

**SANTA BARBARA COUNTY  
BOARD AGENDA LETTER**



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

**Agenda Number:**  
**Prepared on:** 3/18/04  
**Department Name:** Public Health  
**Department No.:** 041  
**Agenda Date:** 5/25/04  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Roger E. Heroux, MPA, Director  
Public Health Department, Director

**STAFF CONTACT:** Nancy Leidelmeijer, Cost Analyst  
Public Health Department, Fiscal Division (681-5188)

**SUBJECT:** Agreement with Sojourn Services, Inc. to provide for fiscal intermediary services to enable Targeted Case Management (TCM) Services in the community

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**Recommendation(s):**

That the Board of Supervisors:

Approve and execute an Agreement with Sojourn Services Inc. to pass through a maximum of \$855,027 in Medicaid federal financial participation (FFP) for targeted case management (TCM) services for the period July 1, 2003 through June 30, 2004.

**Alignment with Board Strategic Plan:**

These recommendations align with:

Goal 7: A Community that Fosters the Safety and Well Being of Families and Children.

**Executive Summary and Discussion:**

As the single State agency administering the federal Medicaid program in California, the State of California Department of Health Services (DHS) secured approval for amendments to the California State Plan to include Targeted Case Management (TCM) as a covered service under the Medi-Cal program in 1995. TCM services consist of case management activities that assist Medi-Cal beneficiaries, within specified target groups, to access needed medical, social, educational, and other services. Local Governmental Agencies may elect to participate in the TCM program and can be included in the State Plan Amendment (SPA) to provide TCM services. The Public Health Department (PHD) is designated by DHS to be the local governmental agency that administers the TCM program for Santa Barbara County. PHD has performed lead agency duties for the TCM program for Santa Barbara County since its inception. Any agency participating in the TCM program in Santa Barbara County must provide a local or State match in order to receive Federal Financial Participation (FFP) dollars. Moreover, each agency is required to complete time surveys and to prepare a TCM Cost Report in order to establish the TCM billable encounter rate, each

participating year. In Fiscal Year 2001-02, the PHD offered FFP subcontracts for TCM to community-based organizations (CBOs) under the Community target population State Plan Amendment (SPA), which had then been made available. The initial contract was with Sojourn Services, Inc. (Sojourn) with the intention to use some of the FFP to expand the Welcome Every Baby (WEB) newborn home visitation program. Sojourn demonstrated that they have in place the necessary elements for successful TCM claiming: a) a strong financial infrastructure, b) eligible matching State or local dollars, c) an existing relationship with PHD fiscal staff, and d) a commitment for management to fully understand the claiming, documentation and extensive program requirements. Last Fiscal Year 2002-03, the amount of FFP received was \$782,730 for TCM services provided by Sojourn Services, Inc. For Fiscal Year 2003-04, the projected amounts of TCM revenues are: \$855,027 for Sojourn Services, Inc.

**Mandates and Service Levels:**

This is a non-mandated service. Targeted Case Management (TCM) services for eligible Medi-Cal beneficiaries are set forth in United States Code (USC) Title 42, Section 1396b(g)(2) and in the State of California Welfare and Institutions (W&I) Code Section 14132.44.

This action does not change service levels for the County. The receipt of these funds will allow Sojourn to sustain and expand services.

**Fiscal and Facilities Impacts:**

The County Public Health Department will retain a ten (10%) fee to cover the cost of administering the TCM claiming process, including, but not limited to claims preparation in consultation with subcontractors, claims processing, technical assistance, training, auditing and assurance services, and coordination to ensure lack of duplication among case managers. These fees cover the costs incurred in PHD's Specialty Accounting program for salaries, benefits, and other expenditures required to fulfill all fiscal intermediary obligations. In addition, the fees also contribute to offset the department's participation fee to the State to participate in the TCM program.

The State and County are held harmless by the subcontractors from any federal audit disallowance and interest resulting from payments made by the federal Medicaid program as reimbursement for claims for providing TCM services for disallowed claims and from any and all liabilities, claims, actions or judgments arising out of subcontractor's performance. In addition, the contracts cite that each subcontractor must retain a 5% audit reserve, until such time that audit liability has passed.

