

AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES FOR ADMINISTRATIVE SERVICES RELATED TO THE PUBLIC HOSPITAL OUTPATIENT SERVICES SUPPLEMENTAL REIMBURSEMENT PROGRAM – AB 915

1. Parties

- A. The parties to this Agreement are the County of Monterey, on behalf of Natividad Medical Center (Host Entity), which is owned and operated by the County of Monterey, in its capacity as the host entity and eligible provider, and the California Department of Health Care Services (the Department).
- B. As authorized by California Welfare and Institutions Code section 14105.96, Host Entity participates in the Medi-Cal Public Hospital Outpatient Services Supplemental Reimbursement Program – AB 915 (Program) and enters this Agreement, concerning the payment of Program administrative services on behalf of all publicly owned or operated providers in California participating in the program.

2. Term of the Agreement

Subject to the provisions of this Agreement, the term of this Agreement shall be from July 1, 2017, through and including, July 31, 2018.

3. Maximum Payable Amount

Pursuant to Welfare and Institutions Code section 14105.96, the amount that Host Entity shall be obligated to pay for services rendered under this Agreement shall not exceed the costs of administering the Program incurred by the Department during the period July 1, 2017 through and including June 30, 2018. The maximum payable amount shall not exceed **\$100,000.00**.

4. The Purpose of the Agreement

The purpose of this Agreement is for the Department to perform the administrative services related to implementation of the Program as described in Provision 7. Further, the purpose of this Agreement is to specify that the Host Entity will pay the Department's administrative costs, as provided in Welfare and Institutions Code section 14105.96 for the Program. It is understood by both Host Entity and the Department that payments set forth under this Agreement are for the purpose of reimbursing the Department for all direct and indirect expenses related to performing these activities.

5. Contact Persons

Any notice, request, demand or other communication required or permitted hereunder, shall be deemed to be properly given when deposited in the United States mail, postage prepaid, and addressed:

In the case of Host Entity, to:

Daniel Leon
Chief Financial Officer
Natividad Medical Center
1441 Constitution Blvd.
Salinas, CA 93906
LeonD@natividad.com

Or to such person or address as Host Entity may, from time to time, furnish in writing to the Department.

In the case of the Department, to:

California Department of Health Care Services
Safety Net Financing Division
Medi-Cal Supplemental Payments Section
Attn: Shiela Mendiola
1501 Capitol Avenue, MS 4504
P.O. Box 997436
Sacramento, CA 95899-7436

Or to such person or address as the Department may, from time to time, furnish in writing to Host Entity.

6. Payment Terms and Invoicing

- A. Host Entity shall compensate the Department for the actual costs of performing the services listed in Schedule A, as required by Welfare and Institutions Code section 14105.96 and described in Provision 7 of this Agreement, within forty-five (45) days of receipt of an invoice from the Department.
- B. Failure of Host Entity to timely compensate the Department pursuant to paragraph A shall constitute a material breach of this Agreement by Host Entity, which, at the Department's discretion, may result in termination by the Department pursuant to Provision 9. Host Entity may cure such breach by rendering payment of the amount owed to the Department prior to the termination of this Agreement pursuant to Provision 9.
- C. The Department shall submit an annual invoice that shall identify the following summarized categories of costs for the State Fiscal Year (SFY) period billed:

salary, benefits, operating expenses, and total costs. The Department shall submit the annual invoice to Host Entity no later than sixty (60) days following the term of this Agreement, but the Department's failure to do so shall not constitute a material breach.

Host Entity, however, shall not be obligated to pay the Department for the services covered by any invoice if the Department presents the invoice to Host Entity more than one (1) year after this Agreement terminates.

