

AMENDMENT NO. 2 TO MENTAL HEALTH SERVICES AGREEMENT A-12760
BY AND BETWEEN
COUNTY OF MONTEREY AND MEDICAL HILL REHABILITATION CENTER, LLC
dba MEDICAL HILL REHABILITATION

THIS AMENDMENT NO. 2 is made to **AGREEMENT NO. A-12760** for the provision of skilled nursing services to adults with severe psychiatric impairments and disabilities in an adult residential Skilled Nursing Facility (SNF) by and between **MEDICAL HILL REHABILITATION CENTER, LLC dba MEDICAL HILL REHABILITATION**, hereinafter “CONTRACTOR,” and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as “COUNTY.”

WHEREAS, the COUNTY entered into three-year Mental Health Services Agreement No. A-12760 with Medical Hill Rehabilitation Center, LLC in the amount of \$2,698,300 for the term of July 1, 2015 through June 30, 2018 for the provision of skilled nursing services for organic brain syndrome, traumatic brain injured, and medically debilitated patients; and

WHEREAS, the COUNTY entered into Amendment No. 1 to Agreement No. A-12760 with Medical Hill Rehabilitation Center, LLC with revised EXHIBIT B-1 Payment and Billing Provisions for an increased total contract amount of \$2,860,645; and

WHEREAS, the COUNTY and CONTRACTOR request Amendment No. 2 to Agreement No. A-12760 to add a Private Room provision and rate, increasing the contract amount a total of 11.8% over the original Agreement, and revising the Payment and Billing Provisions as follows:

1. Increase the total contract amount payable by COUNTY to CONTRACTOR by \$41,226 for FY 2016-17, and \$116,004 for FY 2017-18, for a new maximum COUNTY obligation of \$3,017,875.

NOW THEREFORE, the COUNTY and CONTRACTOR hereby agree to amend the AGREEMENT in the following manner:

1. EXHIBIT B-2 PAYMENT AND BILLING PROVISIONS replaces EXHIBITS B-1 and B. All references in the Agreement to EXHIBIT B shall be construed to refer to EXHIBIT B-2.
2. Except as provided herein, all remaining terms, conditions and provisions of AGREEMENT A-12760 are unchanged and unaffected by this Amendment No. 2, and shall continue in full force and effect as set forth in the AGREEMENT.
3. This Amendment No. 2 is effective February 18, 2017.
4. A copy of the Amendment No. 2 shall be attached to the original AGREEMENT NO. A-12760 executed by the COUNTY on June 16, 2015.

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Amendment No. 2 to Agreement A-12760 as of the day and year written below.

COUNTY OF MONTEREY

By: _____
Contracts/Purchasing Officer

Date: _____

By: [Signature]
Department Head (if applicable)

Date: 10/20/2017

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form ¹

By: [Signature]
Deputy County Counsel

Date: 9/12/17

Approved as to Fiscal Provisions²

By: [Signature]
Auditor/Controller's Office

Date: 8-12-17

Approved as to Liability Provisions³

By: _____
Risk Management

Date: _____

CONTRACTOR

MEDICAL HILL REHABILITATION

CENTER, LLC dba

MEDICAL HILL REHABILITATION

Contractor's Business Name *

By: [Signature]
(Signature of Chair, President,
or Vice-President) *

Michael Beal ~~CEO~~ President NCD
Name and Title

Date: 8/31/17

By: [Signature]
(Signature of Secretary, Asst. Secretary,
CFO, Treasurer or Asst. Treasurer) *

Jerry Kemper - CFO
Name and Title

Date: 8/29/2017

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

¹Approval by County Counsel is required, if Agreement is \$100,000 and less approval by County Counsel is required only when modifications are made to any of the Agreement's standardized terms and conditions

²Approval by Auditor-Controller is required

³Approval by Risk Management is necessary only if changes are made in Sections XI or XII

EXHIBIT B-2: PAYMENT AND BILLING PROVISIONS

I. PAYMENT TYPE

Cost Reimbursement (CR) or Negotiated Rate (NR) up to the maximum contract amount.

