



# County of Santa Barbara

## BOARD OF SUPERVISORS

### Minute Order

July 01, 2014

**Present:** 5 - Supervisor Carbajal, Supervisor Wolf, Supervisor Farr, Supervisor Adam, and Supervisor Lavagnino

ALCOHOL, DRUG AND MENTAL HEALTH SERVICES

File Reference No. 14-00543

**RE:** Consider recommendations regarding Alcohol, Drug and Mental Health Services (ADMHS) Fiscal Year 2014-2015 Contracts - Acute/IMD Contracts, as follows:

- a) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Aurora Vista del Mar Hospital (not a local vendor), for the provision of Acute Inpatient Services, for a total Contract amount not to exceed \$2,300,000.00 through June 30, 2015;
- b) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Merced Behavioral Center (not a local vendor), an institution for mental disease, for a Contract amount not to exceed \$200,000.00 per year, for a total Contract of \$600,000.00 through June 30, 2017;
- c) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Crestwood Behavioral Health Center, Inc. (not a local vendor), an institution for mental disease, for a Contract amount not to exceed \$1,000,000.00 per year, for a total Contract of \$3,000,000.00 through June 30, 2017;
- d) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Davis Guest Home (not a local vendor), an enhanced board and care, for a Contract amount not to exceed \$156,000.00 per year, for a total Contract of \$468,000.00 through June 30, 2017;
- e) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Psynergy Programs, Inc. (not a local vendor), for the provision of adult residential mental health services, for a Contract amount not to exceed \$500,000.00 per year, for a total Contract of \$1,500,000.00 through June 30, 2017;
- f) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Sierra Vista Rehabilitation Center (not a local vendor) an institution for mental disease, for a Contract amount not to exceed \$250,000.00 per year, for a total Contract of \$750,000.00 through June 30, 2017;
- g) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Sylmar Health and Rehabilitation Center (not a local vendor) an institution for mental disease, for a Contract amount not to exceed \$600,000.00 per year, for a total Contract of \$1,800,000.00 through June 30, 2017; and
- h) Determine that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA guidelines.

**A motion was made by Supervisor Carbajal, seconded by Supervisor Adam, that this matter be Acted on as follows:**

a) through g) Approved; Chair to execute; and

h) Approved.

The motion carried by the following vote:

Ayes: 5 - Supervisor Carbajal, Supervisor Wolf, Supervisor Farr, Supervisor Adam, and Supervisor Lavagnino



AGENDA LETTER

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: ADMHS
Department No.: 043
For Agenda Of: 7-1-14
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Takashi Wada, MD, MPH, Interim Director
Director(s) Alcohol, Drug and Mental Health Services, 681-5220
Contact Info: Michael Evans, CFO/Assistant Director of Finance, 681-5220
SUBJECT: ADMHS FY 14-15 Contracts – Acute/IMD Contracts

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- 1) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Aurora Vista del Mar Hospital (not a local vendor), for the provision of Acute Inpatient Services, for a total contract amount not to exceed \$2,300,000 through June 30, 2015.
2) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Merced Behavioral Center (not a local vendor), an institution for mental disease, for a contract amount not to exceed \$200,000 per year, for a total contract of \$600,000 through June 30, 2017.
3) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Crestwood Behavioral Health Center, Inc. (not a local vendor), an institution for mental disease, for a contract amount not to exceed \$1,000,000 per year, for a total contract of \$3,000,000 through June 30, 2017.
4) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with Davis Guest Home (not a local vendor), an enhanced board and care, for a contract amount not to exceed \$156,000 per year, for a total contract of \$468,000 through June 30, 2017.

05-2-2017 stamp

- 5) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Psynergy Programs, Inc.** (not a local vendor), for the provision of adult residential mental health services, for a contract amount not to exceed **\$500,000 per year, for a total contract of \$1,500,000** through June 30, 2017.
- 6) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Sierra Vista Rehabilitation Center** (not a local vendor) an institution for mental disease, for a contract amount not to exceed \$250,000 per year, for a total contract of **\$750,000** through June 30, 2017.
- 7) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Sylmar Health and Rehabilitation Center** (not a local vendor) an institution for mental disease, for a contract amount not to exceed \$600,000 per year, for a total contract of **\$1,800,000** through June 30, 2017.
- 8) Determine that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA guidelines.

**Summary Text:**

The Alcohol, Drug and Mental Health Services (ADMHS) Department provides a continuum of mental health and substance use disorder services to Santa Barbara County residents, in part through contracted providers including Community-Based Organizations (CBOs). Approval of the recommended actions will allow ADMHS to continue to provide mandated mental health, substance use, and ancillary services. ADMHS is including the above contracts as part of one board letter to allow the Board of Supervisors and the public to get a full picture of the major (over \$100,000) providers of the highest levels of care for ADMHS clients, including Acute Psychiatric Hospitals, Institutions for Mental Disease (IMDs) and IMD-alternative facilities.

**Background:**

Institutions for Mental Disease (IMD): ADMHS provides a continuum of services, including inpatient treatment services to best meet the needs of individuals with severe mental illness. IMDs are facilities including hospitals, nursing facilities, or other institutions of more than 16 beds that are primarily engaged in providing diagnosis, treatment, or care of persons with mental illness, including medical attention, nursing care, and related services. Due to the Federal IMD Exclusion, these services are not reimbursable by Medi-Cal for clients between the ages of 21 and 65. There are a limited number of these highly structured residential treatment services in California and none in Santa Barbara County. ADMHS examines the current caseload and historical use of IMD facilities in order to project the following year's contract amounts within the Department's budget constraints. ADMHS contracts with IMDs that are licensed as Acute Psychiatric Hospitals (Aurora Vista del Mar), Skilled Nursing Facilities with Special Treatment Patches (Merced Behavioral Center, Crestwood Health and Rehabilitation Center, Sierra Vista Rehabilitation Center, and Sylmar Health and Rehabilitation Center), and Mental Health Rehabilitation Centers (some Crestwood facilities). Acute Psychiatric Hospitals are used only for clients with emergency mental health needs meeting the criteria of Welfare and Institutions Code (WIC) Section 5150, and rates are significantly higher due to the hospital license, versus other types of

IMDs, which are locked facilities used to treat ongoing psychiatric needs. Due to limited bed availability at each IMD, ADMHS contracts with a number of IMDs throughout the State.

