

A-14021  
Agreement Number

COUNTY OF MONTEREY

DEPARTMENT OF HEALTH  
SUBSTANCE USE DISORDER  
SERVICE CONTRACT

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COUNTY Department Contract Representative  
Elsa M. Jimenez, MPH  
Director of Health  
1270 Natividad Road, Salinas, CA 93906

This Agreement is entered into in the State of California, by and between the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and **VALLEY HEALTH ASSOCIATES**, a voluntary health and welfare agency exempt from Federal taxation under Internal Revenue Code Section 501 (c) (3), hereinafter referred to as "CONTRACTOR", for the purpose of:

RECITALS:

The parties hereby enter into this Agreement in reliance on the following facts and representations:

1. WHEREAS COUNTY desires to enter into an Agreement whereby CONTRACTOR shall provide services set forth herein in accordance with the requirements of Chapter 4 (commencing with Section 9000) of the California Code of Regulations;

2. WHEREAS Division 10.5 (commencing with Section 11750) of the California Health and Safety Code provides a set of definitions, standards, procedures, and regulations by and pursuant to which COUNTY and CONTRACTOR may lawfully contract for such services; and

3. WHEREAS CONTRACTOR is able to furnish such services under the terms and conditions of this Agreement and in accordance with applicable law, including all federal, State of California (State), and local laws, regulations, rules, and guidelines pertaining to the provision of substance use disorder services.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

**1. SERVICES TO BE PROVIDED**

COUNTY hereby engages CONTRACTOR to perform and CONTRACTOR hereby agrees to perform, the services described in Exhibit A in conformity with the terms of this Agreement. The services are summarized as follows: Provide Drug/Medi-Cal-Organized Delivery System (DMC-ODS) Substance Use Disorder (SUD) treatment services funded by Drug/Medi-Cal (hereafter "Drug/Medi-Cal").

**2. CONTRACT ADMINISTRATION**

COUNTY Behavioral Health Director, hereafter referred to as the DIRECTOR, shall be the COUNTY employee authorized and assigned to represent the interests of the COUNTY and to ensure that the terms and conditions of this Agreement are carried out. CONTRACTOR's Executive Director shall administer this Agreement on behalf of the CONTRACTOR. CONTRACTOR agrees to submit necessary program and financial reports in a timely fashion, pursuant to provisions of this Agreement and the provisions contained in the COUNTY Administration and Reporting Guidelines, which shall be furnished to the CONTRACTOR by the COUNTY at no cost to CONTRACTOR.

**3. PERFORMANCE STANDARDS AND COMPLIANCE**

3.1 Performance standards. CONTRACTOR shall meet the contracted level of service and the specified performance standards as set forth in this Agreement.

3.2 Compliance with terms of State and/or Federal grants. If this Agreement has been or will be funded with monies received by the COUNTY pursuant to a contract with the state or federal government in which the COUNTY is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, COUNTY will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

3.3 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees and subcontractor performing services under this Agreement are specially, trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement. All personnel providing services shall be fully licensed in accordance with all applicable laws and shall remain in good professional standing throughout the entire duration of this Agreement.

3.4 CONTRACTOR its agents, employees and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

3.5 CONTRACTOR shall furnish, at its own expense, all materials and equipment necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use COUNTY premises, property (including equipment, instruments,

or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

3.6 Contract Monitoring and Quality Control. COUNTY shall monitor services provided under this Agreement to evaluate the effectiveness, quality, appropriateness and timeliness of services provided. The DIRECTOR shall assign a Contract Monitor to ensure compliance with the terms and conditions of this Agreement. The procedure utilized to monitor the Agreement will be as follows:

3.6.1 The Contract Monitor and CONTRACTOR shall meet at intervals deemed appropriate by COUNTY. In addition, the Contract Monitor shall review at regular intervals all statistical reports, financial records, clinical records, and other documents concerning services provided under this Agreement. In addition, CONTRACTOR shall at all times cooperate with the COUNTY'S Quality Improvement ("QI") Plan.

3.6.2 CONTRACTOR shall conduct reviews at regular intervals of the quality and utilization of services for all recipients of services under this Agreement. CONTRACTOR shall furnish all required data and reports in compliance with State Client and Service Information System ("CSI"). Units of time reporting, as stipulated in the Cost Reporting/Data Collection ("CR/DC") Manual, are subject to special review and audit.

3.6.3 The Contract Monitor shall review on a monthly basis the fiscal claims for reimbursement and conduct from time to time on-site billing verification.

#### **4. EXHIBITS**

The following attached exhibits are incorporated herein by reference and constitute a part of this agreement:

- EXHIBIT A PROGRAM DESCRIPTION
- EXHIBIT B PAYMENT AND BILLING PROVISIONS
- EXHIBIT C BEHAVIORAL HEALTH COST REIMBURSEMENT INVOICE
- EXHIBIT D: CONFIDENTIALITY OF PATIENT INFORMATION
- EXHIBIT E ASSURANCE OF COMPLIANCE WITH SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED
- EXHIBIT F ASSURANCE OF COMPLIANCE WITH MONTEREY COUNTY'S CULTURAL COMPETENCY POLICY
- EXHIBIT G BUSINESS ASSOCIATE AGREEMENT
- EXHIBIT H: BUDGET AND EXPENDITURE REPORT
- EXHIBIT I: ANNUAL REPORT(S), COST REPORT SETTLEMENT AND AUDIT

#### **5. TERM AND TERMINATION**

5.1 Term. This Agreement shall be effective **July 1, 2018** and shall remain in effect until **June 30, 2019**, unless sooner terminated pursuant to the terms of this Agreement.

5.2 Termination.

5.2.1 **Termination without Cause.** Either party may terminate this Agreement at any time without cause by serving thirty (30) calendar days' advance written notice upon the other party. The notice shall state the effective date of the termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided before the date of termination.

5.2.2 **Termination with Cause.** COUNTY, in its sole and absolute discretion, may terminate this Agreement immediately upon the occurrence of any of the following events:

1. CONTRACTOR'S failure to comply with COUNTY'S Utilization Review procedures;
2. CONTRACTOR'S failure to abide by Grievance decisions;
3. CONTRACTOR'S failure to meet COUNTY qualification criteria;
4. CONTRACTOR'S failure to submit Annual Reports, Provider's Certification, and accompanying audited financial statement, CONTRACTOR'S Year-End Cost Report Settlement and/or other supporting documents in accordance with the terms of a written notice from COUNTY to CONTRACTOR, and Exhibit I of this Agreement;
5. CONTRACTOR is unable or reasonably expected to be unable to provide the Services for any reason for a period in excess of thirty (30) consecutive days or sixty (60) days in the aggregate over any three (3) month period.
6. CONTRACTOR'S performance of this Agreement poses an imminent danger to the health and safety of any individual client of COUNTY;
7. CONTRACTOR loses its licensure or certification;
8. CONTRACTOR is suspended, excluded or otherwise becomes ineligible to participate in the Medicare, Medi-Cal, or any other government-sponsored health program;
9. Breach by CONTRACTOR of any confidentiality obligation;
10. Breach by CONTRACTOR of the Health Insurance Portability and Accountability Act (HIPAA) and Protected Health Information (PHI);
11. CONTRACTOR makes an assignment for the benefit of creditors, admits in writing the inability to pay its debts as they mature, applies to any court for the appointment of a trustee or receiver over its assets, or upon commencement of any voluntary or involuntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution liquidation or other similar law or any jurisdiction;
12. The insurance required to be maintained by CONTRACTOR under this Agreement is terminated, reduced below the minimum coverage requirements set forth in this Agreement, not renewed or cancelled (whether by action of the insurance company or CONTRACTOR) for any reason, and CONTRACTOR has

not obtained replacement coverage as required by this Agreement by the effective date of such termination, reduction, non-renewal or cancellation;

13. CONTRACTOR is rendered unable to comply with the terms of this Agreement for any reason; or

14. COUNTY determines that CONTRACTOR is in violation or breach of any provision of this Agreement or violation of Federal, State or local laws, and thirty (30) calendar days have passed since written notice of the violation or breach has been given by COUNTY, without remedy thereof by CONTRACTOR to the satisfaction of COUNTY.

5.3 **Survival of Obligations after Termination**. Upon termination of this Agreement, COUNTY will no longer refer clients to the CONTRACTOR under this Agreement, and the rights and duties of the parties shall be terminated, except that, after termination, the following obligations shall remain in effect:

5.3.1 CONTRACTOR shall, pursuant to this Agreement and upon approval of the Behavioral Health Director, continue treatment of clients who are receiving care from CONTRACTOR until completion of treatment or until continuation of the client's care by another provider can be arranged by COUNTY;

5.3.2 COUNTY shall arrange for such transfer of treatment no later than sixty (60) days after Agreement termination if the clients' treatment is not by then completed;

5.3.3 COUNTY, any payer, and CONTRACTOR will continue to remain obligated under this contract with regard to charges and payments for covered services rendered prior to termination or required to be rendered after termination as provided above, until such obligations are discharged by full performance or until such performance is otherwise excused;

5.3.4 Upon termination or expiration of this Agreement, CONTRACTOR shall continue to remain obligated with respect to any confidentiality obligation as described in Exhibit D to this Agreement, HIPAA and PHI in accordance with Exhibit G to this Agreement, indemnification described in Section 8.1 to this Agreement, professional liability insurance described in Section 8.4.1 to this Agreement, annual reports and cost report settlement described in Section 20 and in accordance with Exhibit I to this Agreement, and access to and audit of records described in Section 19 to this Agreement, and in accordance with all applicable laws; and

5.3.5 CONTRACTOR shall not do anything or cause any other person to do anything that interferes with COUNTY'S efforts to engage any other person or entity for the provision of the services set forth in this Agreement, or interfere in any way with any relationship between COUNTY and any other person or entity who may be engaged to provide the services to COUNTY.

5.3.6 CONTRACTOR will remain subject to any audit otherwise authorized or required by this Agreement or by any State or Federal statute or regulations affecting this Agreement.

## **6. TERMINATION FOR REDUCTION OF GOVERNMENT FUNDING**

6.1 This Agreement is made with the understanding that the State and/or Federal Governments are providing and will continue to provide funds to COUNTY so that COUNTY can make the payments to CONTRACTOR under this Agreement. The funds identified for the fiscal years are subject to increase or decrease dependent upon the availability of the appropriations by the State Legislature and the Federal Government. Increases or decreases in the amount COUNTY allocates to the CONTRACTOR as identified in Exhibit B will require a written amendment to this Agreement in accordance with Section 28.

6.2 Notwithstanding any other provision of this Agreement, if the State or Federal Government terminates or reduces its funding to the COUNTY for services that are to be provided under this Agreement, then COUNTY in its sole and absolute discretion, after consultation with the CONTRACTOR, may elect to terminate this Agreement by giving written notice of termination to CONTRACTOR, effective immediately or on such other date as COUNTY specifies in the notice. Alternatively, it is mutually agreed that the Agreement may be amended to reflect any reduction in funding in Exhibit B, in accordance with Section 28.

## **7. INDEPENDENT CONTRACTOR STATUS**

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the COUNTY. No offer or obligation of permanent employment with the COUNTY or particular COUNTY department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from COUNTY any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits, Social Security benefits or unemployment compensation or insurance. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and State income taxes and Social Security, arising out of CONTRACTOR's performance of this Agreement. In connection, therewith CONTRACTOR shall defend, indemnify, and hold COUNTY harmless from any and all liability, which COUNTY may incur because of CONTRACTOR's failure to pay such taxes.

## **8. INDEMNIFICATIONS AND INSURANCE**

8.1 Indemnification: CONTRACTOR shall indemnify, defend and hold harmless the COUNTY, its officers, agents, and employees, from and against any and all claims, liabilities and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorney's fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials or supplies, in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the COUNTY. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

8.2 Evidence of Coverage. Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the COUNTY upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the COUNTY'S Contracts/Purchasing Office, unless otherwise directed. The CONTRACTOR shall not receive approval for services for work under this Agreement until all insurance has been obtained as required and approved by the COUNTY. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

8.3 Qualifying Insurers. All coverage, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the COUNTY'S Contracts/Purchasing Officer.

8.4 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability

8.4.1 Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than one million dollars (\$1,000,000) per occurrence.

8.4.2 Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence if maximum estimated reimbursement obligation by COUNTY to CONTRACTOR under this Agreement is over \$100,000 or if not less than \$500,000 per occurrence if maximum estimated reimbursement obligation by COUNTY to CONTRACTOR under this Agreement is \$100,000 and less.

8.4.3 Workers Compensation Insurance. If CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's liability limits not less than one million dollars (\$1,000,000) each person, one million dollars (\$1,000,000) each accident and one million dollars (\$1,000,000) each disease.

8.4.4 Professional Liability Insurance. If required for the professional service being provided, in the amount of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate, to cover liability for malpractice or errors or omissions made in course of rendering professional services. If professional liability insurance is written on a “claims-made” basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage (“tail coverage”) with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

8.5 Other Insurance Requirements: All insurance required by this Agreement shall be with a company acceptable to the COUNTY and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three (3) years following the date CONTRACTOR completes its performance of services under this Agreement.

8.5.1 Each liability policy shall provide that the COUNTY shall be given notice in writing at least thirty (30) calendar days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

8.5.2 Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insured with respect to liability arising out of the CONTRACTOR'S work, including ongoing and complete operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the COUNTY and that the insurance of the Additional Insured shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance.

8.5.3 Prior to the execution of this Agreement by the COUNTY, CONTRACTOR shall file certificates of insurance with the COUNTY'S contract analyst and the COUNTY'S Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

8.5.4 CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by COUNTY, annual certificates to COUNTY'S Contract Analyst and COUNTY'S Contracts/Purchasing Office. If the certificate is not received by the expiration date, CONTRACTOR shall have five (5) calendar days to send the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to



maintain such insurance coverage is a breach of this Agreement, which entitles COUNTY, at its sole and absolute discretion, to (1) immediately disallow claim(s) for payment and/or withhold payment(s) by COUNTY to CONTRACTOR, pursuant to Sections 5 and 6, for services rendered on or after the effective date of termination, reduction, non-renewal, or cancellation of the insurance coverage maintained by CONTRACTOR, and/or (2) terminate this Agreement pursuant to Section Five (5).

## **9. NONDISCRIMINATION**

9.1 Non-Discrimination. During the performance of this Agreement, CONTRACTOR shall not unlawfully discriminate or engage in unlawful harassment against applicants, employees, or recipients of services because of actual or perceived sex, gender, sexual orientation, gender identity or expression, race, color, ancestry, national origin, ethnic group identification, age, religion, marital or parental status, physical (including HIV and AIDS) or mental disability or genetic information, veteran's, or other legally protected status, or because of association with a person or group with one or more of these actual or perceived characteristics, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. During the performance of this Agreement, CONTRACTOR also shall not retaliate against such persons because they have asserted their rights under the law. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be unlawful discrimination.

