

## Agreement for Medi-Cal Capacity Grant

This agreement, effective upon the date of the last signature below (Grant Effective Date), is entered into in order to specify the terms and conditions under which Santa Cruz-Monterey-Merced Managed Medical Care Commission, doing business as Central California Alliance for Health (the Alliance) agrees to provide funds (Grant) through the Alliance Medi-Cal Capacity Grant Program (Program) for grant #1116-MCHD-PH-PR1 to or on behalf of County of Monterey on behalf of the Health Department – Public Health Bureau (Grantee).

### Recitals

*Whereas*, the Alliance has established the Program to offer grants to health care providers and community organizations to support efforts that advance the Alliance mission to provide timely access to quality health care services and to increase Medi-Cal capacity in the Alliance's service area;

*Whereas*, the Program will focus the provision of available funds in the areas of provider capacity, behavioral health and substance use disorder services, and high utilizer support resources for medically fragile Alliance members; and

*Whereas*, the Alliance has made a decision to award funds to Grantee based on the application submitted by Grantee for a Grant under the Program;

*Now Therefore*, the Alliance and Grantee agree that all funds awarded as a Grant under the Program shall be subject to the terms and conditions of this Agreement.

1. Statement of Services. The "Statement of Services" is attached hereto and hereby incorporated into this Agreement as Exhibit 1, and sets forth the services to be provided by Grantee under this Agreement.

2. Incorporation of Grant Request. The Grantee represents that all information contained in the original Grant application is true, accurate and complete in all material respects. Grantee further agrees that it will notify the Alliance promptly of any material change in information submitted in the original Grant application, including any significant change in contract status for the provision of Medi-Cal services, organizational leadership or contact information.

3. Amount and Purpose of Grant. The amount of the Grant shall be set forth in Exhibit 1 in consideration of and on condition that the sum be expended only for the purposes of carrying out the Statement of Services in Exhibit 1. Grantee shall use any and all funds provided through the Grant solely as set forth in Exhibit 1. Unless specifically provided in this Agreement or in Exhibit 1, no part of the Grant may be used to fund administrative services or other operating expenses of the Grantee, even if those services are utilized to support the services set forth in Exhibit 1. No part of the Grant may be used to fund expenses related to lobbying or political action by the Grantee. To the extent that Grantee is unable to use any part of the Grant funds as set forth in the Statement of Services, Grantee shall notify the Alliance and return any funds that have not been or cannot be expended as provided in Exhibit 1. Grantee agrees to assume any obligation to furnish any additional funds that may be necessary to complete the Statement of Services in Exhibit 1. All costs accrued for services or supplies prior to the execution of

Agreement are not eligible for reimbursement unless specifically provided for in the terms of Exhibit 1.

4. Payment Schedule. The schedule for the payment of the Grant is set forth in Exhibit 1.

5. Payment Documentation. The timing, scope and format of the documentation that Grantee shall provide to the Alliance to request Grant funds is set forth in Exhibit 1. The Alliance reserves the right to request additional documentation as it deems necessary to validate the use of Grant funds, either before or after use by Grantee, and shall have the right at its sole discretion to withhold any payment pending any questions that it may have regarding the use of funds. The Alliance reserves the right to enter into a separate agreement with a third party to ensure that the covenants of this Agreement are met by the Grantee, including but not limited to those of sections 1, 3, and 6.

6. Books and Records. Grantee agrees to maintain satisfactory financial accounts, documents and records for the Grant and to make them available to the Alliance, the State of California, the United States Department of Health and Human Services or the Comptroller General of the United States, or otherwise required by law, for auditing at reasonable times. Grantee also agrees to retain such financial accounts, documents and records for three years following termination or completion of the Grant. Grantee agrees to maintain and make available for inspection by the Alliance accurate records of all of its costs, disbursements and receipts with respect to its activities under this Agreement.

