

**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 Sylmar Health & Rehabilitation Center, a subsidiary of Golden State Health Centers, Inc., having its principal place of business at Sherman Oaks, California (hereafter Contractor) wherein Contractor agrees to provide and County agrees to accept the services specified herein.

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

1. **DESIGNATED REPRESENTATIVE:** Deputy Director – Administration (telephone 805.681.5220) is the representative of County and will administer this Agreement for and on behalf of County. Martin Weiss (telephone number 8183853225) is the authorized representative for Contractor. Changes in designated representatives shall be made only after advance written notice to the other party.

2. **NOTICES.** Whenever it shall become necessary for either party to serve notice on the other respecting the Agreement, such notice shall be in writing and shall be served by Registered or Certified Mail, Return Receipt Requested, addressed as follows:
 - A. To County: Director
Santa Barbara County
Alcohol, Drug, and Mental Health Services
300 N. San Antonio Road
Santa Barbara, CA 93110

 - To Contractor: Martin Weiss, Vice President
Sylmar Health & Rehabilitation Center, a subsidiary of
Golden State Health Centers, Inc.
13347 Ventura Blvd.
Sherman Oaks, CA 91423

 - B. Any such notice so mailed shall be deemed to have been served upon and received by the addressee five (5) days after deposit in the mail. Either party shall have the right to change the place or person to whom notice is to be sent by giving written notice to the other party of the change.

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 by **7/1/2011** and complete performance by **6/30/2012**, unless this Agreement is otherwise terminated at an earlier date pursuant to Section 17.

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5. **COMPENSATION OF CONTRACTOR.** Contractor shall be paid for performance under this Agreement in accordance with the terms of Exhibit B, attached hereto and incorporated herein by reference. Contractor shall bill County by invoice, which shall include the Contract number assigned by County. Contractor shall direct the invoice to County's "Accounts Payable Department" at the address specified under Exhibit B, Section V, after completing the increments identified in Exhibit B.
6. **INDEPENDENT CONTRACTOR.** Contractor shall perform all of its services under this Agreement as an Independent Contractor and not as an employee of County. 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 insurance, and protection of tenure.
7. **STANDARD OF PERFORMANCE.** Contractor represents that it has the skills, expertise, and licenses and/or 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 manner which will conform to high standards of quality 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. Contractor shall obtain and maintain all permits and/or licenses required for performance under this Agreement without additional compensation, at Contractor's own expense.
8. **NON-DISCRIMINATION.** County hereby notifies Contractor that Santa Barbara County's Unlawful Discrimination Ordinance (Santa Barbara County Code, Chapter 2, Article XIII) applies to this Agreement and is incorporated herein by reference with the same force and effect as if the ordinance were specifically set out herein. Contractor hereby agrees to comply with said ordinance.
9. **CONFLICT OF INTEREST.** Contractor covenants that Contractor presently has no interest and shall not acquire any interest, direct or indirect, 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.
10. **RESPONSIBILITIES OF COUNTY.** County shall provide all information reasonably necessary to allow Contractor to perform the services contemplated by this Agreement.
11. **OWNERSHIP OF DOCUMENTS.** Upon production, County shall be the owner of the following items incidental to this Agreement, whether or not completed: all data collected and any material necessary for the practical use of the data and/or documents from the time of collection and/or production, whether or not performance under this Agreement is completed or terminated prior to completion. Contractor

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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.

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of County. 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.

12. **RECORDS, AUDIT, AND REVIEW.** Contractor shall keep those business records or documents created pursuant to this Agreement that would be kept by a reasonably prudent practitioner of Contractor's profession and shall maintain such records in a manner consistent with applicable Federal and State laws. All account records shall be kept in accordance with generally accepted accounting practices. County shall have the right to audit and review all such documents and records, either at any time during Contractor's regular business hours, or upon reasonable notice to Contractor. Contractor agrees to retain such records and documents for a period of not less than three (3) years, following the termination of this Agreement.
13. **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.
14. **INDEMNIFICATION AND INSURANCE.** Contractor shall agree to defend, indemnify and hold harmless the County and to procure and maintain insurance in accordance with the provisions of Exhibit C attached hereto and incorporated herein by reference.
15. **TAXES.** 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 reimburse County within one (1) week for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but are not limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and Workers' Compensation insurance.
16. **DISPUTE RESOLUTION.** Any dispute or disagreement arising out of this Agreement shall first be addressed and resolved at the lowest possible staff level between the appropriate representatives of the Contractor and of the County. If the

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dispute or disagreement cannot be resolved at this level, it is to be elevated to the Contractor's Program Manager and County's relevant Program Manager. If the Managers cannot resolve the dispute, they are to take the following actions:

- A. Decision – Each party shall reduce the dispute to writing and submit to the appropriate ADMHS Assistant Director. The Assistant Director shall assemble a team to investigate the dispute and to prepare a written decision. This decision shall be furnished to the Contractor within thirty (30) days of receipt of the dispute documentation. This decision shall be final unless appealed within ten (10) days of receipt.
- B. Appeal – The Contractor may appeal the decision to the Santa Barbara County Alcohol, Drug, and Mental Health Services Director or designee. The decision shall be put in writing within twenty (20) days and a copy thereof mailed to the Contractor's address for notices. The decision shall be final.
- C. Continued Performance - Pending final decision of the dispute hereunder, Contractor shall proceed diligently with the performance of this Agreement.
- D. Dispute Resolution - The finality of appeal described herein is meant to imply only that recourse to resolution of disputes through this particular dispute resolution mechanism has been concluded. This is in no way meant to imply that the parties have agreed that this mechanism replaces either party's rights to have its disputes with the other party heard and adjudicated in a court of competent jurisdiction.

