

**AMENDMENT NO. 2 TO AGREEMENT A-12265
COUNTY OF MONTEREY & PEACOCK ACRES, INC.**

THIS AMENDMENT is made to the AGREEMENT A-12265 for transitional supported housing services by and between **PEACOCK ACRES, INC.**, hereinafter "CONTRACTOR", and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County".

WHEREAS, the County and CONTRACTOR wish to amend the AGREEMENT to increase the total amount of the AGREEMENT and revise the Program Description, Payment and Billing Provisions, Business Associate Agreement, Cost Reimbursement Invoice Form and Revenue & Expenditure Summary.

WHEREAS, the County and CONTRACTOR amended the AGREEMENT previously on October 7, 2013 via Amendment No. 1.

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

1. EXHIBIT A-2 PROGRAM DESCRIPTION replaces EXHIBITS A-1 and A. All references in the Agreement to EXHIBIT A shall be construed to refer to EXHIBIT A-2.
2. EXHIBIT B-2 PAYMENT AND BILLING PROVISIONS replaces EXHIBITS B-1 and B. All references in the Agreement to EXHIBIT B shall be construed to refer to EXHIBIT B-2.
3. EXHIBIT F-1 BUSINESS ASSOCIATE AGREEMENT replaces EXHIBIT F. All references in the Agreement to EXHIBIT F shall be construed to refer to EXHIBIT F-1.
4. EXHIBIT G-2 COST REIMBURSEMENT INVOICE FORM replaces EXHIBITS G-1 and G. All references in the Agreement to EXHIBIT G shall be construed to refer to EXHIBIT G-2.
5. EXHIBIT H-2 REVENUE & EXPENDITURE SUMMARY replaces EXHIBITS H-1 and H. All references in the Agreement to EXHIBIT H shall be construed to refer to EXHIBIT H-2.
6. 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.
7. This Amendment is effective July 1, 2014.
8. A copy of the AMENDMENT shall be attached to the original AGREEMENT executed by the County on June 26, 2012.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Amendment No. 2 to Agreement A-12265 as of the day and year written below.

COUNTY OF MONTEREY

By: [Signature]
Contracts/Purchasing Manager

Date: 4.3.14

By: [Signature]
Department Head (if applicable)

Date: 6-6-14

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form ¹

By: [Signature]
Deputy County Counsel

Date: 5/30/14

Approved as to Fiscal Provisions ²

By: [Signature]
Auditor/Controller

Date: 5-30-14

Approved as to Liability Provisions ³

By: _____
Risk Management

Date: _____

CONTRACTOR

PEACOCK ACRES, INC.

By: _____
Contractor's Business Name*
(Signature of Chair, President, or Vice-President)*

George Lopez - President
Name and Title

Date: 5/22/2014

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

Amy Bordi Secretary
Name and Title

Date: 5-22-14

*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

²Approval by Auditor-Controller is required

³Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9

EXHIBIT A-2
PROGRAM DESCRIPTION

I. IDENTIFICATION OF PROVIDER

Peacock Acres, Inc.

Incarceration to Success (“I2S”) Program

838 South Main Street, Suite A
Salinas, CA 93901
831-754-3635

II. SERVICE DESCRIPTION

A coalition of Monterey County agencies (Behavioral Health, Probation, and Social & Employment Services) will provide oversight and the Contractor will provide a program of Transitional Supported Housing (TSH) for young men (ages 16 to 26) participating in treatment in a program of Behavioral Health’s Juvenile Justice Team, including those youth discharged from the Juvenile Probation Detention Center, also known as the Youth Center.

A. PROGRAM NARRATIVE

The Incarceration to Success Program (I2S) provides transitional housing for Severely Emotionally Disturbed (SED) male youth who have either graduated from the Probation Department’s Youth Center, or who have been participating in Behavioral Health’s Juvenile Justice Team’s treatment programs. The purpose of this program is to offer intensive supportive services and to produce a reduction in recidivism among youth at risk of negative family or neighborhood influences should they be returned home post incarceration and/or while participating in mental health treatment. In addition to supported housing services, youth are served in the “Full Service Partnership” model as required by the Mental Health Services Act funding, with an array of services which include education, vocational, social and community support as well as therapeutic and psychiatric services, when needed.

B. PROGRAM GOALS & OUTCOMES

1: Contractor will provide transitional housing for a maximum of three (3) SED male juvenile justice associated or at-risk youth during each twelve (12) month fiscal year period who are unable to return to their families or alternative caregivers due to lack of sufficient support or negative environmental influences. Outcome: 75% of youth served will complete program and not commit any new offenses while in the program.