ADMHS also contracts with IMD-alternative facilities, which are unlocked facilities providing highly structured residential programs for clients transitioning out of IMDs.

Contractor	Approx. # of Beds (per day)	Summary
Aurora Vista del Mar	9	Aurora Vista is the primary acute psychiatric inpatient hospital providing services to County clients in need of hospitalization when Santa Barbara County Psychiatric Health Facility (PHF) is at capacity. Individuals are admitted involuntarily if they are determined to be a danger to themselves or others or gravely disabled pursuant to Welfare and Institutions Code §5150, and meet medical necessity criteria, as defined in the California Code of Regulations Title 9 §1820.205. Aurora Vista provides psychiatric inpatient hospital services such as psychiatric assessment, medication management, individual and group psychotherapy, and intensive one to one supervision, as appropriate. ADMHS is continuing to utilize the services of Aurora Vista del Mar at the current bed usage for an additional year while ADMHS analyzes the effects of changes to the ADMHS crisis system on the need for acute psychiatric inpatient hospitalizations.
Merced Behavioral Center	3	Merced Behavioral Center, located in Merced County, provides intensive psychiatric mental health treatment, medical assessment, diagnosis, and monitoring in a locked setting.
Crestwood Behavioral Health Center, Inc.	14	Crestwood facilities, located in Kern, Shasta and Santa Clara counties, provides intensive psychiatric mental health treatment, medical assessment, diagnosis, and monitoring, and treatment groups for clients, including those diagnosed with co-occurring disorders, in locked facilities. These skill-building and symptom management services are designed to support clients in returning to community living as soon as possible.
Davis Guest Home	5	Davis Guest Home is located in Modesto and provides residential treatment services to adult clients as a step down from IMDs. Davis Guest provides residents with support to enhance activities of daily living skills such as hygiene, budgeting, use of public transportation, and meal planning and food preparation; and opportunities to participate in socialization/ group interaction activities.

Contractor	Approx. # of Beds (per day)	Summary
Psynergy Programs, Inc.	10	Psynergy, with facilities located in the Bay Area, provides residential treatment services to adult clients as a step down from IMDs. Psynergy works with clients in IMDs to identify clients who may be ready to step down to a lower level of care, then works to step clients down through three progressions of residential care, with the eventual goal of equipping clients to return to Santa Barbara County to live independently.
Sierra Vista Rehabilitation Center	4	Sierra Vista, located in San Bernardino County, is a locked psychiatric facility for adults with severe mental illness. This IMD provides a structured, comprehensive therapeutic milieu of individual and group counseling, psycho-educational rehabilitation groups and classes, support groups, and recreational activities. Sierra Vista's program is one of the few residential treatment programs in the United States sensitive to the treatment needs of deaf/hearing-impaired residents with chronic, severe and persistent mental illness.
Sylmar Health and Rehabilitation Center	8	Sylmar is a locked facility for adults with severe mental illness located in Los Angeles County. Sylmar provides intensive psychiatric mental health treatment, medical assessment, diagnosis and monitoring, and treatment groups for clients, including those diagnosed with co-occurring disorders. This facility is able to accommodate medically complex or fragile individuals.

**Key Contract Risks:**

There is risk that the number of contracted IMD and IMD-alternative beds may increase beyond what the department has projected. In that case, the department would return to the Board of Supervisors to request an increases to the contract maximums where needed.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 4,956,000.00		
Federal	\$ 50,000.00		
Fees			
Other:			
Total	\$ 5,006,000.00	\$ -	\$ -

**Narrative:**

The above referenced contracts are funded by State and Federal funds. The funding sources are included in the FY 2014-15 Adopted Budget. Execution of these contracts will not increase the use of general fund dollars by ADMHS.

**Special Instructions:**

Please send one (1) complete copy of each executed contract and one (1) minute order to:

Alcohol, Drug and Mental Health Services

Attn: Contracts

300 North San Antonio Road, Bldg 3

Santa Barbara, CA 93110

**Attachments:**

1. Aurora Vista del Mar Contract
2. Merced Behavioral Center Contract
3. Crestwood Contract
4. Davis Guest Home Contract
5. Psynergy Contract
6. Sierra Vista Contract
7. Sylmar Contract

# AGREEMENT

## FOR SERVICES OF INDEPENDENT CONTRACTOR

BC 15-034

**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 Psynergy Programs, Inc with an address at 18225 Hale Ave., Morgan Hill, 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. Lynda Kaufman at phone number 4084658280 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  
Alcohol, Drug, and Mental Health Services  
300 N. San Antonio Road  
Santa Barbara, CA 93110  
FAX: 805-681-5262

To Contractor:              Lynda Kaufman, Director of Government and Public Affairs  
Psynergy Programs, Inc  
18225 Hale Ave.  
Morgan Hill, CA 95037  
FAX: 4084658295

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.



## **AGREEMENT**

### **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 7/1/2014 and end performance upon completion, but no later than 6/30/2017 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. Billing shall be made by invoice, which shall include the contract number assigned by County and which is delivered to the address given in Section 2 NOTICES above following completion of the increments identified on EXHIBIT B. Unless otherwise specified on EXHIBIT B, payment shall be net thirty (30) days from presentation of invoice.

