

AMENDMENT NO. 1 TO AGREEMENT A-11902

This Amendment No. 1 to Agreement A-11902 is made and entered into by and between the County of Monterey, hereinafter referred to as COUNTY, and Edgewood Center for Children and Families, hereinafter referred to as CONTRACTOR.

WHEREAS, the County and CONTRACTOR wish to amend the AGREEMENT to increase the units of service and total amount of the AGREEMENT, revise the Payment Provisions, and incorporate the new EXHIBITS H and I in the amended AGREEMENT.

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

1. EXHIBIT A PROGRAM DESCRIPTION is replaced by EXHIBIT A-1 PROGRAM DESCRIPTION. All references in the Agreement to EXHIBIT A shall be construed to refer to EXHIBIT A-1.
2. EXHIBIT B PAYMENT PROVISIONS is replaced by EXHIBIT B-1 PAYMENT AND BILLING PROVISIONS. All references in the Agreement to EXHIBIT B shall be construed to refer to EXHIBIT B-1.
3. The following exhibits are attached to this Amendment and incorporated herein by reference:

EXHIBIT H: REVENUE AND EXPENDITURE SUMMARY

EXHIBIT I: ANNUAL REPORT(S) AND AUDIT

4. A copy of the AMENDMENT shall be attached to the original AGREEMENT executed by the County on January 5, 2011.
5. PAYMENTS BY COUNTY, COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in EXHIBIT B-1, subject to the limitations set forth in this Amendment 1 to Agreement A-11902. The total amount payable by COUNTY to CONTRACTOR under this Agreement shall not exceed the sum of **\$728,920.**
6. The effective date of this Amendment is **August 13, 2012.**
7. 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.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Amendment No. 1 to Agreement A-11902 as of the day and year written below.

COUNTY OF MONTEREY	
By: Mike Derr, Contracts/Purchasing Officer	Date:
By: Director of Health	Date:
<i>Approved as to Form</i>	
By: Stacy L. Saetta, County Counsel ²	Date:
<i>Approved as to Fiscal Provisions</i>	
By: Gary Giboney, Auditor-Controller	Date:
<i>Approved as to Liability Provisions</i>	
By: Steve Mauck, Risk Management ¹	Date:
<i>Approved as to Content</i>	
By: Wayne Clark, Behavioral Health	Date:

Edgewood Center for Children and Families	
By: Mathew Madaus – CEO	Date:
By: Vince Forte, CFO	Date:

*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.

¹ Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9.

² Approval by County Counsel is necessary only if changes are made to the standard provisions of the MHSA.

EXHIBIT A-1 PROGRAM DESCRIPTION

PROGRAM DESCRIPTION I

I. IDENTIFICATION OF PROVIDER

Edgewood Center for Children and Families
1801 Vicente St.
San Francisco, CA 94116

II. PROGRAM NARRATIVE

Edgewood Center for Children and Families will provide Day Treatment Intensive Services, Therapeutic Behavioral Services, Medication Support, and Mental Health Services to youth that require the highest level of residential care or that would require periodic inpatient hospitalization, placement at out-of-state facilities, or in a juvenile justice facility.

III. GOAL

To return the youth to living at home or a lower level of care by reducing emotional/behavioral symptoms.

IV. OBJECTIVES

- A. Reduce inappropriate behavior and/or psychiatric symptoms to a level that the youth can return home or to a lower level of care.
- B. Help youth develop age appropriate potential and functionality within the youth's community.
- C. Improve academic achievement.

V. TREATMENT SERVICES

- A. Mode of Service: Day Treatment Intensive and Outpatient
- B. Contracted Units of Service by Type and Mode Each Year:
FY 2010-11 (September 1, 2010-June 30, 2011) **1 placement:**
 1. 303 estimated days of Day Treatment Intensive client (full day) services
 2. 720 estimated minutes of Medication Support services
 3. 3,104 estimated minutes of Mental Health services

FY 2011-12: 1 placement

1. 365 estimated days of Day Treatment Intensive client (full day) services
2. 878 estimated minutes of Medication Support services
3. 3,514 estimated minutes of Mental Health services

FY 2012-13: 4 placements (2 placed August 13, 2012)

1. 1,331 estimated days of Day Treatment Intensive client (full day) services
2. 3,290 estimated minutes of Medication Support services
3. 13,177 estimated minutes of Mental Health services

C. Delivery Site:

Edgewood Center for Children and Families
1801 Vicente St.
San Francisco, CA 94116

D. Hours of Operation:

Day Treatment Intensive services shall operate more than 4 hours per day, seven days a week. Mental Health services, other than family therapy, will be offered on non-day treatment days. Medication Support services will be available by appointment.