9.2 Discrimination Defined. The terms "discrimination," "harassment," and "retaliation," as used in this Agreement, are the same terms used in Monterey County Code, Chapter 2.80, the Civil Rights Ordinance, and the COUNTY's Nondiscrimination Policy and COUNTY Sexual Harassment Policy, adopted January 9, 2018.

9.3 Application of Monterey County Code Chapter 2.80. The provisions of Monterey County Code Chapter 2.80 and relevant COUNTY policies promulgated thereto ("relevant COUNTY policies") apply to activities conducted pursuant to this Agreement. CONTRACTOR and its officers and employees, in their actions under this Agreement, are agents of the COUNTY within the meaning of Chapter 2.80 and relevant COUNTY policies and are responsible for ensuring that their workplace and the services that they provide are free of discrimination, as required by Chapter 2.80 and relevant COUNTY policies. Complaints of discrimination made by CONTRACTOR against the COUNTY or by recipients of services against CONTRACTOR may be pursued using the procedures established by Chapter 2.80 and relevant COUNTY policies. CONTRACTOR shall establish and follow its own written procedures for the prompt and fair resolution of discrimination complaints made against CONTRACTOR by its own employees and agents, and shall provide a copy of such procedures to COUNTY on request by COUNTY.

9.4 Compliance with Applicable Law. During the performance of this Agreement, CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations which prohibit unlawful discrimination, harassment, and/or retaliation including, but not limited to, the following:

9.4.1 California Code of Regulations, Title 9, §§ 526, 527;

9.4.2 California Fair Employment and Housing Act, (Govt. Code § 12900, et seq.), and

the administrative regulations issued thereunder, Cal. Code of Regulations, Title 2, § 7285, et seq.;

9.4.3 California Government Code, sections 11135-11139.5 (Title 2, Div. 3, Part 1, Chap. 1, Art. 9.5) and any applicable administrative rules and regulations issued under these sections;

9.4.5 Federal Civil Rights Acts of 1964 and 1991 (see especially Title VI, 42 U.S.C. § 2000(d), et seq.), as amended, and all administrative rules and regulations issued thereunder (see especially 45 C.F.R. Parts 80);

9.4.6 Sections 503 and 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §§ 793 and 794); all requirements imposed by the applicable HHS regulations (45 C.F.R. Part 84); and all guidelines and interpretations issued pursuant thereto;

9.4.7 Americans with Disabilities Act of 1990, 42 U.S.C. §12101, et seq., and 47 U.S.C. §§ 225 and 611, and any Federal regulations issued pursuant thereto (see 24 C.F.R. Chapter 1; 28 C.F.R. Parts 35 and 36; 29 C.F.R. Parts 1602, 1627, and 1630; and 36 C.F.R. Part 1191);

9.4.8 Unruh Civil Rights Act, Cal. Civil Code § 51, et seq.

9.4.9 California Government Code section 12900 (A-F) and California Code of Regulations, Title 2, Division 4, Chapter 5.

9.4.10 Title IX of the Education Amendments of 1972 (regarding education programs and activities).

9.4.11 The Age Discrimination Act of 1975

9.4.12 Section 1557 of the Patient Protection and Affordable Care Act

In addition, the applicable regulations of the California Fair Employment and Housing Commission implementing Government Code § 12990 as set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

9.5 Written Assurances. Upon request by COUNTY, CONTRACTOR shall give any written assurances of compliance with the Civil Rights Acts of 1964 and 1991, the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as may be required by the Federal government in connection with this Agreement, pursuant to 45 C.F.R. sec. 80.4 or C.F.R. § 84.5 or other applicable Federal or State regulations. CONTRACTOR shall have a written assurance that their treatment programs are accessible to people with disabilities. In addition, CONTRACTOR shall post in conspicuous place notices available to all employee and clients for employment setting forth the provisions of the Equal Opportunity Act.

9.6 Written Statement of Nondiscrimination Policies. CONTRACTOR shall maintain a written statement of its nondiscrimination policies that shall be consistent with the terms of this Agreement. Such statement shall be posted and be available to employees, recipients of services, and members of the public, upon request. In addition, the clients' rights statement provided by CONTRACTOR shall inform recipients of services of CONTRACTOR'S nondiscrimination policies, including the right to file a complaint alleging discrimination or a violation of civil rights, and the right to be free from unlawful discrimination, harassment, and retaliation.

9.7 Notice to Labor Unions. CONTRACTOR shall give written notice of its obligations

under this section to labor organizations with which it has a collective bargaining or other agreement.

9.8 Access to Records by Government Agencies. CONTRACTOR shall permit access by COUNTY and by representatives of the State Department of Fair Employment and Housing and any State agency providing funds for this Agreement upon reasonable notice at any time during normal business hours, but in no case less than 24 hours notice, to such of its books, records, accounts, facilities, and other sources of information as the inspecting party may deem appropriate to ascertain compliance with these nondiscrimination provisions.

9.9 Binding on Subcontractors. The provisions above shall also apply to all of CONTRACTOR's subcontractors who provide services pursuant to this Agreement. CONTRACTOR shall include the nondiscrimination and compliance provisions of these paragraphs in all subcontracts to perform work or provide services under this Agreement.

## **10. CULTURAL COMPETENCY AND LINGUISTIC ACCESSIBILITY**

10.1 CONTRACTOR shall provide services in a culturally competent manner to assure access to services by all eligible individuals as required by State regulations and policies, other applicable laws, and in accordance with Exhibit E of this Agreement. Cultural competency is defined as a congruent set of practice skills, behaviors, attitudes, and policies that enable staff to work effectively in providing contractual services under this Agreement in cross-cultural situations. To ensure equal access to quality care by diverse populations, each service provider receiving funds from this Agreement shall adopt the federal Office of Minority Health Culturally and Linguistically Appropriate Service (CLAS) national standards and comply with 42 CFR 438.206(c)(2).

10.2 CONTRACTOR shall provide linguistically accessible services to assure access to services by all eligible individuals as required by State regulations and policies and other applicable laws. Specifically, CONTRACTOR shall provide services to eligible individuals in their primary language through linguistically proficient staff or interpreters. Family members, friends, or neighbors may be used as interpreters only in emergency situations.

10.3 For the purposes of this Section, "access" is defined as the availability of medically necessary substance use disorder services in a manner that promotes and provides the opportunity for services and facilitates their use.

## **11. COMPLIANCE WITH APPLICABLE LAWS AND STANDARDS**

11.1 The parties shall comply with all applicable Federal, State and local laws and regulations in performing the work and providing the services specified in this Agreement.

11.2 CONTRACTOR shall comply with all the necessary COUNTY and State licensing requirements and shall obtain appropriate licenses for mode of service and display the same in a

public location that is reasonably conspicuous. CONTRACTOR shall maintain applicable certification by the State Department of Health Care Services (DHCS) for mode of service and comply with appropriate COUNTY or State service standards.

11.3 Non-Drug/Medi-Cal Services: For services not funded by Drug/Medi-Cal, CONTRACTOR shall comply with and establish written accounting procedures consistent with the following requirements and shall be held accountable for audit exceptions taken by the State against the COUNTY or the CONTRACTOR for failure to comply with the following requirements:

- Health and Safety Code, Division 10.5;
- Title 9, California Code of Regulations (CCR), Division 4; and specifically the pertaining to the Substance Abuse and Crime Prevention Act: Sections 9530(f)(k)(2), 9532(b)(1), 9535(e), 9545(a)(b)(d)(e)(g) and (h);
- Government Code, Article 1.7, Federal Block Grants, Chapter 2, Part 2, Division 4, Title 2, commencing at Section 16366.1;
- Government Code, Article 7, Federally Mandated Audits of Block Grant Funds Allocated to Local Agencies, Chapter 1, Part 1, Division 2, Title 5, commencing at Section 53130;
- Title 42, United State Code (USC); Section 300x-5; Reports and Audits for Block Grants;
- Block Grant [Public Law 102-321 (Title 42, USC, commencing at Section 1010)];
- Block Grant [Public Law 103-227 (pro-Children Act of 1994)];
- Block Grant [Public Law 107-116];
- Single Audit Act of 1984 (Public Law 98-502) and the Signal Audit Act Amendments of 1996 (Public Law 104-156) and corresponding OMB Circular A-133 (Revised June 30, 1997); and
- Title 45 Code of Federal Regulations (CFR), Part 84, Section 84.7 and Part 96 Subparts B, C, and L, Substance Abuse Prevention and Treatment Block Grant.
- Title 21 CFR, Part 291 (Food and Drug Administration Requirements for Narcotic Treatment Programs)
- Title 21 CFR, Part 1300 (Drug Administration Requirements for Food and Drugs)
- State Administrative Manual, Chapter 7200

11.4 Drug/Medi-Cal Services. For services funded by Drug/Medi-Cal, CONTRACTOR shall be licensed, registered, certified and approved as required by the appropriate agencies. In providing services under this Agreement, CONTRACTOR shall comply with all applicable laws, regulations, and administrative requirements adopted by federal, state, and local governments, including, but not limited to, the following:

- Health and Safety Code (HSC), Sections 11987.3 and 11987.5(b) and (c) and Sections 11758.40 through 11758.47
- Welfare and Institutions Code (W&IC), Chapter 7, Sections 14000, et seq., and 11987.5(b) and (c) and Sections 11758.40 through 11758.47
- 42 USC 1396(a)(30-33) and Title 42, Code of Federal Regulations, Sections 456.2 through 456.6 inclusive.

- Title 21 Code of Federal Regulations (CFR) Parts 291 and 1300, et seq. And CCR, Title 9, Sections 10,000, et seq.;
- Title 22, California Code of Regulations, Sections 51341.1, 51490.1 and 51516.1;
- Title 9, CCR, Division 4 and Chapter 5, Sections 10500, et seq.;
- Drug Medi-Cal Certifications Standards for Substance Abuse Clinics;
- Standards for Drug Treatment Programs; and
- In instances where inconsistencies occur, the provisions of Title 22, California Code of Regulations shall apply.

11.5 Assistance may be sought from the State in the event of a dispute over the terms and conditions of the County's Agreement in accordance with the "Appeal Process" portion of the COUNTY's contract with the State.

## **12. COMPLIANCE WITH STATE DHCS SUBSTANCE USE DISORDER PROGRAM REGULATIONS**

12.1 The parties shall comply with all applicable State DHCS Substance Use Disorder Program laws and regulations in performing the work and providing the services specified in this Agreement.

12.2 CONTRACTOR shall fully participate in the California Outcome Measurement (CalOMS) for treatment services; the Drug and Alcohol Treatment Access Report (DATAR), and any other data collection systems required by the COUNTY or the State Department of Health Care Services, Substance Use Disorder Program Division. Contractors receiving Substance Abuse Prevention and Treatment (SAPT) funds for Prevention Services shall fully participate in the Primary Prevention Services Delivery System (PPSDS) and any other data collection system required by the COUNTY or the State Department of Health Care Services, Substance Disorder Program Policy and Fiscal Division Prevention and Family Services Section.

12.3 CONTRACTOR shall adhere to the Computer Software Copyright laws: CONTRACTOR certifies that it has appropriate systems and controls in place to ensure that State or federal funds available under this Contract will not be used for the acquisition, operation, or maintenance of computer software in violation of copyright laws. (Reference: Executive Order D-10-99 and Department of General Services Management Memo 00-02).

### 12.4 Child Support Compliance Act

CONTRACTOR acknowledges that it:

12.4.1 Recognizes the importance of child and family support obligations and shall comply fully with all applicable state and federal laws, relating to child and family support enforcement, including but not limited to, disclosure of information and compliance with earning assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the California Family Code; and,

12.4.2 To the best of its knowledge, if fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

12.5 Domestic Partners Act

Pursuant to the Public Contract Code 10295.3, no state agency may enter into any contract executed or amended after January 1, 2007, for the acquisition of goods or services in the amount of \$100,000 or more with a contractor, who, in the provision of benefits, discriminates between employees with spouses and employees with domestic partners, or discriminates between domestic partners and spouses of those employees.

12.6 IV Drug Use Treatment

CONTRACTOR shall ensure that all individuals in need of IVDU treatment shall be encouraged to undergo SUD Treatment (42 USC 300x-23(b) of PHS Act).

12.7 Tuberculosis (TB) Treatment

CONTRACTOR shall ensure the following related to Tuberculosis (TB)

12.7.1 Routinely makes available TB services to each individual receiving treatment for alcohol and other drug use and/or abuse;

12.7.2 Reduce barriers to Patients' accepting TB treatment; and,

12.7.3 Develop strategies to improve follow-up monitoring, particularly after patients leave treatment, by disseminating information through educational bulletins and technical assistance.

12.8 Limited English Proficiency

To ensure equal access to quality care by diverse populations, the CONTRACTOR shall:

12.8.1 Promote and support the attitudes, behaviors, knowledge, and skills necessary for staff to work respectfully and effectively with clients and each other in a culturally diverse work environment.

12.8.2 Have a comprehensive management strategy to address culturally and linguistically appropriate services, including strategic goals, plans, policies, procedures, and designated staff responsible for implementation.

12.8.3 Develop and implement a strategy to recruit, retain and promote qualified, diverse and culturally competent administrative, clinical and support staff that are trained and qualifies to address the needs of the racial and ethnic communities being served.

12.8.4 Require and arrange for ongoing education and training for administrative clinical, and support staff in culturally and linguistic competent service delivery.

12.8.5 Provide all clients with limited English Proficiency access to bilingual staff or interpretation services.

12.8.6 Provide oral and written notices, including translated signage at key points of contact, to clients, in their primary language informing them of their right to receive no-cost interpreter services.

12.8.7 Translate and make available signage and commonly-used written client educational material and other materials for members of the threshold language group in the COUNTY.

12.8.8 Ensure that interpreters and bilingual staff can demonstrate bilingual proficiency

and receive training that includes the skills and ethics of interpreting, and knowledge in both languages of the terms and concepts relative to clinical or non-clinical encounters. Family or friends are not considered adequate substitutes because they actually lack these abilities.

12.8.9 Ensure that the clients' primary spoken language and self identified race/ethnicity are included in the CONTRACTORS management information system as well as any clients records used by CONTRACTOR staff.

12.9 Licensure and Certification. All contractors of residential services that are subject to reimbursement from Medicare or Medi-Cal shall be licensed through DHCS and DMC certified, in accordance with applicable laws and regulations. All contractors of outpatient or intensive outpatient services that are subject to reimbursement from Medicare or Medi-Cal shall be licensed through DHCS and DMC certified, in accordance with applicable laws and regulations. In signing this Agreement, CONTRACTOR agrees to comply with the following regulations and guidelines:

12.9.1 Title 21, CFR Part 1300.01 through 1301.93 Department of Justice Controlled Substances, Title 42, CFR, Part 8

12.9.2 Drug Medi-Cal Certification Standards for Substance Abuse Clinics

12.9.3 Title 22, CCR, Sections 51341.1, 51490.1 and 51516.1

12.9.4 Standards for Drug Treatment Programs (October 21, 1981)

12.9.5 Title 9, CCR, sections 5100 et seq.

12.9.6 Title 22, CCR, sections 51000 et. Seq.

In the event of conflicts, the most stringent provision shall prevail.

