

AGREEMENT

FOR SERVICES OF INDEPENDENT CONTRACTOR

BC _____

THIS AGREEMENT (hereafter Agreement) is made by and between the County of Santa Barbara, a political subdivision of the State of California (hereafter County) and **Mountain Valley Child and Family Services Inc.** with an address at 24077 State Hwy 49, Nevada City, CA (hereafter Contractor) wherein Contractor agrees to provide and County agrees to accept the services specified herein.

WHEREAS, Contractor represents that it is specially trained, skilled, experienced, and competent to perform the special services required by County and County desires to continue to retain the services of Contractor pursuant to the terms, covenants, and conditions herein set forth;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. DESIGNATED REPRESENTATIVE

Medical Director at phone number 805-681-5220 is the representative of County and will administer this Agreement for and on behalf of County. Dan Petrie at phone number 530-265-9057 is the authorized representative for Contractor. Changes in designated representatives shall be made only after advance written notice to the other party.

2. NOTICES

Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by personal delivery or facsimile, or with postage prepaid by first class mail, registered or certified mail, or express courier service, as follows:

To County: Director
Santa Barbara County
Department of Behavioral Wellness
300 N. San Antonio Road
Santa Barbara, CA 93110
FAX: 805-681-5262

To Contractor: Dan Petrie, CEO
Mountain Valley Child and Family Services Inc.
24077 State Hwy 49
Nevada City, CA 95959
FAX: 530-292-3803

or at such other address or to such other person that the parties may from time to time designate in accordance with this Notices section. If sent by first class mail, notices and consents under this section shall be deemed to be received five (5) days following their deposit in the U.S. mail. This Notices section shall not be construed as meaning that either party agrees to service of process except as required by applicable law.

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3. SCOPE OF SERVICES

Contractor agrees to provide services to County in accordance with EXHIBIT A attached hereto and incorporated herein by reference.

4. TERM

Contractor shall commence performance on **7/1/2017** and end performance upon completion, but no later than **12/31/2018** unless otherwise directed by County or unless earlier terminated.

5. COMPENSATION OF CONTRACTOR

In full consideration for Contractor's services, Contractor shall be paid for performance under this Agreement in accordance with the terms of EXHIBIT B attached hereto and incorporated herein by reference.

6. INDEPENDENT CONTRACTOR

It is mutually understood and agreed that Contractor (including any and all of its officers, agents, and employees), shall perform all of its services under this Agreement as an independent Contractor as to County and not as an officer, agent, servant, employee, joint venturer, partner, or associate of County. Furthermore, County shall have no right to control, supervise, or direct the manner or method by which Contractor shall perform its work and function. However, County shall retain the right to administer this Agreement so as to verify that Contractor is performing its obligations in accordance with the terms and conditions hereof. Contractor understands and acknowledges that it shall not be entitled to any of the benefits of a County employee, including but not limited to vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure. Contractor shall be solely liable and responsible for providing to, or on behalf of, its employees all legally-required employee benefits. In addition, Contractor shall be solely responsible and save County harmless from all matters relating to payment of Contractor's employees, including compliance with Social Security withholding and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, Contractor may be providing services to others unrelated to the County or to this Agreement.

7. STANDARD OF PERFORMANCE

Contractor represents that it has the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement. Accordingly, Contractor shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which Contractor is engaged. All products of whatsoever nature, which Contractor delivers to County pursuant to this Agreement, shall be prepared in a first class and workmanlike manner and shall conform to the standards of quality normally observed by a person practicing in Contractor's profession. Contractor shall correct or revise any errors or omissions, at County's request without additional compensation. Permits and/or licenses shall be obtained and maintained by Contractor without additional compensation.

8. DEBARMENT AND SUSPENSION

Contractor certifies to County that it and its employees and principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. Contractor certifies that it shall not contract with a subcontractor that is so debarred or suspended.

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9. TAXES

Contractor shall pay all taxes, levies, duties, and assessments of every nature due in connection with any work under this Agreement and shall make any and all payroll deductions required by law. County shall not be responsible for paying any taxes on Contractor's behalf, and should County be required to do so by state, federal, or local taxing agencies, Contractor agrees to promptly reimburse County for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but not be limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and workers' compensation insurance.

10. CONFLICT OF INTEREST

Contractor covenants that Contractor presently has no employment or interest and shall not acquire any employment or interest, direct or indirect, including any interest in any business, property, or source of income, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by Contractor. Contractor must promptly disclose to the County, in writing, any potential conflict of interest. County retains the right to waive a conflict of interest disclosed by Contractor if County determines it to be immaterial, and such waiver is only effective if provided by County to Contractor in writing.

11. OWNERSHIP OF DOCUMENTS AND INTELLECTUAL PROPERTY

County shall be the owner of the following items incidental to this Agreement upon production, whether or not completed: all data collected, all documents of any type whatsoever, all photos, designs, sound or audiovisual recordings, software code, inventions, technologies, and other materials, and any material necessary for the practical use of such items, from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. Contractor shall not release any of such items to other parties except after prior written approval of County. Contractor shall be the legal owner and Custodian of Records for all County client files generated pursuant to this Agreement, and shall comply with all Federal and State confidentiality laws, including Welfare and Institutions Code (WIC) §5328; 42 United States Code (U.S.C.) §290dd-2; and 45 CFR, Parts 160 – 164 setting forth the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Contractor shall inform all of its officers, employees, and agents of the confidentiality provision of said laws. Contractor further agrees to provide County with copies of all County client file documents resulting from this Agreement without requiring any further written release of information. Within HIPAA guidelines, County shall have the unrestricted authority to publish, disclose, distribute, and/or otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

Unless otherwise specified in Exhibit A, Contractor hereby assigns to County all copyright, patent, and other intellectual property and proprietary rights to all data, documents, reports, photos, designs, sound or audiovisual recordings, software code, inventions, technologies, and other materials prepared or provided by Contractor pursuant to this Agreement (collectively referred to as "Copyrightable Works and Inventions"). County shall have the unrestricted authority to copy, adapt, perform, display, publish, disclose, distribute, create derivative works from, and otherwise use in whole or in part, any Copyrightable Works and Inventions. Contractor agrees to take such actions and execute and deliver such documents as may be needed to validate, protect and confirm the rights and assignments provided hereunder.

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Contractor warrants that any Copyrightable Works and Inventions and other items provided under this Agreement will not infringe upon any intellectual property or proprietary rights of any third party. Contractor at its own expense shall defend, indemnify, and hold harmless County against any claim that any Copyrightable Works or Inventions or other items provided by Contractor hereunder infringe upon intellectual or other proprietary rights of a third party, and Contractor shall pay any damages, costs, settlement amounts, and fees (including attorneys' fees) that may be incurred by County in connection with any such claims. This Ownership of Documents and Intellectual Property provision shall survive expiration or termination of this Agreement.

12. NO PUBLICITY OR ENDORSEMENT

Contractor shall not use County's name or logo or any variation of such name or logo in any publicity, advertising or promotional materials. Contractor shall not use County's name or logo in any manner that would give the appearance that the County is endorsing Contractor. Contractor shall not in any way contract on behalf of or in the name of County. Contractor shall not release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning the County or its projects, without obtaining the prior written approval of County.

13. COUNTY PROPERTY AND INFORMATION

All of County's property, documents, and information provided for Contractor's use in connection with the services shall remain County's property, and Contractor shall return any such items whenever requested by County and whenever required according to the Termination section of this Agreement. Contractor may use such items only in connection with providing the services. Contractor shall not disseminate any County property, documents, or information without County's prior written consent.

14. RECORDS, AUDIT, AND REVIEW

Contractor shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Contractor's profession and shall maintain all records until such time that the State Department of Health Care Services completes all actions associated with the final audit, including appeals, for the fiscal year(s) covered by this Agreement, or not less than four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting principles. County shall have the right to audit and review all such documents and records at any time during Contractor's regular business hours or upon reasonable notice. In addition, if this Agreement exceeds ten thousand dollars (\$10,000.00), Contractor shall be subject to the examination and audit of the California State Auditor, at the request of the County or as part of any audit of the County, for a period of three (3) years after final payment under the Agreement (Cal. Govt. Code Section 8546.7). Contractor shall participate in any audits and reviews, whether by County or the State, at no charge to County.

If federal, state or County audit exceptions are made relating to this Agreement, Contractor shall reimburse all costs incurred by federal, state, and/or County governments associated with defending against the audit exceptions or performing any audits or follow-up audits, including but not limited to: audit fees, court costs, attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments and all other costs of whatever nature. Immediately upon notification from County, Contractor shall reimburse the amount of the audit exceptions and any other related costs directly to County as specified by

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County in the notification. The provisions of the Records, Audit, and Review section shall survive any expiration or termination of this Agreement.

15. INDEMNIFICATION AND INSURANCE

Contractor agrees to the indemnification and insurance provisions as set forth in EXHIBIT C attached hereto and incorporated herein by reference.

16. NONDISCRIMINATION

County hereby notifies Contractor that County's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and Contractor agrees to comply with said ordinance.

17. NONEXCLUSIVE AGREEMENT

Contractor understands that this is not an exclusive Agreement and that County shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by Contractor as the County desires.

18. NON-ASSIGNMENT

Contractor shall not assign, transfer or subcontract this Agreement or any of its rights or obligations under this Agreement without the prior written consent of County and any attempt to so assign, subcontract or transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

19. TERMINATION

A. **By County.** County may, by written notice to Contractor, terminate this Agreement in whole or in part at any time, whether for County's convenience, for nonappropriation of funds, or because of the failure of Contractor to fulfill the obligations herein.

1. **For Convenience.** County may terminate this Agreement in whole or in part upon thirty (30) days written notice. During the thirty (30) day period, Contractor shall, as directed by County, wind down and cease its services as quickly and efficiently as reasonably possible, without performing unnecessary services or activities and by minimizing negative effects on County from such winding down and cessation of services.