17. **TERMINATION.**

- A. **BY COUNTY.** County, by written notice to Contractor, may terminate this Agreement in whole or in part at any time, whether for County convenience or because of the failure of Contractor to fulfill the obligations herein. Upon termination, Contractor shall deliver to County all data, estimates, graphs, summaries, reports, and all other records, documents or papers as may have been accumulated or produced by Contractor in performing this Agreement, whether completed or in process.
 - 1. **FOR CONVENIENCE.** County may terminate this Agreement upon thirty (30) days written notice. Following such notice of termination, Contractor shall notify County of the status of its performance and cease work at the conclusion of the thirty (30) day notice period.

Notwithstanding any other payment provision of this Agreement, County shall pay Contractor for 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 maximum budgeted amount for this Agreement as set forth in Exhibit B, or paid 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

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the event of a dispute as to the reasonable value of the services rendered by Contractor, the decision of County shall be final.

2. **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 this Agreement by written notice which shall be effective upon receipt by Contractor.

B. **BY CONTRACTOR.** Contractor may, upon thirty (30) days written notice to County, terminate this Agreement in whole or in part at any time, whether for Contractor's convenience or because of the failure of County to fulfill the obligations herein. Following such termination, Contractor shall promptly cease work and notify County as to the status of its performance.

18. **ENTIRE AGREEMENT, AMENDMENTS, AND MODIFICATIONS.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties. 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 amended or modified only by the written mutual consent of the parties hereto. 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 Alcohol, Drug & Mental Health Services. The Board of Supervisors of the County of Santa Barbara must approve all other amendments and modifications. Each party waives its 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.

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

20. **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 parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

21. **ASSIGNMENT.** Contractor shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of County. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

22. **REMEDIES NOT EXCLUSIVE.** No remedy herein conferred upon or reserved to the parties is intended to be exclusive of any other remedy or remedies, and each and

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every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder, now or hereafter existing at law or in equity or otherwise.

23. **NO WAIVER OF DEFAULT.** No delay or omission of the parties 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 the parties shall be exercised from time-to-time and as often as may be deemed expedient in the sole discretion of either party.
24. **CALIFORNIA LAW.** 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.
25. **COMPLIANCE WITH LAW.** Contractor shall, at his 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 be a party thereto or not, that Contractor has violated any such ordinance or statute, shall be conclusive of that fact as between Contractor and County.
26. **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.
27. **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 severable from the remaining provisions hereof. 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.
28. **EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts. Each counterpart 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.
29. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement, and each covenant and term is a condition herein.
30. **AUTHORITY.** All 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(ies), person(s), or firm(s) and have complied with all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement. Furthermore, by entering into this Agreement, Contractor hereby warrants that it shall not have breached the terms or

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conditions of any other Agreement or Agreement to which Contractor is obligated, which breach would have a material effect hereon.

31. **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.
32. **COMMUNICATION.** Contractor shall acknowledge in any public announcement regarding the program that is the subject of this Agreement that Santa Barbara County Alcohol, Drug, and Mental Health Department provides all or some of the funding for the program.
33. **PRIOR AGREEMENTS.** Upon execution, this Agreement supersedes all prior Mental Health Services agreements between County and Contractor.
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. **NONAPPROPRIATION OF FUNDS.** Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated or budgeted by federal, state or County governments, or funds are not otherwise available for payments in the fiscal year(s) covered by the term of this Agreement, then County will notify Contractor of such occurrence and County may terminate or suspend this Agreement in whole or in part, with or without a prior notice period. Subsequent to termination of this Agreement under this provision, County shall have no obligation to make payments with regard to the remainder of the term.

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THIS AGREEMENT INCLUDES:

- A. EXHIBIT A – Statement of Work
 - 1. Attachment A - SANTA BARBARA COUNTY MENTAL HEALTH PLAN,
QUALITY MANAGEMENT STANDARDS
- B. EXHIBIT B – Financial Provisions
- C. EXHIBIT B-1 – Schedule of Fees
- D. EXHIBIT C – Standard Indemnification and Insurance Provisions
- E. EXHIBIT D – Organizational Service Provider Site Certification

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Agreement for Services of Independent Contractor between the County of Santa Barbara and Sylmar Health & Rehabilitation Center, a subsidiary of Golden State Health Centers, Inc.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by County.

COUNTY OF SANTA BARBARA

By: _____
JONI GRAY
CHAIR, BOARD OF SUPERVISORS
Date: _____

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

CONTRACTOR

By: _____
Deputy Clerk
Date: _____

By: _____
Tax Id No 95-2589283.
Date: _____

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By _____
Deputy County Counsel
Date: _____

By _____
Deputy
Date: _____

APPROVED AS TO FORM :
ALCOHOL, DRUG, AND MENTAL HEALTH
SERVICES
ANN DETRICK, PH.D.
DIRECTOR

APPROVED AS TO INSURANCE FORM:
RAY AROMATORIO
RISK MANAGER

By _____
Director
Date: _____

By: _____
Date: _____

EXHIBIT A

STATEMENT OF WORK

1. **PROGRAM SUMMARY.** Contractor provides physician services, nursing, pharmaceutical services, dietary services, and an activity program in an inpatient setting to Santa Barbara County residents with serious mental illness (SMI) and serious emotional disturbances (SED), hereafter, "the Program." The Program shall be licensed as a Mental Health Rehabilitation Center (MHRC) or a Skilled Nursing Facility (SNF) with a Special Treatment Program (STP) certification and classified as an Institution for Mental Disease (IMD), as defined in Title 42, Code of Federal Regulations (CFR) 435.1010. An IMD is a hospital, nursing facility, or other institution of more than 16 beds, that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services. The Program is headquartered at 13347 Ventura Blvd., Sherman Oaks, Ca.