CONTRACTOR acknowledges that if it is under investigation by DHCS or any state, local or deferral law enforcement agency for fraud or abuse, the State may suspend temporarily the CONTRACTOR from the DMC program, pursuant to W&IC Section 14043.36(a)

If, at any time, a CONTRACTOR's license, registration, DHCS certification, DMC certification, ASAM certification, approval to operate a substance use disorder treatment program and provide covered services, is revoked, suspended, modified, or not renewed, the COUNTY may amend or terminate this Agreement.

A CONTRACTOR's certification to participate in DMC program(s) shall automatically terminate in the event that the CONTRACTOR or its owners, officers or directors are convicted of Medi-Cal fraud, abuse or malfeasance. For purposes of this section, a conviction shall include a plea of guilty or nolo contendere.

CONTRACTOR shall maintain certification during the term of this Agreement. This includes meeting all staffing and facility standards required for organizational providers of Drug Medi-Cal ODS Waiver services which are claimed and notifying COUNTY'S Contract Monitor in writing of anticipated changes in service locations at least sixty (60) days prior to such change.

#### 12.10 Access to Services for Persons with Disabilities

To ensure access to persons with Disabilities, the parties shall comply with all applicable State Substance Use Disorder laws and regulations in performing the work and providing the services specified in this Agreement including the following:

- 12.10.1 Americans with Disability Act (ADA)
- 12.10.2 Section 504 of the Rehabilitation Act of 1973 (Exhibit E)
- 12.10.3 45 Code of Federal Regulations (CFR), Part 84, Non-discrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance
- 12.10.4 Title 24, California Code of Regulations (CCR), Part 2, Activities Receiving Federal Financial Assistance
- 12.10.5 Unruh Civil Rights Act California Civil Code (CCC) Sections 51 through 51.3 and all applicable laws related to services and access to services for persons with disabilities (PWD).
- 12.10.6 Applicable provisions of Title 43 CFR Part 54 and 54A, including 42 CFR Part 54 sections 54.4 – 54.8 (Nondiscrimination and Institutional Safeguards for Religions Providers)

12.11 Trafficking Victims Protection Act of 2000 (TVPA)

CONTRACTOR and its employees, subrecipients under this Agreement, and subcontractors employees may not:

- 12.11.1 Engage in severe forms of trafficking in persons during the period of time that the Agreement is in effect;
- 12.11.2 Procure a commercial sex act during the period of time that the contract is in effect; and,
- 12.11.3 Use forced labor in the performance of the award or sub awards under the Agreement.
- 12.11.4 CONTRACTOR must inform the COUNTY and DHCS immediately of any information CONTRACTOR receives from any source alleging a violation of a prohibition in subparagraph 12.10 (above).

12.12 Force Majeure

Neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of the offending party. Such acts shall include but not be limited to acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, fright, embargo, public related utility, or governmental statutes or regulations super-imposed after the fact. If a delay or failure in performance by the CONTRACTOR arises out of default of its Subcontractor, and if such default of such Subcontractor arises out of causes beyond the control of both the CONTRACTOR and Subcontractor, and without fault or negligence of either of them, the CONTRACTOR shall not be liable for damages of such delay or failure, unless the supplies or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the required performance schedule.

12.13 Dissemination of these Provisions. CONTRACTOR shall inform all its officers, employees, agents, and subcontractors providing services hereunder of the State DHCS, Substance Use Disorder Program Regulations.

12.14 CONTRACTOR shall comply with all provisions of the contract, between the State DHCS and COUNTY of Monterey which is not attached but is incorporated by this reference, and which is available to CONTRACTOR upon request, including provision not specifically set forth in this Agreement



### **13. PERSONNEL**

13.1 CONTRACTOR warrants that, during the term of this Agreement, each employee or subcontractor of CONTRACTOR providing the services described in this Agreement satisfies the professional standards and qualifications required by local, state, or federal law.

13.2 Counselor Registration and Certification. CONTRACTOR warrants that, during the term of this Agreement, each employee or subcontractor of CONTRACTOR providing the services described in this Agreement has and maintains in good standing the appropriate registration or certification for Substance Use Disorder (SUD) Counseling from a State of California-approved certifying body. CONTRACTOR shall maintain in a file and within the COUNTY's Electronic Health Records System (EHR) Avatar, available for COUNTY's review during an audit of this Agreement, a copy of the appropriate certification for SUD counseling of each employee or subcontractor providing the services described in this Agreement. Pursuant to Title 9, CCR, Division 4, Chapter 8, §13000, CONTRACTOR staff that provides counseling services shall be certified in SUD Counseling by a State-approved certifying body. Counseling services include:

13.2.1 Evaluating clients' SUD treatment recovery needs, including ASAM intake placement screening prior to admission, and assessment of need for treatment services at the time of admission;

13.2.2 Developing and updating of a treatment plan or recovery plan;

13.2.3 Implementing the treatment or recovery plan;

13.2.4 Continued assessment and treatment planning;

13.2.5 Individual and group counseling sessions, face-to-face interviews or counseling for families, couples and other individuals significant in the life of the participants; and

13.2.6 Documenting counseling activities, assessment, treatment and recovery planning, clinical reports related to treatment provided, progress notes, discharge plan and discharge summaries and all other beneficiary-related data.

13.3 Pursuant to 45 Code of Federal Regulations (CFR), §96.132(b), the CONTRACTOR shall ensure continuing education is made available to all staff who provide services or activities to Beneficiaries in such services or activities.

13.4 Professional staff must be licensed, registered, certified, or recognized under California State scope of practice statutes. Professional staff shall provide services within their individual scope of practice and receive supervision required under their scope of practice laws. Licensed Practitioner of the Healing Arts includes: Physician, Nurse Practitioners, Physician Assistants, Registered Nurses, Registered Pharmacists, Licensed Clinical Psychologist (LCP), Licensed Clinical Social Worker (LCSW), Licensed Professional Clinical Counselor (LPCC), and Licensed Marriage and Family Therapist (LMFT) and license-eligible practitioners working under the supervision of licensed clinicians. CONTRACTOR shall maintain in a file and within the Electronic Health Records System (EHR) Avatar, available for COUNTY's review during an audit of this Agreement, a copy of the appropriate certification for SUD counseling of each employee or subcontractor providing the services described in this Agreement.

13.5 Staff Training and Supervision. CONTRACTOR shall ensure that all personnel, including any volunteer staff and subcontractor(s) performing services under this Agreement, receive appropriate training and supervision. CONTRACTOR shall also maintain appropriate

levels of staffing at all times when performing services under this Agreement. CONTRACTOR shall maintain in a file or files, available for COUNTY's review during an audit of this Agreement, documentation of training received.

13.6. CONTRACTOR shall ensure that its personnel, including volunteer staff and subcontractor(s) performing services under this Agreement, shall not engage in conduct that constitutes unprofessional conduct pursuant to Business and Professions Code 4982 and 4992.3 which provides in relevant part: The board may deny a license or registration or may suspend or revoke the license or registration of a license or registrant if he or she has been guilty of unprofessional conduct. Unprofessional conduct includes, but is not limited to, the following:

(a) Engaging in sexual relations with a client, or a former client within two years following termination of therapy, soliciting sexual relations with a client, or committing an act of sexual abuse, or sexual misconduct with a client, or committing an act punishable as a sexually related crime, if that act or solicitation is substantially related to the qualifications, functions, or duties of a marriage and family therapist. Section 4992.3 provides in relevant part: The board may deny a license or a registration, or may suspend or revoke a license or registration of a licensee or registrant if he or she has been guilty of unprofessional conduct. Unprofessional conduct includes, but is not limited to, the following:

(a) Engaging in sexual relations with a client, or a former client within two years following termination of therapy, soliciting sexual relations with a client, or committing an act of sexual abuse, or sexual misconduct with a client, or committing an act punishable as a sexually related crime, if that act or solicitation is substantially related to the qualifications, functions, or duties of a marriage and family therapist.

13.7 CONTRACTOR shall submit to the COUNTY evidence of compliance with the California Drug-Free Workplace Act of 1990, Government Code sections 8350 et seq., which states that all alcohol and/or drug program CONTRACTORS of services receiving funds from and through the State Department of Health Care Services provide an alcohol/drug-free workplace by doing all of the following:

13.7.1 Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying the actions that will be taken against employees for violations of the prohibition.

13.7.2 Establishing a drug-free awareness program to inform employees about all of the following:

13.7.2.1 The dangers of drug abuse in the workplace.

13.7.2.2 The person's or organization's policy of maintaining a drug-free workplace.

13.7.2.3 Any available drug counseling, rehabilitation, and employee assistance programs.

13.7.2.4 The penalties that may be imposed upon employees for drug abuse violations.

13.7.2.5 Requiring that each employee engaged in the performance of the contract or grant be given a copy of the company's drug-free policy statement and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

13.8 CONTRACTOR agrees that no part of any federal funds provided under this contract

shall be used by the CONTRACTOR or its subcontractors to pay the salary and wages of an individual at a rate in excess of Level I of the Executive Schedule. Salary and wages schedules may be found at <http://www.opm.gov/oca>. Substance Abuse Prevention and Treatment (SAPT) Block Grant funds used to pay a salary in excess of the rate of basic pay for Level I of the Executive Schedule shall be subject to disallowance. The amount disallowed shall be determined by subtracting the individual's actual salary from the Level I rate of basic pay and multiplying the result by the percentage of the individual's salary that was paid with SAPT Block Grant funds.

13.9 The parties mutually agree that no individual who leaves COUNTY employment and is thereafter hired or retained by CONTRACTOR to perform services shall be permitted to perform any services of any nature or kind under this Agreement or any other Agreement in which the COUNTY's Behavioral Health Bureau and/or its various clients are involved without the specific prior written consent of the COUNTY's Behavioral Health Director. Such consent shall be a matter that is entirely within the discretion of the Behavioral Health Director to give or withhold. Non-compliance with this contractual provision shall be deemed good cause for termination of the parties' Agreement under the provisions of Section 5.2.2, hereinabove.

13.10 CONTRACTOR shall not employ or contract with providers or other individuals and entities excluded from participation in Federal health care programs under either Section 1128 or 1128A of the Social Security Act. Federal Financial Participation (FFP) is not available for providers excluded by Medicare, Medicaid, or the State Children's Insurance Program, except for emergency services.

13.11 DEBARMENT AND SUSPENSIONS: As required by Executive Order 12549, Debarment and Suspension, certain contracts shall not be made to parties listed on the nonprocurement portion of the General Services Administration's "List of Parties Excluded from Federal Procurement or Nonprocurement Programs" (Executive Order 12549 and 12689). The CONTRACTOR certifies that it and its principals: (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department of agency; (b) have not within a three year period preceding this application been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or Local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property; (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or Local) with commission of any of the offenses enumerated in paragraph (15)(b) of this certification' and (d) have not within a three-year period preceding this Agreement term had one or more public transactions (Federal, State or Local) terminated for cause or default' and Where the CONTRACTOR is unable to certify any of the statements in this certification, he/she shall attach an explanation to this Agreement.

13.12 CONTRACTOR shall not employ or contract for services to be provided under the terms of this Agreement by any officer, employee, subcontractor, agent or any other individual or entity that is on the List of Excluded Individuals/Entities maintained by the U.S. Department of Health and Human Services, Office of the Inspector General ("OIG") or the California State Medi-Cal

Suspended and Ineligible Provider List ("S&I") maintained by the California State DHCS.

13.12.1 CONTRACTOR shall be responsible to determine on a monthly basis whether any of its officers, employees, subcontractors, agents, or other individuals or entities are on either or both excluded lists of OIG and S&I and shall immediately notify the COUNTY upon discovery that any of its officers, employees, subcontractors, agents, or other individuals or entities appears on either or both excluded lists.

13.12.2 The OIG list is currently found at the following web address: <http://exclusions.oig.hhs.gov>. The S&I list is currently found at the following web address: <http://www.medi-cal.ca.gov/references.asp>.

#### **14. CLIENT FEES/REVENUE GENERATION**

14.1 Non-Drug/Medi-Cal Services. CONTRACTOR shall develop and implement fee assessment and collection policies and procedures in compliance with Section 11991.5 of the California Health and Safety Code. Client fee systems must conform to the following criteria:

14.1.1 The fee system must be equitable;

14.1.2 The fee charged must not exceed actual cost of service to the client;

14.1.3. The fee system must consider the client's income and expenses; and

14.1.4 The DIRECTOR must approve the fee system.

14.1.5 Services shall not be denied because of a client's ability or inability to pay.

14.2 Drug/Medi-Cal. CONTRACTOR charges no fees to Drug/Medi-Cal beneficiaries for access to Drug/Medi-Cal services or for admission to a Drug/Medi-Cal treatment slot. Proof of eligibility shall be accepted as payment in full for Drug/Medi-Cal services, except where share of cost (co-payment) requirements are noted through eligibility verification.

#### **15. RECORDS AND REPORTS**

15.1 Maintenance of Records. CONTRACTOR shall maintain any and all records documenting all services set forth under this Agreement for a period of ten (10) years from the end of the fiscal year in which such services were provided or until three (3) years after final resolution of any audits, CONTRACTOR'S Year-End Cost Report Settlement, State Cost Report Settlement, or appeals, whichever occurs later. CONTRACTOR shall maintain such records in a form comporting with generally accepted accounting and auditing standards and all applicable laws.

15.2 Access to and Audit of Records. The COUNTY shall have the right to examine, monitor, and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of ten thousand dollars (\$10,000), the parties to this Agreement may be subject, at the request of the COUNTY or as part of any audit of the COUNTY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three (3) years after final payment under the Agreement.

15.3 COUNTY Records. When this Agreement expires or terminates CONTRACTOR shall return to COUNTY all COUNTY records, which CONTRACTOR utilized or received, from COUNTY to perform services under this Agreement.

15.4 CONTRACTOR shall notify the COUNTY upon reaching 90% of its capacity to admit individuals to the programs.

15.5 The CONTRACTOR shall furnish all data and reports required to implement the Client Data System within the COUNTY's EMR, Avatar established by the COUNTY. The CONTRACTOR shall submit input reports in the format and timeliness as prescribed by the COUNTY.