VI. POPULATION/CATCHMENT AREA TO BE SERVED

This current agreement is for four (4) eligible residents of Monterey County. New eligible residents of Monterey County referred to Edgewood will require an amendment to this agreement.

VII. FINANCIAL ELIGIBILITY

Monterey County youth who are full scope Medi-Cal eligible and have been screened through the County interagency placement committee or any youth that have been placed through the Individualized Education Plan (IEP). Undocumented youth require pre-authorization by the Behavioral Health Director of Monterey County.

VIII. LIMITATION OF SERVICE/PRIOR AUTHORIZATION

Referrals for admission to this program will be initiated exclusively by the Mental Health Division Case Management staff after an initial screening. Admission to the program will involve youth who are voluntary participants or who are wards or dependents of the court. Screening criteria will be based on degree of emotional disturbance, a designated funding source, and the inability to utilize a less restrictive placement. Admission will be the sole authority of the CONTRACTOR. Day Treatment services require prior authorization and this authorization must be renewed every three (3) months for Day Treatment Intensive. Mental Health Services also requires prior authorization.

Medication Support, beyond two visits per month, requires prior authorization. The contracted duration of treatment is limited to one year; any extension requires consultation with the Mental Health Case Manager and approval of the Contract Monitor.

IX. CLIENT DESCRIPTION/CHARACTERISTICS

The population served: Children and adolescents ages 5-18 with:

- A. Severe emotional and behavioral disturbances.
- B. Axis I diagnosis indicating mental impairment or behavioral disturbance and substantial
- C. Impairment in two of the following areas:
 - 1. Self care
 - 2. Family relationships
 - 3. Ability to function in the community
 - 4. School functioning; and
- D. One or all of the following:
 - 1. Severe acting out episodes
 - 2. History of self-destructive behavior
 - 3. Catastrophic reactions to everyday occurrences
 - 4. History of inpatient hospitalization

X. LEGAL STATUS

Voluntary or juvenile dependents and wards (W&I Code, Sections 300 et seq. and Sections 601 & 602 et seq.).

XI. COVERAGE

Five days a week for Day Treatment Intensive services. Mental Health and Medication Support services determined to be medically necessary and designated on the service plan.

XII. DESIGNATED CONTRACT MONITOR

Marti Barton
Children's Behavioral Health Services Manager
951 Blanco Circle, Suite B
Salinas, CA 93901
(831) 784-2180

PROGRAM DESCRIPTION II- HOSPITAL DIVERSION

I. IDENTIFICATION OF PROVIDER

Edgewood Center for Children and Families
1801 Vicente St.
San Francisco, CA 94116

II. PROGRAM NARRATIVE

Edgewood Hospital Diversion offers a residentially-based alternative to psychiatric hospital care, shelter care, or under-resourced temporary placements for children ages 6 to 17 years old. The program's goal is to assess and stabilize youth. Parents and caregivers are provided intensive support to bring youth home as soon as possible.

Edgewood Hospital Diversion serves youth and families who may be experiencing acute stress, psychiatric, behavioral health and/or family problems. Discharge planning begins at intake, and youth return to their natural environment with a coordinated and family-focused treatment plan. The path to wellbeing is unique for every child. Edgewood's program is designed to assess and support the full range of a youth and family's needs by having the youth and family participate in an intensive interdisciplinary assessment in order to provide an enriched understanding of their needs.

Treatment focuses on understanding each youth in the context of their medical, psychological, and social-family needs and creating a comprehensive treatment plan individualized for each youth. The treatment team is a multidisciplinary group which includes a child psychiatrist, a mental health clinician, registered nurse, special education specialist, and the youth and family. Referring clinicians and primary care physicians who continue to be involved in the treatment are invited to attend as needed.

III. GOAL

To return the youth to their natural environment with a coordinated and family-focused treatment plan.

IV. OBJECTIVES

- A. Reduce inappropriate behavior and/or psychiatric symptoms to a level that the youth can return home or to a lower level of care.
- B. Help youth develop age appropriate potential and functionality within the youth's community.