7. Grant Announcements. Any materials used to advertise, announce or otherwise inform the public, including individuals served by Grantee, of the receipt of the Grant provided for hereunder shall describe the Grant and the services funded by the Grant accurately, and in a way that conforms to the description of the scope of services set forth in Exhibit 1. Any such materials that mention or include information about the Alliance shall not be published or in any other way communicated without the prior approval of the Alliance. Any such materials that mention or include information about the Alliance shall refer to the health plan as Central California Alliance for Health, or the Alliance. Any published list of funders who have supported activities related to this grant should include the Alliance.

8. Legal Compliance. If Grantee is a participant in the Medi-Cal program as of the Grant Effective Date, Grantee agrees that the Grant award and the payment of Grant funds by the Alliance pursuant to this Agreement is conditioned on Grantee's continuing compliance with all applicable requirements of federal and California law related to Grantee's participation in the Medi-Cal program. Grantee shall notify the Alliance immediately in the event that Grantee or any employee or agent of Grantee whose employment was in part financed using Grant funds is suspended or excluded from participation in any state or federal health care program, including Medi-Cal or Medicare.

9. Term and Termination.

- a. This Agreement, including Exhibit 1, shall be effective on the Grant Effective Date. This Agreement shall remain in effect so long as the Statement of Services in Exhibit

1 is in effect, and in any event shall terminate no earlier than one year after the date of the last payment made to Grantee or on Grantee's behalf under this Agreement.

- b. Grantee may rescind this Agreement at any time prior to the issuance of first payment by the Alliance pursuant to Exhibit 1. After issuance of payment, this Agreement may be rescinded, modified or amended by mutual agreement in writing.
- c. The Alliance may terminate this Agreement if Grantee (i) fails to return the partially executed Agreement within 60 calendar days of the Alliance Board's grant award decision date, or such later date as the parties may mutually agree upon in writing; (ii) fails to comply with the terms of this Agreement; (iii) terminates its agreement to participate in the Alliance provider network or Medi-Cal program for any reason, including without cause; or (iv) ceases accepting new Medi-Cal patients prior to reaching assigned capacity or otherwise materially curtails its operations as a provider.
- d. This Agreement and the Alliance's obligation to make further payment hereunder shall terminate immediately in the event that Grantee ceases operations or in the event of Grantee's insolvency, which insolvency shall be considered to have occurred when Grantee makes an assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, if a receiver or trustee is appointed with respect to a substantial part of such other party's property, or a proceeding is commenced against it which will substantially impair Grantee's ability to carry out the Statement of Services in Exhibit 1. The Alliance reserves the maximum rights it is entitled to under any law and under the terms of this Agreement to seek return of any payments already made prior to Grantee's cessation of operations or insolvency, and to ensure that no funds provided pursuant to this Agreement, no matter when they were provided, shall be used for the purpose of paying Grantee's general creditors or for any purpose other than as specifically set forth in Exhibit 1.

10. Effect of Termination. In the event of termination, this Agreement and Exhibit 1 shall terminate and have no further force or effect with respect to either party as of the effective date of termination established in writing, except that all obligations arising or accruing prior to termination, including use or return of Grant funds, shall be performed in accordance with the terms of the Agreement in effect as of the date such obligations arose or accrued and shall survive termination. The provision of sections 6, 7, 11, 12 and 13 of this Agreement shall remain in effect for any occurrences arising out of performance of the Agreement prior to termination.

#### 11. Remedies.

- a. Grantee shall return to the Alliance any Grant funds that Grantee cannot document that it has used to carry out the scope of services provided for in Exhibit 1.
- b. In the event Grantee fails to complete the full scope of services that are to be carried out over the course of time as contemplated in Exhibit 1, Grantee may be required to return any Grant funds that it has already received under this Agreement, even if such

funds were properly used. Grantee's specific obligation to return funds is provided for in Exhibit 1.