15.6 Royalties and Inventions. COUNTY shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of COUNTY.

## **16. CONFIDENTIALITY**

16.1 Individual Beneficiary Records. CONTRACTOR shall maintain individual beneficiary records, which includes electronic health records. Such records shall contain all data necessary to prepare any reports reasonably required by the Contract Monitor or his/her designee or by the State DHCS during this time, CONTRACTOR agrees to provide copies of these records to the COUNTY upon request. Unless otherwise provided, CONTRACTOR shall retain all client records for adult beneficiaries for a period of ten (10) years from the expiration of this Agreement or any extension thereof, and shall retain all client records for adolescent beneficiaries for a period of ten (10) years beyond the beneficiary's eighteenth birthday. Upon closure of a facility or termination of a modality within a facility, all original client charts associated with the closed facility or terminated modality and other individual beneficiary documentation shall be transferred to COUNTY. Upon termination of the contract, all original client charts and other individual beneficiary documentation shall be transferred to COUNTY.

16.2 CONTRACTOR shall maintain clinical records for each recipient of service in compliance with all Federal and State requirements. Such records shall include a description of all services provided by the CONTRACTOR in sufficient detail to make possible an evaluation of services, and all data necessary to prepare reports to the State, including treatment plans, records of client interviews, and progress notes.

16.3 CONTRACTOR shall maintain the confidentiality of its records, including billings and computerized records, in accordance with all applicable state and federal laws and regulations regarding confidentiality of participant records and information including but not limited to:

- Title 42, Code of Federal Regulations, Part 2, Sections 2.1 through 2.67, inclusive and 290 dd-2;
- Welfare and Institutions Code Sections 14100.2; Health and Safety Code, Division 10.5, Section 11977; and
- Title 22, California Code of Regulations, Section 51009.

16.4 CONTRACTOR shall inform all its officers, employees, and agents providing services hereunder of said confidentiality provisions.

16.5 Confidential medical or personal records and the identities of clients and complainants shall not be disclosed unless there is proper consent to such disclosure or a court order requiring disclosure. Confidential information gained by CONTRACTOR from access to any such records and from contact with its clients and complainants shall be used by CONTRACTOR only in connection with its conduct of the program under this Agreement. The COUNTY, through the DIRECTOR, shall have access to such confidential information and records to the extent allowed by law and such information and records to which COUNTY has access shall remain confidential and may be disclosed only as permitted by law.

### **17. PATIENT RIGHTS**

17.1 CONTRACTOR shall comply with all applicable patients' rights laws including, but not limited to, the requirements set forth in California Welfare and Institutions Code, Division 5, Part 1, sections 5325, et seq., and California Code of Regulations, Title 9, Division 1, Chapter 4, Article 6 (sections 860, et seq.).

17.2 As a condition of reimbursement under this Agreement, CONTRACTOR shall ensure that all recipients of services under this Agreement shall receive the same level of services as other patients served by CONTRACTOR. CONTRACTOR shall ensure that recipients of services under this Agreement are not discriminated against in any manner including, but not limited to, admissions practices, evaluation, treatment, access to programs and or activities, placement in special wings or rooms, and the provision of special or separate meals. CONTRACTOR shall comply with Assurance of Compliance requirements as set forth in Exhibit E and incorporated by reference as if fully set forth herein.

### **18. REPORTS OF DEATH, INJURY, DAMAGE, OR ABUSE**

18.1 Reports of Death, Injury, or Damage. If death, serious personal injury, or substantial property damage occur in connection with the performance of this Agreement, CONTRACTOR shall immediately notify the DIRECTOR by telephone. In addition, CONTRACTOR shall promptly submit to COUNTY a written report including: (1) the name and address of the injured/deceased person; (2) the time and location of the incident; (3) the names and addresses of CONTRACTOR'S employees or agents who were involved with the incident; (4) the names of COUNTY employees, if any, involved with the incident; and (5) a detailed description of the incident.

18.2 Child Abuse Reporting. CONTRACTOR shall ensure that all known or suspected instances of child abuse or neglect are promptly reported to proper authorities as required by the Child Abuse and Neglect Reporting Act, California Penal Code sections 11164, et seq. CONTRACTOR shall require all of its employees, consultants, and agents performing services under this Agreement who are mandated reporters under the Act to sign statements indicating that they know of and shall comply with the Act's reporting requirements.

18.3 Elder and Dependent Adult Abuse Reporting. CONTRACTOR shall ensure that all known or suspected instances of abuse or neglect of elderly people 65 years of age or older and dependent adults age 18 or older are promptly reported to proper authorities as required by the Elder Abuse and Dependent Adult Protection Act (California Welfare and Institutions Code, sections 15600 Code, et seq.). CONTRACTOR shall require all of its employees, consultants, and agents performing services under this Agreement who are mandated reporters under the Act



to sign statements indicating that they know of and shall comply with the Act's reporting requirements.

## **19. AUDITS**

19.1 CONTRACTOR shall provide two (2) copies of its audited financial statements within one hundred eighty (180) days after the end of the COUNTY's fiscal year, or close of the Contract period if shorter, unless such requirement is waived by written notice by DIRECTOR. CONTRACTOR shall conduct and submit to the DIRECTOR a copy of a certified independent audit of all expenses pursuant to this Agreement in accordance with generally accepted accounting principles, and instructions provided by COUNTY.

19.2 Providers receiving more than \$500,000 in federal Substance Use Disorder funding are subject to the Office of Management and Budget (OMB) Circular A-133 entitled "Audits of Institutions of Higher Education and Other Nonprofit Institutions".

19.3 Responsibility for Audit and/or Cost Report Settlement Exceptions. Any and all audit and/or Cost Report Settlement exceptions by COUNTY or any Federal or State agency resulting from an audit and/or Cost Report Settlement of CONTRACTOR'S performance of this Agreement, or actions by CONTRACTOR, its officers, agents, and employees shall be the sole responsibility of the CONTRACTOR. CONTRACTOR agrees to develop and implement any corrective action plans in a manner acceptable to the COUNTY in order to comply with recommendations contained in the audit report. Such corrective action plans shall include time specific objectives to allow for measurement of progress.

19.4 Overpayment. If the results of any audit, CONTRACTOR'S Year-End Cost Report Settlement, or State Cost Report Settlement shows that the funds paid to CONTRACTOR under this Agreement exceeded the amount due, then CONTRACTOR shall pay the excess amount to COUNTY in cash not later than thirty (30) calendar days after the COUNTY notifies the CONTRACTOR of such overpayment; or, at COUNTY'S election, COUNTY may recover the excess or any portion of it by offsets made by COUNTY against any payment(s) owed to CONTRACTOR under this or any other Agreement or as set forth in Exhibit I, if made part of this Agreement.

19.5 All expenditures of State and federal funds furnished by COUNTY are subject to audit by COUNTY. Such audits shall build upon audits already performed. Objectives of such audits may include, but not be limited to, the following:

19.5.1 To determine whether units of service claimed/reported are properly documented by service records and accurately accumulated for claiming/reporting;

19.5.2 To validate data reported by CONTRACTOR for prospective contract negotiations;

19.5.3 To provide technical assistance in addressing current year activities and providing recommendations on internal controls, accounting procedures, financial records and compliance with laws and regulations;

19.5.4 To determine the cost of services, net of related patient and participation fees, third party payments, and other related revenues and funds;

19.5.5 To determine that expenditures are made in accordance with applicable federal and state laws and regulations and contract requirements; and/or

19.5.6 To determine the facts in relation to analysis of data, complaints, or allegations, which may be indicative of fraud, abuse, willful misrepresentation, or failure to achieve contract objectives.

19.6 CONTRACTOR agrees to maintain and retain all appropriate service and financial records for a period of at least (3) three years after the end of each fiscal year or until any audit findings are resolved, whichever is later.

19.7 Subject to State and federal confidentiality requirements, CONTRACTOR agrees to furnish duly authorized representatives from State, federal or COUNTY government access to patient and/or client records necessary to review or audit contract services and to disclose all financial transactions that pertain to the subject services.

19.8 All budgeted funds associated with this Agreement must be expended for activities authorized pursuant to Title 42 USC, Section 300x-21(b) through 300x-66; and Title 45 CDR, Subpart L. shall be expended by the Contractor within each fiscal Year. Any funds not utilized within the allotted Fiscal Year shall not be carried over to the next fiscal year and shall be returned to the COUNTY for subsequent return to the Federal government. Contractors shall comply with the financial management standards contained in Title 45, CFR, Part 92, Sections 92.20(b)(1) through (6); Title 45 CFR, Part 74, Sections 74.21(b)(1) through (4) and (b)(7); and Title 45 CFR, Part 96, Section 96.30.

19.9 Availability of Records for Grievances and Complaints by Recipients of Service. CONTRACTOR shall ensure the availability of records for the prompt handling of grievances or complaints filed by recipients of services. Release of records shall be subject to the confidentiality provisions set forth in this Agreement.

19.10 Reports. CONTRACTOR shall prepare any reports and furnish all information required for reports to be prepared by the COUNTY as may be required by the State of California or applicable law.

## **20. PREPARATION OF ANNUAL REPORT(S) AND CONTRACTOR'S YEAR-END COST REPORT SETTLEMENT**

20.1 Annual Report(s) and CONTRACTOR'S Year-End Cost Report Settlement. CONTRACTOR shall submit by COUNTY'S required deadlines the following, as it pertains to this Agreement:

20.1.1 State Cost Report.

20.1.2 Annual Substance Use Disorder Revenue and Expenditure Reports.

20.1.3 Annual Report(s), as applicable and required by the COUNTY.

20.1.4 CONTRACTOR'S Year-End Cost Report Settlement in accordance with the terms and conditions set forth in Exhibit I of this Agreement.

Such Annual Reports, numbered (20.1.1) through (20.1.3) above, and such cost report settlement, numbered (20.1.4) above, shall be prepared in accordance with generally accepted



accounting principles and Federal, State and COUNTY reimbursement requirements using forms, templates and instructions provided by the COUNTY.

20.2 For each fiscal year, or portion thereof, that this Agreement is in effect, CONTRACTOR shall provide to the COUNTY one original and two copies of an annual cost report within sixty (60) days following the close of each fiscal year. Such cost report shall be prepared in accordance with generally accepted accounting principles and cost report forms and instructions provided by COUNTY.

20.3 Preparation and Submission of Annual Report(s) and CONTRACTOR'S Year-End Cost Report Settlement in Response to Termination or Cancellation of Agreement. If this Agreement is terminated or canceled prior to June 30th of any fiscal year, CONTRACTOR shall prepare and submit to COUNTY an Annual Report(s) and CONTRACTOR'S Year-End Cost Report Settlement with the COUNTY for services/activities rendered during the fiscal year(s) for which the CONTRACTOR'S applicable Report(s) is (are) outstanding and shall adhere to the terms and conditions set forth in Exhibit I, if made part of this Agreement.

20.4 If, as a result of the Cost Report Reconcile, any discrepancy is found between the total allowable net costs paid to the CONTRACTOR on its monthly claims and the total allowable net costs that should have been reported for the same period of time, the CONTRACTOR shall reimburse the amount of the overpayment in a single payment to the COUNTY within thirty (30) days after the COUNTY notifies the CONTRACTOR of the interim settlement with the State of California. As an alternative or supplemental remedy, the COUNTY may elect to recover all or part of the overpayment by means of an offset against any payments then or thereafter owing to the CONTRACTOR by the COUNTY under this or any other contract.

20.5 Non-submission of Annual Report(s) and CONTRACTOR'S Year-End Cost Report Settlement. Failure to submit the Annual Report(s) and/or the CONTRACTOR'S Year-End Cost Report Settlement, described in Section 20 within thirty (30) calendar days after COUNTY'S applicable due date(s) is a breach of this Agreement, which entitles COUNTY, in its sole and absolute discretion, to (1) disallow claim(s) for payment for services/activities rendered during the fiscal year(s) for which the CONTRACTOR'S applicable Report(s) (are) outstanding, (2) withhold payment(s) for reimbursements payable pursuant to Exhibit B, Section 5, Subpart B and/or (3) terminate this Agreement pursuant to Section(s) 5 and/or 6. CONTRACTOR shall comply with Annual Report(s) and CONTRACTOR'S Year-End Cost Report Settlement requirements as set forth in Exhibit I of this Agreement.

20.6 Cost Report Training. CONTRACTOR shall attend the cost report training provided by the State. COUNTY shall provide further training as needed and as required in accordance with changes in the State cost report requirements. CONTRACTOR shall adhere to cost report training requirements and shall comply in accordance with Exhibit I, Section III of this Agreement.

## **21. DRUG FREE WORKPLACE**

21.1 CONTRACTOR shall submit to the COUNTY evidence of compliance with the California Drug-Free Workplace Act of 1990, California Government Code sections 8350, et seq., to provide a drug-free workplace by doing all of the following:

21.1.1 Publishing a Statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying the actions that shall be taken against employees for violations of the prohibitions.

21.2 Establishing a drug-free awareness program to inform employees about all of the following:

21.2.1 The dangers of drug abuse in the workplace;

21.2.2 The person's or organization's policy of maintaining a drug-free workplace;

21.2.3 Any available drug counseling, rehabilitation, and employee assistance programs;

21.2.4 The penalties that may be imposed upon employees for drug abuse violations;

21.2.5 Requiring that each employee engaged in the performance of the Agreement or grant is given a copy of the company's drug-free policy statement and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

21.3 CONTRACTOR shall not include any message on the responsible use, if the use is unlawful, of drugs or alcohol in the provision of services under this Agreement.

21.4 CONTRACTOR shall require that smoking tobacco, e-cigarettes and vaping not be permitted in any portion of any indoor facility used routinely or regularly for the provision of health, day care, early childhood development services, education, or library services to children under the age of 21.

## **22. SUBCONTRACTING**

22.1 CONTRACTOR may not subcontract any services under this Agreement without COUNTY'S prior written authorization. At any time, COUNTY may require a complete listing of all subcontractors employed by the CONTRACTOR for the purpose of fulfilling its obligations under the terms of this Agreement. CONTRACTOR shall be legally responsible for subcontractors' compliance with the terms and conditions of this Agreement and with applicable law. All subcontracts shall be in writing and shall comply with all Federal, State, and local laws, regulations, rules, and guidelines. In addition, CONTRACTOR shall be legally responsible to COUNTY for the acts and omissions of any subcontractor(s) and persons either directly or indirectly employed by subcontractor(s).

## **23. POLITICAL ACTIVITIES PROHIBITED**

None of the funds provided directly under this Agreement shall be used for any political activities or to further the election or defeat of any candidate for public office.

## **24. UNION ORGANIZING**

24.1 CONTRACTOR shall not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.

24.2 No state funds received under this contract shall be used to assist, promote or deter union organizing.

24.3 CONTRACTOR shall not, for any business conducted under this Agreement, use any state property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing unless the state property is equally available to the general public for holding meetings.

24.4 If CONTRACTOR incurs cost, or makes expenditures to assist, promote or deter union organizing, CONTRACTOR shall maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and CONTRACTOR shall provide those records to the Attorney General upon request.