V. TREATMENT SERVICES

- A. Mode of Service: Hospital Diversion Program
- B. Contracted Units of Service by Type and Mode Each Year:
FY 2012-13: (August 13, 2012-June 30, 2013)
 - 1. 322 estimated days of Hospital Diversion Program services

The Hospital Diversion includes Room and Board including the following:

- Intake evaluation for assessment and treatment planning
- Daily therapeutic classroom and educational support services
- Daily staffing, client review and safety planning
- 7 day per week nursing coverage
- Non-clinical case management, including coordination of care and concurrent utilization review with insurance plan
- Family visitation and non-clinical family support services

- C. **Delivery Site:**
Edgewood Center for Children and Families
1801 Vicente St.
San Francisco, CA 94116

- D. **Hours of Operation:**
Hospital Diversion Program shall operate 24 hours per day, seven days a week.

VI. POPULATION/CATCHMENT AREA TO BE SERVED

This current agreement is for one (1) eligible resident of Monterey County. New eligible residents of Monterey County referred to the Hospital Diversion Program will require an amendment to this agreement.

VII. FINANCIAL ELIGIBILITY

Monterey County youth who are full scope Medi-Cal eligible and have been screened through the County interagency placement committee or any youth that have been placed through the Individualized Education Plan (IEP). Undocumented youth require pre-authorization by the Behavioral Health Director of Monterey County.

VIII. LIMITATION OF SERVICE/PRIOR AUTHORIZATION

Referrals for admission to this program will be initiated exclusively by the Mental Health Division Case Management staff after an initial screening. Admission to the program will involve youth who are voluntary participants or who are wards or dependents of the court. Screening criteria will be based on degree of emotional disturbance, a designated funding source, and the inability to utilize a less restrictive placement. Admission will be the sole authority of the CONTRACTOR. The contracted duration of treatment is limited

to one year; any extension requires consultation with the Mental Health Case Manager and approval of the Contract Monitor.

IX. CLIENT DESCRIPTION/CHARACTERISTICS

The population served: Children and adolescents ages 6-17 with:

- A. Severe emotional and behavioral disturbances.
- B. Axis I diagnosis indicating mental impairment or behavioral disturbance and substantial
- C. Impairment in two of the following areas:
 - 1. Self care
 - 2. Family relationships
 - 3. Ability to function in the community
 - 4. School functioning; and
- D. One or all of the following:
 - 1. Severe acting out episodes
 - 2. History of self-destructive behavior
 - 3. Catastrophic reactions to everyday occurrences
 - 4. History of inpatient hospitalization

X. LEGAL STATUS

Voluntary or juvenile dependents and wards (W&I Code, Sections 300 et seq. and Sections 601 & 602 et seq.).

XI. COVERAGE

Seven days a week for the Hospital Diversion Program. Mental Health and Medication Support services determined to be medically necessary and designated on the service plan.

XII. DESIGNATED CONTRACT MONITOR

Marti Barton
Children's Behavioral Health Services Manager
951 Blanco Circle, Suite B
Salinas, CA 93901
(831) 784-2180

EXHIBIT B-1 PAYMENT AND BILLING PROVISIONS

EXHIBIT B-1: PAYMENT PROVISIONS

I. PAYMENT TYPES

Cost Reimbursed (CR) up to 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 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

PROVISIONAL RATE: STATE MAXIMUM REIMBURSEMENT (SMA)

CONTRACTOR shall be paid at the State Maximum Reimbursement (SMA) rates, which are provisional and subject to all the cost report conditions as set forth in this Exhibit B.

The following program services will be paid in arrears, not to exceed the SMA rates for a total maximum of **\$ 728,920**.

Edgewood Childrens Services FY 2010-13 Program I Contracted Amounts											
Service Description	Mode of Service	Service Function Code	FY 2010-11 Total Contracted Units of Service	FY 2010-11 Estimated Rate of Reimbursement per Unit	FY 2010-11 Contract Amount	FY 2011-12 Total Contracted Units of Service	FY 2011-12 Estimated Rate of Reimbursement per Unit	FY 2011-12 Contract Amount	FYs 2012-13 Total Contracted Units of Service Per Year	FYs 2012-13 Estimated Rate of Reimbursement per Unit Per Year	FYs 2012-13 Contract Amount Per Year
Day Treatment Intensive (Day)	10	85	303	\$202.43	\$61,336	365	\$202.43	\$73,887	1,331	\$202.43	\$269,434
Medication Support Services (Minute)	15	60	720	\$4.82	\$3,470	878	\$4.82	\$4,232	3,290	\$4.82	\$15,858
Mental Health Services (Minute)											
Case Management	15	70-79									
Collateral	15	10									
Individual Therapy	15	40									
Group Therapy	15	50									
TBS	15	58	3,104	\$2.61	\$8,101	3,514	\$2.61	\$9,172	13,177	\$2.61	\$34,392
RESIDENTIAL DAYS			303	\$227.00	\$68,781	365	\$227.00	\$82,855			\$319,684
MAXIMUM AGREEMENT AMOUNT 10-11											\$68,781
MAXIMUM AGREEMENT AMOUNT 11-12											\$82,855
MAXIMUM AGREEMENT AMOUNT 12-13											\$319,684
TOTAL MAXIMUM AGREEMENT LIABILITY											\$471,320