2. **For Nonappropriation of Funds.**

A. The parties acknowledge and agree that this Agreement is dependent upon the availability of County, State, and/or federal funding. If funding to make payments in accordance with the provisions of this Agreement is not forthcoming from the County, State and/or federal governments for the Agreement, or is not allocated or allotted to County by the County, State and/or federal governments for this Agreement for periodic payment in the current or any future fiscal period, then the obligations of County to make payments after the effective date of such non-allocation or non-funding, as provided in the notice, will cease and terminate.

B. As permitted by applicable State and Federal laws regarding funding sources, if funding to make payments in accordance with the provisions of this Agreement is

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delayed or is reduced from the County, State, and/or federal governments for the Agreement, or is not allocated or allotted in full to County by the County, State, and/or federal governments for this Agreement for periodic payment in the current or any future fiscal period, then the obligations of County to make payments will be delayed or be reduced accordingly or County shall have the right to terminate the Agreement. If such funding is reduced, County in its sole discretion shall determine which aspects of the Agreement shall proceed and which Services shall be performed. In these situations, County will pay Contractor for Services and Deliverables and certain of its costs. Any obligation to pay by County will not extend beyond the end of County's then-current funding period.

- C. Contractor expressly agrees that no penalty or damages shall be applied to, or shall accrue to, County in the event that the necessary funding to pay under the terms of this Agreement is not available, not allocated, not allotted, delayed or reduced.
3. **For Cause.** Should Contractor default in the performance of this Agreement or materially breach any of its provisions, County may, at County's sole option, terminate or suspend this Agreement in whole or in part by written notice. Upon receipt of notice, Contractor shall immediately discontinue all services affected (unless the notice directs otherwise) and notify County as to the status of its performance. The date of termination shall be the date the notice is received by Contractor, unless the notice directs otherwise.
- A. **By Contractor.** Should County fail to pay Contractor all or any part of the payment set forth in EXHIBIT B, Contractor may, at Contractor's option terminate this Agreement if such failure is not remedied by County within thirty (30) days of written notice to County of such late payment.
- B. **Upon termination,** Contractor shall deliver to County all data, estimates, graphs, summaries, reports, and all other property, records, documents or papers as may have been accumulated or produced by Contractor in performing this Agreement, whether completed or in process, except such items as County may, by written permission, permit Contractor to retain. Notwithstanding any other payment provision of this Agreement, County shall pay Contractor for satisfactory services performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made. In no event shall Contractor be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service. Contractor shall furnish to County such financial information as in the judgment of County is necessary to determine the reasonable value of the services rendered by Contractor. In the event of a dispute as to the reasonable value of the services rendered by Contractor, the decision of County shall be final. The foregoing is cumulative and shall not affect any right or remedy which County may have in law or equity.

20. SECTION HEADINGS

The headings of the several sections, and any Table of Contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

21. SEVERABILITY

If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed

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severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

22. REMEDIES NOT EXCLUSIVE

No remedy herein conferred upon or reserved to County is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

23. TIME IS OF THE ESSENCE

Time is of the essence in this Agreement and each covenant and term is a condition herein.

24. NO WAIVER OF DEFAULT

No delay or omission of County to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to County shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of County.

25. ENTIRE AGREEMENT AND AMENDMENT

In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel. Requests for changes to the terms and conditions of this agreement after April 1 of the Fiscal Year for which the change would be applicable shall not be considered. All requests for changes shall be in writing. Changes shall be made by an amendment pursuant to this Section. Any amendments or modifications that do not materially change the terms of this Agreement (such as changes to the Designated Representative or Contractor's address for purposes of Notice) may be approved by the Director of the Department of Behavioral Wellness. The Board of Supervisors of the County of Santa Barbara must approve all other amendments and modifications.

26. SUCCESSORS AND ASSIGNS

All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

27. COMPLIANCE WITH LAW

Contractor shall, at its sole cost and expense, comply with all County, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of Contractor in any action or proceeding against Contractor, whether County is a party thereto or not, that

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Contractor has violated any such ordinance or statute, shall be conclusive of that fact as between Contractor and County.

28. CALIFORNIA LAW AND JURISDICTION

This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

29. EXECUTION OF COUNTERPARTS

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

30. AUTHORITY

All signatories and parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(s), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Contractor hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which Contractor is obligated, which breach would have a material effect hereon.

31. SURVIVAL

All provisions of this Agreement which by their nature are intended to survive the termination or expiration of this Agreement shall survive such termination or expiration.

32. PRECEDENCE

In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections.

33. COMPLIANCE WITH HIPAA

Contractor is expected to adhere to Health Insurance Portability and Accountability Act (HIPAA) regulations and to develop and maintain comprehensive patient confidentiality policies and procedures, provide annual training of all staff regarding those policies and procedures, and demonstrate reasonable effort to secure written and/or electronic data. The parties should anticipate that this Agreement will be modified as necessary for full compliance with HIPAA.

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34. COURT APPEARANCES.

Upon request, Contractor shall cooperate with County in making available necessary witnesses for court hearings and trials, including Contractor's staff that have provided treatment to a client referred by County who is the subject of a court proceeding. County shall issue subpoenas for the required witnesses upon request of Contractor.

35. PRIOR AGREEMENTS.

Upon the effective date, this Agreement supersedes all prior agreements between County and Contractor related to the scope of work contained in this Agreement.

36. MANDATORY DISCLOSURE.

- A. **Violations of Criminal Law.** Contractor must disclose, in a timely manner, in writing to the County all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting this Agreement. Failure to make required disclosures can result in any of the remedies described in 45 C.F.R. Section 75.371, including suspension or debarment. (See also 2 C.F.R. part 180 and 376, and 31 U.S.C. 3321.)
- B. **Ownership or Controlling Interest.**
As required by 42 CFR sections 455.101 and 455.104, Contractor will complete a *Disclosure of Ownership or Controlling Interest* form provided by County.

AGREEMENT

THIS AGREEMENT INCLUDES:

A. EXHIBIT A – Statement of Work

- i. Mental Health (MH) - Statement of Work
- ii. Attachment A – Santa Barbara County Mental Health Plan, Quality Management Standards
- iii. Attachment D – Organizational Service Provider Site Certification
- iv. Attachment E – Program Goals, Outcomes and Measures

B. EXHIBIT B – Financial Provisions

- i. EXHIBIT B-1 – Schedule of Rates and Contract Maximum

C. EXHIBIT C – Standard Indemnification and Insurance Provisions

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SIGNATURE PAGE

Agreement for Services of Independent Contractor between the County of Santa Barbara and **Mountain Valley Child and Family Services Inc.**

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on July 1, 2017.

COUNTY OF SANTA BARBARA

By: _____

JOAN HARTMANN, CHAIR

BOARD OF SUPERVISORS

Date: _____

ATTEST:

MONA MIYASATO,
COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By: _____

Deputy Clerk

Date: _____

CONTRACTOR

MOUNTAIN VALLEY CHILD AND FAMILY
SERVICES INC.

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

MICHAEL C. GHIZZONI
COUNTY COUNSEL

By: _____

Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:

THEODORE A. FALLATI, CPA
AUDITOR-CONTROLLER

By: _____

Deputy

APPROVED AS TO FORM :

DEPARTMENT OF BEHAVIORAL WELLNESS
ALICE GLEGHORN, PH.D. DIRECTOR

By: _____

Director

APPROVED AS TO INSURANCE FORM:

RAY AROMATORIO
RISK MANAGER

By: _____

Risk Management

**EXHIBIT A
STATEMENT OF WORK
RESIDENTIAL TREATMENT**

THIS EXHIBIT A INCLUDES:

- A. EXHIBIT A – Statement of Work
 - i. Mental Health (MH) - Statement of Work
 - ii. Attachment A – Santa Barbara County Mental Health Plan, Quality Management Standards
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 - iv. Attachment E – Program Goals, Outcomes and Measures

**EXHIBIT A
STATEMENT OF WORK
RESIDENTIAL TREATMENT**

1. **PROGRAM SUMMARY.** The Residential Treatment Mental Health Services Program (hereafter “the Program”) is designed to provide mental health services to children ages 10-18 years old (hereafter “clients”) who are residents of Santa Barbara County and have been temporarily placed in one of Contractor’s facilities. The Program provides intensive treatment services for children and youth with Serious Emotional Disturbance (SED), who have a history of abuse and neglect or multiple placement failures and would otherwise require more restrictive and costly care in state hospital settings. Contractor shall operate facilities certified by the California Department of Social Services, Community Care and Licensing Division, as Group Homes. These facilities shall be certified as a Rate Classification Level (RCL) 13/14 as defined by California Welfare and Institutions Code (WIC) Section 11462.015. The Program shall be headquartered at 24077 State Hwy 49, Nevada City, California.
2. **PROGRAM GOALS.**
 - A. **Mental Health Services in Residential Settings:** The goal of the Program is to provide children with the necessary social, personal, and academic skills to successfully move to a lower level of care.
 - B. **Therapeutic Behavioral Services (TBS):** To maintain the client’s residential placement at the lowest appropriate level, and/or enable client to successfully move to a lower level of care, by resolving identified problem behaviors and achieving short-term treatment goals.
3. **SERVICES.**
 - A. Contractor shall provide the following services, as defined in Title 9, California Code of Regulations (CCR), as authorized by Behavioral Wellness Quality Care Management (QCM) Division:
 - i. Day Treatment Intensive (DTI). DTI is a structured, multi-disciplinary program of therapy which may be an alternative to hospitalization, avoid placement in a more restrictive setting, or maintain the individual in a community setting, which provides services to a distinct group of individuals, as defined in 9 CCR Section 1810.213. Services are available at least three hours and less than 24 hours each day the program is open. Service activities may include, but are not limited to, assessment, plan development, therapy, rehabilitation and collateral. In addition to meeting the requirements of Title 9 CCR, Sections 1840.318 (Claiming for Service Functions), 1840.328 (DTI Services Contact and Site Requirements), and 1840.350(DTI Staffing Requirements), the Program shall include the following services, as described in the California State Department of Mental Health Medi-Cal Mental Health Plan Agreement:
 - a. **Community Meetings.** Community meetings shall occur a minimum of once a day, or more frequently as determined necessary, to address issues pertinent to the continuity and effectiveness of the therapeutic milieu (defined in Section 3.A.i.b following) that may, but are not required to be, part of the continuous therapeutic milieu; actively involve staff and clients; include a staff person whose scope of practice includes psychotherapy; include a psychologist,

**EXHIBIT A
STATEMENT OF WORK
RESIDENTIAL TREATMENT**

clinical social worker, or marriage and family therapist; include a registered nurse, psychiatric technician, licensed vocational nurse, or mental health rehabilitation specialist; address relevant items including the schedule for the day, any current event, individual issues clients or staff wish to discuss to elicit support of the group, conflict resolution within the milieu, current, planning for the day, the week, or for special events, old business from previous meetings or from previous day treatment experiences, and debriefing or wrap-up.