### **25. DELEGATION AND ASSIGNMENT**

CONTRACTOR shall not delegate its duties and/or assign its rights hereunder, either in whole or in part, without the prior written consent of the COUNTY, and any assignment without such consent shall automatically terminate this Agreement. Any delegation and/or assignments submitted to the COUNTY for review and approval shall be in the form of a subcontract.<sup>6</sup>

### **26. NOTICES**

Notices to the parties in connection with this Agreement may be given personally or by regular mail addressed as follows:

COUNTY OF MONTEREY

Amie Miller, Psy. D., MFT

Behavioral Health Director

Department of Health, Behavioral Health Bureau

1270 Natividad Road, Room 200

Salinas, CA 93906-3198

CONTRACTOR

Amy Bravo

Executive Director

Valley Health Associates

338 Monterey St., Salinas, CA 93901

(831) 424-6655

### **27. AMENDMENT**

27.1 This Agreement may be amended or modified only by an instrument in writing signed by the COUNTY and the CONTRACTOR.

27.2 In the event of changes in the law that affect provisions of this Agreement, the parties agree to amend the affected contract provisions to conform to the changes in the law retroactive to the effective date of such changes in the law. The parties further agree that the terms of this Agreement are severable and in the event of changes in the law as described above, the unaffected provisions and obligations of the Agreement will remain in full force and effect.

### **28. PURCHASE OF AMERICAN MADE EQUIPMENT AND PRODUCTS**

To the greatest extent possible, all equipment and products purchased with the funds made available through this Agreement should be American made.

### **29. USE OF FUNDS FOR PROMOTION OF LEGALIZATION OF CONTROLLED SUBSTANCES**

None of the funds made available through this Agreement may be used for any activity

that promotes the legalization of any drug or other substance included in Schedule 1 of Section 203 of the controlled substance Act (21 USC 812).

### **30. RESTRICTION ON DISTRIBUTION OF STERILE NEEDLES**

No funds made available through this Agreement shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

### **31. HEALTH INSURANCE AND PORTABILITY AND ACCOUNTABILITY ACT**

If any of the work performed under this Agreement is subject to the Health Insurance Portability Act of 1996, Public Law 104-191 (HIPAA), then CONTRACTOR shall perform the work in compliance with all applicable provisions of HIPAA. CONTRACTOR and COUNTY will cooperate to determine what if any, may be impacted by HIPAA and amend this agreement if needed to assure compliance with HIPAA.

### **32. AGREEMENT PREPARATION**

This Agreement has been arrived at through negotiation and neither party is to be deemed the party that prepared this Agreement within the meaning of Civil Code Section 1654.

### **33. MISCELLANEOUS PROVISIONS**

33.1 Conflict of Interest. CONTRACTOR represents that it presently has no interest and shall not acquire any interest during the term of this Agreement which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

33.2 Waiver. Any waiver of any terms and conditions hereof must be in writing and signed by the COUNTY and the CONTRACTOR. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other terms or conditions in this Agreement.

33.3 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

33.4 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.

33.5 Successors and Assigns. This Agreement and the rights, privileges, duties and obligations of the COUNTY and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and insure to the benefit of the parties and their respective successors, permitted assigns and heirs.

33.6 Headings. The section and paragraph headings are for convenience only and shall not be used to interpret the terms of this Agreement.

33.7 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.

33.8 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

33.9 Non-exclusive Agreement. This Agreement is non-exclusive and both COUNTY and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

33.10 Construction of Agreement. The COUNTY and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

33.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

33.12 Authority. An individual executing this Agreement on behalf of the COUNTY or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such entity and bind the party to the terms and conditions of this Agreement.

33.13 Integration. This Agreement, including the exhibits, represents the entire Agreement between the COUNTY and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the COUNTY and the CONTRACTOR as of the effective date of this Agreement, which is the date the COUNTY signs the Agreement.

34.14 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provision of this Agreement and the provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

34.15 Compliance with Applicable Law. The parties shall comply with all applicable Federal, State, and local laws and regulations in performing this Agreement.


34.16 Severability. In the event of changes in law that effect the provisions of this Agreement, the parties agree to amend the affected provisions to conform to the changes in the law retroactive to the effective date of such changes in law. The parties further agree that the terms of this Agreement are severable and, in the event of changes in law as described above, the unaffected provisions and obligations of this Agreement shall remain in full force and effect.

### **35. TERMINATION OF PRIOR AGREEMENT**


COUNTY and CONTRACTOR previously entered into that certain Alcohol and Drug Services Agreement A-13209 effective July 1, 2016 (the "Prior Agreement"). COUNTY and CONTRACTOR wish to mutually terminate all obligations between the parties arising from the Prior Agreement, effective as of the date of execution by the COUNTY of this Agreement. Therefore, as of the date of execution by the COUNTY of this Agreement, COUNTY and CONTRACTOR agree that the Prior Agreement is unconditionally terminated in its entirety and shall have no further force and effect.

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Agreement as of the day and year last written below.

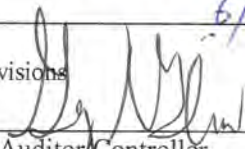
**COUNTY OF MONTEREY**

By:   
Elsa M. Jimenez, Director of Health  
Date: 07/02/2018

Approved as to Form

By:   
Stacy L. Saetta, Deputy County Counsel  
Date: 6/27/18

Approved as to Fiscal Provisions

By:   
Gary Giboney, Auditor/Controller  
Date: 7/2/18

Approved as to Liability Provisions

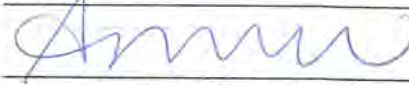
By: \_\_\_\_\_  
Les Girard, Risk Management  
Date: \_\_\_\_\_


Approved as to Content

By: \_\_\_\_\_  
Amie Miller, Behavioral Health Director  
Date: \_\_\_\_\_

**CONTRACTOR**

Contractor\*

By:   
Amy Bravo, Executive Director  
Date: 6/22/18

By:   
, CFO\*  
Date: 6/25/18

INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and nonprofit corporations, the full legal name of the corporation shall be set forth above together with 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 an officer 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

**EXHIBIT A:  
PROGRAM (S) DESCRIPTION (S) AND OBJECTIVES**

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**PROGRAM 1- OPIOID (NARCOTIC) TREATMENT PROGRAM (ASAM OTP Level 1)**

**Program Location**

338 Monterey Street  
Salinas, CA 93901

**Program Hours**

1. Hours of Operation: Monday through Friday, 6:30am - 3:00pm
2. Medication dispensed: Monday through Friday, 6:30am - 2:30pm  
Closed from 11:30 am to 12:00 pm for lunch
3. Intake hours: Tuesday, 7:30 am - 11:00 am
4. Screening and interviews are by appointment.

**Program Description**

CONTRACTOR will provide Narcotic Treatment Program services, that includes the provision of methadone, buprenorphine, disulfiram and/or naloxone as prescribed by a physician, to Beneficiaries to alleviate the symptoms of withdrawal from narcotics; and other activities and services provided in compliance with CCR, Title 9, Division 4, Chapter 4, beginning with §10000. CONTRACTOR's physician determines continued participation in the maintenance program. CONTRACTOR will provide the client with a comprehensive range of treatment services including:

- Physical examination by the program physician;
- Assessment and treatment planning;
- Medication;
- Individual counseling;
- Education and or
- Group counseling;
- Referrals for ancillary services; and
- Drug screening.

**ASAM Service Level Description**

CONTRACTOR will provide Drug Medi-Cal Level 1 Opioid (Narcotic) Treatment Program services to COUNTY beneficiaries in a State Department of Health Care Services licensed OTP facility. Medically necessary services are provided in accordance with an individualized treatment plan determined by a licensed physician or licensed prescriber and approved and authorized according to the State of California requirements. NTPs/OTPs are required to offer and prescribe medications to patients covered under the DMC-ODS formulary including methadone, buprenorphine, naloxone and disulfiram.

- a. A patient must receive at minimum 50 minutes of counseling sessions with a therapist or counselor for up to 200 minutes per calendar month, although additional services may be provided based on medical necessity.
- b. The components of Opioid (Narcotic) Treatment Programs are:

Intake: The process of determining that a beneficiary meets the medical necessity criteria and beneficiary is admitted into a substance use disorder treatment program. Intake includes the evaluation or analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of treatment needs to provide medically necessary services. Intake may include a physical examination and laboratory testing necessary for substance use disorder treatment.

Individual Counseling: Contacts between a beneficiary and a therapist or counselor. Services provided in-person, by telephone or by telehealth qualify as Medi-Cal reimbursable units of service, and are reimbursed without distinction.

Group Counseling: Face-to-face contacts in which one or more therapists or counselors treat two or more clients at the same time with a maximum of 12 in the group, focusing on the needs of the individuals served.

Family Therapy: The effects of addiction are far-reaching and the patient's family members and loved ones also are affected by the disorder. By including family members in the treatment process, education about factors that are important to the patient's recovery as well as their own recovery can be conveyed. Family members can provide social support to the patient, help motivate their loved one to remain in treatment, and receive help and support for their own family recovery as well.

Patient Education: Provide research based education on addiction, treatment, recovery and associated health risks.

Medication Services: The prescription or administration of medication related to substance use treatment services, or the assessment of the side effects or results of that medication conducted by staff lawfully authorized to provide such services and/or order laboratory testing within their scope of practice or licensure.

Collateral Services: Sessions with therapists or counselors and significant persons in the life of the beneficiary, focused on the treatment needs of the beneficiary in terms of supporting the achievement of the beneficiary's treatment goals. Significant persons are individuals that have a personal, not official or professional, relationship with the beneficiary.

Crisis Intervention Services: Contact between a therapist or counselor and a beneficiary in crisis. Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an unforeseen event or circumstance which presents to the beneficiary an imminent threat of relapse. Crisis intervention services shall be limited to the stabilization of the beneficiary's emergency situation.

Treatment Planning: The provider shall prepare an individualized written treatment plan, based upon information obtained in the intake and assessment process. The treatment plan will be completed upon intake and then updated every subsequent 90 days unless there is a change in treatment modality or significant event that would then require a new treatment plan. The treatment plan shall include:

- A statement of problems to be addressed,
- Goals to be reached which address each problem
- Action steps which will be taken by the provider and/or beneficiary to accomplish identified



goals,

- Target dates for accomplishment of action steps and goals, and a description of services including the type of counseling to be provided and the frequency thereof.
- Treatment plans have specific quantifiable goal/treatment objectives related the beneficiary's substance use disorder diagnosis and multidimensional assessment.
- The treatment plan will identify the proposed type(s) of interventions/modality that includes a proposed frequency and duration.
- The treatment plan will be consistent with the qualifying diagnosis and will be signed by the beneficiary and the Medical Director or LPHA.

Medical Psychotherapy: Type of counseling services consisting of a face- to- face discussion conducted by the Medical Director of the NTP/OTP on a one- on-one basis with the patient.

Discharge Services (Case Management): The process to prepare the beneficiary for referral into another level of care, post treatment return or reentry into the community, and/or the linkage of the individual to essential community treatment, housing and human services

### **Admission Criteria**

1. Client must be age 18 years or older; 16 and older with parental and/or guardian consent (proof of birth date required).
2. Client must agree to provide a urine test that substantiates addiction to heroin or opiate like substances.
3. Client must have been assessed a medical judgment for physiologic dependence of approximately most of one year (6 months + 1 day) prior to admission date
4. Penal documentation - Client must have resided in a penal institution for one month or more must be admitted within 6 months after discharge - without being in withdrawal but must be eligible prior to incarceration.
5. Must have laboratory tests for Tuberculosis and Syphilis prior to administration of first dose.

Admission shall not be denied on the basis of race, color, religion, sex, sexual orientation, age, national origin or disability. The above shall not preclude the program from emphasizing services for specific populations. For each individual participant, including family members or significant others, involvement with alcohol, drugs, or alcohol/drug related problems should be the primary criteria for participation. All participation shall be voluntary. All participants shall be physically and mentally capable of assuming full responsibility for their own decisions and actions in relation to recovery from alcohol and drug misuse while in the program. No individual shall be admitted who, on the basis of staff judgment, exhibits behavior dangerous to the staff or others. Treatment service locations are handicapped accessible. Visually and hearing impaired participants are welcome and interpreters will be utilized as needed. CONTRACTOR shall give admission priority to pregnant women, HIV + and IV drug

### **Target Population**

Medi-Cal eligible adults age 18 years or older; 16 and older with parental and/ or guardian consent with primary addiction to heroin or other opioid addicted individuals in Monterey County (including temporary transfers) who wish to stabilize and decrease their addiction through their participation in an opioid treatment program. CONTRACTOR shall give admission priority to pregnant, HIV +

and IV drug users.

**Service Objectives**

1. Operate and maintain a State licensed narcotic maintenance treatment program in accordance with all applicable State and Federal laws.
2. Provide the estimated Narcotic Treatment Program (NTP) units of service as specified in the table below to those individuals continuously enrolled in the program.

<b>Program 1</b>	<b>FY 2018-19</b>
NTP Methadone Dosing (DMC)	36,500
NTP Methadone Dosing (DMC)- Peri	1,825
NTP Individual Counseling (DMC)	14,400
NTP Group Counseling (DMC)	5,616
NTP Individual Counseling (DMC)- Peri	1,825
NTP Group Counseling (DMC)- Peri	2,304
NTP Case Management	14,400
NTP Disulfiram Dosing (DMC)	1,825
NTP Disulfiram Peri Dosing (DMC)	100
NTP Buprenorphine Dosing-MONO (DMC)	3,650
NTP Buprenorphine MONO Peri Dosing (DMC)	200
NTP Buprenorphine Dosing-COMBO (DMC)	3,650
NTP Buprenorphine COMBO Peri Dosing (DMC)	200
NTP Narcan	365

## **PROGRAM 2 OUTPATIENT SERVICES (ASAM Level 1)**

### **Program Location**

338 Monterey Street Salinas,  
CA 93901  
(831) 424-6655

### **Program Hours**

1. Intake Hours: Assessments and Individual sessions by appointment.
2. Group Sessions: Tuesday & Thursday, 4:30 pm - 6:00 pm
3. Family Group: Saturday, 10:30 am – 12:00 pm

### **Program Description**

CONTRACTOR operates a three-month outpatient treatment program for men and women who are defendants and/or Drug Medi-Cal eligible individuals with significant alcohol and/or drug problems that necessitate outpatient services to initiate and maintain abstinence from the use of alcohol and other drugs. The outpatient drug-free program offers both State-certified Drug/Medi-Cal and Non Drug/Medi-Cal services and operates in accordance with applicable State and Federal laws. CONTRACTOR shall offer the following outpatient services to eligible program participants based on the assessment and treatment needs of each client:

Orientation;

- Assessment and treatment planning;
- Weekly education sessions;
- 6 Individual counseling sessions;
- 32 Group sessions (90 minutes each);
- Relapse prevention;
- Drug screening;
- Treatment and Discharge planning;
- Case management;
- 12-Step meetings;
- Information/referrals for obtaining health, social, vocation and other community services; and
- Exit/recovery planning.