Edgewood Childrens Services FY 2010-13 Program II Contract Amount			
Service Description	FY 2012-13 Total Contracted Units of Service	FY 2012-13 Estimated Rate of Reimbursement per Unit	FY 2012-13 Contract Amount
Hospital Diversion Program	322	\$800.00	\$257,600
MAXIMUM AGREEMENT AMOUNT 12-13			\$257,600
TOTAL MAXIMUM AGREEMENT LIABILITY			\$257,600

IV. 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.

CONTRACTOR shall submit via email or mail 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:

Monterey County Health Department
Behavioral Health Bureau
1270 Natividad Road
Salinas, CA 93906
ATTN: Accounts Payable or
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.

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 **\$728,920** for services rendered under this Agreement.

B. Maximum Annual Liability:

EDGEWOOD-CONTRACT SERVICES	FY 2012-15 CONTRACT AMOUNT
FY 2010-11	\$68,781
FY 2011-12	\$82,855
FY 2012-13	\$577,284
TOTAL MAXIMUM LIABILITY PER FY	\$728,920

- 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

- 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.

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. 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 off-set 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.

IX. 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.

X. 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.

XI. 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.”

CONTRACTOR'S NAME
BUDGET AND EXPENDITURE REPORT
For Monterey County - Behavioral Health
 Fiscal Year _____

Program Name: _____ AVATAR Program(s): _____
 Unduplicated Number of Clients Served: _____ Address: _____

Service Description	Mode of Service	Service Function Code	Total Units of Service	Amount Due from the COUNTY	Estimated Medi-Cal Units of Service	Estimated Federal Financial Participation (FFP) Revenue
						\$ -

		Approved Budget	Actual for 6 Months	Actual Year-to-Date
A. PROGRAM REVENUES				
Monterey County Funds (Monterey County's Use):				
	Provisional Rates			
	Estimated Federal Financial Participation (FFP)	\$ -		
	Cash Flow Advances			
			\$ -	
	Total Requested Monterey County Funds		\$ -	\$ -
	Other Program Revenues			
	TOTAL PROGRAM REVENUES (equals Allowable Costs)	\$ -	\$ -	\$ -

B. ALLOWABLE COSTS - Allowable expenditures for the care and services of placed Monterey County clients allocated in accordance with requirements contained in this Agreement. Expenditures should be reported within the cost categories list. CONTRACTOR is

I. Direct Cost Centers - a direct cost, as defined in OMB A-87, is a cost that can be identified specifically with a particular final cost objective.

A. Mode Costs (Direct Services)		Approved Budget	Actual for 6 Months	Actual Year-to-Date
1	Salaries and wages (please fill out Supplemental Schedule of Salaries and Wages)			
2	Payroll taxes			
3	Employee benefits			
4	Workers Compensation			
5	Severance Pay (if required by law, employer-employee agreement or established written policy or associated with County's loss of funding)			
6	Temporary Staffing			
7	Flexible Client Spending (please provide supporting documents)			
8	Travel (costs incurred to carry out the program)			
9	Employee Travel and Conference			
10	Communication Costs			
11	Utilities			
12	Cleaning and Janitorial			
13	Maintenance and Repairs - Buildings			
14	Maintenance and Repairs - Equipment			
15	Printing and Publications			
16	Memberships, Subscriptions and Dues			
17	Office Supplies			
18	Postage and Mailing			
19	Medical Records			
20	Data Processing			
21	Rent and Leases - equipment			
22	Rent and Leases - building and improvements (please identify the property address and method of cost allocation)			
23	Taxes and assessments (Please identify the property address and method of cost allocation)			
24	Interest in Other Long-term debts (please identify the property address and method of cost allocation)			
25	Other Professional and Consultant Services (allowable with prior specific approval from Monterey County and must meet the criteria of a direct cost)			
26	Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133))			
27	Miscellaneous (please provide details)			
28	Depreciation Expenses (please exclude assets purchased by COUNTY funds and provide Schedule of Depreciation expense.)			
29	Total Mode Costs	\$ -	\$ -	\$ -
B. Administrative Costs - the allocation base must reasonably reflect the level of service received by the County from the program/activity and there must be a direct causal relationship between the allocation based used and the service provided.				
30	Salaries and Benefits			
31	Supplies			
32	Others - please provide details. Expense must be authorized by the County and/or not prohibited under Federal, State or local law or regulations.			
33	Depreciation Expenses (please exclude assets purchased by COUNTY funds and provide Schedule of Depreciation expense.)			
34	Total Administrative Costs	\$ -	\$ -	\$ -
35	TOTAL DIRECT COSTS	\$ -	\$ -	\$ -

