

AMENDMENT NO. 2 TO MENTAL HEALTH SERVICES AGREEMENT A-12513
BY AND BETWEEN
COUNTY OF MONTEREY AND CALIFORNIA PSYCHIATRIC TRANSITIONS

THIS AMENDMENT NO. 2 is made to AGREEMENT A-12513 for the provision of community mental health services to adults with severe psychiatric disabilities in an adult residential Mental Health Rehabilitation Center (MHRC) facility by and between **CALIFORNIA PSYCHIATRIC TRANSITIONS**, hereinafter “CONTRACTOR”, and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as “County”.

WHEREAS, the County and CONTRACTOR wish to amend the AGREEMENT to modify the service levels and descriptions, increase the total amount of the AGREEMENT, and revise the Program Description, Payment and Billing Provisions, and Cost Reimbursement Invoice.

WHEREAS, the County and CONTRACTOR previously amended the AGREEMENT on May 29, 2015 via Amendment No. 1.

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

1. EXHIBIT A-2 PROGRAM DESCRIPTION replaces EXHIBITS A-1 and A. All references in the Agreement to EXHIBIT A shall be construed to refer to EXHIBIT A-2.
2. 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.
3. EXHIBIT G-2 COST REIMBURSEMENT INVOICE FORM replaces EXHIBITS G-1 and G. All references in the Agreement to EXHIBIT G shall be construed to refer to EXHIBIT G-2.
4. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.
5. This Amendment is effective July 1, 2015.
6. A copy of the AMENDMENT shall be attached to the original AGREEMENT executed by the County on July 16, 2013.

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Amendment No. 2 to Agreement A-12513 as of the day and year written below.

COUNTY OF MONTEREY

CONTRACTOR

By: _____
Contracts/Purchasing Officer

Date: _____

By: _____
Department Head (if applicable)

Date: 8-31-15

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form ¹

By: Stacy Della
Deputy County Counsel

Date: 7/30/15

Approved as to Fiscal Provisions²

By: _____
Auditor/Controller

Date: 7/30/15

Approved as to Liability Provisions³

By: _____
Risk Management

Date: _____

CALIFORNIA PSYCHIATRIC TRANSITIONS

Contractor's Business Name*

By: John T. Hackett - Pres
(Signature of Chair, President, or Vice-President)*

Pres.
Name and Title

Date: 7-19-15

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

Dina Hackett - Sec
Name and Title

Date: 7-19-15

*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 A-2: PROGRAM DESCRIPTION

I. IDENTIFICATION OF CONTRACTOR

Name: California Psychiatric Transitions

Address: P. O. Box 339
Delhi, CA 95315

Incorporation Status: Private, for profit, Corporation

Type of Facility: Mental Health Rehabilitation Center (MHRC)

Type of License: MHRC

II. TARGET POPULATION/FACILITY SPECIALIZATION

Serving adults with psychiatric impairment that has led to their grave disability and requires a locked skilled nursing level of care.

III. PROGRAM DESCRIPTION

Treatment services include:

- A. An individualized program to meet the specific needs of each client. Individual programs shall be provided based on the specific needs identified through resident assessments.
- B. A structured regimen with individualized services to assist clients in the development of new skills and in modifying behaviors that exclude them from living in a lower level of care facility. The facility shall have the capability of providing all of the following special rehabilitation program services.
 1. Self-Help Skills Training. This shall include but not be limited to:
 - a) Supervision of medication and education regarding medication;
 - b) Money management;
 - c) Use of public transportation;
 - d) Use of community resources;
 - e) Behavior control and impulse control;
 - f) Frustration tolerance/stress management;
 - g) Mental health/substance abuse education;
 - h) Physical education;
 - i) ADLs; Restoration of activities of daily living.
 2. Behavioral Intervention Training. This shall include but not be limited to:
 - a) Behavior modification modalities;

- b) Re-motivation therapy;
 - c) Patient government activities;
 - d) Group counseling;
 - e) Individual counseling;
 - f) Interpersonal Relationships. This shall include but not be limited to:
 - (1) Social counseling;
 - (2) Educational and recreational training;
 - (3) Social activities such as outings, dances, etc.;
 - g) Understanding of legal issues and court processes.
3. Pre-vocational Preparation Services. This shall include but not be limited to:
- a) Homemaking;
 - b) Work activity;
 - c) Vocational counseling; work habits
 - d) Pre-release planning;
 - e) Out-of-home planning;
 - f) Linkage to medical services in the community as needed.