**Special Instructions:**

Please sign and return two (2) originals of the TCM agreement signature sheet, and a copy of the minute order to the PHD Contracts Unit, 300 North San Antonio Road, Bldg 8, Santa Barbara, CA 93110 ATTN: Margaret A. Granger (805) 681 5367.

**Concurrence:**

Not applicable.

**AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR**  
**For the Fiscal Year 2003-2004**  
**between**  
**COUNTY OF SANTA BARBARA**  
**and**  
**SOJOURN SERVICES, INC.**  
**for**  
**TARGETED CASE MANAGEMENT (TCM) SERVICES**

**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 **Sojourn Services, Inc.**, having its principal place of business at 1356 Marsh St; San Luis Obispo, CA 93401 (hereafter CONTRACTOR) wherein CONTRACTOR agrees to provide and COUNTY agrees to accept the services specified herein.

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

1. **DESIGNATED REPRESENTATIVE.** Nancy Leidelmeijer, COUNTY Public Health Department Fiscal Division Cost Analyst at phone number (805) 681-5188 is the representative of COUNTY and will administer this Agreement for and on behalf of COUNTY. Sharon Frederick, Executive Director of Sojourn Services, Inc., at phone number (805) 545-9270 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 first class mail, postage prepaid, or otherwise delivered as follows:

To COUNTY: Nancy Leidelmeijer, Cost Analyst  
Public Health Department  
300 North San Antonio Road  
Santa Barbara, CA 93101

To CONTRACTOR: Sharon Frederick, Executive Director  
Sojourn Services, Inc.  
1356 Marsh Street  
San Luis Obispo, CA 93401

Or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

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 commenced performance of Targeted Case Management (TCM) described in Exhibit A on July 1, 2001. The term of this agreement is from July 1, 2003 to June 30, 2004, unless otherwise directed by COUNTY or unless earlier terminated.

5. **COMPENSATION OF CONTRACTOR.** CONTRACTOR shall be paid for performance under this Agreement in accordance with the terms of Exhibit A and 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.** CONTRACTOR shall perform all of its services under this Agreement as an independent contractor and not as an employee of COUNTY. CONTRACTOR understands and acknowledges that it shall not be entitled to any of the benefits of a COUNTY employee, including but not limited to vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure.

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. **TAXES.** COUNTY shall not be responsible for paying any taxes on CONTRACTOR's behalf, and should COUNTY be required to do so by state, federal, or local taxing agencies, CONTRACTOR agrees to 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.

9. **CONFLICT OF INTEREST.** CONTRACTOR covenants that CONTRACTOR presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by CONTRACTOR.

10. **RESPONSIBILITIES OF COUNTY.** COUNTY shall provide all information reasonably necessary by CONTRACTOR in performing the services provided herein.

11. **OWNERSHIP OF DOCUMENTS.** 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, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. CONTRACTOR shall not release any materials under this section except after prior written approval of COUNTY.

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of COUNTY. COUNTY shall have the unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

12. **RECORDS, AUDIT, AND REVIEW.** CONTRACTOR shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of CONTRACTOR's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. COUNTY shall have the right to audit and review all such documents and records at any time during CONTRACTOR's regular business hours or upon reasonable notice.

13. **INDEMNIFICATION AND INSURANCE.** CONTRACTOR shall agree to defend, indemnify and save harmless the COUNTY and to procure and maintain insurance in accordance with the provisions of Exhibit C attached hereto and incorporated herein by reference.

14. **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.

15. **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.

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

17. **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 or because of the failure of CONTRACTOR to fulfill the obligations herein. Upon receipt of notice, CONTRACTOR shall immediately discontinue all services effected (unless the notice directs otherwise), and deliver to COUNTY all data, estimates, graphs, summaries, reports, and all other records, documents or papers as may have been accumulated or produced by CONTRACTOR in performing this Agreement, whether completed or in process.

1. For Convenience. COUNTY may terminate this Agreement upon thirty- (30) days written notice. Following notice of such termination, CONTRACTOR shall promptly cease work and notify COUNTY as to the status of its performance.

