

**AMENDMENT NO. 2
TO MENTAL HEALTH SERVICES AGREEMENT A-13950
BETWEEN COUNTY OF MONTEREY AND
DISCOVERY PRACTICE MANAGEMENT, INC.
DBA CENTER FOR DISCOVERY**

THIS AMENDMENT NO. 2 is made to MENTAL HEALTH SERVICES AGREEMENT A-13950 by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California, hereinafter referred to as “**COUNTY**”, and **DISCOVERY PRACTICE MANAGEMENT, INC. DBA CENTER FOR DISCOVERY**, hereinafter referred to as “**CONTRACTOR**”.

WHEREAS, the COUNTY and CONTRACTOR entered into MENTAL HEALTH SERVICES AGREEMENT A-13950 in the amount of \$324,000 for the term of July 1, 2018 to June 30, 2021 for the provision of adolescent eating disorder residential treatment services; and

WHEREAS, the COUNTY and CONTRACTOR entered into AMENDMENT NO. 1 to AGREEMENT A-13950 to revise the delivery sites, modify the insurance provisions, and increase the rates for Fiscal Year (FY) 2019-20 and FY 2020-21 for a revised total Agreement amount not to exceed \$340,560 for the same term July 1, 2018 to June 30, 2021; and

WHEREAS, the COUNTY and CONTRACTOR wish to amend the AGREEMENT A-13950 to extend the term of the AGREEMENT for one additional FY for a new term of July 1, 2018 to June 30, 2022, and add Eating Disorder Intensive Outpatient Program services to FY 2020-21 and FY 2021-22 for a revised total AGREEMENT amount not to exceed \$730,960.

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

1. Section IV. TERM AND TERMINATION, A. Term. Shall be amended by removing “*This Agreement shall be effective July 1, 2018 and shall remain in effect until June 30, 2021*” and replacing it with “*This Agreement shall be effective July 1, 2018 and shall remain in effect until June 30, 2022.*”
2. EXHIBIT A-2: PROGRAM DESCRIPTION replaces EXHIBIT A-1. All references in the AGREEMENT to EXHIBIT A-1 shall be construed to refer to EXHIBIT A-2.
3. EXHIBIT B-2: PAYMENT AND BILLING PROVISIONS replaces EXHIBIT B-1. All references in the AGREEMENT to EXHIBIT B-1 shall be construed to refer to EXHIBIT B-2.
4. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT NO. 2 and shall continue in full force and effect as set forth in the AGREEMENT.
5. This AMENDMENT NO.2 shall be effective April 20, 2021.
6. A copy of this AMENDMENT NO. 2 shall be attached to the original AGREEMENT executed by the COUNTY on June 25, 2018.

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this AMENDMENT NO. 2 to AGREEMENT A-13950 as of the day and year written below.

COUNTY OF MONTEREY

CONTRACTOR

By: _____
Contracts/Purchasing Officer

Date: _____

By: _____
Department Head (if applicable)

Date: _____

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form¹
By: DocuSigned by:
Marina Pantchenko
County Counsel

Date: 4/29/2021 | 9:56 AM PDT

Approved as to Fiscal Provisions²
By: DocuSigned by:
Gary Giboney
Auditor/Controller

Date: 4/29/2021 | 10:00 AM PDT

Approved as to Liability Provisions³
By: _____
Risk Management

Date: _____

DISCOVERY PRACTICE
MANAGEMENT, INC. DBA CENTER
FOR DISCOVERY

By: DocuSigned by:
John Peloguin
Contractor's Business Name*
(Signature of Chair, President,
or Vice-President) *
John Peloguin CEO

Date: 4/24/2021 | 2:07 PM PDT

By: DocuSigned by:
W. Bradley Cooper
(Signature of Secretary, Asst. Secretary,
CFO, Treasurer or Asst. Treasurer) *

