

**AMENDMENT NO. 2
TO MENTAL HEALTH SERVICES AGREEMENT NO. A-13309
BETWEEN COUNTY OF MONTEREY AND
THE VILLAGE PROJECT, INC.**

This Amendment No. 2 to Agreement A-13309 is made and entered into by and between the County of Monterey, hereinafter referred to as COUNTY, and The Village Project, hereinafter referred to as CONTRACTOR.

WHEREAS, on September 27, 2016, the COUNTY and CONTRACTOR entered into Agreement A-13309 dated September 27, 2016 (Agreement), Amendment No. 1 dated to June 23, 2017; and

WHEREAS, the COUNTY and CONTRACTOR request to amend the Agreement as specified below:

1. Extend the term of Agreement A-13309 for one (1) additional year (July 1, 2019 to June 30, 2020) and revise the total maximum Agreement amount to \$1,627,809.
2. Add Program 4: Afterschool Academy services and funding.

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

1. EXHIBIT A-1: PROGRAM DESCRIPTION is replaced by EXHIBIT A-2: PROGRAM DESCRIPTION. All references in the Agreement to EXHIBIT A-1 shall be construed to refer to EXHIBIT A-2.
2. EXHIBIT B-1: PAYMENT AND BILLING PROVISIONS is replaced by EXHIBIT B-2: PAYMENT AND BILLING PROVISIONS. All references in the Agreement to EXHIBIT B-1 shall be construed to refer to EXHIBIT B-2.
3. Except as provided herein, all remaining terms, conditions and provisions of this Agreement are unchanged and unaffected by this AMENDMENT NO. 2, and shall continue in full force and effect as set forth in the Agreement.
4. This AMENDMENT NO. 2 shall be effective July 1, 2019.
5. This Amendment increases the contract amount by \$325,000 for a new contract amount of \$1,627,809.
6. A copy of the AMENDMENT NO. 2 shall be attached to the original Agreement executed by the COUNTY on September 27, 2016.

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

COUNTY OF MONTEREY

By: N/A
Contracts/Purchasing Officer

Date: _____

By: _____
Department Head (if applicable)

Date: _____

By: N/A
Board of Supervisors (if applicable)

Date: _____

Approved as to Form ¹

By: D. Taylor Datta
Dep County Counsel

Date: 6/11/19

Approved as to Fiscal Provisions²

By: B. Mason
Auditor/Controller

Date: 6/12/2019

Approved as to Liability Provisions³

By: N/A
Risk Management

Date: _____

CONTRACTOR

THE VILLAGE PROJECT, INC.

Contractor's Business Name* _____

By: Charles Brown

(Signature of Chair, President, or Vice-President) *

Charles Brown - President
Name and Title

Date: 6-10-19

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

Vice Chair/Secretary
Name and Title

Date: 6-10-19

*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 PROVIDER

The Village Project, Inc.
1069 Broadway, Suites 200 and 201
P. O. Box 127
Seaside, CA 93955

II. PROGRAM NARRATIVE

This program began as a unique response to the critical need to provide African Americans with intervention strategies that address issues that impact individuals and families of color. The Village Project has become an integral part of the community and serves as a focal program where individuals and families from all racial and ethnic groups can access a range of culturally competent mental health and supportive services. The Village Project utilizes licensed clinicians, social workers, counselors, as well as interns who receive specific expertise and training in working with African Americans. The Village Project works in collaboration with other community-based organizations providing mental health services to ensure that services are culturally competent.

In Fiscal Year (FY) 2019-20, The Village Project will provide Outreach and Engagement Services, Outpatient Mental Health Services and After School Program Services.

III. PROGRAM DESCRIPTION

Program 1:

Outreach and Engagement

A. Program Objectives

1. To assist clients to engage with community-based organizations and partner with other agencies to reduce/eliminate disparities that prevent timely access to adequate and effective mental health treatment for African American individuals and other unserved/underserved racial and ethnic groups and/or their family members due to language, cultural and other barriers.
2. To reduce the stigma and discrimination that is so often associated with being diagnosed with mental illness or seeking mental health services.