Notwithstanding any other payment provision of this Agreement, COUNTY shall pay CONTRACTOR for service performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made. In no event shall CONTRACTOR be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service. CONTRACTOR shall furnish to COUNTY such financial information as in the judgment of COUNTY is necessary to determine the reasonable value of the services rendered by CONTRACTOR. In the event of a dispute as to the reasonable value of the services rendered by CONTRACTOR, the decision of COUNTY shall be final. The foregoing is cumulative and shall not effect any right or remedy which COUNTY may have in law or equity.

2. For Cause. Should CONTRACTOR default in the performance of this Agreement or materially breach any of its provisions, COUNTY may, at COUNTY's sole option, terminate this Agreement by written notice, which shall be effective upon receipt by CONTRACTOR.

B. **By CONTRACTOR.** 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.

18. **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.

19. **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.

20. **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.

21. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement and each covenant and term is a condition herein.

22. **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.

23. **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.

24. **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.

25. **COMPLIANCE WITH LAW.** CONTRACTOR shall, at his sole cost and expense, comply with all County, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action or proceeding against CONTRACTOR, whether COUNTY be a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and COUNTY.

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

27. **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.

28. **AUTHORITY.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and 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.

29. **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.

30. **HIPAA**. CONTRACTOR is a Business Associate as defined in HIPAA and as such agrees to comply with the Business Associate Agreement requirements set forth in Exhibit E.

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Agreement for Services of Independent Contractor between the **County of Santa Barbara** and **Sojourn Services, Inc.** for Fiscal Year 2003-2004.

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

COUNTY OF SANTA BARBARA

By: \_\_\_\_\_  
Chair, Board of Supervisors

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

ATTEST:  
MICHAEL F. BROWN  
CLERK OF THE BOARD

SOJOURN SERVICES, INC.  
SHARON FREDERICK, EXECUTIVE DIRECTOR

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

By: \_\_\_\_\_  
TaxID Number: 77-0461329

APPROVED AS TO FORM:  
STEPHEN SHANE STARK  
COUNTY COUNSEL

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

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

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

APPROVED:  
ROGER E. HEROUX  
PUBLIC HEALTH DIRECTOR

APPROVED AS TO FORM:  
RISK MANAGEMENT

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

By: \_\_\_\_\_  
Risk Manager



**EXHIBIT A  
STATEMENT OF WORK**

**TARGETED CASE MANAGEMENT (TCM) FOR CONTRACTORS**

- Public Contractor to Local Government Agency (LGA)
- Non-Public Contractor to Local Government Agency (LGA)

*SUBCONTRACT WITH THE STATE OF CALIFORNIA*

1. **Service to be Rendered.** CONTRACTOR, pursuant to the terms of this Subcontract with the State of California (Subcontract), shall provide Targeted Case Management (TCM) services to eligible Medi-Cal beneficiaries to assist them in gaining access to needed medical, social, educational, and other services as set forth in United States Code (USC) Title 42, Section 1396b(g)(2).

A. Ensure that all applicable provisions of the State TCM Provider Participation Agreement with the County as the Local Governmental Agency are met. The State Provider Participation Agreement is incorporated herein by this reference.

B. Ensure all requirements applying to TCM in the State Provider Manual and State Policy and Procedure Letters (PPLs) are met, as periodically revised by the State and mailed to CONTRACTOR by COUNTY. The PPLs issued to date have been provided to CONTRACTOR and are made a part of this Subcontract as though fully set forth herein.

C. Ensure all applicable COUNTY and State policies and procedures pertaining to TCM, as contained in memos, training materials, updates, and other written communications with TCM Contractors, are met. It is understood and agreed that failure by the CONTRACTOR to ensure all applicable State, federal, or local government agency requirements are met in rendering TCM services under this Subcontract shall be sufficient cause for the COUNTY to deny or recoup payments to the CONTRACTOR and/or to terminate this Subcontract.

D. Ensure that a fee mechanism is in place whereby all recipients of TCM are charged a fee, as appropriate under the fee mechanism. The CONTRACTOR shall not claim federal reimbursement under this Subcontract for any TCM services provided free of charge, due to the lack of an appropriate fee mechanism.