W. Bradley Cooper CFO
Name and Title

Date: 4/26/2021 | 10:44 AM PDT

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

¹Approval by County Counsel is required; if Agreement is \$100,000 and less approval by County Counsel is required only when modifications are made to any of the Agreement's standardized terms and conditions
²Approval by Auditor-Controller is required.
³Approval by Risk Management is necessary only if changes are made in Sections XI or XII

EXHIBIT A-2: PROGRAM DESCRIPTION

PROGRAM 1: EATING DISORDER – RESIDENTIAL TREATMENT CENTER (ED-RTC)

I. IDENTIFICATION OF PROVIDER

Discovery Practice Management, Inc. dba Center for Discovery
4281 Katella Ave., Suite 111
Los Alamitos, CA 90720
(800) 760-3934

Incorporation Status / Type of Facility License:

Private For-Profit Corporation; Licensed by the State of California Department of Public Health as a Congregate Living Health Facility. Accredited and Certified by the Joint Commission.

II. PROGRAM NARRATIVE

Contractor will provide specialized, personalized residential treatment for teens and adolescents, both female and male ages 10-19 with eating disorders as a primary diagnosis. Program services include therapeutic treatment that addresses the eating disorder behavior, and education on nutrition and practical kitchen and food skills to help support recovery. The average estimated treatment period / residential stay is from 30-45 days.

III. PROGRAM GOALS

Provide the children/youth with skills to effectively manage the behavior(s) or symptom(s) that is/are a barrier to achieving residence in the lowest appropriate level.

IV. PROGRAM OBJECTIVES

- A. Reduce child/youth's impulsive and coping behaviors
- B. Reduce child/youth's inappropriate responses to stressful situations
- C. Teach child/youth pro-social skills and community competencies
- D. Provide parents/caregivers skills and strategies to provide continuity of care when services are discontinued.

V. TREATMENT SERVICES

A. Description

Tailored services for teens and adolescents with eating disorder deficits in a variety of adaptive functioning areas, including,

One or all of the following:

- a. Cognitive-Behavioral Therapy (CBT)
- b. Dialectical Behavioral Therapy (DBT)

*Discovery Practice Management, Inc. dba Center for Discovery
Amendment No. 2 to Mental Health Services Agreement A-13950
July 1, 2018 – June 30, 2022*

- c. Acceptance and Commitment Therapy (ACT)
- d. Process Experiential Therapy
- e. Narrative Therapy
- f. Psychodrama
- g. Psychoeducation
- h. Kitchen Skills & Exposure-Response Prevention
- i. Family Involvement
- j. Body Acceptance
- k. Expressive Arts
- l. Body Movement
- m. Mindfulness
- n. Equine Assisted Therapy
- o. Recreational Activities

B. Mode of Service: Outpatient

Contracted Units of Service:

The average treatment period is 30-45 days. Units of Services per FY is estimated at the maximum 45-day period for two (2) placements. A unit of service is a day.

Fiscal Year (FY)	ED-RTC Estimated units
FY 2018-19	90
FY 2019-20	90
FY 2020-21	90
FY 2021-22	90

C. Delivery Site:

Facility	Address	County
Center for Discovery, Danville	212 La Questa Dr. Danville, CA 94526-3511	Contra Costa
Center for Discovery, Fremont	46890 Rancho Higuera Rd. Fremont, CA 94539-7308	Alameda
Center for Discovery, La Habra	2115 Las Palomas La Habra Heights, CA 90631-7761	Orange
Center for Discovery, Lakewood	4136 Ann Arbor Rd. Lakewood, CA 90712-3817	Los Angeles
Center for Discovery, Menlo Park	1895 Altschul Ave. Menlo Park, CA 94025-6515	San Mateo
Center for Discovery, Rancho Palos Verdes	30175 Avenida Tranquila Rancho Palos Verdes, CA 90275-4516	Los Angeles
Center for Discovery, Sacramento	5422 Cavitt Stallman Rd. Granite Bay, CA 95746-9491	Sacramento
Center for Discovery, Thousand Oaks	228 Rimrock Rd. Thousand Oaks, CA 91361-5203	Ventura

4. Hours of Operation:

Residential treatment services provided 24/7. Services include education oversight in conjunction with the child's primary school or learning plan.