### **Program/ASAM Service Level Description**

Outpatient Services (ASAM Level 1) Counseling services are provided to beneficiaries (up to 9 hours a week for adults, and less than 6 hours a week for adolescents) when determined by a Medical Director or Licensed Practitioner of the Healing Arts to be medically necessary and in accordance with an individualized client plan. Services can be provided by a licensed professional or a registered or certified counselor in any appropriate setting in the community.

CONTRACTOR shall comply with the requirements for youth programs as contained in “Youth Treatment Guidelines 2002” when providing youth treatment services, until such time new Youth Treatment Guidelines are established and adopted. The Youth Treatment Guidelines may be found on the California Department of Healthcare Services Website:

[http://www.dhcs.ca.gov/individuals/Documents/Youth\\_Treatment\\_Guidelines.pdf](http://www.dhcs.ca.gov/individuals/Documents/Youth_Treatment_Guidelines.pdf).

CONTRACTOR shall further comply with California Family Code Section 6929, and California Code of Regulations, Title 22, Sections 50147.1, 50030, 50063.5, 50157(f)(3), 50167(a)(6)(D), and 50195(d) when providing services to Minor Consent beneficiaries 12-20 years of age.

CONTRACTOR will provide culturally and linguistically competent services using the evidenced based practices such as Motivational Interviewing, Cognitive Behavioral Therapy, and the Matrix Model.

CONTRACTOR will provide Drug Medi-Cal Outpatient services in accordance with applicable State and Federal laws. Program services must be provided within facilities that are DHCS certified, operated and maintained to provide outpatient treatment services. Services will be provided in an alcohol-free and drug-free environment and will support recovery or treatment for substance use disorder problems. These services are to be provided by a registered or certified substance use disorder counselor or Licensed Practitioner of the Healing Arts (LPHA) and will include the following components:

Intake: The process of determining that a beneficiary meets the medical necessity criteria and beneficiary is admitted into a substance use disorder treatment program. Intake includes the evaluation or analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of treatment needs to provide medically necessary services. Intake may include a physical examination and laboratory testing necessary for substance use disorder treatment.

Individual Counseling: Contacts between a beneficiary and a therapist or counselor. Services provided in-person, by telephone or by telehealth qualify as Medi-Cal reimbursable units of service, and are reimbursed without distinction.

Group Counseling: Face-to-face contacts in which one or more therapists or counselors treat two or more clients at the same time with a maximum of 12 in the group, focusing on the needs of the individuals served.

Family Therapy: The effects of addiction are far-reaching and patient's family members and loved ones also are affected by the disorder. By including family members in the treatment process, education about factors that are important to the patient's recovery as well as their own recovery can be conveyed. Family members can provide social support to the patient, help motivate their loved one to remain in treatment, and receive help and support for their own family recovery as well.

Patient Education: Provide research based education on addiction, treatment, recovery and associated health risks.

Medication Services: The prescription or administration of medication related to substance use treatment services, or the assessment of the side effects or results of that medication conducted by staff lawfully authorized to provide such services and/or order laboratory testing within their scope of practice or licensure.

Collateral Services: Sessions with therapists or counselors and significant persons in the life of the beneficiary, focused on the treatment needs of the beneficiary in terms of supporting the achievement of the beneficiary's treatment goals. Significant persons are individuals that have a personal, not official or professional, relationship with the beneficiary.

Crisis Intervention Services: Contact between a therapist or counselor and a beneficiary in crisis. Services shall focus on alleviating crisis problems. “Crisis” means an actual relapse or an unforeseen event or circumstance which presents to the beneficiary an imminent threat of relapse. Crisis intervention services shall be limited to the stabilization of the beneficiary’s emergency situation.

Treatment Planning: The provider shall prepare an individualized written treatment plan, based upon information obtained in the intake and assessment process. The treatment plan will be completed upon intake and then updated every subsequent 90 days unless there is a change in treatment modality or significant event that would then require a new treatment plan. The treatment plan shall include:

- A statement of problems to be addressed,
- Goals to be reached which address each problem
- Action steps which will be taken by the provider and/or beneficiary to accomplish identified goals,
- Target dates for accomplishment of action steps and goals, and a description of services including the type of counseling to be provided and the frequency thereof.
- Treatment plans have specific quantifiable goal/treatment objectives related the beneficiary’s substance use disorder diagnosis and multidimensional assessment.
- The treatment plan will identify the proposed type(s) of interventions/modality that includes a proposed frequency and duration.
- The treatment plan will be consistent with the qualifying diagnosis and will be signed by the beneficiary and the Medical Director or LPHA.

Discharge Services (Case Management): The process to prepare the beneficiary for referral into another level of care, post treatment return or reentry into the community, and/or the linkage of the individual to essential community treatment, housing and human services

### **Length of Stay**

Duration of the program is dependent upon the nature of an individual’s presenting problems, history of abuse/addiction, and ongoing review of medical necessity criteria. The client attends two (2) to three (3) times weekly and the service the client receives is based on individualized recovery goals. Duration of the recovery support program averages four (4) months. The program will offer group-counseling sessions designed to focus on problem-recognition, self-esteem enhancement, interpersonal skill building, recovery management, stress management, and relapse prevention. Parenting issues and needs will also be addressed in groups focusing on parenting-skills, child growth and development, home management, nutrition, bonding, and effective discipline.

### **Assessment, Referral and Admission**

Individuals requesting admission to the Outpatient Program may have an assessment completed by the Behavioral Health Bureau staff or CONTRACTOR. For individuals who have been assessed by the Behavioral Health Bureau, the referral process will include the submission of an Initial Authorization Form from the Behavioral Health Bureau to the CONTRACTOR (Refer to Exhibit J) and an electronic copy of the completed ASAM assessment.

Admission shall not be denied on the basis of race, color, religion, sex, sexual orientation, age, national origin or disability. The above shall not preclude the program from emphasizing services for specific populations. For each individual participant, including family members or significant others, involvement with alcohol, drugs, or alcohol/drug related problems should be the primary criteria for participation. All participation shall be voluntary. All participants shall be physically and mentally capable of assuming full responsibility for their own decisions and actions in relation to recovery from alcohol and drug misuse while

in the program. No individual shall be admitted who, on the basis of staff judgment, exhibits behavior dangerous to the staff or others. Treatment service locations are handicapped accessible. Visually and hearing impaired participants are welcome and interpreters will be utilized as needed. Pregnant and/or IV-drug using applicants will receive priority admission.

**Target Population**

County of Monterey resident youth 12-17 years of age. Each applicant for outpatient treatment services is appropriately screened for eligibility based on meeting stated admission criteria.

**Service Objectives**

1. Operate and maintain a state certified outpatient drug free program in accordance with applicable State and Federal laws.
2. Program staff providing services will be trained in the practices of motivational interviewing and seeking safety and will utilize these practices when serving clients under this grant funded program.
3. Provide structured outpatient treatment services to a minimum of 30 clients.

Contractor will provide the following estimated outpatient sessions to Drug/Medi-Cal eligible clients for FY 2018-19: Each individual counseling session unit is 60 minutes. Each group counseling session unit is 90 minutes:

<b>Program 2</b>	<b>FY 2018-19</b>
Outpatient Individual Counseling (DMC)	1,152
Outpatient Group Counseling (DMC)	1,152
Outpatient Case Management	1,152
Medication Assisted Tx-Med Support and Physician Time	936

**Admission Criteria**

All admissions are referred by the Monterey County Behavioral Health Bureau. All referents must meet the following additional admission criteria:

1. Be a youth 12-17 years of age; and
2. Have a substance abuse disorder that necessitates outpatient treatment; and
3. Be medically and psychiatrically stable and able to participate in an active program counseling, education, and other recovery activities; and
4. Demonstrate the motivation and willingness to follow all program rules and expectations.

**Designated Contract Monitor**

Andrew B. Heald,  
 Substance Use Disorder Services  
 Manager Substance Use Disorder  
 Administrator Monterey County  
 Behavioral Health  
 1270 Natividad Rd. Salinas, CA 93906  
 (831) 755-6383

in the program. No individual shall be admitted who, on the basis of staff judgment, exhibits behavior dangerous to the staff or others. Treatment service locations are handicapped accessible. Visually and hearing impaired participants are welcome and interpreters will be utilized as needed. Pregnant and/or IV-drug using applicants will receive priority admission.

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3. Be medically and psychiatrically stable and able to participate in an active program counseling, education, and other recovery activities; and
4. Demonstrate the motivation and willingness to follow all program rules and expectations.

**Designated Contract Monitor**

Andrew B. Heald,  
 Substance Use Disorder Services  
 Manager Substance Use Disorder  
 Administrator Monterey County  
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 1270 Natividad Rd. Salinas, CA 93906  
 (831) 755-6383

## **Drug Medi-Cal Organized Delivery System Support Services**

### **Recovery Services**

Recovery Services are important to the beneficiary's recovery and wellness. CONTRACTOR will provide Drug Medi-Cal Recovery Services in accordance with applicable State and Federal laws. As part of the assessment and treatment needs of Dimension 6, Recovery Environment of the ASAM Criteria and during the transfer/transition planning process, beneficiaries will be linked to applicable recovery services. The treatment community becomes a therapeutic agent through which patients are empowered and prepared to manage their health and health care. Therefore, treatment must emphasize the patient's central role in managing their health, use effective self-management support strategies, and organize internal and community resources to provide ongoing self-management support to patients. Services are provided as medically necessary. Beneficiaries may access recovery services after completing their course of treatment whether they are triggered, have relapsed or as a preventative measure to prevent relapse. Recovery services may be provided face-to-face, by telephone, or by telehealth with the beneficiary and may be provided anywhere in the community.

The components of Recovery Services are:

- Outpatient counseling services in the form of individual or group counseling to stabilize the beneficiary and then reassess if the beneficiary needs further care;
- Education and Job Skills: Linkages to life skills, employment services, job training, and education services;
- Family Support: Linkages to childcare, parent education, child development support services, family/marriage education;
- Support Groups: Linkages to self-help and support, spiritual and faith-based support; vii.
- Ancillary Services: Linkages to housing assistance, transportation, case management, individual services coordination.
- Assessment and Referral

Individuals requesting Recovery Services need to have completed a treatment program; service is not to be delivered to individuals who have not completed a treatment program with one of the County's DMC-ODS network providers. Referrals may be completed by the Behavioral Health Bureau staff or CONTRACTOR. For individuals who are referred by the Behavioral Health Bureau, the referral process will include the submission of an electronic copy of the completed ASAM assessment.

**Service Objectives:** The Program will provide the following services per Fiscal Year 2018-19:

1. An estimated: **2,000** units of recovery services (relapse prevention/recovery monitoring) will be provided to NTP clients. Units of service consist of 15 minute increments.



2. An estimated: **500** units of recovery services (relapse prevention/recovery monitoring) will be provided to ODF clients. Units of service consist of 15 minute increments.

**Case Management:**

The COUNTY will assist in coordinating Case Management services; CONTRACTOR will provide Drug Medi-Cal Case Management Services in accordance with applicable State and Federal laws. These services may be provided by a Licensed Practitioner of the Healing Arts or a registered or certified counselor.

Case management services are defined as a service that assist a beneficiary to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services. These services focus on coordination of substance use disorder care, integration around primary care especially for beneficiaries with a chronic substance use disorder, and interaction with the criminal justice system, if needed. Case management services may be provided face-to-face, by telephone, or by telehealth with the beneficiary and may be provided anywhere in the community. Case management services include:

- Comprehensive assessment and periodic reassessment of individual needs to determine the need for continuation of case management services;
- Transition to a higher or lower level SUD of care; Development and periodic revision of a client plan that includes service activities;
- Communication, coordination, referral and related activities;
- Monitoring service delivery to ensure beneficiary access to service and the service delivery system; Monitoring the beneficiary's progress;
- Patient advocacy, linkages to physical and mental health care, transportation and retention in primary care services, Case management shall be consistent with and shall not violate confidentiality of alcohol or drug patients as set forth in 42 CFR Part 2, and California law.

**Assessment and Delivery of Service:**

Individuals in need of case management services are most often actively involved substance use disorder treatment or in the process of being discharged from a treatment program. This service is not defined in the ASAM criteria; assessment and delivery occurs when a beneficiary is in need of a transition to a different level of substance use disorder treatment, transition to a different level of care, advocacy services such as linkage to physical or mental health care, and determination of need for ongoing substance use disorder care and services, including case management. These services may be provided by the Behavioral Health Bureau Access Team and/or the CONTRACTOR.

**Physician Consultation Services:**

Services include DMC physicians' consulting with addiction medicine physicians, addiction psychiatrists or clinical pharmacists. Physician consultation services are not with DMC-ODS beneficiaries; rather, they are designed to assist DMC physicians with seeking expert advice on designing treatment plans for specific DMC-ODS beneficiaries.

- a. Physician consultation services are to support DMC providers with complex cases

which may address medication selection, dosing, side effect management, adherence, drug-drug interactions, or level of care considerations.

- b. COUNTY will contract with one or more physicians or pharmacists in order to provide consultation services. Physician consultation services can only be billed by and reimbursed to DMC providers

**Service Objectives:** The Program will provide the following services per Fiscal Year 2018-19:

1. An estimated: **100** units of service will be available for physician consultation services for Drug-Medi-Cal Clients. Units of service consist of 15 minute increments.

**Fees**

The program is expected to augment COUNTY funding through the generation of participant fees. The program will develop and maintain a multi-tiered fee scale to be approved by the County Behavioral Services Director. Services will not be denied because of an individual's inability to pay.

Designated Program Monitor  
Andrew B. Heald,  
Substance Use Disorder Services Administrator  
Monterey County Behavioral Health  
1270 Natividad Rd.  
Salinas, CA 93906  
(831) 755-6383

**CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES YOUTH TREATMENT GUIDELINES**

CONTRACTORS providing youth treatment services shall comply with the requirements for youth programs as contained in "Youth Treatment Guidelines 2002" until such time new Youth Treatment Guidelines are established and adopted. The Youth Treatment Guidelines may be found on the California Department of Healthcare Services Website:

[http://www.dhcs.ca.gov/individuals/Documents/Youth\\_Treatment\\_Guidelines.pdf](http://www.dhcs.ca.gov/individuals/Documents/Youth_Treatment_Guidelines.pdf)

**PERINATAL, CAL OMS DATA AND CAL OMS TREATMENT PROGRAM REQUIREMENTS:**

CONTRACTORS providing alcohol and drug treatment services shall fully participate in the California Outcome Measurement System (CalOMS) data collection and submission process and shall meet the timelines as established by the County. CONTRACTORS providing Perinatal Program services shall comply with the requirements for perinatal programs as contained in "Perinatal Services Network Guidelines FY 2016-17" until such time new Perinatal Services Network Guidelines are established and adopted. The Perinatal Services Network Guidelines may be found on the California Department of Healthcare Services Website:

<http://www.dhcs.ca.gov/services/adp/Documents/PSNG%20FY%202016-17.pdf>

**EXHIBIT B:  
PAYMENT PROVISIONS**

**PAYMENT TYPE**

Cost Reimbursed up to the Maximum Contract Amount.