### **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

## AGREEMENT

government contracts. Contractor certifies that it shall not contract with a subcontractor that is so debarred or suspended.

### **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. 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.

## **AGREEMENT**

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. 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, except to acknowledge funding from County as specified in Section 13, Communication. 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. 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.

### **14. 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.

### **15. 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, whichever is later. 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.

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

### **16. INDEMNIFICATION AND INSURANCE**

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

### **17. 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.

### **18. 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.

### **19. 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.

### **20. 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

## AGREEMENT

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 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.
- B. **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.
  - C. 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

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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.

### **21. 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.

### **22. 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, 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.

### **23. 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.

### **24. TIME IS OF THE ESSENCE**

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

### **25. 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.

### **26. 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 by Contractor 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

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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.

### **27. 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.

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

### **29. 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.

### **30. 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.

### **31. 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(ies), 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.

### **32. 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.

### **33. 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.

## AGREEMENT

### **34. 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.

### **35. 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.

### **36. PRIOR AGREEMENTS.**

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



## **AGREEMENT**

### **THIS AGREEMENT INCLUDES:**

1. EXHIBIT A
  - i. Statement of Work
  - ii. Attachment A – Santa Barbara County Mental Health Plan, Quality Management Standards
  - iii. Attachment D – Organizational Service Provider Site Certification
2. EXHIBIT B –
  - i. Financial Provisions
  - ii. EXHIBIT B-1 – Schedule of Rates and Contract Maximum
  - iii. EXHIBIT B-2 – Contractor Budget
3. EXHIBIT C – Standard Indemnification and Insurance Provisions

**AGREEMENT**

Agreement for Services of Independent Contractor between the County of Santa Barbara and Psynergy Programs, Inc.

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

COUNTY OF SANTA BARBARA

By:   
STEVE LAVAGNINO, CHAIR  
BOARD OF SUPERVISORS

Date: 7-1-14

CONTRACTOR  
PSYNERGY PROGRAMS, INC

ATTEST:  
MONA MIYASATO, COUNTY EXECUTIVE OFFICER  
CLERK OF THE BOARD

By:   
Deputy Clerk

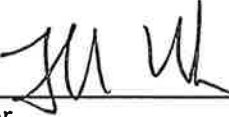
Date: 7-2-14

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By:   
Deputy County Counsel

Date: 6/19/14

APPROVED AS TO FORM :  
ALCOHOL, DRUG, AND MENTAL HEALTH SERVICES  
TAKASHI WADA, MD, MPH  
INTERIM DIRECTOR

By:   
Director

Date: 6/13/14

By: \_\_\_\_\_  
Tax Id No 74-3131675.

Date: \_\_\_\_\_

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

By:   
Deputy

Date: 6/19/14

APPROVED AS TO INSURANCE FORM:  
RAY AROMATORIO  
RISK MANAGER

By: 

Date: 6/19/14

**AGREEMENT**

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By: \_\_\_\_\_  
STEVE LAVAGNINO, CHAIR  
BOARD OF SUPERVISORS

Date: \_\_\_\_\_

CONTRACTOR  
PSYNERGY PROGRAMS, INC

By: *Robert W. Geis*, Acting President & CEO  
Tax Id No 74-3131675.

Date: *6/16/2014*

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

By \_\_\_\_\_  
Deputy

Date: \_\_\_\_\_

APPROVED AS TO INSURANCE FORM:  
RAY AROMATORIO  
RISK MANAGER

By: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:  
MONA MIYASATO, COUNTY EXECUTIVE OFFICER  
CLERK OF THE BOARD

By: \_\_\_\_\_  
Deputy Clerk

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By \_\_\_\_\_  
Deputy County Counsel

Date: \_\_\_\_\_

APPROVED AS TO FORM :  
ALCOHOL, DRUG, AND MENTAL HEALTH SERVICES  
TAKASHI WADA, MD, MPH  
INTERIM DIRECTOR

By \_\_\_\_\_  
Director

Date: \_\_\_\_\_

## AGREEMENT

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Agreement for Services of Independent Contractor between the County of Santa Barbara and Psynergy Programs, Inc.

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COUNTY OF SANTA BARBARA

By: \_\_\_\_\_  
STEVE LAVAGNINO, CHAIR  
BOARD OF SUPERVISORS

Date: \_\_\_\_\_

CONTRACTOR  
PSYNERGY PROGRAMS, INC

By: \_\_\_\_\_  
Tax Id No 74-3131675.

Date: \_\_\_\_\_

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

By \_\_\_\_\_  
Deputy

Date: \_\_\_\_\_

APPROVED AS TO INSURANCE FORM:  
RAY AROMATORIO  
RISK MANAGER

By: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:  
MONA MIYASATO, COUNTY EXECUTIVE OFFICER  
CLERK OF THE BOARD

By: \_\_\_\_\_  
Deputy Clerk

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By \_\_\_\_\_  
Deputy County Counsel

Date: \_\_\_\_\_

APPROVED AS TO FORM :  
ALCOHOL, DRUG, AND MENTAL HEALTH SERVICES  
TAKASHI WADA, MD, MPH  
INTERIM DIRECTOR

By \_\_\_\_\_  
Director

Date: \_\_\_\_\_

EXHIBIT A – Mental Health

STATEMENT OF WORK

This EXHIBIT A includes:

- i. Statement of Work
- ii. Attachment A – Santa Barbara County Mental Health Plan, Quality Management Standards
- iii. Attachment D – Organizational Service Provider Site Certification