II. PAYMENT AUTHORIZATION FOR SERVICES

The COUNTY’S commitment to authorize reimbursement to the CONTRACTOR for services as set forth in this Exhibit B-2 is contingent upon COUNTY authorized admission and service, and CONTRACTOR’S commitment to provide care and services in accordance with the terms of this Agreement.

III. REIMBURSEMENT FOR BASIC/STP SERVICES

The payment rate shall be a negotiated amount or up to the maximum per diem rate established by the State of California Department of Mental Health for Medi-Cal Free-Standing Nursing Facilities Level B (NF-B) designated as Institutions for Mental Diseases (IMD) for “SF Bay Area Counties.” The Special Treatment Program (STP) Patch rate of \$5.72 is added to the per diem rate. The rate reduction for Leave of Absence and Bed Hold for acute hospitalization is \$7.35 per diem for dates of service on or after July 1, 2016. The State establishes these rates annually and they are accessible through the Department of Health Care Services website www.dhcs.ca.gov. Assembly Bill 1054 (Statutes of 2013, Chapter 303) mandates an annual increase of 3.5 percent for these facilities effective July 1, 2014 and subject to change upon revised notice.

Year	Mode of Service	Service Function Code	Per Diem Rate	STP Patch	Per Diem Rate w/ STP Patch	Estimated Number of Units	Yearly Estimated Cost
July 1, 2015 - June 30, 2016	05	30-34	\$216.67	\$5.72	\$222.39	3650	\$811,724
July 1, 2016 - June 30, 2017	05	30-34	\$224.25	\$5.72	\$229.97	4380	\$1,007,269
July 1, 2017 - June 30, 2018	05	30-34	\$232.10	\$5.72	\$237.82	4380	\$1,041,652
TOTAL ESTIMATED COUNTY OBLIGATION:							\$2,860,645

Private Room Services

The payment rate for a private room will be at the per diem rate with STP patch, plus \$80, not to exceed the allocated Units of Service and amounts for each FY as outlined below:

Year	Per Diem Rate w/ STP Patch	Private Room Rate	Estimated Number of Units	Yearly Estimated Cost
July 1, 2016 - June 30, 2017	\$229.97	\$309.97	133	\$41,226
July 1, 2017 - June 30, 2018	\$237.82	\$317.82	365	\$116,004
TOTAL ESTIMATED COUNTY OBLIGATION:				\$157,230

IV. PAYMENT CONDITIONS

- A. In order to receive any payment under this Agreement, CONTRACTOR shall submit reports and claims in such form as General Ledger, Payroll Report and other accounting documents as needed, and as may be required by the County of Monterey Department of Health, Behavioral Health Bureau. Specifically, CONTRACTOR shall submit its claims on Cost Reimbursement Invoice Form provided as Exhibit G, to this Agreement, along with backup documentation, on a monthly basis, to COUNTY so as to reach the Behavioral Health Bureau no later than the thirtieth (30th) day of the month following the month of service. See Section III, above, for payment amount information to be reimbursed each fiscal year period of this Agreement. The amount requested for reimbursement shall be in accordance with the approved budget and shall not exceed the actual net costs incurred for services provided under this Agreement.

CONTRACTOR shall submit via email a monthly claim using Exhibit G, Cost Reimbursement Invoice Form in Excel format with electronic signature along with supporting documentations, as may be required by the COUNTY for services rendered to:

MCHDBHFinance@co.monterey.ca.us

- B. CONTRACTOR shall submit all claims for reimbursement under this Agreement within thirty (30) calendar days after the termination or end date of this Agreement. All claims not submitted after thirty (30) calendar days following the termination or end date of this Agreement shall not be subject to reimbursement by the COUNTY. Any claim(s) submitted for services that preceded thirty (30) calendar days prior to the termination or end date of this Agreement may be disallowed, except to the extent that such failure was through no fault of CONTRACTOR. Any "obligations incurred" included in claims for reimbursements and paid by the COUNTY which remain unpaid by the CONTRACTOR after thirty (30) calendar days following the termination or end date of this Agreement shall be disallowed, except to the extent that such failure was through no fault of CONTRACTOR under audit by the COUNTY.
- C. If CONTRACTOR fails to submit claim(s) for services provided under the terms of this Agreement as described above, the COUNTY may, at its sole discretion, deny payment for that month of service and disallow the claim.
- D. COUNTY shall review and certify CONTRACTOR'S claim either in the requested amount or in such other amount as COUNTY approves in conformity with this Agreement, and shall then submit such certified claim to the COUNTY Auditor. The County Auditor-Controller shall pay the amount certified within thirty (30) calendar days of receiving the certified invoice.
- E. To the extent that the COUNTY determines CONTRACTOR has improperly claimed services, COUNTY may disallow payment of said services and require CONTRACTOR to resubmit said claim of services for payment, or COUNTY may make corrective accounting transactions.