B. Scope of Work

1. CONTRACTOR shall conduct 8 (eight) outreach and engagement activities in intervals that support the CONTRACTOR'S outreach goals to increase mental health awareness and timely access to mental health services. A minimum of 50 group sessions will also be provided as noted below:

FY 2019-2020 OUTREACH AND ENGAGEMENT	
Service	Estimated Number Services
Outreach and Engagement	<p>A minimum of 8 (eight) presentations to community groups</p> <p>A minimum of 50 group sessions per year</p>

2. CONTRACTOR shall provide outreach and engagement services and presentations to increase recognition of early signs of mental illness and treatment; to educate the community on Mental Health First Aid and other mental health awareness trainings, and to respond to community mental health needs. Outreach and engagement services shall be provided at schools or community events and locations that reach the population of focus, i.e. unserved/underserved low income communities.
3. CONTRACTOR shall provide mandated Prevention and Early Intervention (PEI) data as outlined in the Mental Health Services Act for all outreach and group activities. Data will include but not be limited to: client age group, ethnicity, race and ethnicity, gender, sexual orientation, veteran status, disability, language and specific outreach event information. The data will be provided in a timely manner to the PEI coordinator quarterly and annually. CONTRACTOR will be provided the MHSA document templates.
4. CONTRACTOR shall submit monthly invoices providing supporting documentation of the associated costs including but not limited to staff time, mileage, marketing materials and event space/booth rental related to each outreach event and/or presentation conducted.
5. As part of Outreach and Engagement activities, CONTRACTOR will provide counseling services to individuals and families who
 - have limited access to therapy services due to no insurance or unsatisfactory insurance coverage
 - due to cultural or immigration issues, or mistrust of government processes decline to provide their insurance or other pertinent personal information that would make them eligible for Medi-Cal or other funding programs.
6. CONTRACTOR will conduct psycho-education, parenting and resource groups to the community aimed at providing a safe environment where clients can gain introductory life skills that may assist in preventing or managing mental health symptoms. For example:
 - Managing stress, trauma, mental health symptoms
 - Cultural and gender identity support systems and strategies
 - Parenting skills

7. CONTRACTOR will maintain their own documentation system for consents and any other client information.

C. Population of Focus Description/Characteristics

The primary population of focus is the unserved/underserved African American population of Monterey County in need of mental health services who have experienced barriers to access or utilization of services within the public mental health care system. The population of focus includes other unserved populations, including low income population who reside in the most poverty impacted areas within the County. The underserved population is defined by Title 9 California Code of Regulations Section 3200.300 as clients of any age who have been diagnosed with a serious mental illness and/or serious emotional disturbance and are receiving some services but are not provided the necessary or appropriate opportunities to support their recovery, wellness and/or resilience. When appropriate, it includes clients whose family members are not receiving sufficient services to support the client's recovery, wellness and/or resilience. These clients include, but are not limited to, those who are so poorly served that they are at risk of homelessness, institutionalization, incarceration, out of home placement or other serious consequences; members of ethnic/racial, cultural, and linguistic populations that do not have access to mental health programs due to barriers such as poor identification of their mental health needs, poor engagement and outreach, limited language access, and lack of culturally competent services; and those in rural areas, Native American Rancherias and/or reservations who are not receiving sufficient services. CONTRACTOR'S focus population encompasses all ages and racial/ethnic groups, and includes at risk school age students, adolescents at risk of legal detention, parents facing abuse and unemployment, and senior members of the family facing homelessness and depression, among others.

D. Reporting Requirements

Monterey County Behavioral Health shall provide to CONTRACTOR the reporting requirements and instructions as required by the State Mental Health Services Oversight and Accountability Commission, the Department of Health Care Services (DHCS) and County. CONTRACTOR shall report to MCBH's designated Contract Monitor and Prevention and Early Intervention Coordinator, on a quarterly basis, demographic data for each service provided, as well as the program outcomes identified in the "Logic Model" document as required by the PEI regulations. The "Logic Model" document will be reviewed at least annually and can be revised upon mutual agreement by CONTRACTOR and County, as part of the PEI Program Evaluation Report process.