- b. **Therapeutic milieu.** Therapeutic milieu services shall occur more than four hours per day for a full-day program and a minimum of three hours for a half-day program. The services should include staff and activities that teach, model and reinforce constructive interactions; include peer and staff feedback to clients on strategies for symptom reduction, increasing adaptive behaviors, and reducing subjective distress; involve clients in the overall program, for example, by providing opportunities to lead community meetings and to provide feedback to peers; include behavior management interventions that focus on teaching self- management skills that clients may use to control their own lives, to deal effectively with present and future problems and to function well with minimal or no additional therapeutic intervention. The therapeutic milieu services shall also include:
1. Skill building groups: groups in which staff help clients to identify barriers related to their psychiatric and psychological experiences and use group interaction to become better able to identify skills that address symptoms and behaviors and increase adaptive behaviors;
 2. Adjunctive therapies: non-traditional therapies, such as art or dance, that utilize self-expression as a therapeutic intervention;
 3. Psychotherapy, which means the use of psychosocial methods within a professional relationship to assist the client or clients to achieve a better psychosocial adaptation, to acquire greater human realization of psychosocial potential and adaptation, to modify internal and external conditions that affect individuals, groups, or communities in respect to behavior, emotions, and thinking, and intrapersonal and interpersonal processes. Psychotherapy shall be provided by licensed, registered, or waived staff as defined in Title 9 CCR 1810.223 and 1810.254 practicing within their scope of practice. Psychotherapy does not include physiological interventions, including medication intervention;
 4. An established protocol for responding to clients experiencing a mental health crisis;
 5. A detailed written weekly schedule, available to clients, and, as appropriate, their families, caregivers or client's other significant support persons that specifies when and where the service components of the program will be provided, the program staff that will provide the services, their qualifications, and the scope of their responsibilities;

**EXHIBIT A
STATEMENT OF WORK
RESIDENTIAL TREATMENT**

6. Staffing ratios consistent with the requirements of 9 CCR Section 1840.350, and that include at least one staff person whose scope of practice includes psychotherapy. At least one staff person must be present and available to the group in the therapeutic milieu for all scheduled hours of operation. If DTI staff have other responsibilities, Contractor shall document a clear audit trail and shall maintain documentation on the scope of responsibilities for these staff and the specific times in which DTI is being performed exclusive of other activities;
 7. Clients shall be present for all scheduled hours of operation for each day. When a client is unavoidably absent, Medi-Cal reimbursement for DTI shall only occur if the client is present for at least 50 percent of the scheduled hours of operation for that day;
 8. At least one contact per month with the client's legally responsible adult. This contact shall occur outside the Program's hours of operation and the therapeutic milieu, and should focus on the role of the significant support person in supporting the client's community reintegration; and
 9. Contractor shall maintain a written program description of the Program that describes the specific activities of the service and reflects each of the required components of the services described in this section.
- ii. **Medication Support Services.** Medication support services are services that include prescribing, administering, dispensing and monitoring psychiatric medications or biologicals that are necessary to alleviate the symptoms of mental illness. Service activities include but are not limited to, evaluation of the need for medication; evaluation of clinical effectiveness and side effects; the obtaining of informed consent; instruction in the use, risks and benefits of and alternatives for medication; and collateral and plan development related to the delivery of the service and/or assessment of the client, as defined in Title 9 CCR Section 1810.225.
 - iii. **Therapeutic Behavioral Services (TBS).** These services are one-to-one therapeutic contacts between a mental health provider and a client for a specified short-term period of time, which are designed to maintain the client's residential placement at the lowest appropriate level by resolving target behaviors and achieving short-term treatment goals. The mental health provider is on-site and is immediately available to intervene for a specified period of time, up to 24 hours per day, depending on the needs of the client.
- B. If Contractor has a deaf and hard-of-hearing program, Contractor shall ensure Program includes clinicians, residential supervisors, counselors, and classroom staff fluent in sign language.
- C. Room and Board are not covered by this Agreement.

**EXHIBIT A
STATEMENT OF WORK
RESIDENTIAL TREATMENT**

4. SERVICE INTENSITY/HOURS OF OPERATION AND COVERAGE.

A. **Service Intensity.** Services at the Program, as described in Section 3.A, shall be provided in accordance with each client's individualized treatment plan and certification for referral into Contractor's residential treatment facility. The average length of treatment in the Residential Treatment Program shall be six to twelve (6 – 12) months.

B. **Hours of Operation and Coverage.** Staff shall be available to provide Program services 24 hours per day, 7 days per week, as needed.

5. **CLIENTS.** Contractor shall be reimbursed for Program services provided to Santa Barbara County clients between the ages of 10-21 years, who are Medi-Cal beneficiaries and determined to meet medical necessity for specialty mental health services as defined in Title 9 CCR 1810.247.

6. **ELIGIBILITY CRITERIA FOR TBS.** TBS shall be offered in a manner that complies with the requirements for Medi-Cal reimbursement. In order to qualify for reimbursement, a client must meet the eligibility and membership criteria described below:

A. **Eligibility.** To be eligible for TBS, client must meet the following criteria:

i. Client must be a full-scope Medi-Cal beneficiary, under 21 years of age, and

ii. Meet medical necessity criteria as described in Title 9, CCR, sections 1820.205, 1830.205, or 1830.210.

B. **Membership in the Certified Class:** Clients meet criteria for Certified Class because client is placed in a residential facility of Rate Classification Level (RCL) 12 or above and/or a locked treatment facility for the treatment of mental health needs.

C. **Need for TBS.** Upon the determination that the client is a member of the qualified class, Contractor shall determine the client's need for TBS based upon the following criteria:

i. Client is receiving other specialty mental health services; and

ii. In the clinical judgment of the Contractor, it is highly likely that without the additional short-term support of TBS that either:

a. The client will need to be placed out-of-home, or into a higher level of residential placement, including acute care, because of a change in the client's behaviors or symptoms which jeopardize continued placement in the current facility; or

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- b. The client needs this additional support to transition to a home, foster home, or lower level of residential placement. Although the client may be stable in the current residential placement, a change in behavior or symptoms is expected and TBS are needed to stabilize the client in the new environment. Contractor must document the basis for the expectation that the behavior or symptoms will change.

7. REFERRALS AND AUTHORIZATION.

- A. Contractor shall accept clients referred by County placing agencies for services within the scope of Contractor's practice. Placing agencies include Social Services and Probation. If Contractor believes a client is inappropriate for its service, or if space is not available in the Program, Contractor shall promptly notify the referring agency.
- B. Initial Referral
 - i. County shall submit referral packet to Contractor, with documentation required by Contractor for placement.
 - ii. Contractor shall notify County if placement has been accepted within five (5) business days.
 - iii. Upon client admission into Program, Contractor is authorized to provide the following services during the first 30 days of placement:
 - a. Day Treatment Intensive; and
 - b. Medication Support.
- C. Contractor shall request reauthorization from Department of Behavioral Wellness QCM in order to continue services beyond the 30th day from a client's admission. Department of Behavioral Wellness QCM Division shall determine the length of re-authorization, not to exceed a three month interval, on a case-by-case basis.
 - i. Contractor shall submit clinical records and reauthorization requests 10 days prior to the reauthorization due date.
 - ii. At the discretion of the Department of Behavioral Wellness, TBS services as described in Section 3.A.iii may be pre-authorized by the QCM Division on a case by case basis upon client's placement into the facility, for clients meeting class and eligibility criteria as described in Section 6.
- D. Contractor understands that County shall authorize the level of care, the specific services and the duration and frequency of services for any County client placed with Contractor. County shall only reimburse Contractor for services authorized by the Department of Behavioral Wellness QCM Division prior to service provision.

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8. **DISCHARGE PLAN.** The Department of Behavioral Wellness Treatment Team shall work closely with each client and with Program staff to establish a written discharge plan that is responsive to the client's needs and personal goals.
9. **DISCHARGE CRITERIA.** The appropriateness for client discharge shall be determined on a case by case basis. Criteria for discharge include:
 - A. Treatment goals have been sufficiently met;
 - B. The determination that the treatment goals have not been met, as determined by the Department of Behavioral Wellness Treatment Team and Program staff. The Department of Behavioral Wellness Treatment Team and Program staff shall provide the client and family with more appropriate treatment;
 - C. The determination that significant progress has been made, even if not all goals have been met, such that the client no longer requires the intensive level of services provided by the Program; and
 - D. Client/family circumstances change and client is no longer eligible for services.