2. SERVICES.

A. Contractor shall provide diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services, in one of the following program types.

1. Mental Health Rehabilitation Center (MHRC) means a 24-hour program, licensed by the California Department of Mental Health, which provides intensive support and rehabilitation services designed to assist persons, 18 years or older, with mental disorders who would have been placed in a state hospital or another mental health facility to develop the skills to become self-sufficient and capable of increasing levels of independent functioning, as defined in Title 9 California Code of Regulations (CCR) § 782.34. Services shall include physician, nursing, dietary, pharmaceutical services, a rehabilitation program and an activity program and shall adhere to the requirements specified in Title 9 CCR, Division 1, Chapter 3.5.
2. Skilled Nursing Facility (SNF) means a health facility or a distinct part of a hospital which provides continuous skilled nursing care and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis. It provides 24-hour inpatient care and, as a minimum, includes physician, skilled nursing, dietary, pharmaceutical services and an activity program, as defined in Title 22 CCR § 72103. Services shall adhere to the requirements specified in Title 22 CCR Division 5, Chapter 3.

SNFs provide a Special Treatment Program (STP) serving clients who have a chronic psychiatric impairment and whose adaptive functioning is moderately impaired. STP services are those therapeutic services, including prevocational preparation and prerelease planning, provided to mentally disordered persons having special needs in one or more of the following general areas: self-help skills, behavior adjustment, or interpersonal relationships, as defined in Title 22 CCR, § 72445. Services shall adhere to the requirements specified in Title 22 CCR, Division 5, Chapter 3.

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- B. Transportation of individuals to and from Contractor's facility will be provided or arranged by County.
3. **CLIENTS.** The services described in Section 2 shall be provided to individuals with SMI or SED (hereafter "clients") who are:
- A. Medi-Cal beneficiaries, as described in Title 22, CCR, Division 3, Subdivision 1, Chapter 2, Article 5, and Article 7. IMD Services provided by Contractor to Medi-Cal beneficiaries are covered by Medi-Cal, subject to the conditions in Title 9 CCR §1840.312, as follows:
1. The beneficiary is 65 years of age or older, or
 2. The beneficiary is under 21 years of age, or
 3. The beneficiary was receiving such services prior to his/her twenty-first birthday and the services are rendered without interruption until no longer required or his/her twenty-second birthday, whichever is earlier.
 4. Reimbursement for covered services to these Medi-Cal beneficiaries shall be provided to Contractor directly by the State's fiscal intermediary, as described in Exhibit B;

AND

- B. Uninsured individuals, or Medi-Cal beneficiaries over the age of 21 and under 65, who are referred and authorized by Santa Barbara County to receive Program services. Reimbursement for these services will be the responsibility of the County, as described in Exhibit B.
- C. To be eligible for Mental Health Rehabilitation Center services, the client must be considered seriously and persistently mentally disabled, who otherwise would be placed in a state hospital or other mental healthy facility, and for whom such a setting is the least restrictive alternative available to meet their needs, as specified in Title 9 CCR § 784.26.
- D. To be eligible for SNF-STP Program services, the client's condition should be responsive to Program services and prohibitive to placement in a SNF, as specified in Title 22 CCR § 72443.
4. **REFERRAL AND ADMISSION PROCESS.**
- A. **POINT OF AUTHORIZATION.** The designated Point of Authorization (POA) for County is:

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Quality Assurance/Utilization Review (QA/UR)
Santa Barbara County
Alcohol, Drug, and Mental Health Services
315 Camino del Remedio #257
Santa Barbara, CA 93110
Telephone: 805-681-5113
Facsimile: 805-681-5117

- B. County POA shall submit a referral packet, described herein, to Contractor requesting admission for designated clients.
- C. Contractor shall respond to referrals within five days from the date of receipt of the referral.
- D. Contractor may interview client referred by County and shall admit clients to Contractor's program unless compelling clinical circumstances exist that contraindicate admission, subject to the admission and authorization criteria described in this Section, or if space is not available in the Program.
- E. **REFERRAL PACKET.** After admission, Contractor shall maintain within its files (hard copy or electronic), the following documentation:
 - 1. A copy of the County referral form;
 - 2. A client face sheet;
 - 3. A copy of the most recent comprehensive assessment and/or assessment update;
 - 4. A copy of the most recent medication record and health questionnaire;
 - 5. A copy of the currently valid Coordination and Service Plan (CSP) indicating the goals for client enrollment in the Program and which names Contractor as service provider.

5. DOCUMENTATION REQUIREMENTS.

- A. For MHRCs, Contractor shall complete the following documents upon admission, pursuant to Title 9 CCR § 786.11:
 - 1. Contractor shall complete an admission agreement, signed by the client or authorized representative, describing the services to be provided and the expectations and rights of the client regarding program rules, client empowerment and involvement in the program, and fees. The client shall receive a copy of the signed admission agreement.
 - 2. Contractor shall prepare an initial written assessment of each client within fifteen days of admission, unless a similar assessment has been done by the referring agency within thirty days prior to admission.