2: Contractor will provide mental health and case management services including peer counseling, crisis intervention, and linkages to other therapeutic services. Outcome: 87% of youth in the program will be enrolled in constructive community programs, e.g. Rancho Cielo, school, employment or an intensive treatment program.

3: Residents will gain self-sufficiency and independent living skills that will allow them to move to quasi-independent/independent programs upon graduation from the I2S program. I2S case managers will collaborate with the designated Behavioral Health therapist to develop a discharge plan which includes goals and timelines for each resident upon their admission to the I2S program. Outcome: 50% of youth who complete program will demonstrate successful independent living skills, and will move on to a higher level of independence.

C. TREATMENT SERVICES

1. Modes of Service, Service Function Codes (SFC) and Contracted Units of Service

SERVICE	MODE	SFC	FY 2012-13 ESTIMATED UNITS (MINUTES)	FY 2013-14 ESTIMATED UNITS (MINUTES)	FY 2014-15 ESTIMATED UNITS (MINUTES)
Case Management	15	01	54,964	54,964	54,964
Mental Health Services	15	45	Included in the above estimate	Included in the above estimate	Included in the above estimate

2. Service Delivery Sites: Staff will work out of the Contractor’s main office located at 838 South Main Street, Suite A, Salinas, CA 93901, and will provide services in homes located by Contractor.
3. Hours of Operation: Staff will be available to youth 24/7 although there is not a requirement that there be awake night staff.

D. POPULATION TO BE SERVED

Monterey County Behavioral Health, Probation Department and the Contractor will provide services to Monterey County residents who have graduated from the Probation Department’s Youth Center and/or who have been in treatment with the Behavioral Health Juvenile Justice team and have been mutually selected for participation in the program.

E. LIMITATION OF SERVICE / PRIOR AUTHORIZATION

All services will require prior authorization by Monterey County Behavioral Health.

F. CLIENT DESCRIPTION / CHARACTERISTICS

Populations served are male adolescents/young adults, ages 16 to 26 years of age with:

- A. Severe emotional and/or behavioral disturbances; or

- B. Axis I diagnosis indicating mental impairment or behavioral disturbance and/or co-occurring substance abuse and impairment in two out of four areas of functioning: self-care, family relationships, school or community.

G. LEGAL STATUS

Voluntary or juvenile wards. (W&I Code 602)

H. REPORTING REQUIREMENTS

Contractor will meet regularly with the designated Behavioral Health Service Manager to monitor progress on client and program outcomes. Behavioral Health and Contractor will also meet biweekly with Probation Department and Education partners to case conference. Contractor will be required to report outcomes data regularly to Monterey County Behavioral Health according to the parameters identified in the "Logic Model" on pages 4 through 6 of this Exhibit A-2, as well as the reporting requirements as set forth by the State and the County. Contractor will also submit monthly service logs with each monthly invoice. Monterey County Behavioral Health will provide to the Contractor the reporting requirements, forms and instructions as required by the State and the County.

I. DESIGNATED CONTRACT MONITOR

Theresa Innis-Scimone, L.M.F.T.
Behavioral Health Service Manager
Monterey County Behavioral Health
1441 Constitution Blvd, Bldg. 400, Suite 200
Salinas, CA 93906
(831) 755-5521
Email: innis-scimonetm@co.monterey.ca.us

(the remainder of this page is intentionally left blank)

Program Name: INCARCERATION TO SUCCESS

JUVENILE JUSTICE TEAM

Program Description: Transitional Supportive Housing, Case Management and Mental Health services for Transition Age Youth

Focus Population: Male SED Youth (16-26) who are discharged from Monterey County Youth Center and/or referrals from Behavioral Health's Juvenile Justice Team.

Capacity: 2-3 beds

Objective: Target population will obtain educational, vocational, social, community, therapeutic, and psychiatric services (as needed) to successfully transition to independent living that is free of criminal offenses.