- F. If COUNTY certifies payment at a lesser amount than the amount requested COUNTY shall immediately notify the CONTRACTOR in writing of such certification and shall specify the reason for it. If the CONTRACTOR desires to contest the certification, the CONTRACTOR must submit a written notice of protest to the COUNTY within twenty (20) calendar days after the CONTRACTOR'S receipt of the COUNTY notice. The parties shall thereafter promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such a dispute until the parties have met and attempted to resolve the dispute in person.

V. MAXIMUM OBLIGATION OF COUNTY

- A. Subject to the limitations set forth herein, COUNTY shall pay to CONTRACTOR during the term of this Agreement a maximum amount of **\$3,017,875** for services rendered under this Agreement.
- B. Maximum Annual Liability:

FISCAL YEAR LIABILITY	AMOUNT
July 1, 2015 to June 30, 2016	\$811,724
July 1, 2016 to June 30, 2017	\$1,048,495
July 1, 2017 to June 30, 2018	\$1,157,656
TOTAL AGREEMENT MAXIMUM LIABILITY:	\$3,017,875

- C. If, as of the date of signing this Agreement, CONTRACTOR has already received payment from COUNTY for services rendered under this Agreement, such amount shall be deemed to have been paid out under this Agreement and shall be counted towards COUNTY'S maximum liability under this Agreement.
- D. If for any reason this Agreement is canceled, COUNTY'S maximum liability shall be the total utilization to the date of cancellation not to exceed the maximum amount listed above.
- E. As an exception to Section D. above with respect to the Survival of Obligations after Termination, COUNTY, any payer, and CONTRACTOR shall continue to remain obligated under this Agreement with regard to payment for services required to be rendered after termination.

VI. BILLING AND PAYMENT LIMITATIONS

Adjustment of Claims Based on Other Data and Information: The COUNTY shall have the right to adjust claims based upon data and information that may include, but are not limited to, COUNTY'S claims processing information system reports, remittance advices, and billing system data.

VII. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

- A. This Agreement shall be subject to any restrictions, limitations, or conditions imposed by State which may in any way affect the provisions or funding of this Agreement, including, but not limited to, those contained in State's Budget Act.
- B. This Agreement shall also be subject to any additional restrictions, limitations, or conditions imposed by the Federal government which may in any way affect the provisions or funding of this Agreement.
- C. In the event that the COUNTY'S Board of Supervisors adopts, in any fiscal year, a COUNTY Budget which provides for reductions in COUNTY Agreements, the COUNTY reserves the right to unilaterally reduce its payment obligation under this Agreement to implement such Board reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement, correspondingly. The COUNTY'S notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such action.
- D. Notwithstanding any other provision of this Agreement, COUNTY shall not be obligated for CONTRACTOR'S performance hereunder or by any provision of this Agreement during any of COUNTY'S current or future fiscal year(s) unless and until COUNTY'S Board of Supervisors appropriates funds for this Agreement in COUNTY'S Budget for each such fiscal year. In the event funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. COUNTY shall notify CONTRACTOR of any such non-appropriation of funds at the earliest possible date and the services to be provided by the CONTRACTOR under this Agreement shall also be reduced or terminated.

VIII. AUTHORITY TO ACT FOR THE COUNTY

The Director of the Health Department of the County of Monterey may designate one or more persons within the County of Monterey for the purposes of acting on his/her behalf to implement the provisions of this Agreement. Therefore, the term "Director" in all cases shall mean "Director or his/her designee."

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