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3. Contractor shall complete a comprehensive individual mental health evaluation, signed by a licensed mental health professional, within 30 days of admission.
- B. For SNF-STP programs, Contractor shall complete the following:
1. Contractor's physician shall complete a client evaluation including a written report of a physical examination within five days prior to admission or within 72 hours following admission, as described in Title 22 CCR § 72303.
 2. Contractor's nursing staff shall complete an initial assessment commencing at the time of admission of the client and completed within seven days after admission, as described in Title 22 CCR § 72311 and 72471.
 3. Contractor's facility staff shall complete an initial evaluation and assessment of client's medical, nursing, dietetic, social, and physical needs within 15 days of admission unless an evaluation has been done by the referring agency within 30 days prior to admission to the facility, as described in Title 22 CCR § 72451.
- C. Within 45 days of admission, each client admitted shall have a psychological evaluation and assessment by the appropriate discipline, as described in Title 22 CCR § 72451.
- D. **TREATMENT PLAN.** Contractor shall complete a treatment plan, signed by a physician, for each client receiving Program services. The treatment plan shall include:
1. Client's strengths and personal recovery goals or recovery vision, which guides the service delivery process;
 2. Goals/Objectives which clearly address the mental health condition for which the client is being treated;
 3. Goals/Objectives which are observable and/or measurable and which are designed to increase specific skills or behaviors and/or ameliorate the impairments caused by the condition;
 4. Interventions planned to help the client reach their goals.
6. **DISCHARGE PLANNING.** Contractor shall coordinate discharge planning with County's designated staff. Prior to discharge, Contractor shall prepare a written discharge summary which shall include an outline of services provided, goals accomplished, reason and plan for discharge, and referral follow-up plans, as specified in Title 9 CCR §786.15 (f). Upon discharge, Contractor agrees to provide all County clients with 1) a seven (7) day supply and a prescription for a 30 day supply of all medications prescribed to client at time of discharge; 2) information on

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the process of obtaining future medications from the appropriate health care facility or provider; and 3) instruction on medication management.

7. 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, in duplicate, to ADMHS QA/UR.

B. Contractor shall ensure that all staff providing services under this contract retain active licensure. In the event license status cannot be confirmed, the staff member shall be prohibited from providing services under this contract.

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

D. REGULATORY COMPLIANCE.

1. Contractor shall comply with all applicable Federal Medicaid laws, regulations, and guidelines, and all applicable State statutes and regulations as related to the provision of Program Services. Contractor shall adhere to 42 United States Code (USC) §1395b-2. Contractor shall sign and maintain a Medi-Cal provider agreement with the State Department of Health Services. Contractor shall maintain Medi-Cal and Medicare certification, State licensure, and Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) accreditation. Contractor shall post in a conspicuous place a copy of "Notice to All Medi-Cal Beneficiaries in Need of Psychiatric Inpatient Services" as required by the State of California Department of Mental Health. Contractor agrees to adhere to ethical principles established by JCAHO.

2. Contractor is expected to adhere to 45 CFR Parts 160 – 164 [privacy and security rules related to Health Insurance Portability and Accountability Act (HIPAA)].

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8. NOTIFICATION REQUIREMENTS

- A. Contractor shall notify County immediately in the event of any suspected or actual misappropriation of funds under Contractor's control; known serious complaints against licensed staff; restrictions in practice or license as stipulated by the State Bureau of Medical Quality Assurance, Community Care Licensing Division of the Department of Social Services of the State, or other State agency; staff privileges restricted at a hospital; legal suits initiated specific to the Contractor's practice; initiation of criminal investigation of the Contractor; or other action instituted which affects Contractor's license or practice (for example, sexual harassment accusations). "Immediately" means as soon as possible but in no event more than twenty-four (24) hours after the event. Contractor shall train all personnel in the use of the ADMHS Compliance Hotline.
- B. Contractor shall immediately notify the County Liaison in the event a client with a case file (episode) open to the County presents any of the following client indices: suicidal risk factors, homicidal risk factors, assaultive risk factors, 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.
- C. Contractor shall notify the County ADMHS Director or designee, regardless of whether the client has a case file (episode) open with the County, should any of the following events occur: death, fire setting, police involvement, media contact, any behavior leading to potential liability, any behavioral symptom that may compromise the appropriateness of the placement.

9. **UTILIZATION REVIEW.** Contractor agrees to abide by County Quality Management standards and cooperate with the County's utilization review process which ensures medical necessity, appropriateness and quality of care. This review may include clinical record peer review, client survey, and other utilization review program monitoring practices. Contractor will cooperate with these programs, and will furnish necessary assessment and treatment plan information, subject to Federal or State confidentiality laws, and provisions of this agreement.

10. **PERIODIC REVIEW.** 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 reviews of Contractor's patient charting.

11. **POLICIES AND PROCEDURES.** The Program shall maintain written policies and procedures to set expectations for Program staff and establish consistency of effort and shall provide a copy to County upon request. The written policies and procedures should be consistent with all applicable State, Federal and County requirements.

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12. STAFF.

A. TRAINING.

1. Staff shall be trained and skilled at working with persons with SMI, 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.
2. Within 30 days of the date of hire, Contractor shall provide training relevant to working with high risk mental health clients.
3. 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.

B. Staff hired to work directly with clients shall have competence and experience in working with clients at high risk for acute inpatient or long-term residential care.

C. Contractor shall conduct a check of all clinical and support staff against CMS Exclusions List and staff found to be on this list shall not provide services under this Agreement nor shall the cost of such staff be claimed to Medi-Cal.