Goals, Strategies, & Activities	Baseline data (2007)	2014-15 Projected Outcomes	Desired result	How & when Measured
Goal 1: Maximize program utilization				
Strategy: Maintain close and open communication with Monterey County Behavioral Health and Probation Department to quickly fill vacant slots.				
Activity: Contractor to attend biweekly meeting or teleconference with representatives of Monterey County Behavioral Health, Probation, Education and other community partners.	Average annual utilization 2007: 2	Average annual utilization 14-15: 2 to 3	Maintain utilization at no more than a 30-day vacancy for any single slot.	Measuring Instrument: utilization report and documentation of collaboration When Measured: Biannually
Goal 2: Maintain the cultural competency of program staff.				
Strategy: Hire and train staff according to linguistic and multi-cultural needs of program participants.				
Activity: a. Recruit staff with appropriate linguistic capabilities. b. Provide staff with annual cultural competency training. c. Reduce staff turnover d. Retain bilingual, multi-culturally sensitive and competent staff and provide recreational and social opportunities for program participants to honor the rich diversity of cultures in our community.	Staff to Client Ratio 2007: 2 to 5 Percent trained 2007: 75% Turnover Rate 2007: 0 Turnover Rate 2007: 0	Staff to Client Ratio 14-15: 1 to 3 Percent trained 14-15: 75% Turnover Rate 14-15: 1 Turnover Rate 14-15: 1	a. Staff to client linguistic ratio is 1 to 1. b. 75% of staff is current. c. Improve on prior year d. Improve on prior year	Measuring Instruments: a. Recruitment and hiring records. b. Report of staff training courses attended. When Measured: Biannually

Goal 3: Reduce recidivism for program participants.				
Strategy: Provide program staff available and/or 24/7 staffed housing and specific mental health supports to encourage lifestyles that are free of criminal offenses.				
Activity: Provide individualized educational, vocational, social, community, therapeutic, and psychiatric services	% Clear of Recidivism Events 2007: 80% while enrolled in the program Source: Client charts	% Clear of Recidivism Events 14-15: 80% while enrolled in the program Source: Client charts	80% of participants commit no new offenses while enrolled the program.	Measuring Instrument: Review client treatment charts quarterly for areas needing specialized focus on recidivism avoidance. When Reported: Biannually
Goal 4: Increase exposure to and success in constructive community and vocational activities.				
Strategy: Maintain a high level of program participant time spent in supervised learning, vocational, social, and therapeutic activities.				
Activity: a. I2S staff will be dedicated 100% to I2S program participants b. I2S program participants will be supervised by staff 75% of the time, and will be covered 100% by on call staff.	I2S program participants will participate in 80% of program activities.	I2S program participants will not supervise I2S program participants. Participants will not be left unsupervised 75% of the time, and will be covered 100% by on call staff.	Measuring Instrument: a. staff hours b. time sheets When Reported: Biannually	

Goal 5: Increase the ability of program participants to live at a higher level of independence upon leaving the program.				
Strategy: Provide educational, vocational, social, community, therapeutic, and psychiatric services (as needed)				
Activity:				
a. Progress in educational, vocational, social, community, therapeutic, and psychiatric services.	% Demonstrating progress & skill achievement 2007: 85% Source: Client charts	% Demonstrating progress & skill achievement 14-15: 85% Source: Client charts	80% of participants demonstrate progress in achieving independent living skills.	Measuring Instruments: • Casey Life Skills assessment (2 times per year: @intake and discharge) • Client progress report • Youth self report @discharge
b. Participants maintain clean and sober status.				
Goal 6: Maximize consumer-driven and wellness principles in service delivery.				
Strategy: Provide opportunities for participants to give input to individual treatment plans.				
Activity: Maximize consumer-driven and wellness principles in service delivery.	% of participants expressing satisfaction with services. 2007: 90% Source: client satisfaction survey	% of clients expressing satisfaction with services. 14-15: 90% Source: client satisfaction survey	90% of participants express overall satisfaction with their input to their treatment plans	Measuring Instrument: Results of annual consumer satisfaction survey When Reported: Annually

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

I. PAYMENT TYPES

Provisional and Fixed Rates.

II. PAYMENT AUTHORIZATION FOR SERVICES

The COUNTY'S commitment to authorize reimbursement to the CONTRACTOR for services as set forth in this Exhibit B-2 is contingent upon COUNTY authorized admission and service, and CONTRACTOR'S commitment to provide care and services in accordance with the terms of this Agreement.

III. PAYMENT RATES, ESTIMATED NUMBER OF UNITS AND PAYMENT AMOUNTS

A. PROVISIONAL RATE: COUNTY MAXIMUM REIMBURSEMENT (CMA)

Case Management and Mental Health Services shall be paid at the COUNTY Maximum Reimbursement (CMA) rates, which are provisional and subject to all the cost report conditions as set forth in this Exhibit B-2.