Program 2:

Outpatient Mental Health Services

A. Program Objectives

1. To provide therapeutic services to approximately twenty-five to thirty (25-30) of unserved/underserved Monterey County residents and their families.
2. To provide therapeutic services to at least 50% new/previously unserved clients as documented in Avatar.
3. Clients served will be the non-Medi-Cal population.

B. Scope of Work

1. CONTRACTOR will provide the majority of their own referrals through clients met during outreach activities or clients who walk in to CONTRACTOR site for services.
2. CONTRACTOR shall complete an assessment and treatment plan for each individual and provide the appropriate treatment based on the identified mental health need and functioning level. CONTRACTOR shall provide group sessions on a variety of topics including health and stress management, life skills, grief, self-esteem, symptom relapse management, and mental health and co-occurring relapse prevention.
3. CONTRACTOR will provide to client and complete all legal and ethical documents including consent to treat, consent to release information, HIPAA (Health Insurance Portability and Accountability Act of 1996) and other forms.
4. All services shall be provided at a location and time that is convenient for the individual/family to the extent possible, consistent with organizational capacity.
5. CONTRACTOR shall deliver services in a manner that is culturally competent and linguistically appropriate for all people.
6. All services will be provided in the beneficiary's preferred language. Friends or family members of the client will not be expected to provide interpretation services.
7. Clinical staff assignments will be consistent with the needs of the individual/family and will provide an opportunity for the beneficiary to have a choice of therapist.
8. All services shall be provided in clinically appropriate treatment modalities as authorized and directed by COUNTY and provided in a timely and consistent manner.
9. Should other agencies be involved, CONTRACTOR shall coordinate with other service providers including referrals and follow up to other community resources.
10. CONTRACTOR shall document and maintain client records in Avatar.

C. Service Delivery Sites:

1069 Broadway Avenue, Suite 201 Seaside, California 93955

D. Population of Focus Description/Characteristics

The population of focus is the Monterey County African Americans and other unserved/underserved racial, ethnic and socio-economic groups who are in need of behavioral health services in order to ameliorate or prevent behavioral health issues that are causing distress to the client and/or their family.

E. Reporting Requirements

CONTRACTOR will be required to report outcome data regularly to COUNTY as described in this contract.

IV. MEETINGS/COMMUNICATIONS

CONTRACTOR will meet monthly with the designated MCBH Contract Monitor to monitor progress on consumer and program outcomes; oversee contract implementation; and evaluate contract usage, effectiveness, issues, and recommendations.

V. DESIGNATED CONTRACT MONITOR

Kacy Carr, LCSW
Behavioral Health Services Manager
Monterey County Health Department
Behavioral Health Bureau
1270 Natividad Rd., Ste. 107
Salinas, CA 93906
(831) 755-8941

Program 3:

After School Academy

Program Description:

The Village Project, Inc. After School Academy, has been successful in taking in students in grades 1-12 and, in many cases, helping the more troubled stay out of the juvenile justice system and for those already in that system to get early terminations of their probation as a result of positive and marked changes in their behaviors and success in school. The program now has 45 students. The combination of these issues has often resulted in problems that land students in the juvenile justice system. The program and its staff have turned many students around and towards academic success. CONTRACTOR will provide its own referrals through clients met during outreach activities or clients who walk in to CONTRACTOR site for services. Afterschool Academy staff will work with students and will implement the curriculum described below:

Scope of Work

1. Emotional Dysregulation Management – Students entering the program in the FY 2019-20 school year will receive services that will help with decreasing relatively severe emotional dysregulation issues. For students for whom this is a severe issue, they and their families will be referred to family therapy in The Village Project’s therapy program.
2. Anger Management – While this is often tied to emotional dysregulation concerns or disturbances, learning to manage one’s anger is sometimes a separate matter requiring its own strategies as well. Staff will work in a fundamental way to help students realize their triggers, early warning signs and help them develop strategies for managing their anger. Severe cases will prompt a referral for family therapy.
3. Depression and Anxiety Management – Students dealing with depression and anxiety will be referred to therapists at the agency along with their families.
4. Resiliency Reinforcement Practice – Staff will work with students to build resiliency through mentoring and youth development practices that builds self-esteem in children and youth and shows them ways to cope with stress and anxiety in a positive way that reduces depression and anxiety episodes.
5. Improving Academic Performance – Work with students to strengthen academic success and increase confidence to reduce symptomologies related to depression, anxiety, anger and other areas.
6. CONTRACTOR will collect and provide to the COUNTY the following data in order to meet program objectives:
 - a. Daily sign in sheets to track attendance and topic or them of the week
 - b. Pre and post youth and/or parent surveys
 - c. Pre and post teacher/school representative surveys where possible
 - d. Behavioral and mental health symptom checklist on a quarterly basis

Program Objectives:

1. 90% of students with emotional dysregulation issues will demonstrate marked reduction in dysregulation by coming to the program with appropriate affect and behaviors and be able to talk to staff whenever they feel their emotions are about to negatively change – that they can perform this task 8 out of every 10 times these emotions begin to occur. Staff report will be part of this goal achievement.
2. 95% of students who have unmanaged anger as an issue will be able to effectively carry out anger management methods and techniques when they feel themselves being triggered to include talking to staff about how they are feeling. Students will demonstrate that they know what their triggers are, along with their early warning signs and strategies to use to head off the anger.
3. 95% of students who have had disciplinary occurrences during the past school year will have no disciplinary occurrences at school during the school year by using strategies they have learned and from school reports
4. 95% of student who have disorders will demonstrate that they are able to manage symptomologies by alerting staff when they first sense that symptomologies are about to occur and using strategies they have learned in counseling.
5. 95% of students in the program will have no grade lower than a C.

Services to be provided to 40 youth per year:

1.

FY 2019-2020 After School Academy	
Service	Estimated Number Services
Mentoring/Youth Development Services	A minimum of forty (40) Youth will be served

2. Service Delivery Sites:

1069 Broadway Avenue, Suite 201 Seaside, California 93955

A. Population of Focus Description/Characteristics

The population of focus is the Monterey County African Americans and other unserved/underserved racial, ethnic and socio-economic groups in grades 1-12.

B. Reporting Requirements

CONTRACTOR will be required to report outcome data regularly to COUNTY according to the requirements as set forth by COUNTY. COUNTY will provide to CONTRACTOR the reporting requirements, forms and instructions as required by COUNTY.

C. MEETINGS/COMMUNICATIONS

CONTRACTOR will meet monthly with the designated MCBH Contract Monitor to monitor progress on consumer and program outcomes; oversee contract implementation; and evaluate contract usage, effectiveness, issues, and recommendations.

D. DESIGNATED CONTRACT MONITOR

Kacy Carr, LCSW
Behavioral Health Services Manager
Monterey County Health Department
Behavioral Health Bureau
1270 Natividad Rd., Ste. 107
Salinas, CA 93906
(831) 755-8941

**EXHIBIT B-2:
PAYMENT AND BILLING PROVISIONS**

I. PAYMENT TYPES

Negotiated, Provisional Rates and Cash Flow Advance up to the maximum annual contract amount.

II. PAYMENT RATE

CONTRACTOR shall be reimbursed the following negotiated rates which are subject to all the cost report conditions set forth in this Exhibit B.