E. Accept as payment in full, the COUNTY approved TCM service reimbursement rate, as established by the CONTRACTOR's annual TCM cost report. The rate is calculated based on the number of TCM encounters, the annual time survey and costs with the appropriate revenue offset.

F. By October 10 of each fiscal year, submit an annual TCM Cost Report for the prior fiscal year ending June 30 to:

Santa Barbara County Public Health Department  
Attn: MAA/TCM Coordinator  
300 North San Antonio Road  
Santa Barbara, CA 93110

G. Ensure that the TCM case management agency meets the minimum qualifications as set forth in the California Public Health State Plan Amendment, which is incorporated herein by this reference.

H. Ensure that all TCM case managers meet the minimum qualifications as set forth in the California Public Health State Plan Amendment, which is incorporated herein by this reference.

I. Designate an employee to act as the liaison with the COUNTY for issues concerning this Subcontract and notify COUNTY of the employee's name, mailing address, telephone and fax number and e-mail address if available.

J. Provide the COUNTY with complete initial monthly claims with supporting documentation no later than five (5) months after the end of the month for which the claim is submitted.

K. Provide and certify the non-federal match, from the CONTRACTOR's general fund or from any other funds allowed under federal law and regulations. A contractor certification statement is included in the Claim for Payment, which is attached hereto and incorporated herein by this reference. The COUNTY reserves

the right not to include a CONTRACTOR's claim in the COUNTY TCM claim if the COUNTY determines that the CONTRACTOR's certification is not adequately supported for the purposes of TCM claiming.

L. Comply with the provisions of 42 United States Code (USC), Section 1396 et seq., 42 Code of Federal Regulations (CFR) Part 400 et seq., and 45 CFR Part 95, California W&I Code, Division 9, Part 3, Chapter 7 (commencing with Section 14000) and Chapter 8 (commencing with Section 14200), and Title 22 California Code of Regulations (CCR), Division 3 (commencing with Section 50000), all as periodically amended; and with Federal Office of Management and Budget (OMB) Circular A-87, as periodically amended.

M. The CONTRACTOR is responsible for the acts or omissions of its employees and/or subcontractors.

N. Submission of a falsified claim by CONTRACTOR shall constitute a breach of this agreement. Submission of a claim by CONTRACTOR for which there is no supporting documentation shall constitute a material breach of this Subcontract and grounds for immediate termination of this Subcontract.

O. The conviction of a CONTRACTOR, an employee or subcontractor or an employee of a subcontractor, of any felony or of a misdemeanor involving fraud, abuse of any Medi-Cal beneficiary, or abuse of the Medi-Cal Program, shall result in the exclusion of the CONTRACTOR, employee, or subcontractor, or employee of a subcontractor from participation in the TCM Program. Failure of a CONTRACTOR to exclude a convicted individual from participation in the TCM Program shall constitute a material breach of this Subcontract and grounds for immediate termination of this Subcontract.

P. Exclusion after conviction shall result regardless of any subsequent order under Section 1203.4 of the Penal Code allowing a person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.

Q. Suspension or exclusion of CONTRACTOR, employee of CONTRACTOR, or of an employee of a subcontractor, from participation in the Medi-Cal Program, the Medicaid Program or Medicare Program, shall result in the exclusion of that CONTRACTOR, employee of CONTRACTOR, or employee of a subcontractor, from participation in the TCM Program. Failure of a TCM CONTRACTOR to exclude a suspended or excluded individual from participation in the Medi-Cal Program shall constitute a material breach of this Subcontract and grounds for immediate termination of this Subcontract.

R. Revocation, suspension, or restriction of the license, certificate or registration of any TCM CONTRACTOR, employee, subcontractor, or employee of a subcontractor, shall result in the exclusion from the TCM Program when such license, certificate or registration is required for the provision of TCM services. Failure of a TCM Provider to exclude any individual whose license, certificate or registration has been revoked, suspended, or restricted, from the provision of TCM services, may constitute a material breach of this Subcontract and grounds for immediate termination of this Subcontract.