II Indirect Cost Centers - include all costs that are incurred for a common or joint purpose benefitting more than one final cost objective, that are not readily assignable to the cost objective specifically benefitted without effort disproportionate to t

INDIRECT COSTS		Approved Budget	Actual for 6 Months	Actual Year-to-Date
36	Equipment (purchase price of less than \$5000)			
37	Rent and Leases - equipment			
38	Rent and Leases - building and improvements			
39	Taxes and assessments			
40	Insurance and Indemnity			
41	Maintenance - equipment			
42	Maintenance - building and improvements			
43	Utilities			
44	Household Expenses			
45	Interest in Bonds			
46	Interest in Other Long-term debts			
47	Other interest and finance charges			
48	Contracts Administration			
49	Legal and Accounting (when required for the administration of the County Programs)			
50	Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133)			
51	Data Processing			
52	Personnel Administration			
53	Medical Records			
54	Other Professional and Specialized Services			
55	Transportation and Travel			
56	Advertising (for recruitment of admin personnel, procurement of services and disposal of surplus assets)			
57	Total Indirect costs	\$ -	\$ -	\$ -
63	Total Allowable Costs	\$ -	\$ -	\$ -
COST REPORT INFORMATION:				
64	Land			
65	Buildings and Improvements			
66	Equipment (purchase price of \$5000 or more)			
67	Total	0		

We hereby certify to the best of our knowledge, under penalty of perjury, that the above report is true and correct, that the amounts reported are traceable to (Contractor's Name) accounting records, and that all Monterey County funds received for the pur

Executive Director's Signature _____ Date _____ Finance Director's Signature _____ Date _____

Supplemental Schedule of Salaries and Wages - Mode Cost (Direct Services)

TITLE OF POSITION	Annual Salary/Wage	FTE (Full Time Employee)	TOTAL
Sample: Social Worker	\$ 45,000	0.75	\$ 33,750
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
Total Salaries and Wages			\$ -

EXHIBIT I:
ANNUAL REPORT(S), COST REPORT SETTLEMENT, AND AUDIT

I. ANNUAL REPORT(S)

- A. For each fiscal year or portion thereof that this Agreement is in effect, CONTRACTOR shall provide COUNTY with accurate and complete Annual Report(s) known as the State Cost Report, the Annual Mental Health Services Act (MHSA) Revenue and Expenditure Reports, and the Annual Report(s), as applicable and required by the COUNTY (numbered (1)-(3) in Section XIV (A) in electronic forms and hard copies along with duly signed Provider's Certification and copy of audited financial statement and/or other supporting documents that the COUNTY may require, by the due date specified in this Exhibit I, Section I., Paragraph C.
- B. An accurate and complete State Cost Report and/or Annual MHSA Revenue and Expenditure Report shall be defined as Annual Report(s) which is (are) completed to the best of the ability of CONTRACTOR on such forms or in such formats as specified by the COUNTY and consistent with such instructions as the COUNTY may issue and are based on the best available data and based on the CONTRACTOR'S Financial Summary applicable to the fiscal year. Further, CONTRACTOR shall certify under penalty of perjury that the CONTRACTOR has not violated any of the provisions of Section 1090 through 1096 of the Government Code and with respect to MHSA funding; is in compliance with California Code of Regulations, Title 9, Division 1, Chapter 14, Article 4, Section 3410, Non-Supplant and Article 5, Section 3500, non-Supplant Certification and Reports; that the amount for which reimbursement is claimed in the Annual Report(s) is in accordance with Chapter 3, Part 2. Division 5 of the Welfare and Institutions Code; and WIC Section 5891 and that to the best of the CONTRACTOR'S knowledge and belief the information on Annual Report(s) is (are) in all respects, correct, and in accordance with the law.
- C. The Annual Report(s) shall be due on September 15th for the fiscal year ending on the previous June 30th or seventy-five (75) days following the expiration or termination date of this Agreement, or forty-five (45) days after the COUNTY transmits the cost report template electronically to the CONTRACTOR, whichever occurs later. Should the due date fall on a weekend, such report(s) shall be due on the following business day.
1. Failure to submit the Annual Report(s) within thirty (30) calendar days after the due date specified in this Exhibit I, Section I, Subsection (C) is a breach of this Agreement. In addition to, and without limiting, any other remedy available to the COUNTY for such breach, COUNTY may undertake any or all of the following to remedy such breach:

- a. COUNTY, in its sole and absolute discretion, may disallow claim(s) for payment for services/activities rendered during the fiscal year(s) for which the CONTRACTOR'S Annual Report(s) is (are) outstanding or withhold payment(s) for reimbursements payable pursuant to Section III (A) to CONTRACTOR for the current fiscal year by COUNTY to CONTRACTOR until the Annual Report(s) is (are) submitted. If COUNTY exercises its discretion to disallow claim(s) or withhold payment(s), COUNTY shall give CONTRACTOR written notice, during the thirty (30) calendar days after the due date specified in this Exhibit I, Section I, Subsection (C), of its intention to disallow claim(s) or withhold payment(s) as of the date specified in the notice, including the reason(s) for its intended action. Thereafter, CONTRACTOR, within the time specified in the notice, shall submit the Annual Report(s) to avoid disallowance of claims or withholding of payments.
 - b. In such instance that CONTRACTOR does not submit the Annual Report(s) by thirty (30) calendar days after the applicable due date specified in this Exhibit I, Section I, Subsection (C), COUNTY, in its sole and absolute discretion, may deem as due and owing to COUNTY by CONTRACTOR all amounts paid pursuant to Section III (A) by COUNTY to CONTRACTOR for services/activities for the fiscal year(s) for which the Annual Report(s) is (are) outstanding. CONTRACTOR shall pay COUNTY according to the method described in this Exhibit I, Section IV (Method of Payments for Amounts Due to COUNTY). Such payments shall be submitted to the persons at the address identified in the COUNTY invoice.
- D. The Annual Report(s) shall be prepared by the CONTRACTOR in accordance with the instructions, rules, policies and procedures established by the Federal governments, State and COUNTY.

II. COST REPORT SETTLEMENT

- A. CONTRACTOR shall submit the CONTRACTOR'S Year-End Cost Report Settlement with the COUNTY based on the Annual Report(s) submitted pursuant to this Exhibit I of this Agreement, for the fiscal year(s) for which the CONTRACTOR'S Year-End Cost Report Settlement is (are) outstanding.
 1. Failure to submit the CONTRACTOR'S Year-End Cost Report Settlement within thirty (30) calendar days after the due date specified by written notice of the COUNTY is a breach of this Agreement. In addition to, and without limiting, any other remedy available to the COUNTY for such breach, COUNTY may undertake any or all of the following to remedy such breach:
 - a. COUNTY, in its sole and absolute discretion, may disallow claim(s) for payment for services/activities rendered during the fiscal year(s) for which the CONTRACTOR'S Year-End Cost Report Settlement is outstanding or

withhold payment(s) for reimbursements payable pursuant to Section III (A) to CONTRACTOR for the current fiscal year by COUNTY to CONTRACTOR until the CONTRACTOR'S Year-End Cost Report Settlement is submitted. If COUNTY exercises its discretion to disallow claim(s) or withhold payment(s), COUNTY shall give CONTRACTOR written notice, during the thirty (30) calendar days after the due date specified by the COUNTY, of its intention to disallow claim(s) or withhold payment(s) as of the date specified in the notice, including the reason(s) for its intended action. Thereafter, CONTRACTOR, within the time specified in the notice, shall submit the CONTRACTOR'S Year-End Cost Report Settlement to avoid disallowance of claim(s) or withholding of payment(s).

b. In such instance that CONTRACTOR does not submit the CONTRACTOR'S Year-End Cost Report Settlement by thirty (30) calendar days after the applicable due date specified by written notice of the COUNTY, COUNTY, in its sole and absolute discretion, may deem as due and owing to COUNTY by CONTRACTOR all amounts paid pursuant to Section III (A) by COUNTY to CONTRACTOR for services/activities for the fiscal year(s) for which the CONTRACTOR'S Year-End Cost Report Settlement is outstanding. CONTRACTOR shall pay COUNTY according to the method described in this Exhibit I, Section IV (Method of Payments for Amounts Due to COUNTY). Such payments shall be submitted to the persons at the address identified in the COUNTY invoice.