The following program services will be paid in arrears, not to exceed the CMA rates, for a total maximum total amount per fiscal year period as follows:

SERVICE DESCRIPTION	MODE OF SERVICE	SERVICE FUNCTION CODE	FY 2012-13 ESTIMATED UNITS	FY 2012-13 ESTIMATED AMOUNT
Case Management	15	01	54,964	\$111,028
Mental Health Services	15	45	Included in the estimate for case management	
Annual Total Services Billed to Medi-Cal (Estimated)				\$111,028
SERVICE DESCRIPTION	MODE OF SERVICE	SERVICE FUNCTION CODE	FY 2013-14 ESTIMATED UNITS	FY 2013-14 ESTIMATED AMOUNT
Case Management	15	01	54,964	\$115,469
Mental Health Services	15	45	Included in the estimate for case management	
Annual Total Services Billed to Medi-Cal (Estimated)				\$115,469

SERVICE DESCRIPTION	MODE OF SERVICE	SERVICE FUNCTION CODE	FY 2014-15 ESTIMATED UNITS	FY 2014-15 ESTIMATED AMOUNT
Case Management	15	01	54,964	\$120,041
Mental Health Services	15	45	Included in the estimate for case management	
Annual Total Services Billed to Medi-Cal (Estimated)				\$120,041

B. FIXED RATE SERVICES

1. The following program service will be paid in arrears on a monthly basis for a maximum total amount per fiscal year period as follows:

Board & Care for Youth <u>Not</u> Eligible for AFDC Benefits	RATE PER YOUTH PER DAY & MONTH	TOTAL ANNUAL NUMBER OF BED DAYS	MAXIMUM TOTAL ANNUAL AMOUNT
FY 2012-13	\$90/day & \$2,738/month	730	\$65,700
FY 2013-14	\$94/day & \$2,848/month	730	\$68,328
FY 2014-15	\$98/day & \$2,962/month	730	\$71,365

2. The Contractor agrees that for those youth who are placed in the program who are eligible for AFDC benefits, the Contractor will be solely responsible to collect the AFDC funds to cover the board and care costs of youth placed in the program. For those youth with AFDC benefits, there will be no board and care costs billed to Monterey County Behavioral Health.

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-2, Section III. Said amounts shall be referred to as the "Maximum Obligation of County," as identified in this Exhibit B-2, 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-1, to this Agreement, along with backup documentation, on a monthly basis, to COUNTY so as to reach the Behavioral Health Bureau no later than the thirtieth (30th) day of the month following the month of service. See Section III, above, for payment amount information to be reimbursed each fiscal year period of this Agreement. The amount requested for reimbursement shall be in accordance with the approved budget and shall not exceed the actual net costs incurred for services provided under this Agreement.

CONTRACTOR shall submit via email a monthly claim using Exhibit G-2, Cost Reimbursement Invoice Form in Excel format with electronic signature along with supporting documentations, as may be required by the COUNTY for services rendered to:

MCHDBHFinance@co.monterey.ca.us

- 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 **\$551,931** for services rendered under this Agreement.

- B. Maximum Annual Liability:

FISCAL YEAR LIABILITY	AMOUNT
FY 2012-13: July 1, 2012 – June 30, 2013	\$176,728
FY 2013-14: July 1, 2013 – June 30, 2014	\$183,797
FY 2014-15: July 1, 2014- June 30, 2015	\$191,406
TOTAL MAXIMUM LIABILITY	\$551,931

- 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 Revenue & Expenditure Summary provided in Exhibit H-2. Only the costs listed in Exhibit H-2 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 Revenue & Expenditure Summary using Exhibit H-2, 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-1, 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.

(Note: the remainder of this page is intentionally blank.)

EXHIBIT F-1:
BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”), effective July 1, 2014 (“Effective Date”), is entered into by and among the County of Monterey, a political subdivision of the State of California, on behalf of the Health Department (“Covered Entity”) and Peacock Acres, Inc. (“Business Associate”) (each a “Party” and collectively the “Parties”).