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. 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.

13. REPORTS.

A. **SERVICE LEVEL REPORTS.** Contractor shall track required data elements, which include: units of service, the number of clients admitted to the Program, unique clients served, total number of clients discharged and number of clients discharged to a lower/higher level of care, and provide summary reports from other Contractor data sources, upon request from County.

B. **ADDITIONAL REPORTS.** Contractor shall maintain records and make statistical reports as required by County and the California State Department of Mental Health on forms provided by either agency. Upon County's request, Contractor

EXHIBIT A

STATEMENT OF WORK

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.

14. **PERFORMANCE.** Contractor shall adhere to the ADMHS requirements, all relevant provisions of the California Code of Regulations Title 9, Title 22 and all relevant provisions of applicable law that are now in force or which may hereafter be in force.

15. **MEDI-CAL VERIFICATION.** Contractor shall be responsible for verifying client's Medi-Cal eligibility status and ensuring claims for reimbursement of services are submitted to the appropriate entity as described in Exhibit B.

16. **STANDARDS**

A. Contractor agrees to comply with Medi-Cal requirements and be approved to provide Medi-Cal services based on Medi-Cal site certification, per Exhibit D, Organizational Service Provider Site Certification.

B. Contractor shall make its service protocols and outcome measures data available to County and to Medi-Cal site certification reviewers.

C. Contractor shall develop and maintain a written disaster plan for the Program site and shall provide annual disaster training to staff.

17. **CONFIDENTIALITY.** Contractor agrees to maintain the confidentiality of patient records pursuant to 45 CFR §205.50 (requires patient, or patient representative, authorization specific to psychiatric treatment prior to release of information or a judge signed court order if patient authorization unavailable), Section 13 of this Agreement. Patient records must comply with all appropriate State and Federal requirements.

18. **CULTURAL COMPETENCE.**

A. If requested by County, Contractor shall report on its capacity to provide culturally competent services to culturally diverse clients and their families, including:

1. The number of Bilingual and Bicultural staff, and the number of culturally diverse clients receiving Program services;
2. Efforts aimed at providing culturally competent services such as training provided to staff, changes or adaptations to service protocol, community education/Outreach, etc.

B. Contractor shall provide services that consider the culture of mental illness, as well as the ethnic and cultural diversity of clients and families served.

ATTACHMENT A

SANTA BARBARA COUNTY MENTAL HEALTH PLAN, QUALITY MANAGEMENT STANDARDS

1. The Medi-Cal Mental Health Plan (MHP) of Santa Barbara County has established the following standards for all organizational, individual, and group providers. These standards apply equally to all services delivered under the umbrella of “traditional” Short-Doyle as well as the more recent “consolidated” Medi-Cal Fee-for-Service providers. The established standards are:
 - A. Assessment
 1. Initial: Each individual served for sixty days or more shall have a comprehensive assessment performed and documented by the 61st day of service. This assessment shall address areas detailed in the source document, MHP’s Agreement with the California State Department of Mental Health.
 2. Update: A re-evaluation/re-assessment of key indicators will occur and be documented within the chart on an annual basis with reassessment of key clinical/functional variables. The time frame for this update is the sixty days prior to the anniversary date of the first day of the month of admission.
 3. A component of the Initial and/or Annual assessment is the completion of the Children’s Performance Outcome Survey (CPOS) instruments or Adult Performance Outcome Survey (APOS) instruments. In the absence of these survey instruments being completed, documentation of client refusal to participate must exist in the chart.
 - B. Specialty Use Providers: Those providers that operate as part of the continuum of care established by the Alcohol Drug and Mental Health Services (ADMHS) clinic/team and provide the assessment or most recent assessment update in order to meet the assessment requirements.
2. Plan of Care
 - A. Coordination and Service Plan (CSP): The plan of care is completed by the provider entity, which is designated by the MHP as an entity that may authorize services.

CSP: The organizations and/or gateways that authorize services through use of the CSP are: The MHP Access Team; the County Adult and Child Teams, traditional organizational providers and programs.
 - B. Frequency: The CSP is completed by the 61st day in all cases in which services will exceed sixty (60) days. Annually, within the sixty (60) days prior to the anniversary date of first opening a client file, this plan must be updated or re-written.

ATTACHMENT A

C. Service Plan (SP): This plan of care is written by any individual, group, or organizational provider that is authorized to deliver services to a beneficiary/client of the ADMHS system.

1. Frequency: Annually the plan (CSP and/or SP) shall be updated or rewritten.
2. Timeliness: The initial plan (CSP and/or SP) shall be written within sixty (60) days of initial contact. Plans shall be re-written during the sixty (60) day window that precedes the anniversary date of first opening of the client file.

D. Content of Client Plans:

1. Specific, observable or quantifiable goals.
2. Identify the proposed type(s) of intervention.
3. Have a proposed duration of intervention(s).
4. Be signed (or electronic equivalent) by: the person providing the service(s), or a person representing a team or program providing services, or a person representing the MHP providing services.
5. If the above staff are not of the approved category, review by and dated co-signature of the following is required:
 - a) A physician;
 - b) a licensed/"waivered" psychologist;
 - c) a licensed/registered/"waivered" social worker;
 - d) a licensed/registered/"waivered" Marriage and Family Therapist, or
 - e) a registered nurse.

E. Client plans shall be consistent with the diagnoses and the focus of intervention will be consistent with the client plan goals.

F. There will be documentation of the client's participation in and agreement with the plan. This includes client signature on the plan and/or reference to client's participation and agreement in progress notes.