D. Payments shall be sent to the Department at the following address:

California Department of Health Care Services
Accounting Section, 71.2014 MS 1101
P.O. Box 997415
Sacramento, CA 95899-7415

7. Scope of Work

The Department shall perform the activities related to administering the Program as described in Schedule A, attached hereto and incorporated by reference herein during the period July 1, 2017 through June 30, 2018. It is understood by both Host Entity and the Department that payments set forth under this Agreement are for the purpose of reimbursing the Department for all direct and indirect expenses related to performing these activities as limited by Provision 3 of this Agreement. Should the scope of work or services to be performed under this Agreement conflict with the Department's responsibilities as the single agency for Medicaid in California (Medi-Cal) pursuant to Welfare and Institutions Code section 14100.1, the single state agency responsibilities shall take precedence. The Department's cessation of any activities due to single state agency responsibilities does not relinquish the obligation of Host Entity to reimburse the Department for Program administrative costs incurred by the Department.

8. Amendments

Should either party, during the term of this Agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed amendments are accepted or rejected. No amendment will be considered binding on either party until it is approved in writing by both parties. Replacing a Contact Person does not require an amendment to this agreement and may be modified by written notice sent to the other party. Written notice may include email. In conformance with state law requiring the Host Entity to pay the State for its administrative costs of administering the Program, this Agreement shall be amended pursuant to provision 10.J. to reflect updates to the State's administrative costs.

9. Termination

- A. Either party may terminate this Agreement for material breach, on at least 30 days' prior written notice, which notice shall include a description of the breach. The notice of termination shall be rescinded in the event that the breach is cured prior to the effective date of the termination.
- B. In the event that the Program terminates during the term of this Agreement, this Agreement shall also terminate effective on the date that Department stops performing administrative services associated with closing out the Program. Host Entity shall be obligated to pay for all the administrative costs incurred for the services duly performed by the Department through the effective date of the termination.

10. General Provisions

- A. Indemnification. It is agreed that Host Entity shall defend, hold harmless, and indemnify the Department, its officers, employees, and agents from any and all claims, liability, loss or expense (including reasonable attorney fees) for injuries or damage to any person and/or any property which arise out of both the terms and conditions of this Agreement as applicable to Host Entity's payment for Program administrative services and the negligent or intentional acts or omissions of Host Entity, its officers, employees, or agents, related thereunder.
- B. Severability. If any term, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way. Notwithstanding the previous sentence, if a decision by a court of competent jurisdiction invalidates, voids, or renders unenforceable a term, condition, or provision in this Agreement that is included in this Agreement, then the parties to this Agreement shall either amend this Agreement pursuant to Provision 8, or it shall be terminated pursuant to Provision 9.
- C. Records. The Department shall maintain and preserve all records relating to this Agreement for a period of three (3) years from the date of the termination or expiration of this Agreement, or until audit findings are resolved, whichever is longer.
- D. Compliance with Applicable Laws. All services to be performed by the Department pursuant to this Agreement shall be performed in accordance with all applicable federal and state laws, including, but not limited to:
 - 1) The Americans with Disabilities Act of 1990, as amended;
 - 2) Section 504 of the Rehabilitation Act of 1973, as amended;
 - 3) Title 42, United States Code (U.S.C.) § 1396 et seq.;
 - 4) Welfare and Institutions Code (W&I), § 14000 et seq.;
 - 5) Government Code § 53060;