10. DOCUMENTATION REQUIREMENTS.

- A. **Treatment Plan.** Contractor shall complete a Treatment Plan for each County client receiving Program services. The Treatment Plan shall provide overall direction for the collaborative work of the client, the Program, and the Department of Behavioral Wellness Treatment Team. The Treatment Plan shall meet Medi-Cal and other applicable Federal, State and local laws, rules, manuals, policies, guidelines, and directives. The Treatment Plan shall include:
 - i. Client's recovery goals which guide the service delivery process;
 - ii. Objectives describing the skills and behaviors that the client will be able to learn as a result of the Program's behavioral interventions; and
 - iii. Interventions planned to help the client reach their goals.
- B. **TBS Documentation.** Contractor shall document and maintain TBS Assessments and Client Plans in accordance with any and all State requirements. The TBS Assessment and Client Plan shall be completed prior to initiating services.
 - i. **TBS Assessment.** TBS Assessments must be comprehensive enough to identify that the client meets medical necessity criteria, is a full-scope Medi-Cal beneficiary under 21 years of age, and is a member of the certified class; that there is a need for specialty mental health services in addition to TBS; and that the client has specific behaviors and/or symptoms that require TBS. TBS Assessments must document the following:
 - a. Identify the client's specific behaviors and/or symptoms that jeopardize current residential placement or behaviors and/or symptoms that are expected to interfere with the client's transition to a lower level of residential placement;

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- b. Describe the critical nature of the situation, severity of the client's behaviors and/or symptoms, other less intensive services that have been tried and/or considered, and why those less intensive services are not or would not be appropriate;
 - c. Provide sufficient clinical information to demonstrate that TBS is necessary to sustain the client's current residential placement or to successfully transition to a lower level of residential placement and that TBS can be expected to provide a level of intervention necessary to stabilize the client in the existing residential placement or to address behaviors and/or symptoms that jeopardize the client's transition to a lower level of residential placement;
 - d. Identify what changes in behavior and/or symptoms TBS is expected to achieve and how the client's therapist or Treatment Team will know when the services have been successful and can be reduced or terminated; and
 - e. Identify skills and adaptive behaviors that the client is using now to manage the problem behavior and/or is using in other circumstances that could replace the specified problem behaviors and/or symptoms.
- ii. **TBS Client Plans.** The TBS Client Plan is intended to provide clinical direction for one or a series of short-term intervention(s) to address very specific behaviors and/or symptoms of the client as identified by the assessment process. TBS must be identified as an intervention on the overall Treatment Plan; TBS is not a stand-alone service. TBS Client Plans must include:
- a. Specific behaviors and/or symptoms that jeopardize the residential placement or transition to a lower level of residential placement;
 - b. Specific plan of intervention for each of the targeted behaviors or symptoms identified in the TBS Assessment and the TBS Client Plan;
 - c. Specific description of the changes in the behaviors and/or symptoms that the interventions are intended to produce, including a time frame for those changes; and
 - d. Specific outcome measures that can be used to demonstrate the effectiveness of the intervention at regular levels and documentation of changes in planned interventions when the original plans are not achieving expected results.
- iii. **TBS Client Plan Addendum.** A TBS Client Plan Addendum shall be used to document the following:
- a. Significant changes in the client's environment since the initial development of the TBS Client Plan;
 - b. When TBS has not been effective and the client is not progressing as expected towards the identified goals there must be documented evidence in the client chart and any additional information indicating the consideration of alternative interventions or treatment options.

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- iv. **Progress Notes.** Progress notes are required each day TBS is delivered and must include a comprehensive summary covering the time that services were provided. Each daily Progress Note must clearly document the following:
 - a. Occurrences of specific behaviors and/or symptoms that threaten the stability of the current residential placement or prevent transition to a lower level of residential placement;
 - b. Delivery of significant interventions identified in the TBS Client Plan; and
 - c. Progress in stabilizing behaviors and/or symptoms by changing or eliminating maladaptive behaviors and replacing them with adaptive behaviors.

- 11. **NON-REIMBURSABLE CIRCUMSTANCES.** TBS are not reimbursable under the following conditions:
 - A. For the convenience of the client's family/caregivers, physician, or teacher;
 - B. To provide supervision or to assure compliance with terms and conditions of probation;
 - C. To ensure the client's physical safety or the safety of others (e.g. suicide watch);
 - D. To address conditions that are not a part of the client's mental health condition;
 - E. For clients who can sustain non-impulsive, self-directed behavior, handle themselves appropriately in social situations with peers, and who are able to appropriately handle transactions during the day; and
 - F. For clients who will never be able to sustain non-impulsive self-directed behavior and engage in appropriate community activities without full-time supervision; or when the client is an inpatient of a hospital, psychiatric health facility, nursing facility, Institute for Mental Disease (IMD), or crisis residential facility

- 12. **PERFORMANCE.** Contractor shall adhere to Department of Behavioral Wellness requirements, the Mental Health Plan, and all relevant provisions of the California Code of Regulations Title 9, Division 1.

- 13. **STAFF.**
 - A. Staff shall be trained and skilled at working with persons with serious emotional disturbance (SED), shall adhere to professionally recognized best practices for rehabilitation assessment, service planning, and service delivery, and shall become proficient in the principles and practices of Integrated Dual Disorders Treatment.
 - B. Contractor shall ensure that staff identified on the Centers for Medicare & Medicaid Services (CMS) Exclusions List or other applicable list shall not provide services under this Agreement nor shall the cost of such staff be claimed to Medi-Cal.

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- C. All staff performing services under this Agreement with access to the Behavioral Wellness electronic medical record shall be reviewed and approved by Behavioral Wellness Quality Care Management (QCM) Division, in accordance with Behavioral Wellness Policy and Procedure #34, Staff Credentialing and Licensing.
- D. At any time prior to or during the term of this Agreement, the County may require that Contractor staff performing work under this Agreement undergo and pass, to the satisfaction of County, a background investigation, as a condition of beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation.
- E. County may request that Contractor's staff be immediately removed from working on the County Agreement for good cause during the term of the Agreement.
- F. County may immediately deny or terminate County facility access, including all rights to County property, computer access, and access to County software, to Contractor's staff that does not pass such investigation(s) to the satisfaction of the County, or whose conduct is incompatible with County facility access.
- G. Disqualification, if any, of Contractor staff, pursuant to this Section, shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

14. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES.

- A. Contractor shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates (including, but not limited to, certification as a Short-Doyle/Medi-Cal provider if Title XIX Short-Doyle/Medi-Cal services are provided hereunder), as required by all Federal, State, and local laws, ordinances, rules, regulations, manuals, guidelines, and directives, which are applicable to Contractor's facility(ies) and services under this Agreement. Contractor shall further ensure that all of its officers, employees, and agents, who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to their performance hereunder. A copy of such documentation shall be provided to Behavioral Wellness QCM Division, upon request.
- B. In the event the license/certification status of any Contractor staff member cannot be confirmed, the staff member shall be prohibited from providing services under this Agreement.
- C. If Contractor is a participant in the Short-Doyle/Medi-Cal program, Contractor shall keep fully informed of and in compliance with all current Short-Doyle/Medi-Cal Policy Letters, including, but not limited to, procedures for maintaining Medi-Cal certification of all its facilities.

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15. REPORTS.

- A. **SERVICE LEVEL REPORTS.** Contractor shall track required data elements on a format provided by or acceptable to County. These data elements include: units of service, the number of clients admitted to the Program, unique clients served, total number of clients discharged, and Contractor shall provide summary reports from other Contractor data sources, as requested.
- B. **Annual Mandatory Training Report.** Contractor shall submit evidence of completion of the Mandatory Trainings identified in Section 26 on an annual basis to the County Systems Training Coordinator. Training materials, competency tests and sign-in sheets shall be submitted for each training no later than June 15th of each year.
- C. **ADDITIONAL REPORTS.** Contractor shall maintain records and make statistical reports as required by County and the State Department of Health Care Services or applicable agency, on forms provided by either agency. Upon County's request, Contractor shall make additional reports as required by County concerning Contractor's activities as they affect the services hereunder. County will be specific as to the nature of information requested and allow thirty (30) days for Contractor to respond.

16. MANDATORY DISCLOSURES.

- A. **Disclosure of Interests of 5% or More.** As required by 42 CFR sections 455.101 and 455.104, Contractor will complete a *Disclosure of Ownership or Controlling Interest* form provided by County. In the event of change of ownership, or any person newly obtaining an interest of 5% or more of any mortgage, deed of trust, note or other obligation secured by Contractor, and that interest equals at least 5% of Contractor's property or assets, then the Contractor will submit an updated form within 35 days.
- B. **Information Related to Business Transactions (42 CFR 455.105).** Contractor agrees to furnish to County or the Secretary of DHCS on request, information related to business transactions. Contractor shall submit, within 35 days of the date on a request by County or the Secretary of DHCS full and complete information about:
 - i. The ownership of any subcontractor with whom the provider has had business transactions totaling more than \$ 25,000 during the 12-month period ending on the date of the request; and
 - ii. Any significant business transactions between the provider and any wholly owned supplier, or between the provider and any subcontractor, during the 5-year period ending on the date of the request.
- C. **Denial of Federal Financial Participation (FFP) for Failure to Provide Timely Disclosures.**
 - i. FFP is not available in expenditures for services furnished by Contractors who fail to comply with a request made by the County or Secretary of DHCS under Section 16.A or 16.B above, or under 42 CFR §420.205 (Medicare requirements for disclosure).

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- ii. FFP will be denied in expenditures for services furnished during the period beginning on the day following the date the information was due to the County or the Secretary of DHCS and ending on the day before the date on which the information was supplied.
- iii. A provider shall be required to reimburse those Medi-Cal funds received during any period for which material information was not reported, or reported falsely, to the County or DHCS (Welf. & Inst. Code § 14043.3).

D. Consent to Criminal Background Check, Fingerprinting (42 CFR 455.106, Welf. & Inst. Code § 14043.38). Contractor consents to criminal background checks, including fingerprinting when required to do so by state law. Within 30 days of a request from CMS or DHCS, Contractor, or any person with a 5% or more direct or indirect ownership interest in contractor, shall submit a set of fingerprints in a form and manner determined by DHCS.

E. Mandatory Termination. As determined by DHCS, Contractor may be subject to mandatory termination from the Medi-Cal program for any of the following reasons:

- i. Failure to cooperate with and provide accurate, timely information in response to all required Medi-Cal screening methods, including failure to submit fingerprints as required (42 CFR 455.416); or
- ii. Conviction of a criminal offense related to a person's involvement with Medi-care, Medi-Cal, or any other Title XX or XXI program in the last 10 years (42 CFR 455.416, 42 CFR 455.106).