G. The MHP will give a copy of the client plan to the client on request. (Each Provider must determine where and how this is documented.)

3. Progress Notes and Billing Records: The Santa Barbara ADMHS MHP services must meet the following criteria, as specified in the MHP'S Agreement with the California State Department of Mental Health.

ATTACHMENT A

- A. All entries will include the date services were provided.
- B. The client record will contain timely documentation of care. Services delivered will be recorded in the client record within one working day of service delivery.
- C. Mental health staff/practitioners will use client records to document client encounters; relevant aspects of client care, including relevant clinical decisions and interventions.
- D. All entries in the client record will include the signature of the person providing the service (or electronic equivalent); the person's professional degree, licensure or job title; and the relevant identification number.
- E. The record will be legible.
- F. The client record will document referrals to community resources and other agencies, when appropriate.
- G. The client record will document follow-up care, or as appropriate, a discharge summary.
- H. Timeliness/Frequency of Progress Notes
 - 1. Shall be prepared for every Service Contact including:
 - a) Mental Health Services (Assessment, Evaluation, Collateral, Individual/Group/Family Therapy, Individual/Group/Family Rehabilitation);
 - b) Medication Support Services;
 - c) Crisis Intervention;
 - d) Targeted Case Management.
 - 2. Shall be daily for:
 - a) Crisis Residential;
 - b) Crisis Stabilization (1x/23hr);
 - c) Day Treatment Intensive.
 - 3. Shall be weekly for:
 - a) Day Treatment Intensive for Clinical Summary;
 - b) Day Rehabilitation;
 - c) Adult Residential.

ATTACHMENT A

4. On each shift for other services such as Psychiatric Health Facility.
4. EPSDT Notification. Shall be provided for any Medi-Cal beneficiary under 21 who has been admitted with an emergency psychiatric condition to a hospital with which the MHP has a Agreement.
5. STATE MENTAL HEALTH PLAN REQUIREMENTS
 - A. Contractor shall display Medi-Cal Member Services Brochures in English and Spanish in their offices. In addition, providers 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 Mental Health Plan (MHP) self addressed envelopes to be used to send grievances or appeals to ADMHS Quality Assurance department.
 - B. Contractor shall be knowledgeable of MHP policies on Beneficiary Rights as outlined in the Medi-Cal Member Services Brochures.
 - C. Contractor shall ensure that direct service staff attend two cultural competency trainings per fiscal year and shall retain evidence of attendance for the purpose of reporting to the Cultural Competency Coordinator.
 - D. 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, & writing Spanish language. Additionally, interpreters and users of interpreters must attend one training per fiscal year on interpretation in the mental health field-this workshop is offered through the county at least one time per year. Contractor shall retain evidence of employees' attendance at these workshops.
 - E. 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 appt within 10 business days. When not feasible, Contractor shall give the beneficiary the option to re-contact the Access team and request another provider who may be able to serve the beneficiary within the 10 business day standard).
 3. Providers need to be informed that the MHP Quality Assurance team of Santa Barbara County monitors timeliness of service delivery.
 - F. 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

ATTACHMENT A

offer hours of operation that are comparable to those hours offered to Medicaid fee-for-service clients, if the provider serves only Medicaid beneficiaries.

- G. 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. As identified in the new Provider Relations Policy approved by the Director and the Executive team, the proposed process for ensuring compliance and implementing corrective actions is as follows:
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 Assurance Manager within 30 calendar days to identify barriers to compliance. If an agreement is reached, the provider 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: Service and Documentation Standards of the State of California, Department of Mental Health.

EXHIBIT B FINANCIAL PROVISIONS

This Agreement provides for reimbursement for Institutions for Mental Disease (IMD) Services up to a Maximum Contract Amount. For all services provided under this Agreement, Contractor will comply with all applicable requirements necessary for reimbursement in accordance with Welfare and Institutions Code (WIC) §§5704-5724, and other applicable Federal, State and local laws, rules, manuals, policies, guidelines and directives.

I. PAYMENT FOR SERVICES.

- A. Performance of Services. Contractor shall be compensated for provision of the Units of Service (UOS) established in Exhibit B-1 based on satisfactory provision of the Services described in Exhibit A.
- B. Medi-Cal Services. The services provided by Contractor's Program described in Exhibit A may be covered by the Medi-Cal Program and will be reimbursed directly by the State's fiscal intermediary, Electronic Data Systems (hereafter "EDS"), subject to the limitations described in Exhibit A and this Exhibit B. Funds for these services are not included within the Maximum Contract Amount.
- C. Non Medi-Cal Services. County recognizes that the services provided by Contractor's Program described in Exhibit A may not be covered by Medi-Cal or may be provided to individuals who are not Medi-Cal eligible and such services will be reimbursed by County funds only to the extent specified in Exhibit B-1. 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 A-87 and applicable regulations. Violation of this provision or use of County funds for purposes other than those described in Exhibit A shall constitute a material breach of this Agreement.

II. MAXIMUM CONTRACT AMOUNT.

The Maximum Contract Amount has been calculated based on the total UOS to be provided pursuant to this Agreement as set forth in Exhibit B-1 and shall not exceed \$220000. The Maximum Contract Amount shall consist of County, State, and/or Federal funds as shown in Exhibit B-1. 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.