## EXHIBIT A – Mental Health

### STATEMENT OF WORK

1. **PROGRAM SUMMARY.** Contractor provides a Modified Therapeutic Community, hereafter, the Program, consisting of four program phases. The first phase consists of assessment, engagement, and orientation, and is usually provided prior to the client arriving at Contractor's campus. The second phase, Nueva Vista, located in Morgan Hill, California, is licensed as an Adult Residential Facility by the State Department of Social Services, Community Care Licensing Division (CCLD), and provides treatment aimed at helping clients adjust to a non-institutional setting. The third phase, Cielo Vista, located in Greenfield, California, is licensed as an Adult Residential Facility by CCLD, but provides a lower level of treatment services than Nueva Vista, and is aimed at preparing clients for independent living. The last stage, Tres Vista Apartments, provides clients an independent living environment, with continued mental health supports to ensure client success. After successful completion of all four phases, it is anticipated that clients would transition back to the community.
2. **PROGRAM GOALS.**
  - A. Successfully engage and stabilize clients transitioning out of, or provide an alternative to, Institutions for Mental Disease (IMDs) and other locked settings.
  - B. Provide gradual step down in level of care, leading to independent living and eventual transition back to the Santa Barbara County community.
  - C. Assist clients to develop independent living skills; including supporting clients to develop skills necessary for self-care, medication management, and use of community transportation.
3. **SERVICES.** Contractor shall provide psychiatric rehabilitation, residential care and room and board for clients who shall be placed at the Program as described in Section 6, Referrals, with staff available twenty-four (24) hour per day, seven (7) days per week to support clients.
  - A. The Program shall provide the following services, as defined in California Code of Regulations (CCR), Title 9, to clients and their families as appropriate, as authorized in advance by the ADMHS Quality Assurance (QA) Division:
    1. **Assessment.** Assessment is designed to evaluate the current status of a client's mental, emotional or behavioral health. Assessment includes, but is not limited to, one or more of the following: mental status determination, analysis of the client's clinical history; analysis of relevant cultural issues and history; diagnosis; and use of testing procedures, as defined in Title 9 CCR Section 1810.204.
    2. **Collateral.** Collateral services are delivered to a client's significant support person(s) for the purpose of meeting the needs of the client and achieving the goals of the Client Service Plan, as defined in Title 9 CCR Section 1810.206. A significant support person is a person who has or could have a significant role in the successful outcome of treatment, including but not limited to parents of a client, legal guardians or representatives of a client, a person living in the same household as the client, the client's spouse, and the relatives of the client. Collateral may include, but is not limited to, family counseling with the significant support person(s), consultation and training of the significant support person(s) to assist in better utilization of specialty mental health services by the client, and consultation and training of the significant

## EXHIBIT A – Mental Health

### STATEMENT OF WORK

support person(s) to assist in better understanding of mental illness. The client need not be present for this service activity. Consultation with other service providers is not considered a Collateral service.

3. **Plan Development.** Plan development consists of developing client plans, approving client plans, and/or monitoring the client's progress, as defined in Title 9 CCR Section 1810.232.
  4. **Rehabilitation.** Rehabilitation is defined as a service activity that includes but is not limited to, assistance in improving, maintaining or restoring a client's or a group of clients' functional skills, daily living skills, social and leisure skills, grooming and personal hygiene skills, meal preparation skills, support resources, and/or medication education (excludes services provided under Medication Support, as defined in Title 9 CCR Section 1810.225), as defined in Title 9 CCR Section 1810.243.
  5. **Therapy.** Therapy is a service activity that is a therapeutic intervention that focuses primarily on symptom reduction as a means to improve functional impairments, as defined in Title 9 CCR Section 1810.250. Therapy may be delivered to an individual and may include family therapy at which the client is present.
  6. **Case Management.** Services that assist a client to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services. The service activities may include, but are not limited to, communication, coordination, and referral; monitoring service delivery to ensure client access to service and the service delivery system; monitoring of the client's progress; placement services; and plan development, as defined in Title 9 CCR Section 1810.249.
  7. **Crisis Intervention.** Crisis intervention is a service lasting less than 24 hours, to or on behalf of a client for a condition that requires a more timely response than a regularly scheduled visit, as defined in Title 9 CCR Section 1810.209. Service activities include, but are not limited to: assessment, collateral and therapy. Crisis intervention is distinguished from crisis stabilization by being delivered by providers who do not meet the crisis stabilization contact, site and staffing requirements as defined in Sections 1840.338 and 1840.348 (CCR). Contractor shall be available 24 hours per day, 7 days per week to provide crisis intervention services.
  8. **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.
- B. Contractor's Program shall include, but not be limited to, the interventions listed following. These interventions may be billable to Medi-Cal, in accordance with Medi-Cal rules and regulations, under the services listed in Section 3.A above. Non-billable services may be reimbursed within the supplemental daily rates in Exhibit B-1, incorporated herein by reference.
1. **Activities of Daily Living.** Contractor shall provide Activities of Daily Living (ADL) support, including:



## EXHIBIT A – Mental Health

### STATEMENT OF WORK

- a. Assisting clients in developing and maintaining knowledge of medications, skills in self administration of medication and compliance with medication treatment;
  - b. Accessing and using laundry facilities (both in-home and coin-operated facilities);
  - c. Maintaining clean and well kept living quarters. This shall include assigning household chores to be completed weekly;
  - d. Practicing good personal hygiene; including physical health, such as hygiene, prevention and management of medical condition(s);
  - e. Scheduling and keeping appointments;
  - f. Learning and practicing psychosocial skills, such as effective interpersonal communication and conflict resolution.
2. **Skill Building.** Contractor shall provide skill building in Social and Recreational Activities, including:
- a. Providing structured direction so clients learn how to engage in group activities that can provide meaningful social connections with others;
  - b. Providing structured direction so clients learn how to engage in community activities to prepare for more independent living;
  - c. Assisting clients to:
    - i. Identify, access and independently participate in social and/or recreational activities in the community with the goal of encouraging and promoting positive interaction with others, physical exercise and participating in health-related activities;
    - ii. Develop conversational skills;
    - iii. Access activities that are cost-appropriate to the client's budget;
  - d. Instructing clients how to access necessary services for routine, urgent, or emergency needs. Contractor shall assist clients in learning how to access community services for on-going supports (i.e. alcohol and drug programs, outpatient mental health treatment services, routine medical services, etc.), and hospital emergency rooms for medical emergencies.
  - e. Assist clients in developing skills to use natural supports for transportation and community recreational resources (e.g. YMCA, Adult Education, etc.) which afford clients opportunities to practice the skills they are developing and/or learning;
  - f. Contractor shall provide family psychoeducational activities such as education to the family regarding mental illness, medications, and recognizing symptoms, as appropriate;
3. **Vocational Skills.** The Program shall provide clients with opportunities to gain work experience, paid via non-cash incentives such as gift cards, based on the unique interests and needs of each client. Services shall include but not be limited to:
- a. Assessment of the effect of the client's mental illness on employment or educational learning, with identification of specific behaviors that interfere with

## EXHIBIT A – Mental Health

### STATEMENT OF WORK

the client's work or learning performance and development of interventions to reduce or eliminate those behaviors;

- b. Development of an ongoing supportive educational or employment rehabilitation plan to help each client establish the skills necessary to find and maintain a job or to remain in an educational setting;
  - c. Opportunities to complete mock employment applications and interviews.
  - d. Individual supportive therapy to assist clients to identify and cope with symptoms of mental illness that may interfere with work performance or learning;
  - e. Accessing and using educational and vocational resources (e.g. community colleges, Vocational Rehabilitation, etc.)
4. **Support Services.** Contractor shall assist clients to access needed community resources, including, but not limited to:
- a. Medical and dental services (e.g. having and effectively using a personal physician and dentist);
  - b. Financial entitlements;
  - c. Social services;
  - d. Legal advocacy and representation.
5. **Budgeting.** Contractor shall assist client with developing individual budgets based on income and expenses and assisting clients with managing finances, including bill-paying and living on fixed incomes.
6. **Cooking and Meal Planning.** Contractor shall assist clients develop skills related to cooking and meal planning, including:
- a. Learning and developing healthy eating habits;
  - b. Learning to maintain a safe and sanitary kitchen;
  - c. Shopping for and preparing meals with the assistance of Program staff.
4. **CLIENTS.** Contractor shall be reimbursed through this contract for the provision of the services described in Section 3 to a caseload of approximately ten ADMHS clients, depending on the level of care needed. The Program is designed for individuals with Serious Mental Illness (SMI) whose symptoms of mental illness cause the most substantial levels of disability and functional impairment. Due to the severity of their symptoms and functional issues, individuals who receive these services are in the greatest need of rehabilitative services in order to live successfully in the community and achieve their personal recovery goals. Multiple barriers to successful functioning are common in this group and may include: co-occurring substance abuse or dependence, homelessness, unemployment, out-of-control illness management, frequent and persistent use of hospital emergency departments and inpatient psychiatric treatment, and problems with the legal system. Priority of the population served will include individuals with SMI who are transitioning from IMDs, Acute Inpatient facility settings or other residential living settings.
- A. Program clients should have symptoms that seriously impair their functioning in independent living community settings. Because of mental illness, the client has

## EXHIBIT A – Mental Health

### STATEMENT OF WORK

substantial disability and functional impairment as indicated by an assessment of level 3 or 4 on the Level of Care and Recovery Inventory (LOCRI);

- B. Priority should be given to clients with long term psychiatric disabilities such as schizophrenia, other psychotic disorders and bipolar disorders.

#### 5. LENGTH OF STAY/SERVICE INTENSITY.

- A. Duration of service at the Program will be coordinated with County and will be authorized on an individual case-by-case basis for up to six (6) month intervals, up to a maximum of 24 months;
- B. Contractor shall work with County to develop goals for encouraging clients to move to lower levels of supportive housing or community support.

#### 6. REFERRALS. Contractor shall admit and provide services to clients referred by County treatment teams in order for those services to be reimbursed by County.

##### A. ADMISSION PROCESS.

1. County Clinical Liaison shall thoroughly review open cases to determine those appropriate for placement. Clients from IMDs or higher level of care shall be prioritized for placement.
2. County Clinical Liaison shall send the Referral Packet, described in Section 6.B, for the selected client to Contractor.
3. Contractor shall respond to referrals within five (5) days from the date of receipt of the referral.
4. Contractor shall interview client referred by County. Referrals may also require CCLD approval if there is an exception needed for admission for residential treatment.
5. In the event a referral is not accepted per Section 6.C, Contractor shall notify County in writing of the reason for not accepting the referral.

##### B. REFERRAL PACKET. Contractor shall maintain a referral packet within its files (hard copy or electronic), for each client referred and treated, which shall contain the following items:

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 Client Service Plan (CSP) indicating the goals for client enrollment in the Program and which names Contractor as service provider;
6. Client's Medi-Cal Eligibility Database Sheet (MEDS) file printout will be provided to Contractor in the initial Referral Packet. Thereafter, it will be Contractor's responsibility to verify continued Medi-Cal eligibility;
7. Other documents as reasonably requested by County or Contractor.