VI. POPULATION / CATCHMENT AREA TO BE SERVED

This Agreement is for two (2) eligible residents of Monterey County. New eligible residents of Monterey County referred to the program will require an amendment to this Agreement.

VII. FINANCIAL ELIGIBILITY

Monterey County youth who have been screened through the County interagency placement committee or any youth that have been placed through the Individual Educational Plan (IEP).

VIII. LIMITATION OF SERVICE / PRIOR AUTHORIZATION

1. Exclusively the designated County staff will initiate referrals for admission to this program, after an initial screening. Admission to the program will involve youth who are voluntary participants or who are wards or dependents of the court. Screening criteria will be based on degree of emotional disturbance, severity and type of eating disorder, a designated funding source, and the inability to utilize a less restrictive placement. Admission will be the sole authority of the CONTRACTOR.
2. CONTRACTOR shall provide to the designated County staff an evaluation of the client's treatment progress after 14 days of treatment, and again after 35 days of treatment.
3. CONTRACTOR may submit a request for re-authorization for additional treatment services to the designated County staff for review and authorization. Only those additional treatment services deemed allowable will be authorized. In the event the additional authorized treatment is projected to exceed total annual amount of the Agreement, County will initiate the process to amend the Agreement.

IX. CLIENT DESCRIPTION/ CHARACTERISTICS

The population served is boys and girls ages 10-19 with eating disorders as a primary diagnosis, which include a range of disorders including but not limited to:

1. One or all of the following:
 - a. Anorexia Nervosa
 - b. Bulimia Nervosa
 - c. Binge Eating Disorder
 - d. Other disordered eating

X. LEGAL STATUS

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

XI. DESIGNATED CONTRACT MONITOR

Marni R. Sandoval, Psy. D.
Deputy Director, Children's Services
Training Director, Doctoral Psychology Practicum/Internship Program
Monterey County Behavioral Health Bureau
951-B Blanco Circle Salinas, CA 93901
(831) 784-2170

PROGRAM 2:
EATING DISORDER – INTENSIVE OUTPATIENT PROGRAM (ED-IOP)

I. IDENTIFICATION OF PROVIDER

Discovery Practice Management, Inc. dba Center for Discovery
4281 Katella Ave., Suite 111
Los Alamitos, CA 90720
(800) 760-3934

Incorporation Status / Type of Facility License:

Private For-Profit Corporation; Accredited and Certified by the Joint Commission.

II. PROGRAM NARRATIVE

Contractor will provide specialized intensive outpatient treatment for children, youth, and adults with underlying and co-occurring conditions that contribute to eating disorders. The Eating Disorder - Intensive outpatient Program (ED-IOP) services include therapeutic treatment that addresses the eating disorder behavior, and education on nutrition and practical kitchen and food skills to help support recovery. Program services are a combination of group and individual therapy, offered in person or via telehealth. Treatment requires individuals to obtain at least nine hours of group and/or individual therapy per week, which is divided up into 3-hour sessions, 3-5 evenings a week, or on weekends, for 12-16 weeks. The ED-IOP treatment program is a lower level of care; meaning that it does not require hospitalization, around the clock monitoring or overnight stays. In the ED-IOP, meals are generally eaten outside the program. Medication management is not supported through the program. The ED-IOP utilizes evidenced-based treatment of trauma, self-harm, substance use, depression, anxiety, and mood disorders. Staff are trained in Eye Movement Desensitization Reprocessing (EMDR), Trauma Focused CBT, and the Trauma Resiliency Model (TRM).