- c. In addition to any other provision of this Agreement, if the Alliance determines, at its sole discretion, that Grantee has substantially violated or failed to carry out any provision of this Agreement, including but not limited failure to provide documentation provided for in section 5 hereof, the Alliance may, in addition to any other legal remedies it may have, refuse to make any further grant payments to Grantee or on Grantee's behalf under this or any other Grant Agreement, and may demand the return of all or part of the grant funds previously received by Grantee or on Grantee's behalf, which Grantee shall immediately pay to the Alliance. The Alliance may also avail itself of any other remedies available under the law.

12. Compliance with Services Agreement. If Grantee is a party to services agreement with the Alliance, Grantee shall comply with all of the requirements in such agreement, including any nondiscrimination provisions.

13. Indemnification. Each Party ("Indemnifying Party"), at its own expense, agrees to defend, indemnify and hold harmless the other Party ("Indemnified Party") and any of Indemnified Party's affiliates, subsidiaries, directors, officers, employees, representatives, and agents from and against any and all liabilities, losses, costs, expenses (including, without limitation, attorneys' fees), damages, claims, suits, and/or demands (including, without limitation, those based on the injury to or death of any person or damage to property), directly or indirectly arising out of, or resulting from, (i) any act or omission of Indemnifying Party related to any of its obligations performed hereunder, (ii) any breach of Indemnifying Party's representations or warranties set forth in this Agreement, and/or (iii) any actual or alleged infringement, misappropriation, or other violation of any third party rights or any laws or regulations relating to Indemnifying Party's performance of its obligations under this Agreement.

14. Independent Contractors. The parties hereto are independent contractors and neither the Alliance nor Grantee is an agent or employee of the other.

15. Severability. If any provision of this Agreement or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

16. Waiver. No terms or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing and signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether expressed or implied will constitute consent to, waiver of, or excuse of any other, different, or subsequent breach by either party.

17. Assignment. This Agreement shall not be assigned by the Grantee either in whole or in part.

18. This Agreement shall supersede any prior oral or written understandings or communications between the parties and constitutes the entire agreement of the parties with

respect to the subject matter hereof. This agreement may not be amended or modified, except in writing signed by both parties.

19. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original, and all of which taken together constitute one and the same instrument. Telecopied or scanned signatures will be deemed to have the same effect as an original.

For the Grantee:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

For Central California Alliance for Health:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

*Stephanie*  
DEPUTY COUNTY COUNSEL  
COUNTY OF MONTEREY

Reviewed as to fiscal provisions

*[Signature]*  
\_\_\_\_\_  
Auditor-Controller  
County of Monterey

EXHIBIT 1  
PROVIDER RECRUITMENT PROGRAM STATEMENT OF SERVICES

This Exhibit 1 sets forth the additional terms and conditions that are applicable to Grantees receiving a Provider Recruitment Program Grant (Grant) from the Alliance.

**Date:** February 22, 2017

**Grant #:** 1116-MCHD-PH-PR1

**Grantee Name:** Monterey County Health Department – Public Health Bureau

**Grant Amount:** The Grant Amount shall not exceed **\$92,500**.  
*Final grant payments will depend on verification of actual expenses but will not exceed the approved amount.*

**Grant Effective Date:** This Grant shall be effective on the Grant Effective Date (date of the last signature on Agreement) and shall expire three years after Grant Effective Date, or such later date as the parties may mutually agree upon in writing.

**Grant Term:** 36 months

**Purpose of Grant:** To support the hiring of a full time Public Health Nurse that will provide Nurse Family Partnership Program services to Medi-Cal members in Monterey County.