- 6) The California Medicaid State Plan;
 - 7) Laws and regulations including, but not limited to licensure, certification, confidentiality of records, quality assurance, and nondiscrimination.
- E. Controlling law. The validity of this Agreement and its terms or provisions, as well as the rights and duties of the parties hereunder, and the interpretation and performance of this Agreement shall be governed by the laws of the State of California.
- F. Integration Clause. This Agreement and any exhibits attached hereto shall constitute the entire agreement among the parties to it and supersedes any prior or contemporaneous understanding or agreement with respect to the payment for the costs of Program administrative services contemplated for the period of July 1, 2017 through and including June 30, 2018.
- G. Provider Participation Agreement. Notwithstanding Provision F above, this Agreement does not alter, amend, or override any of Host Entity's obligations contained in the Provider Participation Agreement for this Program. The Provider Participation Agreement is an agreement between the Department and each of the eligible providers, including Host Entity in its capacity as an eligible provider. The Provider Participation Agreement provides the terms and conditions for participation in the Program.
- H. State Fiscal Year. The State Fiscal Year (SFY) begins on July 1st each year and ends on June 30th.
- I. Periodic Assessment. Pursuant to Welfare and Institutions Code section 14105.96, Host Entity enters into this Agreement in order to implement the Program under which its eligible facilities may participate and for which Host Entity will pay for all costs incurred by the Department performing activities described in Provision 7. Host Entity agrees that the Department may conduct a periodic assessment, as determined by the Department, of such costs incurred by the Department to determine compliance with Section 14105.96 and further agrees that all invoicing as described in Provision 6 and any other relevant documentation will be accordingly updated to ensure compliance with Section 14105.96.
- Conformance Clause. This Agreement is entered into to implement Welfare and Institutions Code section 14105.96. Any provision of this Agreement in conflict with the present or future governing authorities of the Welfare and Institutions Code or other applicable state or federal law and rules, including but not limited to Title XIX of the Social Security Act, California's Medicaid State Plan, and implementation directives promulgated by the Centers for Medicare & Medicaid Services, is hereby amended to conform to those authorities. Such amended provisions supersede any conflicting provision in this Agreement.

The persons signing this Agreement on behalf of Host Entity and the Department, as applicable, represent and warrant that he or she is an individual duly authorized and having authority to sign on behalf of, and approve for, Host Entity or the Department, as applicable and is authorized and designated to enter into and approve this Agreement on behalf of Host Entity or the Department, as applicable.

Natividad Medical Center

Signature:

Name:

Title:

Date:

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

Contract Management Unit

Signature:

Name:

Title:

Date:

SCHEDULE A
SCOPE OF WORK

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES – SFY Periods: July 1, 2017 – June 30, 2018

The Department agrees to:

- A. Lead the development, implementation, and administration for the Public Hospital Outpatient Services Supplemental Reimbursement Program – AB 915 (Program) and ensure compliance with provisions set forth in California Medicaid State Plan Section 4.19, Attachment 4.19-B, pages 46 to 50.
- B. Submit claims for federal financial participation (FFP) based on expenditures for the Program services that are allowable expenditures under federal law.
- C. Submit any necessary materials to the federal government to provide assurances that claims for FFP will include only those expenditures that are allowable under federal law
- D. Reconcile certified public expenditure (CPE) invoices with supplemental reimbursement payments and ensure that the total Medi-Cal reimbursement provided to Program providers will not exceed the applicable federal upper payment limit as described in Code of Federal Regulations, title 42, part 447 - Payments for Services.
- E. Complete the audit and settlement process of the initial claim for the claiming period within three (3) years of the postmark date of the annual Medi-Cal cost report and, at DHCS' discretion, conduct on-site audits.
- F. Calculate the actual costs of administrative accounting, policy development, and data processing, maintenance activities, including the indirect costs related to the Program provided by its staff based upon a cost accounting system which is in accordance with the provisions of the Office of Management and Budget Circular A-87 and 45 Code of Federal Regulations Parts 74 and 95.
- G. Maintain accounting records to a level of detail which identifies the actual expenditures incurred for personnel services which includes salary/wages, benefits, travel and overhead costs for the Department's staff, as well as equipment and all related operating expenses applicable to these positions to include, but not limited to, general expense, rent and supplies, and travel cost for identified staff and managerial staff working specifically on activities or assignments directly related to the Program. Accounting records shall include continuous time logs for identified staff that record time spent in the following areas: The Program and general administration.

- H. Ensure that an appropriate audit trail exists within the Department's records and accounting system and maintain expenditure data as indicated in this Agreement.
- I. Designate a person to act as liaison with Provider in regard to issues concerning this Agreement. This person shall be identified to Provider's contact person in this Agreement.
- J. Provide a written response by email or mail to Provider's contact person within thirty (30) days of receiving a written request for information related to the Program.
- K. Provide program technical assistance and training related to the Program to Provider personnel after receiving a written request from a Provider contact person.