**EXHIBIT B  
COMPENSATION**

**TARGETED CASE MANAGEMENT (TCM) FOR CONTRACTORS**

- Public Contractor to Local Government Agency (LGA)
- Non-Public Contractor to Local Government Agency (LGA)

**1. Compensation to Contractor.** For providing services under this TCM Subcontract, CONTRACTOR shall be compensated and reimbursed up to a maximum amount of **\$855,027** from federal funds for the Early Intervention program. Any TCM revenue received for Welcome Every Baby (WEB) program encounters will be assigned to the WEB program for future expansion purposes.

**2. Reimbursement Policy and Billing Requirements.**

A. COUNTY shall process claims to the State for reimbursement only upon the CONTRACTOR's satisfactory compliance with all provisions of this Subcontract, and upon the submission of a claim, with documentation to support the encounters submitted in a format defined by the State. Reimbursement is conditioned on the CONTRACTOR supplying the aforementioned valid and substantiated information, satisfactorily to the COUNTY within the time limits specified in this Subcontract.

- 1) The claim shall be submitted monthly to the address set forth in Paragraph 1.F. herein.
- 2) The CONTRACTOR shall reply in a timely manner to any request for information or to audit exceptions by COUNTY, State and federal audit agencies that directly relate to the TCM to be performed under this Subcontract.
- 3) After the COUNTY has received reimbursement for a CONTRACTOR TCM claim, the COUNTY agrees to pay CONTRACTOR an amount equal to the State-accepted encounters at the agreed encounter rate.
- 4) Transfer of funds is contingent upon the availability of Federal Financial Participation funds.
  - a. It is mutually understood between the parties that this Subcontract may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties in order to avoid program and fiscal delays which would occur if the Subcontract were executed after the determination was made.
  - b. This Subcontract is valid and enforceable only if the United States Government makes sufficient funds available to the State for the purposes of this program. In addition, this Subcontract is subject to any additional restrictions, limitations, conditions, or statute enacted by the Congress, which may effect the provisions, terms, or funding of this Subcontract in any manner.
  - c. It is anticipated that funding will be available to fund this Subcontract. However, if the Congress does not appropriate sufficient funds for the program, this Subcontract shall be amended to reflect any reduction in funds.

B. The rate of reimbursement per encounter is the result of CONTRACTOR's TCM cost report to be distributed based on the following percentage methodology:

CONTRACTOR Reimbursement	90	%
Administrative Fee Retained By COUNTY	10	%

The administrative fee retained by COUNTY shall be used to cover the cost of administering the TCM claiming process, including, but not limited to: Cost report preparation in consultation with CONTRACTOR, claims preparation in consultation with CONTRACTOR, claims processing, technical assistance, training and coordination to ensure lack of duplication among case managers.

C. This Subcontract is valid and enforceable only if CONTRACTOR certifies that sufficient matching funds are available for the purpose of this program. This Subcontract is also subject to any additional restrictions, limitations or conditions enacted by the appropriate governing body, which may affect the provisions, term or funding of this Subcontract in any manner.

D. The maximum amount of potential reimbursement from the State to the CONTRACTOR for provision of TCM services within a fiscal year is stated in the CONTRACTOR's approved TCM Cost Report for that year.

**3. Records, Audits and Monitoring:**

A. Availability and Retention of Records. CONTRACTOR agrees to maintain and make available to COUNTY accurate books and records relative to all its activities under this Subcontract. CONTRACTOR shall permit COUNTY to audit, examine and make excerpts and transcripts from such records, and to conduct audits of all invoices, materials, records or personnel or other data related to all other matters covered by this Subcontract. CONTRACTOR shall maintain such data and records in an accessible location and condition for a period of not less than four (4) years from the date of final payment under this Subcontract or until after the conclusion of any audit, whichever occurs last. The State and/or any federal agency having an interest in the subject of this Subcontract shall have the same rights conferred upon COUNTY herein.

B. Preservation of Records. If following termination of this Subcontract, CONTRACTOR's facility is closed or if ownership of CONTRACTOR changes, within forty-eight hours thereafter, CONTRACTOR shall notify COUNTY in writing. CONTRACTOR shall make arrangements for the preservation of the program activity and financial records referred to above.