III. PER DIEM RATE.

County agrees to reimburse Contractor at a Per Diem Rate during the term of this Agreement, as specified in Exhibit B-1. "Per Diem Rate" means a daily rate paid for

**EXHIBIT B
FINANCIAL PROVISIONS**

reimbursable IMD Services for a client for the day of admission and each day that services are provided excluding the day of discharge. The Per Diem Rate shall be inclusive of all services defined in this Agreement, except for transportation services on the day of admission and discharge to and from Contractor's facility.

Contractor shall be reimbursed for a day of service, at the Per Diem rate, when the client meets admission and/or continued stay criteria, documentation requirements, treatment and discharge planning requirements, as described in Exhibit A, and occupies a bed at 12:00 midnight. A day of service may also be reimbursed by County if the client is admitted and discharged during the same 24-hour period provided that such admission and discharge is not within 24 hours of a prior discharge, as approved by County.

Except as approved by the California Department of Mental Health pursuant to § 1810.438, the rate for the services described herein shall be the rate established by the State Department of Health Services in accordance with Title 22 CCR, §§ 51510, 51511, 51511.1, 51535, and 51535.1.

IV. OTHER REVENUES.

- A. Third Party Revenues. Contractor shall comply with all County, State, and Federal requirements and procedures, as described in WIC §§ 5709, 5710 and 5721, 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 EPSDT/Medi-Cal, Healthy Families, 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.
- B. Internal Procedures. Contractor shall maintain internal financial controls which adequately ensure proper billing and collection procedures. Contractor's procedures shall specifically provide for the identification of delinquent accounts and methods for pursuing such accounts. Contractor shall pursue payment from all potential sources in sequential order, with County 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 mental health service units specified in this Agreement.

V. BILLING AND PAYMENT PROCEDURES AND LIMITATIONS.

- A. Submission of Claims. Contractor shall submit claims for services within 10 calendar days of the end of the month in which mental health services are delivered that, at minimum: i) details the UOS provided for the month, ii) states the amount owed by County, iii) depicts any share of cost or other payments and iv) includes the Agreement number and signature of Contractor's authorized representative. Claims shall be delivered to the County designated representative:

Santa Barbara County Alcohol, Drug, and Mental Health Services
ATTN: Accounts Payable
429 North San Antonio Road

EXHIBIT B
FINANCIAL PROVISIONS

Santa Barbara, CA 93110 –1316

Contractor shall submit the client's medical chart along with the claim, if requested by County.

Contractor agrees that it shall be solely liable and responsible for all data and information submitted by Contractor.

Contractor shall submit a claim for services to County only after exhausting all other reimbursement mechanisms, as described in Section IV.

QA/UR shall review all service utilization and claims for payment submitted by Contractor for compliance with the terms of this agreement and State, Federal and local requirements. County shall make provisional payment for approved claims within thirty (30) calendar days of the receipt of said claim(s) by County subject to the contractual limitations set forth herein.

B. Withholding Of Payment for Unsatisfactory Clinical Documentation. Director or designee shall have the option to deny payment for services when documentation of clinical services does not meet minimum State and County standards.

C. Claims Submission Restrictions.

1. Billing Limit. Unless otherwise determined by State or federal regulations (e.g. Medi-Medi cross-over), all original (or initial) claims and client's medical chart, if requested by County, for eligible individual persons under this Agreement must be received by County within 30 days from the date 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.

3. Payment in Full.

a. For Services described in this Agreement, the rate established per Section III, less third party liability and beneficiary share of cost, shall be considered payment in full for the scope of services described herein.

b. Contractor shall not submit a claim to demand, or otherwise collect reimbursement from the client or persons acting on behalf of the client for

EXHIBIT B FINANCIAL PROVISIONS

services provided except to collect other third party revenue as described in Section IV.

- D. Claims Certification and Program Integrity. Contractor shall certify that all UOS submitted to County for any payor sources covered by this Agreement are true and accurate to the best of Contractor's knowledge.
- E. Tracking of Expenses. Contractor shall inform County when seventy-five percent (75%) of the Maximum Contract Amount has been incurred based upon Contractor's own billing records. Contractor shall send such notice to those persons and addresses which are set forth in the Agreement, Section 2 (NOTICES).

VI. COST REPORT.

- A. Submission of Cost Report. Within forty-five (45) days after the close of the Fiscal Year covered by this Agreement, Contractor shall provide County with an accurate and complete Annual Cost Report with a statement of expenses and revenue for the 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 Director or Designee upon reasonable notice.
- B. Cost Report to be Used for Final Settlement. The Cost Report shall be the final financial and statistical report submitted by Contractor to County, and shall serve as the basis for final settlement to Contractor. Contractor shall document that costs are reasonable and allowable and directly or indirectly related to the services to be provided hereunder.
- C. Withholding Payment. County shall withhold the final month's payment under this Agreement until such time that Contractor submits its complete Annual Cost Report.
- D. Penalties. In addition, failure of Contractor to submit accurate and complete Annual Cost Report(s) by the ninetieth (90th) day after the close of the Fiscal Year 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 ninety-first (91st) day following either the end of the applicable Fiscal Year or the expiration or termination date of this Agreement. County shall deduct the Late Penalty assessed against Contractor from the final month's payment due under the 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 fiftieth (150th) day following either the end of the applicable Fiscal Year or the expiration or termination date of this Agreement, then all amounts covered by the outstanding Annual Cost Report(s) and paid by County to Contractor in the Fiscal Year for which the Annual Cost Report(s) is (are) outstanding shall be repaid by Contractor to County. Further, County shall terminate any current contracts entered into with Contractor for programs covered by the outstanding Annual Cost Reports.
- E. 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.
- F. Single Audit Report: If Contractor is required to perform a single audit, per the requirements of OMB circular A-133, Contractor shall submit a copy of such single audit to County within thirty (30) days of receipt.