**Drug/Medi-Cal**

COUNTY shall pay CONTRACTOR for services rendered to eligible participants and to the community which fall within the general services as outlined in Exhibit A. The rates for Drug/Medi-Cal client services shall be an interim rate based upon the estimated cost and units of services. At the end of each fiscal year, COUNTY shall make adjustments for actual cost in accordance with the procedures set forth in Section 20 of this Agreement.

COUNTY shall compensate CONTRACTOR in the following manner:

- A. For Programs 1, 2, 3, 4 and 9 and Recovery services and Physician Consult, services shall be invoiced to COUNTY in arrears and on a monthly basis.
- B. CONTRACTOR shall bill COUNTY monthly, in arrears, on Exhibit C, attached to supporting documentation as required by COUNTY for payment.
- C. COUNTY shall pay the CONTRACTOR the following rates:

Valley Health Programs		FY 2018-19		
		Est. Units per FY	Est. Rates	FY Total
1	NTP Methadone Dosing (DMC)	36,500	\$13.11	\$478,515
1	NTP Methadone Dosing (DMC) Peri	1,825	\$14.11	\$25,751
1	NTP Individual Counseling (DMC)	14,400	\$15.37	\$221,328
1	NTP Individual Counseling (DMC) Peri	1,825	\$16.39	\$29,912
1	NTP Group Counseling (DMC)	5,616	\$3.43	\$19,263
1	NTP Group Counseling (DMC) Peri	2,304	\$4.28	\$9,861
1	NTP Case Management	14,400	\$29.49	\$424,656
1	NTP Disulfiram Dosing (DMC)	1,825	\$10.47	\$19,108
1	NTP Disulfiram Dosing (DMC) Peri	100	\$10.84	\$1,084
1	NTP Buprenorphine Dosing - MONO	3,650	\$16.97	\$61,941
1	NTP Buprenorphine Dosing MONO Peri	200	\$20.15	\$4,030
1	NTP Buprenorphine Dosing COMBO	3,650	\$20.10	\$73,365
1	NTP Buprenorphine Dosing COMBO Peri	200	\$23.34	\$4,668
1	NTP Narcan	365	\$150.00	\$54,750
2	Outpatient Individual Counseling (DMC)	1,152	\$47.03	\$54,179
2	Outpatient Group Counseling (DMC)	1,152	\$47.03	\$54,179
2	Case Management Outpatient	1,152	\$29.49	\$33,972
2	Medication Assisted Treatment (MAT) Med Support or Physician Time (ODF)	936	\$83.10	\$77,782
1	Physician Consult (Peer-toPeer) NTP	100	\$83.10	\$8,310
1	Recovery Services NTP	2,000	\$42.18	\$84,360
2	Recovery Services ODF	500	\$42.18	\$21,090
<b>Total Drug/Medi-Cal</b>				<b>\$1,762,102</b>

#### 4. PAYMENT CONDITIONS

A. If CONTRACTOR is seeking reimbursement for eligible services funded by Drug Medi-Cal funds, SAPT funds, 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 substance abuse treatment and/or alcohol and other drug prevention 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 CONTRACTOR'S submitted budget for each funded program. CONTRACTOR shall be responsible for costs that exceed applicable CMAs. In no case shall payments to CONTRACTOR exceed the CMA. 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 3. Said amounts shall be referred to as the "Maximum Obligation of County," as identified in this Exhibit B, Section 5.

B. To the extent a recipient of services under this Agreement is eligible for coverage under Drug Medi-Cal funds, SAPT funds, 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 Drug Medi-Cal Funded Program(s), CONTRACTOR assumes fiscal responsibility for services provided to all individuals who do not have full-scope Drug/Medi-Cal or are not Drug/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 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 C, 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 3, 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 C, 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)

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.

J. COUNTY may withhold claims for payment to CONTRACTOR for delinquent amounts due to COUNTY as determined by a Drug/Medi-Cal Disallowance Report, Cost Report or Audit Report settlement resulting from this or prior years' Agreement(s). CONTRACTOR agrees to reimburse COUNTY for any state, federal, or COUNTY audit exceptions resulting from noncompliance herein on the part of CONTRACTOR or any subcontractor.

K. If COUNTY certifies payment at a lesser amount than the amount requested, COUNTY shall immediately notify CONTRACTOR in writing of such certification and shall specify the reason for it. If CONTRACTOR desires to contest the certification, CONTRACTOR must submit a written notice of protest to the COUNTY within twenty (20) days after CONTRACTOR's receipt of COUNTY's 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. Any costs incurred for dispute resolution will be split evenly between CONTRACTOR and COUNTY.

**5. MAXIMUM OBLIGATION OF COUNTY**

A. Subject to the limitations set forth herein, COUNTY shall pay to CONTRACTOR during the term of this Agreement a maximum amount of **\$1,762,102** for services rendered under this Agreement.

B. Maximum Annual Liability:

FISCAL YEAR LIABILITY	AMOUNT
FY 2018-19	\$1,762,102
<b>TOTAL AGREEMENT MAXIMUM LIABILITY</b>	<b>\$1,762,102</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.

**6. 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 Drug/Medi-Cal claims files, contractual

limitations of this Agreement, annual cost, 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 and Expenditure Report 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. All requests for budget amendments must be submitted prior to March 31 of the current Fiscal Year period. 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. Administrative Overhead: CONTRACTOR's administrative costs shall not exceed fifteen (15%) percent of total program costs and are subject to Cost Report Settlement provisions.

E. 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.

F. 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 Drug/Medi-Cal claims, and billing system data.

## **7. 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.

#### **8. BILLING PROCEDURES AND LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER FEDERAL SOCIAL SECURITY ACT, TITLE XIX MEDICAID SERVICES**

A. Under this Agreement, CONTRACTOR has Funded Programs that include Drug/Medi-Cal services. CONTRACTOR shall certify in writing annually, by July 1 of each year, that all necessary documentation shall exist at the time any claims for Drug/Medi-Cal 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 Drug Medi-Cal Organized Delivery System Plan for the Federal, State and local governments.

C. CONTRACTOR shall submit to COUNTY all Drug/Medi-Cal 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 Drug MC-Organize Delivery System (ODS) Plan, shall submit to the State in a timely manner claims for Drug/Medi-Cal 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 Drug/Medi-Cal 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 Medicaid Administrative 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 Medicaid, 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 V (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. In no event shall CONTRACTOR bill COUNTY for a portion of service costs for which CONTRACTOR has been or will be reimbursed from other contracts, grants or sources.

L. Nothing in this Section 8 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.

## **9. 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 Health Care Services guidelines and WIC sections 5709 and 5710.

2. The eligibility of patients/clients for 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 Non Drug/Medi-Cal, Drug/Medi-Cal service/activities specified in this Agreement.

C. CONTRACTOR shall not retain any fees paid by any sources for, or on behalf of Drug Medi-Cal beneficiaries without deducting those fees from the cost of providing those Drug/Medi-Cal services for which fees were paid.

D. 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 Non Drug/Medi-Cal, Drug/Medi-Cal services/activities specified in this Agreement.

E. 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 Drug 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 Drug/Medi-Cal beneficiaries and/or COUNTY'S revision of the Annual Report(s).
3. Any appropriate financial adjustment to CONTRACTOR'S reimbursement.

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

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

# EXHIBIT C – SUD Cost Reimbursement Invoice

## I C: COST REIMBURSEMENT INVOICE FORM

Contractor :		Invoice Number :	
Address Line 1		Country PO No. :	
Address Line 2		Invoice Period :	
Tel. No. :			
Fax No. :			
Contract Term :		Final Invoice : (Check if Yes)	<input type="checkbox"/>
BH Division :		BH Control Number	

Description	Mode of Service	SFC Reimbursement per Unit	Total Contracted UO's FY 2018-19	UO's Delivered this Period	Total UO's Delivered as of Last Period	UO's Delivered to Date	Remaining Deliverables	% of Remaining Deliverables	Total Contract Amount	Dollar Amount Requested this Period	Dollar Amt Requested as of Last Period	Dollar Amount Requested to Date	Dollar Amount Remaining
IPES				0		0	0		\$	\$	\$	\$	\$
Client Services				0		0	0		\$	\$	\$	\$	\$
IP/				0		0	0		\$	\$	\$	\$	\$
Director/Physician Consult				0		0	0		\$	\$	\$	\$	\$
Case Evaluation				0		0	0		\$	\$	\$	\$	\$
Ent				0		0	0		\$	\$	\$	\$	\$
<b>TOTALS</b>			0	0	0	0	0		\$0	0.00	0.00	0.00	\$0

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. I understand records for these claims are maintained in our office at the address indicated.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: Chief Financial Officer Telephone: \_\_\_\_\_

<a href="mailto:JMCH@Hennepine.com">JMCH@Hennepine.com</a> Behavioral Health Claims Section	Behavioral Health Authorization for Payment Authorized Signatory
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## **EXHIBIT D - CONFIDENTIALITY OF PATIENT INFORMATION**

Confidentiality of Patient Information and Records. All patient information and records are confidential. CONTRACTOR shall maintain the confidentiality of all patient records, including billings and computerized records, in accordance with all state and federal law relating to confidentiality of patient records and patient information, including but not limited to: Welfare and Institutions Code sections 5328, *et seq.*, 14100.2, and 10850, *et seq.*; Title 45 Code of Federal Regulations section 205.50, and Title 42, CFR, section 431.300 *et seq.*, 42 CFR Part 2, Health and Safety Code §120980, Civil Code 56.10 and HIPAA/HITECH.

“Patient information” or “confidential information” includes any patient/recipient of services identifying information including, but not limited to: name, identifying numbers, symbol, fingerprint, photograph or voice print. In addition, “patient information” or “confidential information” includes all information CONTRACTOR has obtained about a patient/recipient of services whether or not a documentary record of such information exists.


Use and Disclosure of Patient Information. Confidential information gained by CONTRACTOR from access to records and from contact with patients/recipients of service and complainants shall be used by CONTRACTOR only in connection with its performance under this Agreement. CONTRACTOR shall not disclose patient records or information, including the identities of patients/recipients of service, without proper consent to such disclosure or a court order requiring disclosure. In addition, CONTRACTOR shall obtain COUNTY's authorization to such disclosure prior to any release of confidential information. The COUNTY, through the Behavioral Health Director, shall have access to such confidential information.

Penalty for Unauthorized Disclosure. CONTRACTOR understands that disclosure of patient information in violation of law may subject the party releasing the information to a minimum of \$10,000 in civil damages, as set forth in Welfare and Institutions Code Section 5330.

Duty to Warn. CONTRACTOR understands that persons providing services under this Agreement may, in certain situations involving a patient or recipient of services who is a danger to himself or others, have a duty to warn third parties of such danger and should consult supervisory staff and/or legal counsel about such duty to warn as appropriate.

Dissemination of these Confidentiality Provisions. CONTRACTOR shall inform all its officers, employees, agents, and subcontractors providing services hereunder of these provisions.

*By my signature below, as the authorized representative of the CONTRACTOR named below, I certify acceptance and understanding for myself and the CONTRACTOR of the above confidentiality provisions.*

  
\_\_\_\_\_  
*Signature of Authorized Representative*  
6/22/19  
\_\_\_\_\_  
*Date*

Valley Health Associates  
\_\_\_\_\_  
*Business Name of Contractor*  
Amy Bravo  
\_\_\_\_\_  
*Name of Authorized Representative (printed)*  
Executive Director  
\_\_\_\_\_  
*Title of Authorized Representative*



**EXHIBIT E - ASSURANCE OF COMPLIANCE WITH SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED**

CONTRACTOR hereby agrees that it will comply with: (1) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), (2) all requirements imposed by the applicable HHS Regulations (45 C.F.R. Part 84) and, (3) all guidelines and interpretations issued pursuant thereto.

Pursuant to Section 84.5(a) of the Regulation (45 C.F.R. 84.5a) CONTRACTOR gives this Assurance in consideration of and for the purpose of obtaining any and all federal grants, loans, contracts (except procurement contracts and contracts of insurance or guaranty), property, discounts or other federal financial assistance extended after the date of this Assurance, including payments or other assistance made after such date on applications for federal financial assistance which will be extended in reliance on the representations and agreements made in this Assurance. The United States will have the right to enforce this Assurance through lawful means. This Assurance is binding on CONTRACTOR, its successors, transferees and assignees. The person or persons whose signatures appear below are authorized to sign this Assurance on behalf of CONTRACTOR.

This Assurance obligates CONTRACTOR for the period during which federal financial assistance is extended or, where the assistance is in the form of real or personal property, for the period provided for in section 84.5(b) of the Regulations (45 C.F.R. 84.5b).

In addition, CONTRACTOR gives this assurance for the purpose of obtaining payment from the COUNTY under this Agreement, regardless of the funding source. This assurance obligates the CONTRACTOR during the entire term of this Agreement.

CONTRACTOR: (Please check A or B)

- A.  Employs fewer than fifteen persons;
- B.  Employs fifteen or more persons, and pursuant to Section 84.7(a) of the Regulations (45 C.F.R. 84.7a), has designated the following person(s) to coordinate its efforts to comply with the HHS regulations.
- C.

Contractor's Business Name:			Valley Health Associates		
Name of Contractor's Designee:			Amy Bravo		
Title of Designee:			Executive Director		
Street: 338 Monterey Street					
City: Salinas		State: CA		Zip: 93901	
IRS Employer Identification Number:			77-0277577		
I certify that the above information is complete and correct to the best of my knowledge and belief.					
Signature of Contractor:			Date: 6/22/18		

*I certify that the above information is complete and correct to the best of my knowledge and belief.*

By   
Contractor's Signature

6/22/18  
Date

## **EXHIBIT F - ASSURANCE OF COMPLIANCE WITH MONTEREY COUNTY'S CULTURAL COMPETENCY POLICY**

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In a culturally competent system, each provider organization shows respect for and responds to individual differences and special needs. Services are provided in the appropriate cultural context and without discrimination related to race, national origin, income level, religion, gender, sexual orientation, age, or physical disability, to name a few. Culturally competent caregivers are aware of the impact of their own culture on their relationships with consumers and know about and respect cultural and ethnic differences. They adapt their skills to meet each family's values and customs. Cultural competence is a developmental and dynamic process – one that occurs over time.

### **Organizations in a Culturally Competent Service System Promote:**

#### **Quality Improvement**

- Continuous evaluation and quality improvement
- Supporting evidence-based, promising and emerging practices that are congruent with ethnic/racial/linguistic group belief systems, cultural values and help-seeking behaviors.