III. PROGRAM GOALS

Provide the children/youth with skills to effectively manage the behavior(s) or symptom(s) of eating disorders.

IV. PROGRAM OBJECTIVES

- A. Reduce child/youth's impulsive and coping behaviors
- B. Reduce child/youth's inappropriate responses to stressful situations
- C. Teach child/youth how to regulate their nervous system with tools to create safety and resilience
- D. Provide parents/caregivers skills and strategies to provide continuity of care when services are discontinued.

V. TREATMENT SERVICES

A. Mode of Service: Intensive Outpatient Program

Contracted Units of Service:

The average treatment period is 3-hour sessions, 3-5 days a week, for 12-16 weeks. Units of services per FY is estimated at the maximum of 5 days a week, for 16 weeks for four (4) children/youth and one (1) adult placement, for a total of five (5) placements. A unit of service is a day.

Fiscal Year (FY)	ED-IOP Estimated units
FY 2018-19	0
FY 2019-20	0
FY 2020-21	240
FY 2021-22	400

The frequency of treatment days depends on the individual's needs, and program will taper the number of days per week of attendance as the individual progresses. Treatment includes on individual or family session, one nutritional counseling session, and continued group counseling weekly.

A. Delivery Site:

Facility	Address
Beverly Hills - TELEHEALTH	8484 Wilshire Blvd., Ste 510 Beverly Hills, CA 90211-3213
Los Alamitos - TELEHEALTH	4281 Katella Ave., Ste 111 Los Alamitos, CA 90720-3588

B. Hours of Operation:

Treatment services are offered Monday through Saturday.

VI. POPULATION / CATCHMENT AREA TO BE SERVED

This Agreement is for five (5) eligible residents of Monterey County. New eligible residents of Monterey County referred to the program will require an amendment to this Agreement.

VII. FINANCIAL ELIGIBILITY

Monterey County Medi-Cal beneficiaries who have been screened through the COUNTY mental health and assessment care coordination process.

VIII. LIMITATION OF SERVICE / PRIOR AUTHORIZATION

A. Exclusively the designated County staff will initiate referrals for admission to this program, after an initial screening. Screening criteria will be based on degree of emotional disturbance, severity and type of eating disorder, a designated funding

source, and the inability to utilize a less restrictive placement. Admission will be the sole authority of the CONTRACTOR.

- B. CONTRACTOR shall provide to the designated County staff an evaluation of the client's treatment progress after 14 days of treatment, and again on a monthly basis .
- C. CONTRACTOR may submit a request for re-authorization for additional treatment services to the designated County staff for review and authorization. Only those additional treatment services deemed allowable will be authorized. In the event the additional authorized treatment is projected to exceed total annual amount of the Agreement, County will initiate the process to amend the Agreement.

IX. CLIENT DESCRIPTION/ CHARACTERISTICS

The population served are children and adults with eating disorders as a primary diagnosis, which include a range of disorders including but not limited to:

- One or all of the following:
 - e. Anorexia Nervosa
 - f. Bulimia Nervosa
 - g. Binge Eating Disorder
 - h. Other disordered eating

X. LEGAL STATUS

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

XI. DESIGNATED CONTRACT MONITOR

Marni R. Sandoval, Psy. D.
Deputy Director, Children's Services
Training Director, Doctoral Psychology Practicum/Internship Program
Monterey County Behavioral Health Bureau
951-B Blanco Circle Salinas, CA 93901
(831) 784-2170

EXHIBIT B-2: PAYMENT AND BILLING PROVISIONS

I. PAYMENT TYPES

Fixed Daily Service rate up to maximum contract amount.

II. PAYMENT AUTHORIZATION FOR SERVICES

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

III. PAYMENT RATE

RATE: NEGOTIATED RATE

CONTRACTOR shall be paid at the negotiated rate.

The following program services will be paid in arrears, not to exceed the negotiated rates for a total contract maximum of **\$730,960**.