PROGRAM 1:

FY 2019-20 OUTREACH AND ENGAGEMENT			
Service	Estimated Number of Individuals Served	Monthly Provisional Rate	Total Maximum Agreement Amount FY 2019-20
Outreach and Engagement	A minimum of eight (8) presentations to community groups A minimum of 50 Group sessions per year	\$10,416.67	\$125,000

PROGRAM 2:

FY 2019-20 OUTPATIENT MENTAL HEALTH SERVICES		
Service	Hourly Rate	Total Maximum Agreement Amount FY 2019-20
Mental Health Services	\$80	\$100,000

PROGRAM 3:

FY 2019-20 AFTER SCHOOL ACADEMY			
Service	Estimated Number of Individuals Served	Monthly Provisional Rate	Total Maximum Agreement Amount FY 2019-20
Mentoring & Youth Development	A minimum of forty (40) youth to be served	\$8,333.33	\$100,000

SUMMARY OF TOTAL PROGRAM AMOUNT PER FY

Program	FY 2019-20
Program 1: Outreach and Engagement	\$125,000
Program 3: Outpatient Mental Health Services	\$100,000
Program 4: Afterschool Academy	\$100,000
Total Program Amounts per FY 2019-20	\$325,000

III. PAYMENT CONDITIONS

- A. If CONTRACTOR is seeking reimbursement for eligible services funded by the Short-Doyle/Medi-Cal, Mental Health Services Act (“MHSA”), SB 90, Federal or State Grants, and/or COUNTY funds provided pursuant to this Agreement, reimbursement for such services shall be based on actual cost of providing those services less any deductible revenues collected by the CONTRACTOR from other payer sources. In order to reduce COUNTY costs, the CONTRACTOR shall comply with all applicable provisions of the California Welfare and Institutions Code (WIC), the California Code of Regulations, the Code of Federal Regulations, and the federal Social Security Act related to reimbursements by non-County and non-State sources, including, but not limited to, collecting reimbursements for services from clients (which shall be the same as patient fees established pursuant to WIC section 5710) and from private or public third-party payers.

CONTRACTOR shall not claim reimbursement from COUNTY for (or apply sums received from COUNTY with respect to) that portion of its obligations which has been paid by another source of revenue. If CONTRACTOR is seeking reimbursement for mental health services provided pursuant to this Agreement, reimbursement for such services shall be based upon the actual allowable costs of providing those services less any deductible revenues, as stated above. Notwithstanding any other provision of this Agreement, in no event may CONTRACTOR request a rate that exceeds the COUNTY’S Maximum Allowances (CMA), which is based on the most recent State’s Schedule of Maximum Allowances (SMA) as established by the State’s Department of Mental Health. The SMA Schedule shall be used until COUNTY establishes the COUNTY’S rate Schedule of Maximum Allowances. CONTRACTOR shall be responsible for costs that exceed applicable CMAs. In no case shall payments to CONTRACTOR exceed CMAs. In addition to the CMA limitation, in no event shall the maximum reimbursement that will be paid by COUNTY to CONTRACTOR under this Agreement for any Program Amount be more than the amount identified for each Program Amount for each Funded Program, as identified in this Exhibit B, Section III. Said amounts shall be referred to as the “Maximum Obligation of County,” as identified in this Exhibit B, Section V.

- B. To the extent a recipient of services under this Agreement is eligible for coverage under Short-Doyle/Medi-Cal or Medicaid or Medicare or any other Federal or State funded program (“an eligible beneficiary”), CONTRACTOR shall ensure that services provided to eligible beneficiaries are properly identified and claimed to the Funded Program responsible for such services to said eligible beneficiaries. For the Short-Doyle/Medi-Cal Funded Program, CONTRACTOR assumes fiscal responsibility for services provided to all individuals who do not have full-scope Medi-Cal or are not Medi-Cal eligible during the term of this Agreement.
- C. CONTRACTOR shall be responsible for delivering services to the extent that funding is provided by the COUNTY. To the extent that CONTRACTOR does not have funds allocated in the Agreement for a Funded Program that pays for services to a particular eligible beneficiary, CONTRACTOR shall, at the first opportunity, refer said eligible

beneficiary to another CONTRACTOR or COUNTY facility within the same geographic area to the extent feasible, which has available funds allocated for that Funded Program.

