

AMENDMENT NO. 1 TO MENTAL HEALTH SERVICES AGREEMENT A-12715  
BY AND BETWEEN  
**COUNTY OF MONTEREY AND 7th AVENUE CENTER, LLC**

**THIS AMENDMENT NO. 1** is made to AGREEMENT A-12715 for the provision of mental health treatment services to adults with psychiatric impairments and disabilities in an adult residential Mental Health Rehabilitation Center (MHRC) facility by and between **7th AVENUE CENTER, LLC**, 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 add an Enhanced Treatment (ET) rate for all three Fiscal Years (FY 2015-16 thru FY 2017-18), increase the overall amount of the Agreement by 6.2%, and revise the Payment and Billing Provisions.

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

1. EXHIBIT B: PAYMENT AND BILLING 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.
2. 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.
3. This Amendment is effective July 1, 2015.
4. A copy of the AMENDMENT shall be attached to the original AGREEMENT executed by the County on June 9, 2015.

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Amendment No. 1 to Agreement A-12715 as of the day and year written below.

COUNTY OF MONTEREY

By: \_\_\_\_\_  
Contracts/Purchasing Officer

Date: \_\_\_\_\_

By: Usamag...  
Department Head (if applicable)

Date: 08/11/2015

By: \_\_\_\_\_  
Board of Supervisors (if applicable)

Date: \_\_\_\_\_

Approved as to Form <sup>1</sup>

By: Jays Satter  
Deputy County Counsel

Date: 8/7/15

Approved as to Fiscal Provisions<sup>2</sup>

By: [Signature]  
Auditor/Controller

Date: 8-10-15

Approved as to Liability Provisions<sup>3</sup>

By: \_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_

CONTRACTOR

7<sup>th</sup> AVENUE CENTER, LLC  
Contractor's Business Name\*

By: [Signature]  
(Signature of Chair, President,  
or Vice-President)\*  
Ann M. Butler, President  
Name and Title

Date: 7-31-15

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

Gary Butler, CFO  
Name and Title

Date: 7-31-15

\*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

<sup>1</sup> Approval by County Counsel is required; if Agreement is \$100,000 and less approval by County Counsel is required only when modifications are made to any of the Agreement's standardized terms and conditions

<sup>2</sup> Approval by Auditor-Controller is required

<sup>3</sup> Approval by Risk Management is necessary only if changes are made in Sections XI or XII

**EXHIBIT B-1: PAYMENT AND BILLING PROVISIONS**

**I. PAYMENT TYPE**

Cost Reimbursement (CR) or Negotiated Rate (NR) up to the maximum contract amount.

**II. PAYMENT AUTHORIZATION FOR SERVICES**

The COUNTY’S commitment to authorize reimbursement to the CONTRACTOR for services as set forth in this Exhibit B-1 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. REIMBURSEMENT FOR BASIC/STP SERVICES**

The payment rate shall be a negotiated amount or up to the maximum per diem rate established by the State of California Department of Mental Health for Medi-Cal Free-Standing Nursing Facilities Level B (NF-B) designated as Institutions for Mental Diseases (IMD) for “All Other Counties.” The Special Treatment Program (STP) Patch rate of \$5.72 is added to the per diem rate. The rate reduction for Leave of Absence and Bed Hold for acute hospitalization is \$6.84 per diem. The State establishes these rates annually and they are accessible through the Department of Health Care Services website www.dhcs.ca.gov. Assembly Bill 1054 (Statutes of 2013, Chapter 303) mandates an annual increase of 3.5 percent for these facilities effective July 1, 2014 and subject to change upon revised notice.

Year	Mode of Service	Service Function Code	Rate	Patch	Rate w/Patch	Estimated Number of Units	Yearly Estimated Cost
July 1, 2015 - June 30, 2016	05	30-34	\$185.97	\$5.72	\$191.69	1825	\$349,834
July 1, 2016 - June 30, 2017	05	30-34	\$192.48	\$5.72	\$198.20	1825	\$361,715
July 1, 2017 - June 30, 2018	05	30-34	\$199.22	\$5.72	\$204.94	1825	\$374,016
<b>TOTAL ESTIMATED COUNTY OBLIGATION:</b>							<b>\$1,085,565</b>

**REIMBURSEMENT FOR ENHANCED SERVICES**

One-on-one resident to staff ratio for out-of-scope or additional monitoring for medical and / or behavioral issues, medication changes, or program compliance, on a 24/7 basis as needed.