PROGRAM SUMMARY

Program	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total Amount
Program 1: ED-RTC	\$108,000	\$116,280	\$124,380	\$124,380	\$473,040
Program 2: ED-IOP	\$0	\$0	\$96,720	\$161,200	\$257,920
Total	\$108,000	\$116,280	\$221,100	\$285,580	\$730,960

PROGRAM 1: EATING DISORDER – RESIDENTIAL TREATMENT CENTER (ED-RTC)

Fiscal Year (FY)	Service Rate per Day	Estimated Total Units of Service	Total Maximum Amount per FY
FY 2018-2019	\$1,200	90	\$108,000
FY 2019-2020	\$1,200 (Jul. 1, 2019 - Dec. 31, 2019)	90	\$116,280
	\$1,292 (Jan. 1, 2020 - Jun. 30, 2020)		
FY 2020-2021	\$1,382	90	\$124,380
FY 2021-2022	\$1,382	90	\$124,380
PROGRAM 1: ED-RTC TOTAL MAXIMUM LIABILITY			\$473,040

**PROGRAM 2: EATING DISORDER –
INTENSIVE OUTPATIENT PROGRAM (ED-IOP)**

Fiscal Year (FY)	Service Rate per Day	Estimated Total Units of Service	Total Maximum Amount per FY
FY 2020-2021	\$403	240	\$96,720
FY 2021-2022	\$403	400	\$161,200
Program 2: ED-IOP TOTAL MAXIMUM LIABILITY			\$257,920

IV. PAYMENT CONDITIONS

A. In order to receive any payment under this Agreement, CONTRACTOR shall submit reports and claims on Cost Reimbursement Invoice Form provided as Exhibit G, to this Agreement, along with backup documentation, on a monthly basis, to COUNTY so as to reach the Behavioral Health Bureau no later than the thirtieth (30th) day of the month following the month of service. See Section III, above, for payment amount information to be reimbursed each fiscal year period of this Agreement.

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

MCHDBHFinance@co.monterey.ca.us

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

County Auditor-Controller shall pay the amount certified within thirty (30) calendar days of receiving the certified invoice.

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

V. MAXIMUM OBLIGATION OF COUNTY

- A. Subject to the limitations set forth herein, COUNTY shall pay to CONTRACTOR during the term of this Agreement a maximum amount of **\$730,960** for services rendered under this Agreement.
- B. Funding Source and estimated amounts per Fiscal Year (FY). The County retains the right to adjust the funding sources as may be required.

Program Number/Name	SELPA	2011 Realignment	1991 Realignment	Total Amount per FY
1 ED-RTC	\$54,000.00	\$54,000.00	\$0.00	\$108,000.00
Total Amount per FY 2018-19	\$54,000.00	\$54,000.00	\$0.00	\$108,000.00

Program Number/Name	SELPA	2011 Realignment	1991 Realignment	Total Amount per FY
1 ED-RTC	\$58,140.00	\$58,140.00	\$0.00	\$116,280.00
Total Amount per FY 2019-20	\$58,140.00	\$58,140.00	\$0.00	\$116,280.00

Program Number/Name	SELPA	2011 Realignment	1991 Realignment	Total Amount per FY
1 ED-RTC	\$62,190.00	\$62,190.00	\$0.00	\$124,380.00
2 ED-IOP	\$32,240.00	\$32,240.00	\$32,240.00	\$96,720.00
Total Amount per FY 2020-21	\$94,430.00	\$94,430.00	\$32,240.00	\$221,100.00

Program Number/Name	SELPA	2011 Realignment	1991 Realignment	Total Amount per FY
1 ED-RTC	\$62,190.00	\$62,190.00	\$0.00	\$124,380.00
2 ED-IOP	\$64,480.00	\$64,480.00	\$32,240.00	\$161,200.00
Total Amount per FY 2021-22	\$126,670.00	\$126,670.00	\$32,240.00	\$285,580.00