Business Associate provides certain services for Covered Entity (“Services”) that involve the use and disclosure of Protected Health Information that is created or received by Business Associate from or on behalf of Covered Entity (“PHI”). The Parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E as amended from time to time (the “Privacy Rule”), and with the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C as amended from time to time (the “Security Rule”), under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations (“HITECH”). Business Associate acknowledges that, pursuant to HITECH, 45 C.F.R. §§ 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), 164.316 (policies and procedures and documentation requirements) and 164.502 *et. seq.* apply to Business Associate in the same manner that such sections apply to Covered Entity. The additional requirements of Title XIII of HITECH contained in Public Law 111-005 that relate to privacy and security and that are made applicable with respect to covered entities shall also be applicable to Business Associate. The Parties are also committed to complying with the California Confidentiality of Medical Information Act, Ca. Civil Code §§ 56 *et seq.* (“CMIA”), where applicable. Business Associate acknowledges that the CMIA prohibits Business Associate from further disclosing the PHI it receives from Covered Entity where such disclosure would be violative of the CMIA. The Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 (“Red Flag Rules”). This Agreement sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information (“EPHI”), shall be handled. The Parties further acknowledge that state statutes or other laws or precedents may impose data breach notification or information security obligations, and it is their further intention that each shall comply with such laws as well as HITECH and HIPAA in the collection, handling, storage, and disclosure of personal data of patients or other personal identifying information exchanged or stored in connection with their relationship.

The Parties agree as follows:

1. DEFINITIONS

All capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in the Privacy Rule, Security Rule and HITECH.

2. PERMITTED USES AND DISCLOSURES OF PHI

2.1 Unless otherwise limited herein, Business Associate may:

(a) use or disclose PHI to perform functions, activities or Services for, or on behalf of, Covered Entity as requested by Covered Entity from time to time, provided that such use or disclosure would not violate the Privacy or Security Rules or the standards for Business Associate Agreements set forth in 45 C.F.R. § 164.504(e), exceed the minimum necessary to accomplish the

intended purpose of such use or disclosure, violate the additional requirements of HITECH contained in Public Law 111-005 that relate to privacy and security, or violate the CMIA;

(b) disclose PHI for the purposes authorized by this Agreement only: (i) to its employees, subcontractors and agents; (ii) as directed by this Agreement; or (iii) as otherwise permitted by the terms of this Agreement;

(c) use PHI in its possession to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) use PHI in its possession for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) disclose the PHI in its possession to third parties for the proper management and administration of Business Associate to the extent and in the manner permitted under 45 C.F.R. § 164.504(e)(4)(ii); provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the persons to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;

(f) use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1);

(g) de-identify any PHI obtained by Business Associate under this Agreement for further use or disclosure only to the extent such de-identification is pursuant to this Agreement, and use such de-identified data in accordance with 45 C.F.R. § 164.502(d)(1).

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1 Responsibilities of Business Associate. With regard to its use and/or disclosure of PHI, Business Associate shall:

(a) use and/or disclose the PHI only as permitted or required by this Agreement or as otherwise Required by Law;

(b) report to the privacy officer of Covered Entity, in writing, (i) any use and/or disclosure of the PHI that is not permitted or required by this Agreement of which Business Associate becomes aware, and (ii) any Breach of unsecured PHI as specified by HITECH, within five (5) business days of Business Associate's determination of the occurrence of such unauthorized use and/or disclosure. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure. The notification of any Breach of unsecured PHI shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used or disclosed during the Breach.

(c) use commercially reasonable safeguards to maintain the security of the PHI and to prevent use and/or disclosure of such PHI other than as provided herein;

(d) obtain and maintain an agreement with all of its subcontractors and agents that receive, use, or have access to, PHI pursuant to which agreement such subcontractors and agents agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate pursuant to this Agreement;

(e) upon twenty (20) business days' prior written request, make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the use and/or disclosure of PHI to the Secretary for purposes of determining Covered Entity's compliance with the Privacy Rule;

(f) document disclosures of PHI and information related to such disclosure and, within twenty (20) business days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, as well as provide an accounting of disclosures, as required by HITECH, directly to an individual provided that the individual has made a request directly to Business Associate for such an accounting. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within two (2) business days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) subject to Section 4.4 below, return to Covered Entity within twenty-one (21) business days of the termination of this Agreement, the PHI in its possession and retain no copies, including backup copies;

(h) disclose to its subcontractors, agents or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) if all or any portion of the PHI is maintained in a Designated Record Set:

(i) upon twenty (20) business days' prior written request from Covered Entity, provide access to the PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, the individual to whom such PHI relates or his or her authorized representative to meet a request by such individual under 45 C.F.R. § 164.524; and

(ii) upon twenty (20) business days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526;

(j) maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) notify the Covered Entity within five (5) business days of the Business Associate's receipt of any request or subpoena for PHI. To the extent that the Covered Entity decides to

assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge; and

(l) maintain a formal security program materially in accordance with all applicable data security and privacy laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security.

The Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

3.2 Additional Responsibilities of Business Associate with Respect to EPHI. In the event that Business Associate has access to EPHI, in addition to the other requirements set forth in this Agreement relating to PHI, Business Associate shall:

(a) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 C.F.R. Part 164, Subpart C;

(b) ensure that any subcontractor or agent to whom Business Associate provides any EPHI agrees in writing to implement reasonable and appropriate safeguards to protect such EPHI; and

(c) report to the privacy officer of Covered Entity, in writing, any Security Incident involving EPHI of which Business Associate becomes aware within five (5) business days of Business Associate's discovery of such Security Incident. For purposes of this Section, a Security Incident shall mean (consistent with the definition set forth at 45 C.F.R. § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) notify Business Associate of any limitations in the Notice pursuant to 45 C.F.R. § 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI;

(c) notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's use or disclosure of PHI;

(d) notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the use or disclosure of PHI provided to Covered Entity

pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

(e) notify Business Associate, in writing and in a timely manner, of any restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4. TERMS AND TERMINATION

4.1 Term. This Agreement shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Article 4. Certain provisions and requirements of this Agreement shall survive its expiration or other termination as set forth in Section 5.1 herein.

4.2 Termination. Either Covered Entity or Business Associate may terminate this Agreement and any related agreements if the terminating Party determines in good faith that the terminated Party has breached a material term of this Agreement; provided, however, that no Party may terminate this Agreement if the breaching Party cures such breach to the reasonable satisfaction of the terminating Party within thirty (30) business days after the breaching Party's receipt of written notice of such breach.

4.3 Automatic Termination. This Agreement shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

4.4 Effect of Termination. Upon termination or expiration of this Agreement for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(I) if, and to the extent that, it is feasible to do so. Prior to doing so, Business Associate shall recover any PHI in the possession of its subcontractors or agents. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its subcontractors or agents. Business Associate shall extend any and all protections, limitations and restrictions contained in this Agreement to any PHI retained after the termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed.

5. MISCELLANEOUS

5.1 Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 4.4, 5.1, 5.6, and 5.7, and Section 2.1 (solely with respect to PHI that Business Associate retains in accordance with Section 4.4 because it is not feasible to return or destroy such PHI), shall survive termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this Agreement, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

5.2 Amendments; Waiver. This Agreement may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of the HIPAA, HITECH or Red Flag Rules is materially amended in a manner that changes the obligations of Business Associates or Covered Entities, the Parties agree to negotiate in good faith appropriate amendment(s) to this Agreement to give effect to the revised obligations. Further, no provision of this Agreement shall be waived, except in a writing duly signed by authorized representatives

of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

5.3 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:
Ernest Howard, Executive Director
838 South Main Street, Suite A
Salinas, CA 93901
Tele: 831-754-3635
FAX:831-754-4733

If to Covered Entity, to:
Wayne W. Clark, PhD.
Behavioral Health Director
1270 Natividad Road,
Salinas, CA 93906
Tele: (831) 755-4509
FAX: (831) 755-4980

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

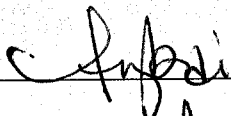
5.6 Choice of Law; Interpretation. This Agreement shall be governed by the laws of the State of California; as provided, however, that any ambiguities in this Agreement shall be resolved in a manner that allows Business Associate to comply with the Privacy Rule, and, if applicable, the Security Rule and the CMIA.


5.7 Indemnification. The parties agree that Section XI of the Agreement between the Parties shall control in the event of a claim, loss, or material breach of this Agreement by either Party.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf as of the Effective Date.

[PEACOCK ACRES, INC.]

[COUNTY OF MONTEREY]

By: 

By: 

Print Name: Amy Bardi

Print Name: Ray Bullice

Print Title: Secretary

Print Title: Director of Health

Date: 5-22-14

Date: 6-6-14

EXHIBIT G-2: Behavioral Health Cost Reimbursement Invoice Form

Contractor : Peacock Acres - Incarceration to Success "I2S" Program	Invoice Number :
Address Line 1 838 So. Main Street, Suite A	County PO No.:
Address Line 2 Salinas, CA 93901	Invoice Period :
Tel. No.: 831-663-5658	Final Invoice : (Check if Yes) <input type="checkbox"/>
Fax No.:	
Contract Term: July 1, 2012 - June 30, 2015	