Year	Enhanced Services Rate	Estimated Number of Units	Yearly Estimated Cost
July 1, 2015 - June 30, 2016	\$250.00	90	\$22,500
July 1, 2016 - June 30, 2017	\$250.00	90	\$22,500
July 1, 2017 - June 30, 2018	\$250.00	90	\$22,500
<b>TOTAL ESTIMATED COUNTY OBLIGATION:</b>			<b>\$67,500</b>



#### IV. PAYMENT CONDITIONS

- A. In order to receive any payment under this Agreement, CONTRACTOR shall submit reports and claims in such form as General Ledger, Payroll Report and other accounting documents as needed, and as may be required by the County of Monterey Department of Health, Behavioral Health Bureau. Specifically, CONTRACTOR shall submit its claims on Cost Reimbursement Invoice Form provided as Exhibit G, 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 (30<sup>th</sup>) 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, 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](mailto:MCHDBHFinance@co.monterey.ca.us)

- B. CONTRACTOR shall submit all claims for reimbursement under this Agreement within thirty (30) calendar days after the termination or end date of this Agreement. All claims not submitted after thirty (30) calendar days following the termination or end date of this Agreement shall not be subject to reimbursement by the COUNTY. Any claim(s) submitted for services that preceded thirty (30) calendar days prior to the termination or end date of this Agreement may be disallowed, except to the extent that such failure was through no fault of CONTRACTOR. Any "obligations incurred" included in claims for reimbursements and paid by the COUNTY which remain unpaid by the CONTRACTOR after thirty (30) calendar days following the termination or end date of this Agreement shall be disallowed, except to the extent that such failure was through no fault of CONTRACTOR under audit by the COUNTY.
- C. If CONTRACTOR fails to submit claim(s) for services provided under the terms of this Agreement as described above, the COUNTY may, at its sole discretion, deny payment for that month of service and disallow the claim.
- D. COUNTY shall review and certify CONTRACTOR'S claim either in the requested amount or in such other amount as COUNTY approves in conformity with this Agreement, and shall then submit such certified claim to the COUNTY Auditor. The County Auditor-Controller shall pay the amount certified within thirty (30) calendar days of receiving the certified invoice.
- E. To the extent that the COUNTY determines CONTRACTOR has improperly claimed services, COUNTY may disallow payment of said services and require CONTRACTOR to resubmit said claim of services for payment, or COUNTY may make corrective accounting transactions.

- F. If COUNTY certifies payment at a lesser amount than the amount requested COUNTY shall immediately notify the CONTRACTOR in writing of such certification and shall specify the reason for it. If the CONTRACTOR desires to contest the certification, the CONTRACTOR must submit a written notice of protest to the COUNTY within twenty (20) calendar days after the CONTRACTOR'S receipt of the COUNTY notice. The parties shall thereafter promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such a dispute until the parties have met and attempted to resolve the dispute in person.

**V. MAXIMUM OBLIGATION OF COUNTY**

- A. Subject to the limitations set forth herein, COUNTY shall pay to CONTRACTOR during the term of this Agreement a maximum amount of **\$1,153,065** for services rendered under this Agreement.
- B. Maximum Annual Liability:

<b>FISCAL YEAR LIABILITY</b>	<b>AMOUNT</b>
July 1, 2015 to June 30, 2016	\$372,334
July 1, 2016 to June 30, 2017	\$384,215
July 1, 2017 to June 30, 2018	\$396,516
<b>TOTAL AGREEMENT MAXIMUM LIABILITY:</b>	<b>\$1,153,065</b>

- C. If, as of the date of signing this Agreement, CONTRACTOR has already received payment from COUNTY for services rendered under this Agreement, such amount shall be deemed to have been paid out under this Agreement and shall be counted towards COUNTY'S maximum liability under this Agreement.
- D. If for any reason this Agreement is canceled, COUNTY'S maximum liability shall be the total utilization to the date of cancellation not to exceed the maximum amount listed above.
- E. As an exception to Section D. above with respect to the Survival of Obligations after Termination, COUNTY, any payer, and CONTRACTOR shall continue to remain obligated under this Agreement with regard to payment for services required to be rendered after termination.

**VI. BILLING AND PAYMENT LIMITATIONS**

Adjustment of Claims Based on Other Data and Information: The COUNTY shall have the right to adjust claims based upon data and information that may include, but are not limited

to, COUNTY'S claims processing information system reports, remittance advices, and billing system data.

## **VII. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS**

- A. This Agreement shall be subject to any restrictions, limitations, or conditions imposed by State which may in any way affect the provisions or funding of this Agreement, including, but not limited to, those contained in State's Budget Act.
- B. This Agreement shall also be subject to any additional restrictions, limitations, or conditions imposed by the Federal government which may in any way affect the provisions or funding of this Agreement.
- C. In the event that the COUNTY'S Board of Supervisors adopts, in any fiscal year, a COUNTY Budget which provides for reductions in COUNTY Agreements, the COUNTY reserves the right to unilaterally reduce its payment obligation under this Agreement to implement such Board reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement, correspondingly. The COUNTY'S notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such action.
- D. Notwithstanding any other provision of this Agreement, COUNTY shall not be obligated for CONTRACTOR'S performance hereunder or by any provision of this Agreement during any of COUNTY'S current or future fiscal year(s) unless and until COUNTY'S Board of Supervisors appropriates funds for this Agreement in COUNTY'S Budget for each such fiscal year. In the event funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. COUNTY shall notify CONTRACTOR of any such non-appropriation of funds at the earliest possible date and the services to be provided by the CONTRACTOR under this Agreement shall also be reduced or terminated.

## **VIII. AUTHORITY TO ACT FOR THE COUNTY**

The Director of the Health Department of the County of Monterey may designate one or more persons within the County of Monterey for the purposes of acting on his/her behalf to implement the provisions of this Agreement. Therefore, the term "Director" in all cases shall mean "Director or his/her designee."

(The remainder of this page is left intentionally blank)