17. MEDI-CAL VERIFICATION. Contractor shall be responsible for verifying client's Medi-Cal eligibility status and will take steps to reactivate or establish eligibility where none exists.

18. SITE STANDARDS.

- A. Contractor agrees to comply with all Medi-Cal requirements, including, but not limited to those specified in Attachment A, and be approved to provide Medi-Cal services based on Medi-Cal site certification, per Attachment D, Organizational Service Provider Site Certification.
- B. For programs located at Contractor's offices, Contractor shall develop and maintain a written disaster plan for the Program site and shall provide annual disaster training to staff.

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19. **CONFIDENTIALITY.** Contractor agrees to maintain the confidentiality of patient records pursuant to: Title 42 United State Code (USC) Section 290 dd-2; Title 42 Code of Federal Regulations (CFR), Part 2; 45 CFR Section 96.132(e), 45 CFR Parts 160, 162, and 164; Title 22 California Code of Regulations (CCR) Section 51009; Welfare & Institutions Code (W&I) Section 14100.2; Health and Safety Code (HSC) Sections 11812 and 11845.5; Civil Code Sections 56 – 56.37, 1798.80 – 1798.82, and 1798.85; and the Compliance with HIPAA section of this Agreement. Patient records must comply with all appropriate State and Federal requirements. Contractor shall ensure that no list of persons receiving services under this Agreement is published, disclosed, or used for any purpose except for the direct administration of this program or other uses authorized by law that are not in conflict with requirements for confidentiality contained in the preceding codes.

20. CLIENT AND FAMILY MEMBER EMPOWERMENT.

- A. Contractor agrees to support active involvement of clients and their families in treatment, recovery, and policy development.
- B. Contractor shall maintain a grievance policy and procedure to address client/family satisfaction complaints.

21. CULTURAL COMPETENCE.

- A. At all times, the Contractor's Program(s) shall be staffed with personnel who can communicate in the client preferred language, or Contractor shall provide interpretation services, including American Sign Language (ASL);
- B. Contractor will strive to fill direct service positions with bilingual staff in County's threshold language Spanish that is reflective of the specific needs of each region. Contractor percentage goals are calculated based on U.S. Census language data by region: Santa Barbara service area (including Goleta and Carpinteria) – 30%; Santa Maria service area (including Orcutt and Guadalupe) – 48%; Lompoc service area (including Buellton and Solvang) – 33%.
- C. Contractor shall provide services that consider the culture of mental illness, as well as the ethnic and cultural diversity of clients and families served; materials provided to the public must also be printed in Spanish (threshold language).
- D. Services and programs offered in English must also be made available in Spanish, if clients identify Spanish as their preferred language, as specified in subsection B above.
- E. As applicable, a measurable and documented effort must be made to conduct outreach to and to serve the underserved and the non-served communities of Santa Barbara County.

22. NOTIFICATION REQUIREMENTS.

- A. Contractor shall immediately notify Behavioral Wellness QCM Division at 805-681-5113 in the event of:
 - i. Known serious complaints against licensed/certified staff;

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- ii. Restrictions in practice or license/certification as stipulated by a State agency;
 - iii. Staff privileges restricted at a hospital; or
 - iv. Other action instituted which affects staff license/certification or practice (for example, sexual harassment accusations).
 - v. Any event triggering Incident Reporting, as defined in Behavioral Wellness Policy and Procedure #28, Unusual Occurrences Incident Report.
- B. Contractor shall immediately contact the Behavioral Wellness Compliance Hotline (805-884-6855) should any of the following occur:
- i. Suspected or actual misappropriation of funds under Contractor's control
 - ii. Legal Suits initiated specific to the Contractor's practice;
 - iii. Initiation of criminal investigation of the Contractor
 - iv. HIPAA breach
- C. For clients receiving direct services from both Behavioral Wellness and Contractor staff, Contractor shall immediately notify the client's Behavioral Wellness Case Manager or other Behavioral Wellness staff involved in the client's care, or the applicable Regional Manager should any of the following occur: side effects requiring medical attention or observation, behavioral symptoms presenting possible health problems, or any behavioral symptom that may compromise the appropriateness of the placement.
- D. Contractor may contact bwellcontractsstaff@co.santa-barbara.ca.us for any contractual concerns or issues.
- E. "Immediately" means as soon as possible but in no event more than twenty-four (24) hours after the triggering event. Contractor shall train all personnel in the use of the Behavioral Wellness Compliance Hotline (Phone number: 805-884-6855).

23. UTILIZATION REVIEW.

- A. Contractor agrees to abide by County Quality Management standards, provided in Attachment A, and to cooperate with the County's utilization review process which ensures medical necessity, appropriateness and quality of care. This review may include clinical record review; client survey; and other utilization review program monitoring practices. Contractor will cooperate with these programs, and will furnish necessary assessment and Client Service Plan information, subject to Federal or State confidentiality laws, and provisions of this agreement.
- B. Contractor shall identify a senior staff member who will be the designated Behavioral Wellness QCM Division contact and will participate in any provider QCM meetings, to review current and coming quality of care issues.

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24. REVIEWS.

- A. County shall assign senior management staff as contract monitors to coordinate periodic review meetings with Contractor's staff regarding quality of clinical services, fiscal and overall performance activity. The Care Coordinators, Quality Improvement staff, and the Program Managers or their designees shall conduct periodic on-site and/or electronic reviews of Contractor's clinical documentation.
- B. The Contractor agrees to make all records pertaining to the services furnished under the terms of this contract available for inspection, examination or copying by the U.S. Department of Health and Humans Service, the Comptroller General of the United States, the DHCS, the County, and other authorized federal and state agencies, or their duly authorized representatives. Inspection shall occur at all reasonable times, at Contractors place of business, or at such other mutually agreeable location in California, in a form maintained in accordance with the general standards applicable to such book or record keeping, for a term of at least five years from the close of the state fiscal year in which the subcontract was in effect.

25. COLLABORATIVE MEETINGS. Behavioral Wellness shall conduct a Collaborative Meeting at least annually, and more frequently, if needed, with Contractor to collaboratively discuss Programmatic, Fiscal, and Contract matters.

26. TRAINING REQUIREMENTS.

- A. Contractor shall ensure that all staff complete mandatory trainings per County's "Mandatory Training" policy. The following trainings must be completed at hire and annually thereafter:
 - i. Code of Conduct;
 - ii. Consumer and Family Culture;
 - iii. Cultural Competency; and
 - iv. HIPAA.

27. ADDITIONAL PROVISIONS.

- A. Contractor agrees to hold harmless the State and beneficiaries in the event the County cannot or does not pay for services performed by the contractor.
- B. The Contractor will not discriminate against beneficiaries on the basis of health status or need for health care services, pursuant to 42 C.F.R. §438.6(d)(3).
- C. Contractor agrees to comply with all applicable federal and state law, particularly the statutes and regulations incorporated by reference below. Contractor agrees to comply with any changes to these statutes and regulations that may occur during the contract period and any new applicable statutes or regulations, but either the County or Contractor may request consultation and discussion of new or changed statutes or regulations, including whether contract amendments may be necessary.

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- D. Pursuant to Welf. & Inst. Code § 14704, a regulation or order concerning Medi-Cal specialty mental health services adopted by the State Department of Mental Health pursuant to Division 5 (commencing with Section 5000), as in effect preceding the effective date of this section, shall remain in effect and shall be fully enforceable, unless and until the readoption, amendment, or repeal of the regulation or order by the State Department of Health Care Services (DHCS), or until it expires by its own terms.
- E. The following federal law applies to this contract:
- i. Title 42 United States Code, to the extent that these requirements are applicable;
 - ii. 42 C.F.R. to the extent that these requirements are applicable;
 - iii. 42 C.F.R. § 438 – Managed Care, limited to those provisions that apply to Prepaid Inpatient Health Plans (PIHP);
 - iv. 45 C.F.R. §§ 160 and 164 to the extent that these requirements are applicable;
 - v. Title VI of the Civil Rights Act of 1964;
 - vi. Title IX of the Education Amendments of 1972;
 - vii. Age Discrimination Act of 1975;
 - viii. Rehabilitation Act of 1973;
 - ix. Titles II and III of the Americans with Disabilities Act;
 - x. Deficit Reduction Act of 2005;
 - xi. Balanced Budget Act of 1997;
 - xii. The Contractor shall comply with the provisions of the Copeland Anti- Kickback Act, which requires that all contracts and subcontracts in excess of \$2000 for construction or repair awarded by the Contractor and its subcontractors shall include a provision for compliance with the Copeland Anti-Kickback Act.
 - xiii. The Contractor shall comply with the provisions of the Davis-Bacon Act, as amended, which provides that, when required by Federal Medicaid program legislation, all construction contracts awarded by the Contractor and its subcontractors of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act as supplemented by Department of Labor regulations.
 - xiv. The Contractor shall comply with the provisions of the Contract Work Hours and Safety Standards Act, as applicable, which requires that all subcontracts awarded by the Contractor in excess of \$2,000 for construction and in excess of \$2,500 for other subcontracts that involve the employment of mechanics or laborers shall include a provision for compliance with the Contract Work Hours and Safety Standards Act.

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F. The following State law applies to this contract:

- i. Division 5, Welf. & Inst. Code, to the extent that these requirements are applicable to the services and functions set forth in this contract;
- ii. Welf. & Inst. Code §§ 5779-5782;
- iii. Welf. & Inst. Code §§ 14680-14685.1;
- iv. Welf. & Inst. Code §§ 14700-14726;
- v. Chapter 7, Division 9, Welf. & Inst. Code, to the extent that these requirements are applicable to the services and functions set forth in this contract;
- vi. Cal. Code Regs., tit. 9, § 1810.100 et. seq. – Medi-Cal Specialty Mental Health Services;
- vii. Cal. Code Regs., tit. 22, §§ 50951 and 50953; and
- viii. Cal. Code Regs., tit. 22, §§ 51014.1 and 51014.2.