## EXHIBIT A – Mental Health

### STATEMENT OF WORK

- C. **EXCLUSION CRITERIA AND PROCESS.** On a case-by-case basis, the following may be cause for client exclusion from the Program, subject to approval by the ADMHS Division Chief in collaboration with Contractor: individual's recent history (within six (6) months) of, or facing charges of, violent crime or sexual predation; individuals with restricted health conditions as defined by CCLD and those who are not classified as "ambulatory"; individuals with Anti-Social Personality Disorder.
7. **DOCUMENTATION REQUIREMENTS.**
- A. **ADMHS Client Service Plan.** The ADMHS Clinical Team shall complete a Client Service Plan (CSP) in collaboration with Contractor for each client receiving Program services within thirty (30) days of enrollment into the Program. The ADMHS Client Service Plan shall provide overall direction for the collaborative work of the client, the Program and the ADMHS Treatment Team, as applicable. The ADMHS Treatment Plan shall include:
1. Client's recovery goals or recovery vision, which guides the service delivery process;
  2. Objectives describing the skills and behaviors that the client will be able to learn as a result of the Program's behavioral interventions;
  3. Interventions planned to help the client reach their goals.
- B. Contractor shall provide services as determined by each client's CSP and Action Plan. The Action Plan shall align with the overall goals of the client's CSP. Copies of clients' Action Plans shall be provided to County upon completion and upon any further updates or revisions, as applicable.
- C. Contractor shall work with County to develop goals for encouraging clients to move to lower levels of supportive housing or community support.
- D. **Case Review.** Contractor and County shall review cases a minimum of every ninety (90) days, to include treatment plan development, effectiveness of interventions and discharge planning. There shall be regular and as needed contacts between Contractor and County liaison/ care coordinator service staff, with County direct service staff attending Contractor's clinic staff meetings when possible to coordinate services for clients.
8. **DISCHARGE PLAN.** The ADMHS Clinical 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.
- A. County shall participate in the development of discharge plans, and shall provide assistance to clients in completion of their plan. Contractor and County shall collaborate in planning for discharge and transition;
  - B. Clients and their families shall be involved as much as possible in the discharge and graduation process;
  - C. Contractor shall notify County within five (5) days of any pending discharge;
  - D. County shall receive a copy of the final discharge plan;
  - E. Contractor shall notify County of final discharge date within one (1) business day.
  - F. Residential clients may be discharged by Contractor according to CCLD requirements.

## EXHIBIT A – Mental Health

### STATEMENT OF WORK

#### 9. STAFF.

A. Contractor shall abide by CCLD staffing requirements for 24/7 hour coverage with on-call staff as necessary for emergency situations.

#### B. TRAINING.

1. Staff shall be trained and skilled at working with persons with serious mental illness (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. 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.

C. 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.

D. Contractor shall conduct a check of all clinical and support staff against Centers for Medicare & Medicaid Services (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.

E. County shall review Contractor's staff assigned to work with County clients, and only staff approved by County shall provide services under this Agreement.

F. Contractor shall notify the designated County Liaison and County Quality Assurance Division within one business day when staff is terminated from working on this Agreement.

G. 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.

H. 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.

I. 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.

#### 10. 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

## EXHIBIT A – Mental Health

### STATEMENT OF WORK

hereunder. A copy of such documentation shall be provided to Alcohol, Drug, and Mental Health Services (ADMHS) Quality Assurance/Utilization Management (QA/UM) Division, upon request.

- B. Contractor shall ensure that all staff providing services under this Agreement retain active licensure. In the event the license status of any Contractor staff 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.

#### 11. REPORTS.

- A. **SERVICE LEVEL REPORTS.** Contractor shall track the following required data elements on a format provided by or acceptable to County: units of service, the number of clients admitted to the Program, unique clients served, total number of clients discharged. Contractor shall provide summary reports from other Contractor data sources, as requested.
- B. **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.

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

13. **CLIENT AND FAMILY MEMBER EMPOWERMENT.** Contractor agrees to support active involvement of clients and their families in treatment, recovery, and policy development.

14. **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.

#### 15. 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 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.

16. **CONFIDENTIALITY.** Contractor agrees to maintain the confidentiality of patient records pursuant to 45 CFR §205.50 (requires authorization from patient, patient representative, or a judge signed court order if patient authorization unavailable, prior to any release of

## EXHIBIT A – Mental Health

### STATEMENT OF WORK

information related to patient's medical data including psychiatric treatment records), and Section 11 of this Agreement. Patient records must comply with all appropriate State and Federal requirements.

#### 17. CULTURAL COMPETENCE.

- A. Contractor shall report on its capacity to provide culturally competent services to culturally diverse clients and their families upon request from County, including:
  - 1. 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. 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;
- C. Contractor shall maintain Spanish bilingual capacity with the goal of filling 40% of direct service positions with bilingual staff in County's second threshold language, Spanish. Contractor shall provide staff with regular training on cultural competency, sensitivity and the cultures within the community, pursuant to Attachment A;
- D. Contractor shall provide services that consider the culture of mental illness, as well as the ethnic and cultural diversity of clients and families served;

#### 18. NOTIFICATION REQUIREMENTS.

- A. Contractor shall immediately notify County Designated Representative in the event of any suspected or actual misappropriation of funds under Contractor's control; known serious complaints against licensed/certified staff; restrictions in practice or license/certification as stipulated by a 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/certification or practice (for example, sexual harassment accusations).
- B. Contractor shall immediately notify the County Designated Representative 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 immediately notify the County Designated Representative, 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 client behavioral symptom that may compromise the appropriateness of the placement.
- D. "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 ADMHS Compliance Hotline.

EXHIBIT A – Mental Health

STATEMENT OF WORK

**19. 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 ADMHS QA/UM contact and will participate in monthly or quarterly provider QA/UM meetings, to review current and coming quality of care issues.