C. Right to Monitor. COUNTY may monitor all work performed under this Subcontract to assure that all applicable regulations are met.

**4. Audit Findings.** Notwithstanding any other provisions of the Subcontract, the State and COUNTY shall be held harmless by CONTRACTOR from any federal audit disallowance and interest resulting from payments made by the federal Medicaid program as reimbursement for claims for providing TCM services pursuant to W&I Code Section 14132.44, less the amounts already remitted to the COUNTY for contribution to the State, pursuant to W&I Code Section 14132.44(m) for the disallowed claim and from any and all liabilities, claims, actions or judgments arising out of CONTRACTOR's performance under this Subcontract.

A. CONTRACTOR agrees to hold five (5%) percent of the reimbursement received for TCM services in reserve for a period of not less than four (4) years from the date of final payment for audit exceptions.

B. To the extent that a federal audit disallowance and interest results from a claim or claims for which the CONTRACTOR has received reimbursement for TCM services, the COUNTY shall recoup from the CONTRACTOR amounts equal to the amount of the disallowance and interest, in that fiscal year, less the amount already remitted to the COUNTY pursuant to W&I Code Section 14132.44(m) for the disallowed claim. All subsequent claims submitted to the COUNTY applicable to any previously disallowed claim may be held in abeyance, with no payment made, until the federal disallowance issue is resolved.

C. Notwithstanding the above, CONTRACTOR agrees to pay to the COUNTY the amount of the COUNTY's liability to the State which results from CONTRACTOR's failure to perform the services or comply with the conditions required by this Subcontract as identified by an audit exception.

D. Both parties to this Subcontract recognize that CONTRACTOR is liable only for its own audit exceptions and has no liability for any other entity, which may enter into a similar Agreement with the State or the COUNTY for provision of TCM services.

**5. Financial Statement.** CONTRACTOR shall furnish COUNTY with a copy of an annual audit, compilation, or review performed by an independent contractor. The annual audit, review, or compilation so performed shall examine the financial records of CONTRACTOR during the term of this Subcontract. Should CONTRACTOR not engage the services of an independent accountant for this purpose, CONTRACTOR shall furnish COUNTY with a fiscal year-end financial statement, consisting of, but not limited to, a balance sheet, income statement, and statement of changes in financial position.

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## EXHIBIT C

### STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS for contracts requiring professional liability insurance and NOT involving construction projects or property rental

#### INDEMNIFICATION

##### **Indemnification pertaining to other than Professional Services:**

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

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

##### **Indemnification pertaining to Professional Services:**

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

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

#### INSURANCE

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

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

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

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

*"Such insurance as is afforded by this policy shall be primary and non-contributory to the full limits stated in the declarations, and if the COUNTY has other valid and collectible insurance for a loss covered by this policy, that other insurance shall be excess only".*

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

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

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

In the event the CONTRACTOR is not able to comply with the COUNTY'S insurance requirements, COUNTY may, at their sole discretion and at the CONTRACTOR'S expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY'S Risk Manager is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on

Sojourn Services, Inc.

Targeted Case Management (TCM)

Fiscal Year 2003-04

(Exhibit C - Co of SB Std Terms Ver10-1-01)

changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of COUNTY's risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.



**EXHIBIT D  
INTENTIONALLY OMITTED**

**AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR  
For the Fiscal Year 2003-2004  
between  
COUNTY OF SANTA BARBARA  
and  
SOJOURN SERVICES, INC.  
for  
TARGETED CASE MANAGEMENT (TCM) SERVICES  
DOES NOT INCLUDE AN EXHIBIT D**

## EXHIBIT E

### HIPAA Privacy Business Associate Addendum

#### **1. Use and Disclosure of Protected Health Information**

Except as otherwise provided in this Amendment, the Contractor may use or disclose protected health information (“PHI”) to perform functions, activities or services for or on behalf of the County, as specified in the underlying agreement, provided that such use or disclosure does not violate the Privacy Rule. The uses and disclosures of PHI may not exceed the limitations applicable to the County under the regulations except as authorized for management, administrative or legal responsibilities of the Contractor. [45 Code of Federal Regulations sections 164.502(e), 164.504(e)(2)(i)(A) and (B), 164.506, 164.508, 164.510, 164.512 and 164.514]