ATTACHMENT A

SANTA BARBARA COUNTY MENTAL HEALTH PLAN, QUALITY MANAGEMENT STANDARDS

The Santa Barbara County Department of Behavioral Wellness is Santa Barbara County's Medi-Cal Mental Health Plan (MHP) and has established standards for Assessments, Plans of Care, and Progress Notes, as detailed in the Behavioral Wellness Clinical Documentation Manual, for all organizational, individual, and group providers furnishing Specialty Mental Health Services. This Attachment A and the Behavioral Wellness Clinical Documentation Manual available at <https://www.countyofsb.org/behavioral-wellness>, incorporated herein by reference, provides minimum standards for all services provided under this Agreement, unless a stricter standard is provided in the Exhibit A(s) to this Agreement.

1. Additional Requirements

- A. Contractor shall display Medi-Cal Member Services Brochures in English and Spanish in their offices. In addition, Contractors shall post grievance and appeal process notices in a visible location in their waiting rooms along with copies of English and Spanish grievance and appeal forms with MHP self-addressed envelopes to be used to send grievances or appeals to Behavioral Wellness Quality Care Management department.
- B. Contractor shall be knowledgeable of and adhere to MHP policies on Beneficiary Rights as outlined in the Medi-Cal Member Services Brochures.
- C. Contractor shall ensure that direct service staff attend one cultural competency training per fiscal year and shall submit evidence of completed trainings – including a training summary and attendance sheets – for the purpose of reporting to the Behavioral Wellness Systems Training Coordinator.
- D. Contractor staff performing services under this Agreement shall receive formal training on the Medi-Cal documentation process prior to providing any services under this Agreement. Contractor shall ensure that each staff member providing clinical services under this contract receives initial and annual training as specified in the Behavioral Wellness Mandatory Trainings Policy and Procedure #31.
- E. Contractor shall establish a process by which Spanish speaking staff who provide direct services in Spanish or interpretive services are tested for proficiency in speaking, reading, and writing Spanish language.
- F. Contractor shall provide timely access to care and service delivery in the following areas as required by the State MHP standards:
 1. Where applicable, 24 hours per day, 7 days per week access to “urgent” services (within 24 hours) and “emergency” services (same day);
 2. Access to routine appointments (1st appointment within 10 business days. When not feasible, Contractor shall give the client the option to re-contact the Access team and request another provider who may be able to serve the client within the 10 business day standard).

The MHP Quality Care Management team of Santa Barbara County shall monitor clinical documentation and timeliness of service delivery.

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- G. Contractor shall not create, support or otherwise sanction any policies or procedures that discriminate against Medi-Cal beneficiaries. Contractor shall offer hours of operation that are no less than the hours of operation offered to commercial beneficiaries or, in the alternative, Contractor shall offer hours of operation that are comparable to those hours offered to Medicaid fee-for-service clients, if the provider serves only Medicaid beneficiaries.
- H. Contractor shall be notified of possible corrective actions to be taken when the Contractor does not adhere to MHP established standards or respond to corrective actions. The process for ensuring compliance and implementing corrective actions is as follows, as described in Behavioral Wellness' Policy and Procedure #24:
1. If Contractor is identified as operating outside of the compliance standards, Contractor shall be notified of lack of compliance with Federal and State standards and shall be asked to rectify the areas in which they have been out of compliance. A copy of this notification shall be placed in the provider file. Contractors are expected to complete all corrections within 90 calendar days from the date of notice. This will be considered the Period of Review. The specific nature of the documentation to show evidence of compliance will be based on the infraction.
 2. Following the 90 day Period of Review, should Contractor be unable to fulfill contractual obligations regarding compliance, Contractor shall meet with the Quality Care Management Manager within 30 calendar days to identify barriers to compliance. If an agreement is reached, the Contractor shall have not more than 30 calendar days to provide proof of compliance. If an agreement is not forthcoming, the issue will be referred to the Executive Management Team which will review the issue and make a determination of appropriate action. Such action may include, but are not limited to: suspension of referrals to the individual or organizational provider, decision to de-certify or termination of Agreement, or other measures.

Reference: The County Mental Health Plan, Contract 12-89394, between the State of California, Department of Health Care Services and Department of Behavioral Wellness, available at <https://www.countyofsb.org/behavioral-wellness>.

ATTACHMENT D

ORGANIZATIONAL SERVICE PROVIDER SITE CERTIFICATION

[Applicable to programs described in Exhibit A]

COMPLIANCE REQUIREMENTS

1. In order to obtain site certification as a Medi-Cal provider, Contractor must be able to demonstrate compliance with the following requirements:
 - A. Contractor is currently, and for the duration of this Agreement shall remain, licensed in accordance with all local, State, and Federal licensure requirements as a provider of its kind.
 - B. The space owned, leased, or operated by the Contractor and used for services or staff meets all local fire codes. Contractor shall provide a copy of a current fire clearance to Quality Care Management.
 - C. The physical plant of the site owned, occupied, or leased by the Contractor and used for services or staff is clean, sanitary, and in good repair.
 - D. Contractor establishes and implements maintenance policies for the site owned, occupied, or leased by the Contractor and used for services or staff, to ensure the safety and well-being of clients and staff.
 - E. Contractor has a current administrative manual which includes: personnel policies and procedures, general operating procedures, service delivery policies, and procedures for reporting unusual occurrences relating to health and safety issues.
 - F. The Contractor maintains client records in a manner that meets the requirements of the County pursuant to the latest edition of the County Mental Health Plan, Contract 12-89394 between Behavioral Wellness and DHCS, and applicable state and federal standards.
 - G. Contractor has staffing adequate to allow the County to claim federal financial participation for the services the Contractor delivers to Medi-Cal beneficiaries.
 - H. Contractor has written procedures for referring individuals to a psychiatrist when necessary, or to a physician, if a psychiatrist is not available.
 - I. Contractor has, as a head of service, a licensed mental health professional or rehabilitation specialist, in accordance with Title 9 California Code of Regulations Sections 622-630.
 - J. For Contractors that provide or store medications, the Contractor stores and dispenses medications in compliance with all pertinent State and Federal standards, specifically:
 - i. All drugs obtained by prescription are labeled in compliance with Federal and State laws. Prescription labels may be altered only by authorized personnel.
 - ii. Drugs intended for external use only or food stuffs are stored separately from drugs for internal use.
 - iii. All drugs are stored at proper temperatures. Room temperature drugs should be stored at 59 – 86 degrees Fahrenheit, and refrigerated drugs must be stored at 36 – 46 degrees

ATTACHMENT D

Fahrenheit. Any room or refrigerator used to store drugs must be equipped with a thermometer.

- iv. Drugs are stored in a locked area with access limited only to those medical personnel authorized to prescribe, dispense, or administer medication.
- v. Drugs are not retained after the expiration date. IM (Intramuscular) multi-dose vials are to be dated and initialed when opened.
- vi. A drug log is to be maintained to ensure the Contractor disposes of expired, contaminated, deteriorated, and abandoned drugs in a manner consistent with State and Federal laws.
- vii. Contractor's Policies and Procedures manual addresses the issues of dispensing, administration and storage of all medications.

2. **CERTIFICATION** - On-site certification is required every three (3) years. Additional certification reviews may be necessary if:

- A. The Contractor makes major staffing changes.
- B. The Contractor makes organizational and/or corporate structural changes (i.e., conversion from non-profit status).
- C. The Contractor adds Day Treatment or Medication Support services requiring medications to be administered or dispensed from Contractor's site.
- D. There are significant changes in the physical plant of the provider site (some physical plant changes could require new fire clearance).
- E. There is a change of ownership or location.
- F. There are complaints regarding the Contractor.
- G. There are unusual events, accidents, or injuries requiring medical treatment for clients, staff or members of the community.
- H. On-site certification is not required for hospital outpatient departments which are operating under the license of the hospital. Services provided by hospital outpatient departments may be provided either on the premises or offsite.

**ATTACHMENT E MH
PROGRAM GOALS, OUTCOMES, AND MEASURES**

Residential Treatment Program Evaluation		
Program Goals	Outcomes	Measures
<p>1. Assist children in their mental health recovery process and with developing the skills necessary to lead healthy and productive lives</p>	<p>1. Improved quality of life for children and engagement in and/or maintenance of mental health treatment activities:</p> <p>A. Maintain the percent of clients employed, enrolled in school or training, or volunteering per quarter at X% (if applicable).</p> <p>B. Maintain the percent of clients that become incarcerated in juvenile hall/jail per quarter at X% or less.</p> <p>C. Maintain the average number of psychiatric inpatient admissions per quarter at X% or less per program per quarter.</p> <p>D. Reduce homelessness by maintaining the percent of clients with stable/permanent housing at X% or more.</p>	<p>100%</p> <p>0%</p> <p>5%</p> <p>95%</p>

**EXHIBIT B
FINANCIAL PROVISIONS**

This Exhibit B includes:

- i. EXHIBIT B – Financial Provisions
- ii. EXHIBIT B-1 – Schedule of Rates and Contract Maximum

EXHIBIT B FINANCIAL PROVISIONS

(With attached Schedule of Rates [Exhibit B-1 - MH])

This Agreement provides for reimbursement for services up to the Maximum Contract Amount, reflected in Section II below and Exhibit B-1-MH. For Medi-Cal and all other services provided under this Agreement, Contractor will comply with all applicable requirements necessary for reimbursement in accordance with Welfare and Institutions Code (WIC) §§14705-14711, and other applicable Federal, State and local laws, regulations, rules, manuals, policies, guidelines and directives.