IV. PROGRAM GOALS

- A. To assist Monterey County Behavioral Health in efficiently and effectively managing limited resources by providing an alternative to utilization of State hospital days and acute hospital administrative days.
- B. To stabilize the individual's psychiatric condition through medication management and program services.
- C. To restore the individual's level of functioning to the community to a lower level of care.
- D. To increase the individual's motivation and skills toward self-restoration.
- E. To prevent or decrease the rate of de-compensation, thus decreasing placements at higher, more costly levels of care.
- F. To provide the intensive staff required to supervise and treat behavioral psychiatric and medical conditions.

V. PROGRAM PLAN OF OPERATION

The Contractor will provide the COUNTY with a copy of the Mental Health Rehabilitation Center Plan of Operation.

VI. CASE MANAGEMENT

The County will provide a case manager to coordinate services and assess for discharge planning.

VII. ADMISSIONS/BASIC SERVICES/CONTINUED STAY CRITERIA

A. ADMISSION CRITERIA

The CONTRACTOR shall admit patients with a DSM IV diagnosis and conserved found to be gravely disabled subject to bed availability, with order of a physician, and in compliance with reasonable admission policies and procedures. Individuals in need of 24-hour nursing services, patients who may have histories of and, without adequate treatment, are at risk of displaying behavioral symptoms (such as combativeness, development risk, suicide risk, and excessive verbal abusiveness) which preclude them from being admitted into a lower level care facility, shall be considered acceptable for admission. Frequency, scope, and severity of these behaviors are a determining factor to be discussed on an individual patient basis between the COUNTY and the CONTRACTOR. The COUNTY may grant individual exceptions to these admission criteria. Individuals whose mental illness is deemed appropriate for acute care, as well as individuals suffering exclusively from developmental disability, mental retardation or physical illnesses (without a psychiatric component) shall not be considered for admission. All admissions are subject to the prior authorization from the COUNTY and CONTRACTOR's commitment to provide care and services in accordance with the terms of this Agreement.

B. BASIC SERVICES

The basic service level (the minimum array of services provided to IMD residents) shall comply with Title 9 of the California Code of Regulations, Chapter 3.5, Sections 782.10 through 787.14, which includes life skill training, money management, training on accessing community services, transitional programs, and discharge planning with the COUNTY staff. Basic services shall also include reasonable access to required medical treatment and up-to-date psychopharmacology and transportation to reasonable needed off-site services and bilingual/ bicultural programming as specifically described herein.

C. CONTINUED STAY CRITERIA

1. Admission for contracted services occurs only under the order of a licensed mental health physician, with approval of the COUNTY representative(s).
2. Admission is available only to individuals in need of 24-hour nursing services and observation of mental illness or other related disorders. Individuals with exclusively physical illnesses shall not be admitted.
3. Clients must exhibit behavioral symptoms, which prohibit them from being admitted into a lower level care. Due to their mental illness, clients are unable to provide for their basic needs.

VIII. DISCHARGE CRITERIA & PLANNING

At the point the individual no longer requires the level of service of a locked facility, as determined by the COUNTY case manager, a plan for their transfer to a less restrictive community setting will be arranged by the COUNTY case manager in conjunction with the CONTRACTOR staff.

IX. TRANSFER TO ACUTE LEVEL OF CARE

If an individual meets the criteria of medical necessity for acute psychiatric inpatient care, the CONTRACTOR will notify the COUNTY conservator and case manager, then proceed with notification by the CONTRACTOR's psychiatrist to the COUNTY's inpatient psychiatrist to arrange for the transfer of the individual.