VII. AUDITS, AUDIT APPEALS AND POST-AUDIT EPSDT/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 the WIC § 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 hereunder.
- 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 EPSDT/Medi-Cal audit, the State and County will perform a post-audit EPSDT/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.
- C. Invoice for Amounts Due. County shall issue an invoice to Contractor for any amount due 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 party performing the audit.

EXHIBIT B-1

**EXHIBIT B-1
ALCOHOL, DRUG AND MENTAL HEALTH SERVICES
SCHEDULE OF RATES AND CONTRACT MAXIMUM**

CONTRACTOR NAME: Sylmar Health and Rehabilitation Center **FISCAL YEAR:** 2011-12

Facility	Program	Maximum Daily Rate
Sylmar	Basic IMD/STP	\$127.31
	Augmented/ Deaf Patch	\$26.84
	Bed Hold	(\$5.18)
Maximum Contract Amount		\$220,000

CONTRACTOR SIGNATURE: _____

STAFF ANALYST SIGNATURE: _____

FISCAL SERVICES SIGNATURE: _____

EXHIBIT C

STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS for contracts REQUIRING professional liability insurance

1. INDEMNIFICATION

Indemnification pertaining to other than Professional Services:

Contractor shall defend, indemnify and save harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to: any act or omission to act on the part of the Contractor or his agents or employees or other independent Contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the County.

Contractor shall notify the County immediately in the event of any accident or injury arising out of or in connection with this Agreement.

Indemnification pertaining to Professional Services:

Contractor shall indemnify and save harmless the County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of the negligent performance or attempted performance of the provisions hereof; including any willful or negligent act or omission to act on the part of the Contractor or his agents or employees or other independent Contractors directly responsible to him to the fullest extent allowable by law.

Contractor shall notify the County immediately in the event of any accident or injury arising out of or in connection with this Agreement.

2. INSURANCE

Without limiting the Contractor's indemnification of the County, Contractor shall procure the following required insurance coverages at its sole cost and expense. All insurance coverage is to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the County. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place Contractor in default. Upon request by the County, Contractor shall provide a certified copy of any insurance policy to the County within ten (10) working days.

Workers' Compensation Insurance: Statutory Workers' Compensation and Employers Liability Insurance shall cover all Contractor's staff while performing any

EXHIBIT C

work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the County. In the event Contractor is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if Contractor has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and Contractor submits a written statement to the County stating that fact.

General and Automobile Liability Insurance: The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of Contractor and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the Contractor in the indemnity and hold harmless provisions of the Indemnification Section of this Agreement between County and Contractor. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of Contractor pursuant to Contractor's activities hereunder. Contractor shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. County, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000, per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000, requires approval by the County.

Said policy or policies shall include a severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

"Such insurance as is afforded by this policy shall be primary and if the County has other valid and collectible insurance, that other insurance shall be excess and non-contributory."

If the policy providing liability coverage is on a 'claims-made' form, the Contractor is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this agreement. Said policy or policies shall provide that the County shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

Professional Liability Insurance. Professional liability insurance shall include coverage for the activities of Contractor's professional staff with a combined single

EXHIBIT C

limit of not less than \$1,000,000, per occurrence or claim and \$2,000,000, in the aggregate. Said policy or policies shall provide that County shall be given thirty (30) days written notice prior to cancellation, expiration of the policy, or reduction in coverage. If the policy providing professional liability coverage is on a 'claims-made' form, the Contractor is required to maintain such coverage for a minimum of three (3) years (ten years [10] for Construction Defect Claims) following completion of the performance or attempted performance of the provisions of this agreement.

Contractor shall submit to the office of the designated County representative certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming effective. County shall maintain current certificate(s) of insurance at all times in the office of the designated County representative as a condition precedent to any payment under this Agreement. Approval of insurance by County or acceptance of the certificate of insurance by County shall not relieve or decrease the extent to which the Contractor may be held responsible for payment of damages resulting from Contractor's services of operation pursuant to the Agreement, nor shall it be deemed a waiver of County's rights to insurance coverage hereunder.

3. In the event the Contractor is not able to comply with the County's insurance requirements, County may, at their sole discretion and at the Contractor's expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by the County. The County's Risk Manager is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable and based on changed risk of loss or in light of past claims against the County or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of County's risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. Contractor agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

EXHIBIT D

ORGANIZATIONAL SERVICE PROVIDER SITE CERTIFICATION

COMPLIANCE REQUIREMENTS

1. Contractor hereby represents and warrants the following, as applicable:
 - 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.
 - 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 beneficiaries 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 California State Mental Health Plan, 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 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.
 - J. For Contractors that provide or store medications, the Contractor stores and dispenses medications in compliance with all pertinent State and Federal standards, specifically:
 1. All drugs obtained by prescription are labeled in compliance with Federal and State laws. Prescription labels may be altered only by authorized personnel.
 2. Drugs intended for external use only or food stuffs are stored separately from drugs for internal use.

EXHIBIT D

3. 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 Fahrenheit.
 4. Drugs are stored in a locked area with access limited only to those medical personnel authorized to prescribe, dispense, or administer medication.
 5. Drugs are not retained after the expiration date. IM (Intramuscular) multi-dose vials are to be dated and initialed when opened.
 6. 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.
 7. 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 two (2) 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 when medications will 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.
3. 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.