I. PAYMENT FOR SERVICES

- A. Performance of Services. Contractor shall be compensated on a cost reimbursement basis, subject to the limitations described in this Agreement and all exhibits hereto, for provision of the Units of Service (UOS) or other deliverables as established in Exhibit B-1-MH based on satisfactory performance of the services described in the Exhibit A(s).
- B. Medi-Cal Billable Services. The services provided by Contractor's Program described in the Exhibit A(s) that are covered by the Medi-Cal Program will be reimbursed by County from Federal Financial Participation (FFP) and State and local matching funds as specified in Exhibit B-1-MH and subject to Paragraph I.F (Funding Sources) of this Exhibit B MH.
- C. Non-Medi-Cal Billable Services. County recognizes that some of the services provided by Contractor's Program, described in the Exhibit A(s), may not be reimbursable by Medi-Cal, and such services may be reimbursed by other County, State, and Federal funds to the extent specified in Exhibit B-1-MH and pursuant to Paragraph I.F (Funding Sources) of this Exhibit B MH. Funds for these services are included within the Maximum Contract Amount, and are subject to the same requirements as funds for services provided pursuant to the Medi-Cal program.
- D. Limitations on Use of Funds Received Pursuant to this Agreement. Contractor shall use the funds provided by County exclusively for the purposes of performing the services described in Exhibit A to this Agreement. Expenses shall comply with the requirements established in OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and all other applicable regulations. Violation of this provision or use of County funds for purposes other than those described in the Exhibit A(s) shall constitute a material breach of this Agreement.

II. MAXIMUM CONTRACT AMOUNT.

The Maximum Contract Amount of this Agreement shall not exceed **\$165,000**, inclusive of mental health funding in the amount of **\$110,000** for FY 17-18, and **\$55,000** for FY 18-19 through December 31, 2018, and shall consist of County, State, and/or Federal funds as shown in Exhibit B-1-MH and subject to the provisions in Section I. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder without a properly executed amendment.

EXHIBIT B FINANCIAL PROVISIONS

III. OPERATING BUDGET AND PROVISIONAL RATE

- A. Operating Budget. Prior to the Effective Date of this Agreement, Contractor shall provide County with an Operating Budget on a format acceptable to, or provided by County, based on costs net of revenues as described in this Exhibit B-MH, Section IV (Accounting for Revenues). The approved Operating Budget shall be attached to this Agreement as Exhibit B-2. County may disallow any expenses in excess of the adopted operating budget. Indirect costs are limited to 15% of direct costs for each program and must be allocated in accordance with a cost allocation plan that adheres with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- B. Provisional Rate. County agrees to reimburse Contractor at a Provisional Rate (the "Provisional Rate") during the term of this Agreement. For recurring contracts, the Provisional Rate shall be established by using the historical data from prior fiscal periods. The County Maximum Allowable rate will be the Provisional Rate for all new contracts. Quarterly, or at any time during the term of this Agreement, Behavioral Wellness Director or designee shall have the option to adjust the Provisional Rate to a rate based on allowable costs less all applicable revenues and the volume of services provided in prior quarters.

IV. ACCOUNTING FOR REVENUES

- A. Accounting for Revenues. Contractor shall comply with all County, State, and Federal requirements and procedures, including, but not limited to, those described in California Welfare and Institutions Code (WIC) Sections 5709, 5710 and 14710, relating to: (1) the determination and collection of patient/client fees for services hereunder based on Uniform Method for Determining Ability to Pay (UMDAP), (2) the eligibility of patients/clients for Medi-Cal, Medicare, private insurance, or other third party revenue, and (3) the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. Grants, and any other revenue, interest and return resulting from services/activities and/or funds paid by County to Contractor shall also be accounted for in the Operating Budget. Contributions designated in Exhibit B-1-MH shall be offset from invoices and the annual cost report.
- B. Internal Procedures. Contractor shall maintain internal financial controls which adequately ensure proper billing and collection procedures. Contractor shall pursue payment from all potential sources in sequential order, with Medi-Cal as payor of last resort. All fees paid by or on behalf of patients/clients receiving services under this Agreement shall be utilized by Contractor only for the delivery of service units specified in the Exhibit A(s) to this Agreement.

V. REALLOCATION OF PROGRAM FUNDING

Funding is limited by program to the amount specified in Exhibit B-1-MH. Contractor cannot move funding between programs without explicit approval by Behavioral Wellness Director or designee. Contractor shall make written application to Behavioral Wellness Director or designee, in advance and no later than April 1 of each Fiscal Year, to reallocate funds as outlined in Exhibit B-1-MH between programs, for the purpose of meeting specific program needs or for providing continuity of care to its clients. Contractor's application shall include a narrative specifying the purpose of the request, the amount of said funds to be reallocated, and the sustaining impact of the reallocation as may be applicable to future years. The Behavioral

EXHIBIT B FINANCIAL PROVISIONS

Wellness Director's or designee decision of whether to allow the reallocation of funds shall be in writing to Contractor prior to implementation by Contractor. The Behavioral Wellness Director or designee also reserves the right to reallocate between programs in the year end cost settlement and will notify Contractor of any reallocation during the cost settlement process.

VI. BILLING AND PAYMENT PROCEDURES AND LIMITATIONS

A. Submission of Claims and Invoices.

1. Submission of Claims and Invoices for Medi-Cal Services. Services are to be entered into the Clinician's Gateway System based on timeframes prescribed in the Behavioral Wellness Clinical Documentation Manual. Late service data and claims may only be submitted in accordance with State and federal regulations. Behavioral Wellness shall provide to Contractor a report that: i) summarizes the Medi-Cal UOS approved to be claimed for the month, multiplied by the provisional rate in effect at the time of service, ii) states the amount owed by County, and iii) includes the Agreement number. Contractor shall review the report and indicate concurrence that the report will be the basis for Contractor's provisional payment for the month. Contractor shall indicate concurrence within two (2) business days electronically to the County designated representative or to:

financecbo@co.santa-barbara.ca.us

Santa Barbara County Department of Behavioral Wellness

ATTN: Accounts Payable

429 North San Antonio Road

Santa Barbara, CA 93110 –1316

Contractor agrees that it shall be solely liable and responsible for all data and information submitted to the County and submitted by the County to the State on behalf of Contractor.

2. Submission of Claims and Invoices for Non Medi-Cal Services. Contractor shall submit a written invoice within 10 calendar days of the end of the month in which non-Medi-Cal services are delivered that: i) depicts the actual costs of providing the services less any applicable revenues, including the provisional Medi-Cal payment as described in VI.A.1 of this Exhibit B MH, as appropriate, ii) states the amount owed by County, and iii) includes the Agreement number and signature of Contractor's authorized representative. Invoices shall be delivered to the designated representative or address described in Section VI.A.1 of this Exhibit B MH. Actual cost is the actual amount paid or incurred, including direct labor and costs supported by financial statements, time records, invoices, and receipts.
3. The Program Contract Maximums specified in Exhibit B-1-MH and this Exhibit B MH are intended to cover services during the entire term of the Agreement, unless otherwise specified in the Exhibit A(s) to this Agreement (such as time-limited or services tied to the school year). Under no circumstances shall Contractor cease services prior to June 30 due to an accelerated draw down of funds earlier in the Fiscal Year. Failure to provide services during the entire term of the Agreement may be considered a breach of contract and subject to the Termination provisions specified in the Agreement.

EXHIBIT B FINANCIAL PROVISIONS

The Behavioral Wellness Director or designee shall review the monthly claim(s) and invoices to confirm accuracy of the data submitted. County shall make provisional payment for approved claims within thirty (30) calendar days of the generation of said claim(s) and invoice by County subject to the contractual limitations set forth in this Agreement and all exhibits hereto.

- B. Subsidy Payments. This section applies to providers with programs that have subsidy funding allocations. For each program with subsidy funding comprising 5% or less, of the total program funding allocation set forth in Exhibit B-1, payment of subsidy will occur at cost settlement after the year end cost report has been submitted and costs are determined to be in compliance with contract terms and State and Federal regulations. For providers with more than 5% total subsidy funding in any program, the final subsidy payment, or up to a maximum of 20% of total subsidy funding allocated for the given program in Exhibit B-1, will be withheld until the year end cost report has been submitted and costs are determined to be in compliance with contract terms and State and Federal regulations.
- C. Monthly Financial Statements. Within 15 calendar days of the end of the month in which services are delivered, Contractor shall submit monthly financial statements reflecting the previous month's and cumulative year to date direct and indirect costs and other applicable revenues for Contractor's programs described in the Exhibit A(s). If a program has both Medi-Cal billable costs and Non-Medi-Cal billable costs, Contractor shall separately identify Non-Medi-Cal billable costs on their financial statements.
- D. Withholding of Payment for Non-submission of Service Data and Other Information. If any required service data, invoice, financial statement or report is not submitted by Contractor to County within the time limits described in this Agreement or if any such information is incomplete, incorrect, or is not completed in accordance with the requirements of this Agreement, then payment shall be withheld until County is in receipt of complete and correct data and such data has been reviewed and approved by Behavioral Wellness Director or designee. Behavioral Wellness Director or designee shall review such submitted service data within sixty (60) calendar days of receipt.
- E. Withholding of Payment for Unsatisfactory Clinical Documentation. Behavioral Wellness Director or designee shall have the option to deny payment for services when documentation of clinical services does not meet minimum Federal, State and County written standards.
- F. Claims Submission Restrictions.
 - 1. 12-Month Billing Limit. Unless otherwise determined by State or federal regulations (e.g. Medi-Medi cross-over), all original (or initial) claims for eligible individual persons under this Agreement must be received by County within 12 months from the month of service to avoid denial for late billing.
 - 2. No Payment for Services Provided Following Expiration/ Termination of Agreement. Contractor shall have no claim against County for payment of any funds or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. 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.

EXHIBIT B FINANCIAL PROVISIONS

- G. Claims Certification and Program Integrity. Contractor shall certify that all UOS entered by Contractor into MIS for any payor sources covered by this Agreement are true and accurate to the best of Contractor's knowledge.
- H. Overpayments: Any overpayments of contractual amounts must be returned via direct payment within 30 days to the County. County may withhold amounts from future payments due to Contractor under this Agreement or any subsequent agreement if Contractor fails to make direct payment within required timeframe.