X. LIMITATIONS OF SERVICE

The CONTRACTOR will operate within the scope of services outlined in the CONTRACTOR's State of California license.

XI. CHANGE OF SERVICE LEVEL/RATE

A. SERVICE LEVEL/RATE REDUCTIONS

Service level/rate reductions must be approved by the CONTRACTOR. COUNTY is eligible to submit a service level/rate change every ninety (90) days. COUNTY has the option to request a lower service level/rate and thereby shall submit a written notice to CONTRACTOR requesting the lower service level/rate change. Upon CONTRACTOR's determination the lower service level/rate change would be approved or denied.

B. SERVICE LEVEL/RATE INCREASES

Service level/rate increases must be approved by the COUNTY and incorporated into a fully-executed Amendment to this Contract in advance of the submission of any invoice with a new level/rate beyond that specified in the Contract. CONTRACTOR is eligible to request the COUNTY Contract Amendment process at any time, and has the option to request a higher service level/rate and thereby shall submit a written notice to COUNTY via the Program Manager/Contract Monitor or assigned Contracts Analyst, requesting the higher service level/rate change, with written justification as to the budgetary reasons underlying the requested increase. Upon COUNTY's determination the higher service level/rate change would be approved or denied.

XII. TYPES OF SERVICES

1. The following program service levels will be provided for FY 2013-14:

Service Type / Designation	Rate/Day	Service Description
Level 1	\$300.00	Residents are integrated with only minor to moderate deviations from the structured program.
Level 2	\$325.00	Residents require specialized services such as forensic competency training management of frequent behavioral episodes or medication complications.
Level 3	\$350.00	Step down level of care for residents admitted directly from the State Hospital for an intensive evaluation period.

2. The following program service levels will be provided for FY 2014-15 / FY 2015-16:

Service Type / Designation	Rate/Day	Service Description
MHRC Level 1	\$300.00 (July 2014) \$350.00 (Remainder of Contract Term)	Residents are integrated with only minor to moderate deviations from the structured program.
DBU Level 1	\$700.00	Disruptive Behavioral Unit program provides intensive therapy that focuses directly on disruptive behaviors such as property damage, self-injurious behavior, assaultive behavior and AWOL risk; 1:1 staffing sessions address behavioral issues, medication changes and program compliance with a Board Certified Forensic Psychiatrist; 3:1 resident to staff ratio and 24 hr. nursing.
Auxiliary 1:1 Rate	\$40.00 (Hourly Rate)	1:1 resident to staff ratio for emergency monitoring and attendance in the case of suicidal or extreme self-injurious behaviors.

XIII. EVALUATION AND REPORTING REQUIREMENTS

In addition to all evaluation and reporting requirements previously stated in this Agreement, CONTRACTOR shall meet all evaluation and reporting requirements stated as a condition of the facility's license. Additionally, CONTRACTOR shall report any unusual incidents that occur at the facility to the Contract Monitor/Liaison.

XIV. QUALITY ASSURANCE

A. CONTRACTOR shall comply with Chapter 3.5 of Division 1 of Title 9 of the California Code of Regulations pertaining to Mental Health Rehabilitation Centers.

B. CONTRACTOR shall meet all quality assurance requirements which are a condition of their license. COUNTY will routinely monitor the CONTRACTOR in terms of compliance with the COUNTY'S Quality Improvement Plan (QIP) in the following areas:

1. Medical necessity;
2. Appropriateness of continued treatment;
3. Focus, level, intensity of care;
4. Outcome of treatment; and
5. Cost of treatment

XV. CONTRACT MONITOR

Robert L. Jackson
Behavioral Health Services Manager
Monterey County Health Department
Behavioral Health Bureau
1270 Natividad Road
Salinas, CA 93906
Telephone: (831) 755-6351
Email: JacksonRL@co.monterey.ca.us

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EXHIBIT B-2: PAYMENT AND BILLING PROVISIONS

I. PAYMENT TYPE

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. PAYMENT RATE

C. BED HOLD RATE

The rate for Leave of Absence and Bed Hold for acute hospitalization shall remain at the per diem rate based on the placement rate of client at the time of leave.