- D. 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. In the event the back-up documentation does not fully justify the amount of the prior month's payment, COUNTY shall reconcile the subsequent month's Cash Flow Advance payment.

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

- E. 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.
- F. 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.
- G. 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.

- H. To the extent that the COUNTY determines CONTRACTOR has improperly claimed services to a particular Program Amount, COUNTY may disallow payment of said services and require CONTRACTOR to resubmit said claim of services for payment from the correct Program Amount, or COUNTY may make corrective accounting transactions to transfer the payment of the services to the appropriate Program Amount.
- I. 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.

IV. 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 **\$1,627,809** for services rendered under this Agreement.
- B. Maximum Annual Liability:

FISCAL YEAR LIABILITY	AMOUNT
FY 2016-2017	\$405,206
FY 2017-2018	\$439,000
FY 2018-2019	\$458,603
FY 2019-2020	\$325,000
TOTAL MAXIMUM LIABILITY	\$1,627,809

- 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.

V. BILLING AND PAYMENT LIMITATIONS

- A. Provisional Payments: COUNTY payments to CONTRACTOR for performance of eligible services hereunder are provisional until the completion of all settlement activities and audits, as such payments are subject to future Federal, State and/or COUNTY adjustments. COUNTY adjustments to provisional payments to CONTRACTOR may be based upon COUNTY'S claims processing information system data, State adjudication of Medi-Cal and Healthy Families claims files, contractual limitations of this Agreement, annual cost and MHSA reports, application of various Federal, State, and/or COUNTY reimbursement limitations, application of any Federal, State, and/or COUNTY policies, procedures and regulations, and/or Federal, State, or COUNTY audits, all of which take precedence over monthly claim reimbursements.
- B. Allowable Costs: Allowable costs shall be the CONTRACTOR'S actual costs of developing, supervising and delivering the services under this Agreement, as set forth in the Budget provided in Exhibit H. Only the costs listed in Exhibit H of this Agreement as contract expenses may be claimed as allowable costs. Any dispute over whether costs are allowable shall be resolved in accordance with the provisions of applicable Federal, State and COUNTY regulations.
- C. Cost Control: CONTRACTOR shall not exceed by more than twenty (20%) percent any contract expense line item amount in the budget without the written approval of COUNTY, given by and through the Contract Administrator or Contract Administrator's designee. CONTRACTOR shall submit an amended budget using Exhibit H, or on a format as required by the COUNTY, with its request for such approval. Such approval shall not permit CONTRACTOR to receive more than the maximum total amount payable under this Agreement. Therefore, an increase in one line item shall require corresponding decreases in other line items.
- D. Other Limitations for Certain Funded Programs: In addition to all other limitations provided in this Agreement, reimbursement for services rendered under certain Funded Programs may be further limited by rules, regulations and procedures applicable only to that Funded Program. CONTRACTOR shall be familiar with said rules, regulations and procedures and submit all claims in accordance therewith.
- E. 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, State adjudication of Medi-Cal claims, and billing system data.

VI. 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.

VII. BILLING PROCEDURES AND LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER FEDERAL SOCIAL SECURITY ACT, TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI HEALTHY FAMILIES

The Short-Doyle/Medi-Cal (SD/MC) claims processing system enables California county Mental Health Plans (MHPs) to obtain reimbursement of Federal funds for medically necessary specialty mental health services provided to Medi-Cal-eligible beneficiaries and to Healthy Families subscribers diagnosed as Seriously Emotionally Disturbed (SED). The Mental Health Medi-Cal program oversees the SD/MC claims processing system. Authority for the Mental Health Medi-Cal program is governed by Federal and California statutes.

- A. If, under this Agreement, CONTRACTOR has Funded Programs that include Short-Doyle/Medi-Cal services and/or Healthy Families services, CONTRACTOR shall certify in writing annually, by August 1 of each year, that all necessary documentation shall exist at the time any claims for Short-Doyle/Medi-Cal services and/or Healthy Families services are submitted by CONTRACTOR to COUNTY.

