP – Older Adult	
102	Child Abuse Prevention Intervention and Treatment (AB2994)		305	MHSA – Field Capable Clinical Services (FCCS)	
103	Special Education Pupil (SEP)		306	MHSA – Probation Camps	
104	Specialized Foster Care		307	MHSA – Urgent Care Centers/Crisis Resolution Services	
105	Comprehensive SOC Prog (SAMHSA, CFDA #93.958)		308	MHSA – Wellness/Client-Run Centers	
106	Child MH Initiative-Project ABC (SAMHSA, CFDA #93.104)		309	MHSA – Institutions for Mental Disease (IMD) Step Down	
107	Juvenile Justice Program (STOP)		310	MHSA – Enriched Residential Services	
108	Juvenile Justice Program (JJCPA)		311	MHSA – Jail Transition and Linkage Services	
109	Co-occurring Disorder		312	MHSA – POE (Outreach & Engagement)	
110	Path McKinney, CFDA #93.150		313	MHSA – Prevention and Early Intervention (PEI)	
111	Homeless Services (NCC)		401	DCFS Star View	
112	Family Functional Therapy Program		401	DHS LAMP	
113	CalWORKs		401	DHS Social Model	
114	Homeless – Family Project		401	DCFS Hillview Transitional Independent Living	
115	GROW		401	DHS/ADPA Dual Diagnosis	
201	Inpatient/Residential Services		401	DCFS THP	
202	Other Mental Health Services for clients under the age of 21 years		401	DCFS Medical Hub	
203	Other Mental Health Services for clients 21 years of age or older		401	Other Employment Services (SSG)	
301	MHSA – Full Service Partnership (FSP) - Child		401	Tri-City	
302	MHSA – FSP – TAY		1001	Non-Medi-Cal/Indigent	
303	MHSA – FSP – Adult		1002	Medi-Cal: NON-EPSTD, EPSTD/Healthy Families	

FUNDING SOURCES OF NEW AGREEMENT: MAXIMUM CONTRACT AMOUNT (MCA) PER FISCAL YEAR (FY)

See Financial Summary(ies) for details of MCA.

FY	FY	FY
\$	\$	\$

Headquarters' (HQ) Address: _____
District: _

HQ's Sup.

Service Area(s): _