**20. 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 and/or electronic reviews of Contractor's clinical documentation.



## ATTACHMENT A

### SANTA BARBARA COUNTY MENTAL HEALTH PLAN, QUALITY MANAGEMENT STANDARDS

The Santa Barbara County Alcohol, Drug and Mental Health Services Department is Santa Barbara County's Medi-Cal Mental Health Plan (MHP) and has established the following standards for all organizational, individual, and group providers furnishing Specialty Mental Health Services. This Attachment A 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. Assessment

- A. Initial Assessment: Each individual anticipated to be served for 60 days or more shall have a comprehensive assessment performed and documented by the 61st day of service. To allow time for review and correction, Contractors should complete the assessment by the 45<sup>th</sup> day of service. This assessment shall address areas detailed in the MHP's Agreement with the California Department of Health Care Services. The Assessment must be completed in the format designated by the MHP and must be completed and signed by a Licensed Practitioner of the Healing Arts (LPHA) (i.e. physician, psychologist, Licensed Clinical Social Worker, Licensed Marriage and Family Therapist, or Registered Nurse) and the client and/or guardian.
- B. Assessment Update: A reevaluation/reassessment of key indicators will be performed and documented within the chart on an annual basis with reassessment of required clinical symptoms, impairments and functioning. The time frame for this update is within 60 days prior to the anniversary date of the previous assessment.

#### 2. Plan of Care

- A. Client Service Plan (CSP): The plan of care shall be completed by the Contractor when designated by the MHP. Contractor will coordinate with the MHP Clinic Team to determine responsibility for development of the CSP.
- B. Frequency: The CSP shall be completed by the 61<sup>st</sup> day in all cases in which services will exceed 60 days. At minimum, the CSP must be updated annually, within 60 days prior to the anniversary date of the previous CSP.
- C. Content of CSPs:
  - 1. Specific, observable or quantifiable goals.
  - 2. Proposed type(s) of intervention to address each of the functional impairments identified in the Assessment.
  - 3. Proposed duration of intervention(s).
  - 4. 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.
- D. Signature (or electronic equivalent) by a LPHA (the LPHA must be a physician for Medicare clients) and the client. CSPs shall be consistent with the diagnoses and the focus of intervention will be consistent with the CSP goals.
- E. Contractor will offer a copy of the CSP to the client and will document such on the client plan.

## ATTACHMENT A

3. Progress Notes and Billing Records. Services must meet the following criteria, as specified in the MHP's Agreement with the California Department of Health Care Services:
  - A. All service 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 as expeditiously as possible, but no later than 72 hours after service delivery.
  - C. Contractor will document client encounters, and relevant aspects of client care, including relevant clinical decisions and interventions, in the client record.
  - D. All entries will include the exact number of minutes of service provided and the type of service, the reason for the service, the corresponding CSP goal, the clinical intervention provided, 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. Progress Notes 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 (billable or non-billable).
    2. Progress Notes shall be prepared daily for clients in the following treatment settings:
      - a) Crisis Residential;
      - b) Crisis Stabilization (1x/23hr);
      - c) Day Treatment Intensive.
    3. Progress Notes shall be prepared weekly for clients in the following treatment settings:
      - a) Day Treatment Intensive for Clinical Summary;
      - b) Day Rehabilitation;
      - c) Adult Residential.
    4. Progress notes shall be prepared at each shift change for Acute Psychiatric Inpatient and other inpatient settings.
4. 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

## ATTACHMENT A

grievance and appeal forms with MHP self-addressed envelopes to be used to send grievances or appeals to ADMHS Quality Assurance 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 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 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 ADMHS 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 Assurance/Utilization Management team of Santa Barbara County shall monitor clinical documentation and timeliness of service delivery.

- 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 ADMHS' 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 Assurance Manager within 30 calendar days to identify barriers to compliance. If an

## **ATTACHMENT A**

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: Service and Documentation Standards of the State of California, Department of Health Care Services.

## ATTACHMENT D

### ORGANIZATIONAL SERVICE PROVIDER SITE CERTIFICATION

#### 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 fire clearance to Quality Assurance/Utilization 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 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 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.
  - 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.
    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.

## ATTACHMENT D

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 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.

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.

## EXHIBIT B FINANCIAL PROVISIONS

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

This Agreement provides for reimbursement for services up to the Maximum Contract Amount, reflected in Section II below and Exhibit B-1. 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 §§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 based on satisfactory performance of the services described in Exhibit A.
- B. Medi-Cal Services. The services provided by Contractor's Program described in Exhibit A that are covered by the Medi-Cal Program will be reimbursed by County from Federal Financial Participation (FFP) and State and local funds as specified in Exhibit B-1.
- C. Non-Medi-Cal Services. County recognizes that some of the services provided by Contractor's Program, described in Exhibit A, may not be reimbursable by Medi-Cal, or may be provided to individuals who are not Medi-Cal eligible, and such services may be reimbursed by other County, State, and Federal 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, A-122, and all other 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 of this Agreement shall not exceed **\$1,500,000**, inclusive of **\$500,000** in funding per year of this Agreement, and shall consist of County, State, and/or Federal funds. 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. OPERATING BUDGET AND PROVISIONAL RATE

- A. Provisional Rate for Mental Health Services. County agrees to reimburse Contractor at a Provisional Rate (the "Provisional Rate") during the term of this Agreement for mental health services. The Provisional Rate shall be established by using the cost per unit from the Contractor's most recently filed cost report or average cost per unit based on the latest available data from the prior Fiscal Year, as set forth in Exhibit B-1. Quarterly, or at any time during the term of this agreement, Director 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

## EXHIBIT B FINANCIAL PROVISIONS

prior quarters.