BH Division : Mental Health Services **BH Control Number**

Service Description	Mode of Service (Reporting Unit)	UOS Delivered this Period	Total UOS Delivered as of Last Period	UOS Delivered to Date	% Delivered to Date of Contracted UOS	Remaining Deliverables	% of Remaining Deliverables	Total Contract Amount FY 2014-15	Dollar Amount Requested this Period	Dollar Amount Requested to Date	Dollar Amount Remaining	% of Total Contract Amount
Board & Care - I2S Program	Rate of Payment: \$98/day, \$2,962/month. Total number of bed days FY 2014-15: 730							71,365.00				
TOTALS												
								71,365.00				

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

Signature: _____ Date: _____
 Title: _____ Telephone: _____

Send to: MCHDBHFinance@co.monterey.ca.us Peacock Acres, Inc. Amendment No. 2 to Agreement A-12265 FY 2014-15	Behavioral Health Authorization for Payment Authorized Signatory _____ Date _____
--	---

EXHIBIT G-1: Behavioral Health Cost Reimbursement Invoice

Contractor: Peacock Acres - Incarceration to Success "I2S" Program
Address Line 1: 1838 South Main, Suite A
Address Line 2: Salinas, CA, 93901
Tel. No.: 831-754-3635
Fax No.:
Contract Term: July 1, 2012 - June 30, 2015

BH Division: Mental Health
BH Control Number:
Invoice Number:
County PO No.:
Invoice Period:
Final Invoice: (Check if Yes)

Service Description	Mode of Service	SFC	Procedure Code	Rate of Reimbursement per Unit	Total Contracted UOS FY 2014-15	UOS Delivered this Period	Total UOS Delivered as of Last Period	UOS Delivered to Date	% Delivered to Date of Contracted UOS	Remaining Deliverables	% of Remaining Deliverables	Total Annual Contract Amount - Medi-Cal Services	Dollar Amount Requested this Period	Dollar Amount Requested to Date	Dollar Amount Remaining	% Remain of Total Contract Amount
Case Management	15	01	301	2.18	54,964				--	--	--	120,002.00		120,002.00		100.0%
Assessment/Evaluation	15	30	331	2.82					--	--	--					--
Individual Counseling	15	40	341	2.82					--	--	--					--
Group Counseling	15	50	351	2.82					--	--	--					--
Rehabilitation	15	45	381	2.82	--				--	--	--					--
Plan Development	15	45	391	2.82	--				--	--	--					--
NOTE: Mental Health Services units are included in the estimated Case Management units, and will be reimbursed at the higher rate																#DIV/0!
TOTALS																
									--	--	--	120,002.00		120,002.00	120,002.00	100.0%

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

Signature: _____ **Date:** _____
Title: _____ **Telephone:** _____

Behavioral Health Authorization for Payment

Authorized Signatory _____ Date _____

Peacock Acres, Inc.
 Amendment No. 2 to Agreement A-12265
 FY 2014-15

Peacock Acres, Inc.
REVENUE AND EXPENDITURE SUMMARY
For Monterey County - Behavioral Health

PROGRAM:
Address:

Incarceration to Success (I2S)