D. NEGOTIATED RATE

- The following rates are established by the CONTRACTOR as follows for Mental Health Rehabilitation services for Fiscal Year (FY) 2013-14:

Service Type	Estimated # Bed Days (UOS)	Rate/Day	FY 2013-14 Estimated Amount
Level 1	360	\$300.00	\$108,000
Level 2	740	\$325.00	\$240,500
Level 3	360	\$350.00	\$126,000
Fiscal Year 2013-14 TOTAL:			\$474,500

- The following rates are established by the CONTRACTOR as follows for Mental Health Rehabilitation services for Fiscal Year 2014-15 and FY 2015-16:

2nd and 3rd Fiscal Year / Service Term	MHRC Level 1 Rate	Estimated # Bed Days (UOS)	Total MHRC Level 1	DBU Level 1 Rate	Estimated # Bed Days (UOS)	Total DBU Level 1	Maximum Fiscal Year Total Cost
July 1, 2014 - July 31, 2014	\$300.00	93	\$27,900	n/a	n/a	\$0	\$448,600
August 1, 2014 - June 30, 2015	\$350.00	1002	\$350,700	\$700.00	100	\$70,000	
July 1, 2015 - June 30, 2016	\$350.00	2190	\$766,500	\$700.00	100	\$70,000	\$836,500
	Auxiliary 1:1 Rate	Estimated # Hours (UOS)	Total Auxiliary 1:1 Rate				
July 1, 2015 - June 30, 2016	\$40.00	72	\$2,880				\$2,880
TOTAL MAXIMUM COUNTY OBLIGATION:							\$1,762,480

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3. CONTRACTOR agrees to immediately contact COUNTY Contract Monitor and/or Program Manager and/or assigned Contracts Analyst at the time a patient is placed on the Auxiliary 1:1 Rate so that an immediate assessment can be made by the County.

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-2, 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-2, 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 within five (5) calendar days. 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 **\$1,762,480** for services rendered under this Agreement.
- B. Maximum Annual Liability:

FISCAL YEAR LIABILITY	AMOUNT
July 1, 2013 to June 30, 2014	\$474,500
July 1, 2014 to June 30, 2015	\$448,600
July 1, 2015 to June 30, 2016	\$839,380
TOTAL AGREEMENT MAXIMUM LIABILITY:	\$1,762,480

- 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."

EXHIBIT G-2: Behavioral Health Cost Reimbursement Invoice

Invoice Number :

Contractor: CALIFORNIA PSYCHIATRIC TRANSITIONS

Address Line 1 P.O. Box 339

Address Line 2 Delhi, CA 95315

County PO No.:

Invoice Period :

Tel. No.: 209-667-9304

Fax No.: 209-669-3978

Contract Term: July 1, 2013 - June 30, 2016

Final Invoice : (Check if Yes)

BH Division: Mental Health

BH Control Number

Service Description	Mode of Service	Service Function Code	Rate per Unit	Total Contracted UOS FY 2015-16	UOS Delivered this Period	Total UOS Delivered as of Last Period	UOS Delivered to Date	% Delivered to Date of Contracted UOS	Remaining Deliverables	% of Remaining Deliverables	Total Annual Contract Amount	Dollar Amount Requested this Period	Dollar Amount Requested to Date	Dollar Amount Remaining	% Remain of Total Contract Amount
MHRC Level 1	5	90	\$350.00	2190							\$766,500				
DBU Level 1	5	80	\$700.00	100					-		\$70,000				-
Auxiliary 1:1 Rate	5	80	\$40.00	72							\$2,880				
TOTALS									-		\$839,380				

I certify that the information provided above is, to the best of my knowledge, complete and accurate; the amount requested for reimbursement is in accordance with the contract approved for services provided under the provision of that contract. Full justification and backup records for those claims are maintained in our office at the address indicated.

Signature: _____

Title: _____

Date: _____

Telephone: _____

Send to: MCHDRFinance@co.monterey.ca.us

Behavioral Health Authorization for Payment

Authorized Signatory

Date

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