#### **2. Further Disclosure of PHI**

The Contractor shall not use or further disclose PHI other than as permitted or required by the underlying Agreement, or as required by law. [45 Code of Federal Regulations sections 164.502, 164.504(e)(2)(i) and (e)(2)(ii)(A), 164.506, 164.508, 164.510, 164.512 and 164.514]

#### **3. Safeguarding PHI**

The Contractor shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by the underlying Agreement. [45 Code of Federal Regulations sections 164.504(e)(2)(ii)(B), 164.530(c)(2)]

#### **4. Unauthorized Use or Disclosure of PHI**

The Contractor shall report to the County any use or disclosure of the PHI not provided for by the underlying Agreement or otherwise in violation of the Privacy Rule. [45 Code of Federal Regulations sections 164.504(e)(2)(ii)(C)]

#### **5. Agents and Subcontractors of the Business Associate**

The Contractor shall ensure that any agent, including a subcontractor, to which the Contractor provides PHI received from, or created or received by the Contractor on behalf of the County, shall comply with the same restrictions and conditions that apply through the underlying Agreement to the Contractor with respect to such information. [45 Code of Federal Regulations sections 164.504(e)(2)(ii)(D)]

#### **6. Access to PHI**

At the request of the County, and in the time and manner designated by the County, the Contractor shall provide access to PHI in a Designated Record Set to an Individual or the County to meet the requirements of 45 Code of Federal Regulations section 164.524.

## **7. Amendments to Designated Record Sets**

The Contractor shall make any amendment(s) to PHI in a Designated Record Set that the County directs or at the request of the Individual, and in the time and manner designated by the County in accordance with 45 Code of Federal Regulations section 164.526.

## **8. Documentation of Uses and Disclosures**

The Contractor shall document such disclosures of PHI and information related to such disclosures as would be required for the County to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 Code of Federal Regulations section 164.528. Contractor agrees to implement a process that allows for an accounting to be collected and maintained by Contractor and its agents or subcontractors for at least six years prior to the request, but not before the compliance date of the Privacy Rule.

## **9. Accounting of Disclosure**

The Contractor shall provide to the County or an Individual, in the time and manner designated by the County, information collected in accordance with 45 Code of Federal Regulations section 164.528, to permit the County to respond to a request by the Individual for an accounting of disclosures of PHI in accordance with 45 Code of Federal Regulations section 164.528.

## **10. Records Available to Covered Entity and Secretary**

The Contractor shall make available records related to the use, disclosure, and privacy protection of PHI received from the County, or created or received by the Contractor on behalf of the County, to the County or to the Secretary of the United State Department of Health and Human Services for purposes of investigating or auditing the County's compliance with the privacy requirements, in the time and manner designated by the County or the Secretary.

## **11. Destruction of PHI**

- a. Upon termination of the underlying Agreement for any reason, the Contractor shall:
- (1) Return all PHI received from the County, or created or received by the Contractor on behalf of the County required to be retained by the Privacy Rule; or
  - (2) Return or destroy all other PHI received from the County, or created or received by the Contractor on behalf of the County.

This provision also shall apply to PHI in possession of subcontractors or agents of the Contractor. The Contractor, its agents or subcontractors shall retain no copies of the PHI. However, Contractor, its agents or subcontractors shall retain all protected information throughout the term of the underlying Agreement and shall continue to maintain the information required under Section 8 of this Exhibit for a period of six years after termination of the underlying Agreement.

- b. In the event the Contractor determines that returning or destroying the PHI is not feasible, the Contractor shall provide the County notification of the conditions that make return or destruction

not feasible. If the County agrees that the return of the PHI is not feasible, the Contractor shall extend the protections of this Exhibit to such PHI and limit further use and disclosures of such PHI for so long as the Contractor, or any of its agents or subcontractors, maintains such PHI. [45 Code of Federal Regulations sections 164.504(e)(2)(ii)(l)]

## **12. Amendments**

The Parties agree to take such action as is necessary to amend the underlying Agreement as necessary for the County to comply with the requirements of the Privacy Rule and its implementing regulations.