**Provider Recruitment Program Terms and Conditions**

1. **Term for Identifying and Hiring Provider (hereafter referred to as the “Recruit.”**  
Grantee shall have a period of nine months from the Grant Effective Date, in which to make an offer of employment to Recruit and receive the Grant funds as provided herein. If Grantee has not made an offer of employment to a Recruit consistent with the terms set forth herein within the nine month period, this Exhibit 1 shall terminate of its own accord and Grantee shall no longer be eligible for the payment of any Grant funds hereunder unless the Alliance in its sole discretion extends this Exhibit 1, in writing. Exhibit 1 allows for the payment of grant funds for **Recruits hired by Grantee after July 19, 2016**.
2. **Payment Schedule.** Payments shall be made to Grantee by the Alliance according to the schedule provided below, subject to the receipt of all documentation reasonably required by the Alliance, and all other terms of the Grant Agreement:
  - a. Fifty percent of the Grant Amount shall be paid by the Alliance to Grantee within twenty business days of receipt of documentation from Grantee that Recruit has accepted an offer of employment from Grantee. Grantee will complete the Provider Recruitment Payment Request Form - Part One provided by the Alliance and submit such form with required documentation verifying provider recruitment expenses to the Alliance in order to request the first payment of grant funds.

- b. All Recruits must be credentialed by the Alliance prior to participation in the Alliance's network of providers. In the event that Grantee is contracted with an entity other than the Alliance for the provision of services to Medi-Cal beneficiaries, the Recruit's credentialing must be completed by the appropriate party pursuant to the requirements of the Medi-Cal program or other law. The remaining fifty percent of the Grant Amount shall be made to Grantee within twenty business days after the Alliance receives Grantee's completed Provider Recruitment Payment Request Form - Part Two and submits required documentation verifying provider credentialing.
3. **Use of Funds.** Grant funds may only be used for the purpose of paying the recruitment related expenses of a qualifying Recruit, as set forth in section 4. These expenses are further limited to amounts that will be actually incurred by either Recruit or Grantee during the first year of Recruit's employment by Grantee for the following types of expenses:
  - a. Salary for the Recruit;
  - b. Sign-on bonus for the Recruit;
  - c. Costs of participation in the Grantee's retirement and benefits package for the Recruit;
  - d. Relocation expenses that are directly attributable to Recruit moving from a residence outside of Santa Cruz, Monterey and/or Merced counties to a residence within Santa Cruz, Monterey and/or Merced counties. Relocation expenses eligible for grant funds shall *exclude* the purchase or rental by either Recruit or Grantee of furniture, equipment or supplies for office or home use, or the purchase or lease by either Recruit or Grantee of any residential or office space;
  - e. Costs of maintaining professional liability insurance that are attributable specifically to the employment of Recruit;
  - f. Education loan repayment expenses that are owed by Recruit;
  - g. Fees for professional recruitment agency services that are payable to the agency directly as a result of Grantee's hiring of Recruit; and
  - h. Costs directly related to advertising of Recruit position.
4. **Qualifying Recruits.** Any Grant funds disbursed pursuant to this Exhibit 1 shall be limited to paying expenses associated with a Recruit who meets all of the following qualifications:
  - a. The Recruit must provide professional services as a physician or other health care practitioner at a professional office or clinic location maintained by Grantee in Santa Cruz, Monterey and/or Merced counties as stated in Grant Summary above.

- b. The Recruit must be a licensed practitioner as stated in Grant Summary above, and eligible for credentialing by the Alliance for participation in the Alliance provider network, or by an appropriate credentialing body in the event that Grantee is contracted with an entity other than the Alliance for the provision of services to Medi-Cal beneficiaries.
- c. The Recruit must be a new addition to the Alliance provider network in Santa Cruz, Monterey, and/or Merced counties, and must not be a transfer within the Alliance network in any of these counties.
- d. The Recruit must be covered under the Grantee's policy of general and professional liability insurance according to the same terms and conditions that are in force for other physicians or other medical practitioners employed by or under contract with Grantee to provide professional and medical services to patients served by Grantee.