CONTRACTOR shall be solely liable and responsible for all service data and information submitted by CONTRACTOR.

- B. CONTRACTOR acknowledges and agrees that the COUNTY, in under taking the processing of claims and payment for services rendered under this Agreement for these Funded Programs, does so as the Mental Health Plan for the Federal, State and local governments.
- C. CONTRACTOR shall submit to COUNTY all Short-Doyle/Medi-Cal, and/or Healthy Families claims or other State required claims data within the thirty (30) calendar day time frame(s) as prescribed by this Agreement to allow the COUNTY to meet the time frames prescribed by the Federal and State governments. COUNTY shall have no liability for CONTRACTOR'S failure to comply with the time frames established under this Agreement and/or Federal and State time frames, except to the extent that such failure was through no fault of CONTRACTOR.
- D. COUNTY, as the Mental Health Plan, shall submit to the State in a timely manner claims for Short-Doyle/Medi-Cal services, and/or Healthy Families services only for those services/activities identified and entered into the COUNTY'S claims processing information system which are compliant with Federal and State requirements. COUNTY shall make available to CONTRACTOR any subsequent State approvals or denials of such claims upon request by the CONTRACTOR.
- E. CONTRACTOR acknowledges and agrees that COUNTY'S final payment for services and activities claimed by CONTRACTOR Short-Doyle/Medi-Cal services and/or Healthy Families services is contingent upon reimbursement from the Federal and State governments and that COUNTY'S provisional payment for said services does not render COUNTY in any way responsible for payment of, or liable for, CONTRACTOR'S claims for payment for these services.
- F. CONTRACTOR'S ability to retain payment for such services and/or activities is entirely dependent upon CONTRACTOR'S compliance with all laws and regulations related to same.
- G. Notwithstanding any other provision of this Agreement, CONTRACTOR shall hold COUNTY harmless from and against any loss to CONTRACTOR resulting from the denial or disallowance of claim(s) for or any audit disallowances related to said services, including any State approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services/activities, by the Federal, State or COUNTY governments, or other applicable payer source, unless the denial or disallowance was due to the fault of the COUNTY.
- H. CONTRACTOR shall repay to COUNTY the amount paid by COUNTY to CONTRACTOR for Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services/ activities subsequently denied or disallowed by Federal, State and/or COUNTY government.

- I. Notwithstanding any other provision of this Agreement, CONTRACTOR agrees that the COUNTY may offset future payments to the CONTRACTOR and/or demand repayment from CONTRACTOR when amounts are owed to the COUNTY pursuant to Subparagraphs G. and H. above. Such demand for repayment and CONTRACTOR'S repayment shall be in accordance with Exhibit I, Section IV (Method of Payments for Amounts Due to County) of this Agreement.
- J. CONTRACTOR shall comply with all written instructions provided to CONTRACTOR by the COUNTY, State or other applicable payer source regarding claiming and documentation.
- K. Nothing in this Section VIII shall be construed to limit CONTRACTOR'S rights to appeal Federal and State settlement and/or audit findings in accordance with the applicable Federal and State regulations.

VIII. PATIENT/CLIENT ELIGIBILITY, UMDAP FEES, THIRD PARTY REVENUES, AND INTEREST

- A. CONTRACTOR shall comply with all Federal, State and COUNTY requirements and procedures relating to:
 - 1. The determination and collection of patient/client fees for services hereunder based on the Uniform Method of Determining Payment (UMDAP), in accordance with the State Department of Mental Health guidelines and WIC sections 5709 and 5710.
 - 2. The eligibility of patients/clients for Short-Doyle/Medi-Cal, Medicaid, Medicare, private insurance, or other third party revenue, and the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. CONTRACTOR shall pursue and report collection of all patient/client and other revenue.
- B. All fees paid by patients/clients receiving services under this Agreement and all fees paid on behalf of patients/clients receiving services hereunder shall be utilized by CONTRACTOR only for the delivery of mental health service/activities specified in this Agreement.
- C. CONTRACTOR may retain unanticipated program revenue, under this Agreement, for a maximum period of one Fiscal Year, provided that the unanticipated revenue is utilized for the delivery of mental health services/activities specified in this Agreement. CONTRACTOR shall report the expenditures for the mental health services/activities funded by this unanticipated revenue in the Annual Report(s) and Cost Report Settlement submitted by CONTRACTOR to COUNTY.