	Actual 2012-13	Budget FY 2013-14	Requested Budget FY 2014-15 (reflecting 4% CODB increase)	Change
A. PROGRAM REVENUES				
Requested Monterey County Funds	\$ 176,728	\$ 183,797	\$ 191,406	\$ (7,609)
Other Program Revenues				\$ -
TOTAL PROGRAM REVENUES (equals Allowable Program Expenditures)				
B. ALLOWABLE PROGRAM EXPENDITURES - Allowable Expenditures for the services provided in accordance with requirements contained in this Agreement. Expenditures should be reported within the cost categories listed below.				
1 Program Expenditures				
2 Salaries and wages	\$ 72,630.00	\$ 79,100.00	\$ 85,428.00	\$ (6,328)
3 Payroll taxes	\$ 7,159.00	\$ 8,800.00	\$ 9,504.00	\$ (704)
4 Employee benefits	\$ 7,754.52	\$ 3,900.00	\$ 4,212.00	\$ (312)
5 Workers Compensation	\$ 7,841.00	\$ 5,600.00	\$ 6,048.00	\$ (448)
6 Severance Pay (if required by law, employer-employee agreement or established written policy or associated with County's loss of funding)				
7 Temporary Staffing	\$ 21,875.07	\$ 18,000.00	\$ 19,440.00	\$ (1,440)
8 Flexible Client Spending (please provide supporting document)	\$ 10,969.58	\$ 9,100.00	\$ 11,375.00	\$ (2,275)
9 Client Transportation Costs and staff mileage	\$ 9,490.73	\$ 2,917.50	\$ 3,646.88	\$ (729)
10 Employee Travel and Conference				
11 Staff Training			\$ 400.00	\$ (400)
12 Communication Costs				
13 Utilities	\$ 9,697.13	\$ 9,700.00	\$ 11,752.12	\$ (2,052)
14 Cleaning and Janitorial				
15 Insurance and Indemnity				
16 Maintenance and Repairs - Buildings	\$ 340.91	\$ 1,500.00	\$ 350.00	\$ 1,150
17 Maintenance and Repairs - Equipment	\$ 1,496.50	\$ 900.00	\$ 350.00	\$ 550
18 Printing and Publications	\$ 384.12	\$ 380.00	\$ 400.00	\$ (20)
19 Memberships, Subscriptions and Dues	\$ 599.05	\$ 450.00	\$ 500.00	\$ (50)
20 Office Supplies	\$ 2,799.23	\$ 3,400.00	\$ 2,800.00	\$ 600
21 Postage and Mailing				
22 Legal Services (when required for the administration of the County Programs)				
23 Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133))	\$ 2,129.52	\$ 2,700.00	\$ 2,700.00	\$ -
24 Other Professional and Consultant Services (allowable with prior specific approval from Monterey County)				
25 Rent and Leases - building and improvements	\$ 31,771.00	\$ 36,500.00	\$ 32,500.00	\$ 4,000
26 Rent and Leases - equipment	\$ -			
27 Taxes and assessments				
28 Interest in Bonds				
29 Interest in Other Long-term debts				
30 Other interest and finance charges				
31 Advertising (for recruitment of program personnel, procurement of services and disposal of surplus assets)				

	Actual 2012-13	Budget FY 2013-14	Requested Budget FY 2014-15 (reflecting 4% CODB increase)	Change
32 Miscellaneous (please provide details)		\$ 850.00		
33 Total Program Expenditures	\$ 186,937.36	\$ 183,797.50	\$ 191,406.00	\$ (7,608)
34 Administrative Expenditures - 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. The allocation base must be auditable and supported by information kept by the CONTRACTOR.				
35 Salaries and wages (please include personnel and contract administration)	\$ -			\$ -
36 Payroll taxes	\$ -			\$ -
37 Employee benefits	\$ -			\$ -
38 Workers Compensation	\$ -			\$ -
39 Severance Pay (if required by law, employer-employee agreement or established written policy or associated with County's loss of funding)	\$ -			\$ -
40 Transportation, Travel, Training and Conferences	\$ -			\$ -
41 Data Processing	\$ -			\$ -
42 Utilities	\$ -			\$ -
43 Cleaning and Janitorial	\$ -			\$ -
44 Insurance and Indemnity	\$ -			\$ -
45 Maintenance and Repairs - Buildings	\$ -			\$ -
46 Maintenance and Repairs - Equipment	\$ -			\$ -
47 Memberships, Subscriptions and Dues	\$ -			\$ -
48 Office Supplies	\$ -			\$ -
49 Postage and Mailing	\$ -			\$ -
50 Legal Services (when required for the administration of the County Programs)	\$ -			\$ -
51 Other Professional and Specialized Services (allowable with prior specific approval from Monterey County)	\$ -			\$ -
52 Rent and Leases - building and improvements	\$ -			\$ -
53 Rent and Leases - equipment	\$ -			\$ -
54 Taxes and assessments	\$ -			\$ -
55 Interest in Bonds	\$ -			\$ -
56 Interest in Other Long-term debts	\$ -			\$ -
57 Other interest and finance charges	\$ -			\$ -
58 Advertising (for recruitment of admin personnel, procurement of services and disposal of surplus assets)	\$ -			\$ -
59 Miscellaneous (please provide details)				\$ -
60 Total Administrative Expenditures	\$ -	\$ -	\$ -	\$ -
61 Depreciation Expense	\$ -	\$ -		\$ -
62 OTHERS - must be authorized by the County and/or not prohibited under Federal, State or local law or regulations.				\$ -
63 Total Allowable Program Expenditures	\$ 186,937.36	\$ 183,798	\$ 191,406.00	\$ (7,608.50)

We hereby certify to the best of my 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 purposes of this program were spent in accordance with the Contract's program requirements, the Agreement and all applicable Federal, State and County laws and regulations. Falsification of any amount disclosed herein shall constitute a false claim pursuant to California Government Code Section 12650 et seq.

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