B. All payments made to the CONTRACTOR and the actual Federal Financial Participation (FFP) revenue generated by the CONTRACTOR shall be reconciled with CONTRACTOR'S Year-End Cost Report Settlement and/or State Cost Report Settlement. CONTRACTOR'S Year-End Cost Report Settlement shall be based upon the allowable costs as stipulated in Exhibit B, Section VI, Subsection B, less any deductible revenues collected by CONTRACTOR from other payor sources. FFP revenue shall be based upon the FFP claimed by the CONTRACTOR in accordance to the provision of Exhibit B and the reconciled amount of FFP as reflected in the State Cost Report Settlement. Such settlement shall be subject to the terms and conditions of this Agreement and all other applicable Federal, State and local statutes, regulations, policies, procedures and/or other requirements. In addition, audit procedures may be performed by the COUNTY in accordance with the Generally Accepted Accounting Principles and Generally Accepted Auditing Standards.

C. COUNTY shall issue its findings regarding CONTRACTOR'S Year-End Cost Report Settlement and/or State Cost Report Settlement ("COUNTY'S Findings") at any time after the COUNTY received the calculation of the cost settlement from the CONTRACTOR and/or COUNTY completed the State Cost Settlement process.

1. As part of its cost report settlement, COUNTY shall identify any amounts due to CONTRACTOR by the COUNTY or due from the CONTRACTOR to the COUNTY.
2. Upon issuance of the COUNTY'S Findings, CONTRACTOR may, within thirty (30) calendar days, submit a written request to the COUNTY for review of the Findings.
 - a. Upon receipt by COUNTY of the CONTRACTOR'S written request, the COUNTY shall, within thirty (30) calendar days, meet with the CONTRACTOR to review the COUNTY'S Findings and to consider any documentation or information presented by the CONTRACTOR. CONTRACTOR may waive such meeting and elect to proceed based on written submission at its sole discretion.
 - b. Within thirty (30) calendar days of the meeting specified in Subsection C., 2., a. above, or if no meeting is requested, within thirty (30) calendar days of the issuance of the COUNTY'S Findings, COUNTY shall issue a final cost report settlement finding to the CONTRACTOR including confirming or adjusting any amounts due to CONTRACTOR by the COUNTY or due from CONTRACTOR to the COUNTY.
3. In the event that the COUNTY'S Findings indicates that the CONTRACTOR is due payment from the COUNTY, COUNTY shall make payment to CONTRACTOR within thirty (30) calendar days following the expiration of the date to request a review as specified in Paragraph C., 2. above or issuance of the COUNTY'S Findings as specified in Paragraph C., 2., b. above, whichever is later.
4. In the event that the COUNTY'S Findings indicates that the CONTRACTOR owes payments to the COUNTY, CONTRACTOR shall make payment to the COUNTY within thirty (30) calendar days following the expiration of the date to request a review as specified in Paragraph C., 2. above or issuance of the COUNTY'S Findings as specified in Paragraph C., 2. b. above, whichever is later. Said payment shall be submitted to the person and at the address identified in the COUNTY invoice.
5. Regardless of any other provision of this Section II, reimbursement to CONTRACTOR shall not exceed the Maximum Contract Amount and shall not exceed the Maximum Program Amount for each Funded Program, as identified in Exhibit B.

III. COST REPORT TRAINING

CONTRACTOR shall attend a one-time mandatory cost report training provided by the COUNTY. COUNTY shall provide further cost report training as needed and/or as required according to changes in the State cost report requirements. Failure by the CONTRACTOR to attend the one-time mandatory cost report training, and subsequent training(s), as needed and requested by the COUNTY, may result in disallowance of any claims for payment. If CONTRACTOR continues to neglect attendance to scheduled training(s), claims for payment shall be disallowed due to delayed training completion or non-compliance.