C. Maximum Annual Liability:

FISCAL YEAR LIABILITY	AMOUNT
FY 2018-19	\$108,000
FY 2019-20	\$116,280
FY 2020-21	\$221,100
FY 2021-22	\$285,580
TOTAL MAXIMUM LIABILITY	\$730,960

- D. 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.
- E. 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.
- F. As an exception to Section D. above with respect to the Survival of Obligations after Termination, COUNTY, any payer, and CONTRACTOR shall continue to remain obligated under this Agreement with regard to payment for services required to be rendered after termination.

VI. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

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

COUNTY'S Board of Supervisors appropriates funds for this Agreement in COUNTY'S Budget for each such fiscal year. In the event funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. COUNTY shall notify CONTRACTOR of any such non-appropriation of funds at the earliest possible date and the services to be provided by the CONTRACTOR under this Agreement shall also be reduced or terminated.

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

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

- A. CONTRACTOR shall be solely liable and responsible for all service data and information submitted by CONTRACTOR.
- B. CONTRACTOR acknowledges and agrees that the COUNTY, in under taking the processing of claims and payment for services rendered under this Agreement for these Funded Programs, does so as the Mental Health Plan for the Federal, State and local governments.
- C. CONTRACTOR shall submit to COUNTY all 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. 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.
- E. 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, 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.

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

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

- A. CONTRACTOR shall comply with all Federal, State and COUNTY requirements and procedures relating to:
 - 1. The determination and collection of patient/client fees for services hereunder based on the Uniform Method of Determining Payment (UMDAP), in accordance with the State Department of Mental Health guidelines and WIC sections 5709 and 5710.
 - 2. The eligibility of patients/clients for Short-Doyle/Medi-Cal, Medicaid, Medicare, private insurance, or other third party revenue, and the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. CONTRACTOR shall pursue and report collection of all patient/client and other revenue.
- B. All fees paid by patients/clients receiving services under this Agreement and all fees paid on behalf of patients/clients receiving services hereunder shall be utilized by CONTRACTOR only for the delivery of mental health service/activities specified in this Agreement.
- C. CONTRACTOR may retain unanticipated program revenue, under this Agreement, for a maximum period of one Fiscal Year, provided that the unanticipated revenue is utilized for the delivery of mental health services/activities specified in this Agreement. CONTRACTOR shall report the expenditures for the mental health services/activities funded by this unanticipated revenue in the Annual Report(s) and Cost Report Settlement submitted by CONTRACTOR to COUNTY.
- D. CONTRACTOR shall not retain any fees paid by any sources for, or on behalf of, Medi-Cal beneficiaries without deducting those fees from the cost of providing those mental health services for which fees were paid.

- E. CONTRACTOR may retain any interest and/or return which may be received, earned or collected from any funds paid by COUNTY to CONTRACTOR, provided that CONTRACTOR shall utilize all such interest and return only for the delivery of mental health services/activities specified in this Agreement.

- F. Failure of CONTRACTOR to report in all its claims and in its Annual Report(s) and Cost Report Settlement all fees paid by patients/clients receiving services hereunder, all fees paid on behalf of patients/clients receiving services hereunder, all fees paid by third parties on behalf of Medi-Cal beneficiaries receiving services and/or activities hereunder, and all interest and return on funds paid by COUNTY to CONTRACTOR, shall result in:
 - 1. CONTRACTOR'S submission of a revised claim statement and/or Annual Report(s) and Cost Report Settlement showing all such non-reported revenue.

 - 2. A report by COUNTY to State of all such non-reported revenue including any such unreported revenue paid by any sources for or on behalf of Medi-Cal beneficiaries and/or COUNTY'S revision of the Annual Report(s).

 - 3. Any appropriate financial adjustment to CONTRACTOR'S reimbursement.

X. AUTHORITY TO ACT FOR THE COUNTY

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