VII. COST REPORT

- A. Submission of Cost Report. Within three weeks of the release of the cost report template by the Department of Health Care Services (DHCS) but no sooner than 30 days after the end of the fiscal year, Contractor shall provide County with an accurate and complete Annual Cost Report (original cost report) with a statement of expenses and revenue and other supporting schedules for the applicable prior fiscal year. The Annual Cost Report shall be prepared by Contractor in accordance with all applicable Federal, State and County requirements and generally accepted accounting principles. Contractor shall allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in accordance with such requirements and consistent with prudent business practice. All revenues received by Contractor shall be reported in its annual Cost Report, and shall be used to offset gross cost. Contractor shall maintain source documentation to support the claimed costs, revenues and allocations which shall be available at any time to Behavioral Wellness Director or designee upon reasonable notice. A final (reconciled) cost report is also due approximately 1-2 years after submission of the original cost report. The specific deadline for the final cost report is determined by the State. Contractor shall submit a final (reconciled) cost report within three weeks of the County's formal request.
- B. Cost Report to be Used for Settlement. The Cost Report shall be the financial and statistical report submitted by Contractor to County, and shall serve as the basis for settlement with Contractor as set forth in Section VIII (Pre-audit Cost Report Settlements) below. Contractor shall document that costs are reasonable and allowable and directly or indirectly related to the services to be provided hereunder.
- C. Penalties. Failure of Contractor to submit accurate and complete Annual Cost Report(s) within 45 days after the due date set in Section VII.A above or the expiration or termination date of this Agreement shall result in:
 - 1. A Late Penalty of ONE HUNDRED DOLLARS (\$100) for each day that the accurate and complete Annual Cost Report(s) is (are) not submitted. The Late Penalty shall be assessed separately on each outstanding Annual Cost Report. The Late Penalty shall commence on the forty-sixth (46th) day after the deadline or the expiration or termination date of this Agreement. The late fee will be invoiced separately or deducted from future payments due to Contractor under this Agreement or a subsequent agreement.

EXHIBIT B FINANCIAL PROVISIONS

2. In the event that Contractor does not submit accurate and complete Annual Cost Report(s) by the one-hundred and fifth (105th) day after the due date set in Section VII.A or the expiration or termination date of this Agreement, then all amounts paid by County to Contractor in the Fiscal Year for which the Annual Cost Report(s) is (are) outstanding shall be repaid by Contractor to County. Further, County may terminate any current contracts entered into with Contractor for programs covered by the outstanding Annual Cost Reports.

- D. Audited Financial Reports: Each year of the Agreement, the Contractor shall submit to County a copy of their audited annual financial statement, including management comments. This report shall be submitted within thirty (30) days after the report is received by Contractor.
- E. Single Audit Report: If Contractor is required to perform a single audit and/or program specific audit, per the requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards, Contractor shall submit a copy of such single audit to County within thirty (30) days of receipt.

VIII. PRE-AUDIT COST REPORT SETTLEMENTS.

- A. Pre-audit Cost Report Settlements. Based on the original and final/reconciled Annual Cost Report(s) submitted pursuant to this Exhibit B MH Section VII (Cost Reports) and State approved UOS, at the end of each Fiscal Year or portion thereof that this Agreement is in effect, the County will perform pre-audit cost report settlement(s). Such settlements will be subject to the terms and conditions of this Agreement and any other applicable State and/or Federal statutes, regulations, policies and procedures, or requirements pertaining to cost reporting and settlements for applicable Federal and/or State programs. In no event shall the settlement exceed the maximum amount of this agreement. Settlement for services shall be adjusted to the lower of:
1. Contractor's published charge(s) to the general public, as approved by the Contractor's governing board; unless the Contractor is a Nominal Fee Provider. This federal published charges rule is applicable only for the outpatient, rehabilitative, case management and 24-hour services.
 2. The Contractor's actual costs.
 3. The County Maximum Allowable rate.
- B. Issuance of Findings. County's issuance of its pre-audit cost report settlement findings shall take place no later than one-hundred-twenty (120) calendar days after Contractor's submission of the original and final/reconciled cost reports.
- C. Payment. In the event that Contractor adjustments based on any of the above methods indicate an amount due the County, Contractor shall pay County by direct payment within thirty (30) days or from deductions or withholding of future payments due to Contractor under this Agreement or a subsequent agreement, if any, at the sole discretion of the Behavioral Wellness Director or designee.

**EXHIBIT B
FINANCIAL PROVISIONS**

IX. AUDITS, AUDIT APPEALS AND POST-AUDIT MEDI-CAL FINAL SETTLEMENT:

- A. Audit by Responsible Auditing Party. 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 WIC Sections 14170 et. seq., authorized representatives from the County, State or Federal governments (Responsible Auditing Party) may conduct an audit or site review of Contractor regarding the mental health services/activities provided under this Agreement.
- B. Settlement. Settlement of the audit findings will be conducted according to the Responsible Auditing Party's procedures in place. In the case of a State Medi-Cal audit, the State and County will perform a post-audit Medi-Cal settlement that is based on State audit findings. Such settlement will take place when the State initiates its settlement action which customarily is after the issuance of the audit report by the State and before the State's audit appeal process. However, if the Responsible Auditing Party stays its collection of any amounts due or payable because of the audit findings, County will also stay its settlement of the same amounts due or payable until the Responsible Auditing Party initiates its settlement action with County. If an audit adjustment is appealed then the County may, at its own discretion, notify Contractor but stay collection of amounts due until resolution of the State administrative appeals process.
- C. Invoice for Amounts Due. County shall issue an invoice to Contractor for any amount due to the County after the Responsible Auditing Party issues an audit report. The amount on the County invoice is due by Contractor to County thirty (30) calendar days from the date of the invoice.
- D. Appeal. Contractor may appeal any such audit findings in accordance with the audit appeal process established by the Responsible Auditing Party performing the audit.

EXHIBIT B-1

EXHIBIT B-1 MH DEPARTMENT OF BEHAVIORAL WELLNESS SCHEDULE OF RATES AND CONTRACT MAXIMUM

CONTRACTOR NAME:

Mountain Valley Child and Family Services, Inc.

FISCAL YEAR: 2017/2018 -
2018/2019

Contracted Services(1)	Service Type	Mode	Service Description	Unit of Service	Service Function Code	County Maximum Allowable Rate
Medi-Cal Billable Services	Day Services	10	Day Treatment Full Day	Day	85	\$202.43
	Outpatient Services	15	*MHS- Therapy (Family, Individual, Group)	Minutes	11	\$2.61
			MHS - TBS	Minutes	58	\$2.61
			Medication Support and Training	Minutes	62	\$4.82
			Crisis Intervention	Minutes	70	\$3.88

	PROGRAM					TOTAL
	Residential Placement					
GROSS COST:	\$ 110,000					\$110,000
LESS REVENUES COLLECTED BY CONTRACTOR:						
PATIENT FEES						\$ -
CONTRIBUTIONS						\$ -
OTHER (LIST):						\$ -
TOTAL CONTRACTOR REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
MAXIMUM 17-18 CONTRACT AMOUNT PAYABLE:	\$ 110,000					\$ 110,000
MAXIMUM 18-19 CONTRACT AMOUNT PAYABLE:	\$ 55,000					\$ 55,000

SOURCES OF FUNDING FOR MAXIMUM ANNUAL CONTRACT AMOUNT (2)						
MEDI-CAL (3)	\$ 110,000					\$ 110,000
NON-MEDI-CAL						\$ -
SUBSIDY						\$ -
OTHER (LIST):						\$ -
MAXIMUM 17-18 CONTRACT AMOUNT PAYABLE:	\$ 110,000					\$ 110,000
MAXIMUM 18-19 CONTRACT AMOUNT PAYABLE:	\$ 55,000					\$ 55,000
TOTAL CONTRACT AMOUNT PAYABLE:	\$ 165,000					\$ 165,000

CONTRACTOR SIGNATURE: _____

STAFF ANALYST SIGNATURE: _____

FISCAL SERVICES SIGNATURE: _____

(1) Additional services may be provided if authorized by Director or designee in writing.

(2) The Director or designee may reallocate between funding sources at his/her discretion during the term of the contract, including to utilize and maximize any additional funding or FFP provided by local, State, or Federal law, regulation, policy, procedure, or program. The Director or designee also reserves the right to reallocate between funding sources in the year end cost settlement. Reallocation of funding sources does not alter the Maximum Contract Amount and does not require an amendment to the contract.

(3) Source of Medi-Cal match is State and Local Funds including but not limited to Realignment, MHSA, General Fund, Grants, Other Departmental and SB 163.

* MHS Assessment and MHS Therapy services may only be provided by licensed, registered or waived Mental Health clinicians, or graduate student interns under direct supervision of a licensed, registered or waived Mental Health clinician.

EXHIBIT C

Indemnification and Insurance Requirements (For Professional Contracts)

1. INDEMNIFICATION

Contractor agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless County and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by County on account of any claim except where such indemnification is prohibited by law. Contractor's indemnification obligation applies to County's active as well as passive negligence but does not apply to County's sole negligence or willful misconduct.

2. NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS

Contractor shall notify County immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

3. INSURANCE

Contractor shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, its agents, representatives, employees or subcontractors.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Professional Liability** (Errors and Omissions) Insurance appropriate to the Contractor's profession, with limit of no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the Contractor maintains higher limits than the minimums shown above, the County requires and shall be entitled to coverage for the higher limits maintained by the Contractor.

EXHIBIT C

Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

B. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured** – County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).
2. **Primary Coverage** – For any claims related to this Agreement, the Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the County.
4. **Waiver of Subrogation Rights** – Contractor hereby grants to County a waiver of any right to subrogation which any insurer of said Contractor may acquire against the County by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.
5. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the County. The County may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
6. **Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".
7. **Verification of Coverage** – Contractor shall furnish the County with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Contractor shall furnish evidence of renewal of coverage throughout the term of the Agreement. The County reserves the right to

EXHIBIT C

require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

8. **Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, County has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by County as a material breach of contract.
9. **Subcontractors** – Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that County is an additional insured on insurance required from subcontractors.
10. **Claims Made Policies** – If any of the required policies provide coverage on a claims-made basis:
 - i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
 - ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
 - iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.
11. **Special Risks or Circumstances** – County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of County.