IV. AUDIT(S) AND AUDIT APPEALS

- A. At any time during the term of this Agreement or after the expiration or termination of this Agreement, in accordance with Federal and State law including but not limited to the California Welfare and Institutions Code (WIC) Sections 14170 et seq., authorized representatives from the Federal governments, State or COUNTY may conduct an audit of CONTRACTOR regarding the services/activities provided under the fiscal year(s) for which the audit is outstanding. In addition, contract compliance audits or reviews may be conducted by the Monterey County's Auditor-Controller's Office or designated representative. Furthermore, the California State Controller Office performs audits of the mandated cost claims for the seriously emotionally disturbed pupils for the Out-of-State Mental Health Services Program and Handicapped and Disabled Students Programs. The Centers for Medicare and Medicaid Services (CMS) also perform audits of the Certified Public Expenditure (CPE) processes, negotiated rate audit information, and other issues.
- B. Settlement of audit findings shall be conducted according to the auditing party's procedures in place at the time of the audit.
- C. In the case of a Federal Government or State audit, COUNTY may perform a post-audit based on Federal or State audit findings. Such post-audit shall take place when the Federal Government or State initiates its settlement action, which customarily is after the issuance of the audit report by the Federal Government or State and before the Federal Government or State's audit appeal process.
 1. If the Federal Government or State stays its collection of any amounts due or payable because of the audit findings, COUNTY shall also stay its settlement of the same amounts due or payable until the responsible auditing party initiates its settlement action with COUNTY.
 2. COUNTY shall follow all applicable Federal, State and local laws, regulations manuals, guidelines and directives in recovering from CONTRACTOR any amount due to the COUNTY.

3. COUNTY shall issue an invoice to CONTRACTOR for any amount due to the COUNTY no later than ninety (90) calendar days after the Federal or State issues its audit settlement letter to the COUNTY. CONTRACTOR shall make payment to the COUNTY in accordance with the terms of Section IV (Method of Payments for Amounts Due to COUNTY) of this Exhibit I. Said payment shall be submitted to the person and at the address identified in the COUNTY invoice.
- D. CONTRACTOR may appeal any such audit findings in accordance with the audit appeal process established by the party performing the audit.
1. For Federal audit exceptions, Federal audit appeal processes shall be followed.
 2. CONTRACTOR may appeal the State audit findings in conformance with provisions of Sections 51016 et seq. of Title 22 of the California Code of Regulations. Such appeals must be filed through COUNTY. COUNTY shall notify CONTRACTOR of State appeal deadlines after COUNTY'S receipt from State of the audit report.
 3. If at any time the Appeal process results in a revision to the audit findings, and the Federal Government or State recalculates the final settlement with COUNTY, COUNTY may perform a post-audit based on the Federal or State revised findings after the Federal Government or State has issued its revised settlement with the COUNTY, based on such re-computed final settlement.
 - a. If the re-computed final settlement results in amounts due to CONTRACTOR by the COUNTY, COUNTY shall make such payments to CONTRACTOR within thirty (30) calendar days of issuing the revised settlement amount to the CONTRACTOR.
 - b. If the re-computed final settlement results in amounts due from CONTRACTOR to the COUNTY, CONTRACTOR shall make payment to the COUNTY within thirty (30) days that the COUNTY issues its invoice to the CONTRACTOR.
- E. Notwithstanding any other provisions of this Agreement, if CONTRACTOR appeals any audit report, the appeal shall not prevent the COUNTY from recovering from CONTRACTOR any amount owed by CONTRACTOR that the Federal Government or State has recovered from COUNTY.
- F. Should the auditing party be the COUNTY, CONTRACTOR shall have thirty (30) calendar days from the date of the audit report within which to file an appeal with COUNTY. The letter providing the CONTRACTOR with notice of the audit findings shall indicate the person(s) and address to which the appeal should be directed. COUNTY shall consider all information provided by CONTRACTOR with its appeal, and shall issue its decision on the appeal after such consideration. Such decision is final. COUNTY shall issue an invoice for any amount due COUNTY

fifteen (15) calendar days after COUNTY has notified CONTRACTOR of the COUNTY'S audit appeal findings. CONTRACTOR shall make payment to the COUNTY in accordance with the terms of Section IV (Method of Payments for Amounts Due to COUNTY) of this Exhibit I. Said payment shall be submitted to the person and at the address identified in the COUNTY invoice.

IV. METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY

A. Within ten (10) business days after written notification by COUNTY to CONTRACTOR of any amount due by CONTRACTOR to COUNTY, CONTRACTOR shall notify COUNTY as to which of the following five (5) payment options CONTRACTOR requests be used as the method by which such amount shall be recovered by COUNTY.

Any such amount shall be:

1. paid in one cash payment by CONTRACTOR to COUNTY;
2. deducted from future claims over a period not to exceed six (6) months;
3. deducted from any amounts due from COUNTY to CONTRACTOR whether under this Agreement or otherwise;
4. paid by cash payment(s) by CONTRACTOR to COUNTY over a period not to exceed six (6) months; or
5. a combination of any or all of the above.

B. If CONTRACTOR does not so notify COUNTY within such ten (10) days, or if CONTRACTOR fails to make payment of any such amount to COUNTY as required, then Director, in his sole discretion, shall determine which of the above five (5) payment options shall be used by COUNTY for recovery of such amount from CONTRACTOR.