## **13. Mitigation of Disallowed Uses and Disclosures**

The Contractor shall mitigate, to the extent practicable, any harmful effect that is known to the Contractor of a use or disclosure of PHI by the Contractor in violation of the requirements of the underlying Agreement or the Privacy Rule. [45 Code of Federal Regulations sections 164.530(f)]

## **14. Termination of Agreement**

The County shall terminate the underlying Agreement upon knowledge of a material breach by the Contractor of which the Contractor fails to cure. [45 Code of Federal Regulations sections 164.504(e)(2)(iii)]

## **15. Definitions**

Terms used, but not otherwise defined, in this Exhibit shall have the same meaning as those in the Privacy Rule.

## **16. Interpretation**

Any ambiguity in this Exhibit shall be resolved to permit County to comply with the Privacy Rule.

# Contract Summary Form:

Contract Number : \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Complete data below, print, obtain signature of authorized departmental representative, and submit this form (and attachments) to the Clerk of the Board (>\$25,000) or Purchasing (£\$25,000). See also "Contracts for Services" policy. Form not applicable to revenue contracts.

D1. Fiscal Year .....: FY 2003-04  
 D2. Budget Unit Number (plus -Ship/-Bill codes in paren's) : 041  
 D3. Requisition Number .....:  
 D4. Department Name.....: Public Health  
 D5. Contact Person.....: Nancy Leidelmeijer  
 D6. Phone .....: 681-5188

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K1. Contract Type (check one):  Personal Service  Capital Project/Construction  
 K2. Brief Summary of Contract Description/Purpose.....: TCM Fiscal Leveraging  
 K3. Original Contract Amount.....: \$855,027  
 K4. Contract Begin Date .....: July 1, 2003  
 K5. Original Contract End Date.....: June 30, 2004  
 K6. Amendment History (leave blank if no prior amendments):  

Seq#	EffectiveDate	ThisAmndtAmt	CumAmndtToDate	NewTotalAmt	NewEndDate	Purpose (2-4 words)
		\$	\$	\$		

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K7. Department Project Number .....:

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B1. Is this a Board Contract? (Yes/No) .....: Yes  
 B2. Number of Workers Displaced (if any) .....: N/A  
 B3. Number of Competitive Bids (if any) .....: N/A – only supplier in area  
 B4. Lowest Bid Amount (if bid).....: \$  
 B5. If Board waived bids, show Agenda Date.....: N/A  
 B6. ... and Agenda Item Number.....: #

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B7. Boilerplate Contract Text Unaffected? (Yes / or cite ¶¶) : Term; Exhibit A, B, D and E  
 F1. Encumbrance Transaction Code.....: 1701  
 F2. Current Year Encumbrance Amount.....: \$855,027.00  
 F3. Fund Number .....: 0042  
 F4. Department Number .....: 041  
 F5. Division Number (if applicable).....: 1235  
 F6. Account Number.....: 7460  
 F7. Cost Center number (if applicable) .....:  
 F8. Payment Terms .....: Net 30

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V1. Vendor Numbers (A=uditor; P=urchasing) .....: 642434  
 V2. Payee/Contractor Name .....: Sojourner Services, Inc.  
 V3. Mailing Address.....: 1356 Marsh Street  
 V4. City State (two-letter) Zip (include +4 if known).....: San Luis Obispo, CA 93405  
 V5. Telephone Number .....: 805-545-9270  
 V6. Contractor's Federal Tax ID Number (EIN or SSN) ....: 77-0461329  
 V7. Contact Person .....: Sharon Frederick, Executive Director  
 V8. Workers Comp Insurance Expiration Date .....: 8/7/03  
 V9. Liability Insurance Expiration Date[s] (G=enl; P=rofl) : 3/16/03  
 V10. Professional License Number.....: #RP0001516  
 V11. Verified by (name of County staff) .....: Nancy Leidelmeijer  
 V12. Company Type (Check one):  Individual  Sole Proprietorship  Partnership  Corporation

**I certify:** information complete and accurate; designated funds available; required concurrences evidenced on signature page.

Date \_\_\_\_\_: Authorized Signature \_\_\_\_\_