#### **Collaboration**

- Collaborating with Behavioral Health and other community programs
- Resolving barriers to partnerships with other service providers

#### **Access**

- Providing new services to unserved and underserved children, youth, adults and/or older adults
- Reducing disparities to care as identified in the Mental Health Services Act Plan
- Ensuring representation of mental health services consumers, family members of a mental health services consumer, and/or representatives from unserved communities on their advisory/governance body or committee for development of service delivery and evaluation (with a minimum target of 25%).
- Developing recruitment, hiring, and retention plans that are reflective of the target communities' ethnic, racial, and linguistic populations.

### **Cultural Competent Services:**

- Are available, accessible and welcoming to all clients regardless of race, ethnicity, language, age, and sexual orientation.
- Provide a physical environment that is friendly, respectful and inclusive of all cultures.
- Provide information, resources and reading materials in multilingual formats.
- Promote and foment culturally accepted social interactions, respect and healthy behaviors within the family constellation and service delivery system.
- Provide options for services, which are consistent with the client's beliefs, values, healing traditions, including individual preferences for alternative, spiritual and/or holistic approaches to health.
- Offer services in unserved and underserved communities.
- Have services available in the evening and on weekends to ensure maximum accessibility.
- Offer services in Spanish and other necessary languages (such as Tagalog) for at least 50% of all services.

## **Definitions for Cultural Competency**

*“Cultural Competence” is defined as a set of congruent practice skills, knowledge, behaviors, attitudes, and policies that come together in a system, agency, or among consumer providers, family members, and professionals that enables that system, agency, or those professionals and consumers, and family member providers to work effectively in cross-cultural situations.*

(Adapted from Cross, et al., 1989; cited in DMH Information Notice No.02-03).

*“Cultural Competence” is a means to eliminating cultural, racial and ethnic disparities. Cultural Competence enhances the ability of the whole system to incorporate the languages, cultures, beliefs and practices of its clients into the service. In this way all clients benefit from services that address their needs from the foundation of their own culture. Strategies for elimination of these disparities must be developed and implemented. Cultural Competence must be supported at all levels of the system.*

(Framework for Eliminating Cultural, Linguistic, Racial and Ethnic Behavioral Health Disparities pg 9)

*A set of congruent behaviors, attitudes, and policies that come together in a system, agency or amongst professionals and consumers and enables that system, agency or those professionals and consumers to work effectively in cross-cultural situations.*

(Cross, Bazron, Dennis & Issacs, 1989)

*The ability to work effectively with culturally diverse clients and communities.*

(Randall David, 1994)

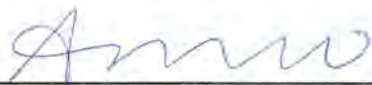
CONTRACTOR hereby agrees that it will comply with the principles and guidelines set forth in Monterey County’s Cultural Competency Policy (as outlined above), and will:

1. Develop organizational capacity to provide services in a cultural competent manner. This may include: hiring staff with the linguistic capabilities needed to meet the diverse language needs in Monterey County (for example, Spanish and Tagalog); providing staff with training in cultural competency; making services accessible at locations and times that minimize access barriers, and ensuring that staff have an open and positive attitude and feel comfortable working with diverse cultures.
2. Create a physical environment that ensures people of all cultures, ages and sexual orientation feel welcome and cared for. This may include: decorating waiting and treatment areas with pictures that reflect the diverse cultures of Monterey County; providing reading materials, resources and magazines in varied languages, at appropriate reading levels and suitable for different age groups, including children and youth; consideration of cultural differences and preferences when offering refreshments; ensuring that any pictures, symbols or materials on display are not unintentionally disrespectful to another culture.
3. Provide an emotional environment that ensures people of all cultures, ages and sexual orientation feel welcome and cared for. This may include: respect for individual preferences for alternative, spiritual and/or holistic approaches to health; a reception staff that is competent in the different languages spoken by clients; staff that is knowledgeable of cultural and ethnic differences and needs and is able and willing to respond to them in an appropriate and respectful manner.

4. Support the county's goal to reduce disparities to care by increasing access and decreasing barriers to services by unserved and underserved communities.
5. Include the voice of multi-cultural youth, client and family members, including: monolingual and bilingual clients and family members and representatives from unserved and underserved communities, in the advisory/governance body or committee for development of service delivery and evaluation (County Goal: 25%).
6. Participate in outcome evaluation activities aimed at assessing individual organizations as well as countywide cultural competency in providing mental health services.
7. As requested, meet with the Monterey County Behavioral Health Director or designee to monitor progress and outcomes and report regularly to Behavioral Health coordinating bodies on the progress and outcome(s) of the project.
8. As appropriate, participate in cultural competency trainings offered by Monterey County Behavioral Health.

Dissemination of these Provisions. CONTRACTOR shall inform all its officers, employees, agents, and subcontractors providing services hereunder of these provisions.

***By my signature below, as the authorized representative of the CONTRACTOR named below, I certify acceptance and understanding for myself and the CONTRACTOR of the above provisions.***

 <hr/> <p><i>Signature of Authorized Representative</i></p>	<p><i>Valley Health Associates</i></p> <hr/> <p><i>Business Name of Contractor</i></p>
<p>10/22/18</p> <hr/> <p><i>Date</i></p>	<p><i>Amy Bravo</i></p> <hr/> <p><i>Name of Authorized Representative (printed)</i></p>
	<p><i>Executive Director</i></p> <hr/> <p><i>Title of Authorized Representative</i></p>



## **EXHIBIT G: BUSINESS ASSOCIATE AGREEMENT**

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This Business Associate Agreement (“Agreement”), effective **July 1, 2018** (“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 **Valley Health Associates** (“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 two (2) 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) 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 or Business Associate's compliance with the Privacy Rule;

(f) document disclosures of PHI and information related to such disclosure and, within ten (10) 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) 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) 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 ten (10) 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 ten (10) 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) 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;

(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 two (2) 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) 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:

Valley Health Associates  
338 Monterey Street, Salinas CA 93901  
Attn: Amy Bravo, Executive Director  
Tel: (831) 424-6655

If to Covered Entity, to:

Monterey County Health Department/Behavioral Health Bureau  
1270 Natividad Road  
Salinas, CA 93906  
Attn: Elsa M. Jimenez, Director of Health  
Tel: (831) 755-4526  
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. Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter County), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including the County's reasonable cost of providing notification of and of mitigating any acquisition, access, use or disclosure of PHI in a manner not permitted by this BAA, arising out of, or in connection with, performance of this BAA by Contractor and/or its agents, members, employees, or sub-contractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this BAA to provide the broadest possible indemnification for the County. Contractor shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred by the County with respect to any investigation, enforcement proceeding or litigation in which Contractor is obligated to indemnify, defend, and hold harmless the County under this BAA. This provision is in addition to and independent of any indemnification provision in any related or other agreement between the Covered Entity and the Business Associate.

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.

**COUNTY OF MONTEREY, ON BEHALF  
OF THE HEALTH DEPARTMENT**

**CONTRACTOR NAME**

By: 

By: 

Print Name: Elsa M. Jimenez

Print Name: Amy Bravo

Print Title: Director of Health

Print Title: Executive Director

Date: 07/02/2018

Date: 6/22/18

BAA- Health Department Revised 12/12/2014

# EXHIBIT H: BUDGET AND EXPENDITURE REPORT

## Community Human Services BUDGET AND EXPENDITURE REPORT For Monterey County - Behavioral Health FISCAL YEAR 2018-19

Program Name: \_\_\_\_\_

Address: \_\_\_\_\_

Unduplicated Number of Clients to be Served: \_\_\_\_\_

Service Description	Mode of Service	Service Function Code	Total Units of Service	Amount Due from the COUNTY	Estimated Financial Units of Service	Estimated Federal Participation (%)
Care Management	18	1	WREF	WREF	WREF	WREF
Mental Health Services	18	WREF	WREF	WREF	WREF	WREF
Meditation Support	18	80-90	0	0	0	0
			WREF	WREF	WREF	WREF

	Actual FY 2016-17	Budget FY 2017-18	Budget FY 2018-19	Change
<b>A. PROGRAM REVENUES</b>				
Monterey County Funds (Monterey County's Use):				
Professional Rates	WREF	WREF	WREF	WREF
	WREF	WREF	WREF	WREF
	WREF	WREF	WREF	WREF
Total Restricted Monterey County Funds		WREF	WREF	\$ -
Other Program Revenues				\$ -
CONTRACTOR Match from First 5 Funds		\$ -	\$ -	\$ -
CONTRACTOR Match from Action Council Funds		WREF	WREF	WREF
Other Program Revenue		WREF	WREF	WREF
TOTAL PROGRAM REVENUES (equals Allowable Costs)		WREF	WREF	WREF
<b>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 expected to be able to identify direct and indirect costs directly from its financial statements.</b>				
<b>I. Direct Cost Centers - a direct cost, as defined in OMB A-97, is a cost that can be identified specifically with a particular final cost objective.</b>				
<b>A. Mode Costs (Direct Services)</b>				
	Actual FY 2016-17	Budget FY 2017-18	Budget FY 2018-19	Change
1 Salaries and wages (please fill out Supplemental Schedule of Salaries and Wages)	WREF	WREF	WREF	WREF
2 Payroll taxes	WREF	WREF	WREF	WREF
3 Employee benefits	WREF	WREF	WREF	WREF
4 Workers Compensation	WREF	WREF	WREF	WREF
5 Business Exp. (if required by law, employee-employer agreement or established written policy or associated with County's loss of funding)	WREF	WREF	WREF	WREF
6 Temporary Staffing	WREF	WREF	WREF	WREF
7 Flexible Client Spending (please provide supporting documents)	WREF	WREF	WREF	WREF
8 Travel (expense incurred to carry out the program)	WREF	WREF	WREF	WREF
9 Employee Travel and Conference	WREF	WREF	WREF	WREF
10 Communication Costs	WREF	WREF	WREF	WREF
11 Utilities	WREF	WREF	WREF	WREF
12 Cleaning and Janitorial	WREF	WREF	WREF	WREF
13 Maintenance and Repairs - Buildings	WREF	WREF	WREF	WREF
14 Maintenance and Repairs - Equipment	WREF	WREF	WREF	WREF
15 Printing and Publications	WREF	WREF	WREF	WREF
16 Memberships, Subscriptions and Dues	WREF	WREF	WREF	WREF
17 Office Supplies	WREF	WREF	WREF	WREF
18 Postage and Mailing	WREF	WREF	WREF	WREF
19 Medical Records	WREF	WREF	WREF	WREF
20 Data Processing	WREF	WREF	WREF	WREF
21 Rent and Leases - equipment	WREF	WREF	WREF	WREF
22 Rent and Leases - building and improvements (please identify the property address and method of cost allocation)	WREF	WREF	WREF	WREF
23 Taxes and assessments (Please identify the property address and method of cost allocation)	WREF	WREF	WREF	WREF
24 Interest in Other Long-term debts (please identify the property address and method of cost allocation)	WREF	WREF	WREF	WREF
25 Other Professional and Consultant Services (allowable with prior specific approval from Monterey County and must meet the criteria of a direct cost. Please provide List of Providers)	WREF	WREF	WREF	WREF
26 Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133) and Certified Public Expenditure examination of Monterey County)	WREF	WREF	WREF	WREF
27 Miscellaneous (please provide details)	WREF	WREF	WREF	WREF
28 Depreciation Expenses (please exclude assets purchased by COUNTY funds and provide Schedule of Depreciation expense)	WREF	WREF	WREF	WREF
29 Total Mode Costs	WREF	WREF	WREF	WREF
<b>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 base used and the</b>				
30 Salaries and Benefits	WREF	WREF	WREF	WREF
31 Supplies	WREF	WREF	WREF	WREF
32 Others - please provide details. Expense must be authorized by the County and/or not prohibited under Federal, State or local law or regulations.	WREF	WREF	WREF	WREF
33 Depreciation Expenses (please exclude assets purchased by COUNTY funds and provide Schedule of Depreciation expense)	WREF	WREF	WREF	WREF
34 Total Administrative Costs	WREF	WREF	WREF	WREF
35 TOTAL DIRECT COSTS	WREF	WREF	WREF	WREF
<b>II Indirect Cost Centers - include all costs that are incurred for a common or joint purpose benefiting more than one final cost objective, that are not readily assignable to the cost objective specifically benefited without effort disproportionate to the results achieved. The indirect cost centers correspond directly with the expense accounts defined in the Accounting Standards and Procedures for Counties, which is published by the California State Controller's Office.</b>				
	Actual FY 2016-17	Budget FY 2017-18	Budget FY 2018-19	Change
36 INDIRECT COSTS	WREF	WREF	WREF	WREF
37 Equipment (purchase price of less than \$5000)	WREF	WREF	WREF	WREF
38 Rent and Leases - equipment	WREF	WREF	WREF	WREF
39 Rent and Leases - building and improvements	WREF	WREF	WREF	WREF
40 Taxes and assessments	WREF	WREF	WREF	WREF
41 Insurance and indemnity	WREF	WREF	WREF	WREF
42 Maintenance - equipment	WREF	WREF	WREF	WREF
43 Maintenance - building and improvements	WREF	WREF	WREF	WREF
44 Utilities	WREF	WREF	WREF	WREF
45 Household Expense	WREF	WREF	WREF	WREF
46 Interest in Bonds	WREF	WREF	WREF	WREF
47 Interest in Other Long-term debts	WREF	WREF	WREF	WREF
48 Other interest and finance charges	WREF	WREF	WREF	WREF
49 Contract Administration	WREF	WREF	WREF	WREF
50 Legal and Accounting costs (required for the administration of the County Programs)	WREF	WREF	WREF	WREF
51 Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133) and Certified Public Expenditure examination of Monterey County)	WREF	WREF	WREF	WREF
52 Data Processing	WREF	WREF	WREF	WREF
53 Personnel Administration	WREF	WREF	WREF	WREF
54 Medical Records	WREF	WREF	WREF	WREF
55 Other Professional and Specialized Services	WREF	WREF	WREF	WREF
56 Transportation and Travel	WREF	WREF	WREF	WREF
57 Advertising (for recruitment of admin personnel, procurement of services and disposal of surplus assets)	WREF	WREF	WREF	WREF
58 Total Indirect Costs	WREF	WREF	WREF	WREF
59 Total Allowable Costs	\$ -	WREF	WREF	WREF
<b>COST REPORT INFORMATION</b>				
60 Land		WREF	WREF	WREF
61 Buildings and Improvements		WREF	WREF	WREF
62 Equipment (purchase price of \$5000 or more)		WREF	WREF	WREF
63 Total		WREF	WREF	WREF

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 receivable 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 Contractor'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.

## **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, 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 shall be defined as Annual Report which is 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; 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 15<sup>th</sup> for the fiscal year ending on the previous June 30<sup>th</sup> 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 V (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 STATE. 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. 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.

**V. 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.