- D. CONTRACTOR shall not retain any fees paid by any sources for, or on behalf of, Medi-Cal beneficiaries without deducting those fees from the cost of providing those mental health services for which fees were paid.
- E. CONTRACTOR may retain any interest and/or return which may be received, earned or collected from any funds paid by COUNTY to CONTRACTOR, provided that CONTRACTOR shall utilize all such interest and return only for the delivery of mental health services/activities specified in this Agreement.
- F. Failure of CONTRACTOR to report in all its claims and in its Annual Report(s) and Cost Report Settlement all fees paid by patients/clients receiving services hereunder, all fees paid on behalf of patients/clients receiving services hereunder, all fees paid by third parties on behalf of Medi-Cal beneficiaries receiving services and/or activities hereunder, and all interest and return on funds paid by COUNTY to CONTRACTOR, shall result in:
 - 1. CONTRACTOR'S submission of a revised claim statement and/or Annual Report(s) and Cost Report Settlement showing all such non-reported revenue.
 - 2. A report by COUNTY to State of all such non-reported revenue including any such unreported revenue paid by any sources for or on behalf of Medi-Cal beneficiaries and/or COUNTY'S revision of the Annual Report(s).
 - 3. Any appropriate financial adjustment to CONTRACTOR'S reimbursement.

IX. CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ ACTIVITIES TO BE RENDERED OR FIXED RATE PAYMENTS

- A. The Maximum Contract Amount for each period of this Agreement includes Cash Flow Advance (CFA) or fixed rate payments which is an advance of funds to be repaid by CONTRACTOR through the provision of appropriate services/activities under this Agreement during the applicable period.
- B. For each month of each period of this Agreement, COUNTY shall reimburse CONTRACTOR based upon CONTRACTOR'S submitted claims for rendered services/activities subject to claim edits, and future settlement and audit processes.
- C. CFA shall consist of, and shall be payable only from, the Maximum Contract Amount for the particular fiscal year in which the related services are to be rendered and upon which the request(s) is (are) based.
- D. CFA is intended to provide cash flow to CONTRACTOR pending CONTRACTOR'S rendering and billing of eligible services/activities, as identified in this Exhibit B, Sections III. and V., and COUNTY payment thereof. CONTRACTOR may request each monthly Cash Flow Advance only for such services/activities and only to the extent that there is no reimbursement from any public or private sources for such services/activities.

- E. Cash Flow Advance (CFA) Invoice. For each month for which CONTRACTOR is eligible to request and receive a CFA, CONTRACTOR must submit to the COUNTY an invoice of a CFA in a format that is in compliance with the funding source and the amount of CFA CONTRACTOR is requesting. In addition, the CONTRACTOR must submit supporting documentation of expenses incurred in the prior month to receive future CFAs.
- F. Upon receipt of the Invoice, COUNTY, shall determine whether to approve the CFA and, if approved, whether the request is approved in whole or in part.
- G. If a CFA is not approved, COUNTY will notify CONTRACTOR within ten (10) business days of the decision, including the reason(s) for non-approval. Thereafter, CONTRACTOR may, within fifteen (15) calendar days, request reconsideration of the decision.
- H. Year-end Settlement. CONTRACTOR shall adhere to all settlement and audit provisions specified in Exhibit I, of this Agreement, for all CFAs received during the fiscal year.
- I. Should CONTRACTOR request and receive CFAs, CONTRACTOR shall exercise cash management of such CFAs in a prudent manner.

X. 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."