**5. Other Provider Recruitment Program Terms and Conditions; Return of Funds.**

- a. Grantee agrees that its receipt of funds is conditioned on meeting each of the following, and that if these conditions are not met, Grantee shall be required to return Grant funds received hereunder as set forth in section 5.b.
  - i. Recruit shall meet the credentialing criteria established by the Alliance, as applied by the Alliance in its reasonable discretion, or by an applicable credentialing body in the event that Grantee is contracted with an entity other than the Alliance for the provision of services to Medi-Cal beneficiaries, within six (6) months of the date Recruit is hired by Grantee.
  - ii. Grantee shall maintain a contract in good standing with the Alliance for participation in the Alliance provider network for a period of three years after the Grant Effective Date, and/or, in those circumstances where the provision of services to Medi-Cal beneficiaries is arranged through an external entity, maintain a contract in good standing with an external entity for the provision of services to Medi-Cal beneficiaries.
  - iii. Grantee's and Recruit's practice shall be open to existing and new patients who are covered by the Medi-Cal program for a period of three years after the Grant Effective Date and must increase Medi-Cal capacity per Provider Type as follows, after verification is submitted that Recruit has been credentialed:
    - 1. Increase capacity for at least 1,000 Medi-Cal patients, for each Recruit who is a primary care physician; and
    - 2. Increase capacity for at least 500 Medi-Cal patients for each Recruit who is a primary care non-physician medical practitioner; and
    - 3. Allocate at least 25% of appointments to Medi-Cal patients for each Recruit who is a specialist, allied, dental, mental/behavioral health, or substance use disorder provider.



- iv. Grantee agrees that receipt of the second payment of the Grant Amount will result in an automatic increase in the total capacity of members that can be assigned to the Recruit's practice location in the Alliance Information System for primary care providers, pursuant to section 5.a.iii. Additionally, Grantee agrees to be open to auto-assignment up to capacity at the Recruit's practice location for the term of the Grant.
  
- b. In the event that the conditions set forth in 5.a. are not met, Grantee agrees to return Grant funds to the Alliance as follows:
  - i. Grantee shall return all Grant funds received from the Alliance within ten business days of receiving a final decision from the Alliance that Recruit does not meet the applicable credentialing criteria or has failed to submit information as reasonably requested by the Alliance or the applicable credentialing body (which time period shall run from the expiration of any appeal process, if undertaken, or the deadline for submitting additional materials as requested by the Alliance or the applicable credentialing body).
  
  - ii. In the event that either Grantee or Recruit terminates their Medi-Cal contract or closes their practice to new Medi-Cal patients, or in the event that Recruit leaves the employment of Grantee, such occurrence shall be deemed an Event for purposes of this Section. If an Event occurs prior to the end of the first year period that begins on the date the Alliance makes the second Grant payment to Grantee, Grantee shall return a percentage of the Grant funds that is equal to: 100% minus 10% multiplied by each 30 day period that elapses after the Alliance makes the second Grant payment. I.e., if the Event occurs in the first 30 days after the second Grant payment, Grantee shall return 100% of the funds. If the Event occurs 271 or more days but less than 300 days after the second Grant payment, Grantee shall repay an amount equal to 100% of the Grant Funds minus 10% of the Grant Funds multiplied by nine (270/30), or 10% of the Grant Funds. Grantee shall have no responsibility to repay any portion of Grant funds if the Event occurs on or after 300 days after the second Grant payment.
  
- 6. **Reporting.** Grantee will submit a final report describing the outcome of the Grant two years from the Grant Effective Date. The reporting template will be provided by the Alliance and available on the online grant portal. Grantee will submit final report through the grant portal. Organizations with overdue reports are ineligible for future funding consideration until the report is submitted.

To enable the Alliance to evaluate the effectiveness of this Grant, Grantee shall submit reports to the Alliance no later than the date indicated above. In addition to the required report, the Alliance may contact Grantee mid-course of the grant term to inquire about the status of the grant. Failure to submit these report(s) may disqualify Grantee from receiving future grant funding from the Alliance.

- 7. **Evaluation and Monitoring.** The Alliance may monitor and conduct evaluation of operations under this Grant. This may include a visit from Alliance staff to observe the

Grantee's operations related to Grant, discuss the Program with the Grantee's personnel, and review financial or other records and materials connected with the activities financed by this Grant.