- B. Per Client Daily Rate. In addition to provisional reimbursement for specialty mental health services, County agrees to reimburse Contractor at a daily rate during the term of this Agreement, as specified in Exhibit B-1, for non-Medi-Cal services. "Per Client Daily Rate" means a maximum daily rate paid for non-Medi-Cal services for a client for the day of admission and each day that services are provided excluding the day of discharge.

Contractor shall be reimbursed for a day of service, at the Per Client Daily Rate, when the client occupies a bed at 12:00 midnight provided that more than 24 hours has elapsed between admission and discharge. In addition, a Patch 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 from Contractor's facility, as approved by County.

### 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.
- 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

Contractor shall make written application to Director, in advance and no later than April 1 of each Fiscal Year, to reallocate funds as outlined in Exhibit B-1 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 Director's decision of whether to allow the reallocation of funds shall be in writing to Contractor prior to implementation by Contractor.

### VI. BILLING AND PAYMENT PROCEDURES AND LIMITATIONS

- A. Submission of Claims and Invoices.
1. Submission of Claims and Invoices for Medi-Cal Services. Claims for services, are to be entered into the County's Management Information System (MIS) within 10 calendar days of the end of the month in which mental health services are delivered, although late claims may be submitted as needed in accordance with State and federal regulations.



## EXHIBIT B FINANCIAL PROVISIONS

ADMHS 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:

admhsfinancecbo@co.santa-barbara.ca.us  
Santa Barbara County Alcohol, Drug, and Mental Health Services  
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. Payment will be based on the UOS accepted into MIS and claimed to the State on a monthly basis.

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 Section VI.A.1 of this Exhibit B, as appropriate; ii) details the number of Patch days provided for the month, iii) states the amount owed by County, and iv) depicts any share of cost or other payments, and v) 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.
3. The Program Contract Maximums specified in Exhibit B-1 and this Exhibit B are intended to cover services during the entire term of the agreement, unless otherwise specified in Exhibit A (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 Section 20.

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

- B. Withholding of Payment for Non-submission of MIS and Other Information. If any required MIS 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 Director or designee. Director or designee shall review such submitted service data within sixty (60) calendar days of receipt.

**EXHIBIT B**  
**FINANCIAL PROVISIONS**

- C. 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 Federal, State and County written standards.
- D. 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.
- E. 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.

**VII. COST REPORT**

- A. Submission of Cost Report. Within four weeks after the release of the cost report template by the Department of Health Care Services (DHCS), but no sooner than 45 days after the end of the fiscal year, Contractor shall provide County with an accurate and complete Annual Cost Report with a statement of expenses and revenue 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 Director or Designee upon reasonable notice.
- B. Cost Report to be Used for Initial Settlement. The Cost Report shall be the financial and statistical report submitted by Contractor to County, and shall serve as the basis for initial 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. Penalties. In addition, failure of Contractor to submit accurate and complete Annual Cost Report(s) by 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

## EXHIBIT B FINANCIAL PROVISIONS

assessed separately on each outstanding Annual Cost Report. The Late Penalty shall commence on the forty-sixth (46<sup>th</sup>) day after the deadline 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.

2. In the event that Contractor does not submit accurate and complete Annual Cost Report(s) by the one-hundred and fifth (105<sup>th</sup>) 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 shall 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 circular A-133, 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 Annual Cost Report(s) submitted pursuant to this Exhibit B 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 State and/or County will perform pre-audit cost report settlement(s). Such settlement 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. Settlement 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 Charge 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 last approved State Schedule of Maximum Allowances (SMA).
  4. The Maximum Contract Amount of this Agreement.
- 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 the receipt by County from the State of the State's Final Cost Report Settlement package for a particular fiscal year.
- 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 from future payments, if any, at the sole discretion of the Director.

**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.
  
- 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**  
**Schedule of Rates and Contract Maximum**

<b>TYPE OF SERVICE</b>	<b>BILLING INCREMENT</b>	<b>RATE</b>
<b>Nueva Vista Program - Daily Rates</b>		
Daily Care – Standard Services – First 90 Days	Per Client Per Day	\$94
Daily Care – Standard Services – 91 <sup>st</sup> Day to Discharge		\$64
Daily Care – Specialized Services for Co-Morbid Clients		\$94
Daily Care – Dual Diagnosed Clients		\$125
<b>Cielo Vista Program – Daily Rates</b>		
Daily Care – Standard Services	Per Client Per Day	\$64
<b>Tres Vista Apartments – Daily Rates</b>		
Daily Care – Standard Services	Per Client Per Day	\$30
<b>Provisional Rates for Specialty Mental Health Services (All Facilities)<sup>1</sup></b>		
Outpatient – Placement/ Brokerage (15/01-09)	Minute	\$2.02
Outpatient - Mental Health Services (15/10-59)		\$2.61
Outpatient – Crisis Intervention (15/70-79)		\$3.88
Outpatient – Medication Support (15/60-69)		\$4.82
<b>Other Services</b>		
Transportation Services (plus mileage at current Internal Revenue Service rate)	Hour	\$65
Expert Testimony Half Day	Fee	\$1,000
Expert Testimony Full Day	Fee	\$2,000
<b>FY 14-15 CONTRACT MAXIMUM</b>		<b>\$500,000</b>
<b>FY 15-16 CONTRACT MAXIMUM</b>		<b>\$500,000</b>
<b>FY 16-17 CONTRACT MAXIMUM</b>		<b>\$500,000</b>

<sup>1</sup> As authorized in advance by ADMHS QA/UR  
 Psynergy BC FY 14-17

## EXHIBIT C

### Indemnification and Insurance Requirements (For Professional Contracts)

#### 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.

#### 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.

#### 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

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Contractor. 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

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the right to 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.