

**AMENDMENT NO. 1
TO MENTAL HEALTH SERVICES AGREEMENT NO. A-13309
BETWEEN COUNTY OF MONTEREY AND
THE VILLAGE PROJECT, INC.**

THIS AMENDMENT NO. 1 is made to the AGREEMENT A-13309 for mental health services by and between the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and **THE VILLAGE PROJECT, INC.**, hereinafter referred to as "CONTRACTOR."

WHEREAS, on September 27, 2016, the COUNTY and CONTRACTOR entered into Agreement A-13309 in the amount of \$1,267,865 for October 1, 2016 to June 30, 2019; and

WHEREAS, the COUNTY and CONTRACTOR request to amend the Agreement as specified below:

1. Revise Program 1: Outreach and Engagement monthly payment rate for FY 2017-18;
2. Decrease Program 2: AB 109 Services funding for FY 2017-18;
3. Increase Program 3: Outpatient Mental Health Services funding for FY 2017-18; and
4. Revise Exhibit I.

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

1. EXHIBIT A: PROGRAM DESCRIPTION is replaced by EXHIBIT A-1: PROGRAM DESCRIPTION. All references in the Agreement to EXHIBIT A shall be construed to refer to EXHIBIT A-1.
2. EXHIBIT B: PAYMENT AND BILLING PROVISIONS is replaced by EXHIBIT B-1: PAYMENT AND BILLING PROVISIONS. All references in the Agreement to EXHIBIT B shall be construed to refer to EXHIBIT B-1.
3. EXHIBIT G: COST REIMBURSEMENT INVOICE FORM is replaced by EXHIBIT G-1: COST REIMBURSEMENT INVOICE FORM. All references in the Agreement to EXHIBIT G shall be construed to refer to EXHIBIT G-1.
4. EXHIBIT H: REVENUE AND EXPENDITURE REPORT is replaced by Exhibit H-1: REVENUE AND EXPENDITURE REPORT. All references in the Agreement to EXHIBIT H shall be construed to refer to EXHIBIT H-1.
5. EXHIBIT I: ANNUAL REPORTS (S) AND AUDIT is replaced by EXHIBIT I-1: ANNUAL REPORT(S), COST REPORT SETTLEMENT AND AUDIT. All references in the Agreement to EXHIBIT I shall be construed to refer to EXHIBIT I-1.
6. Except as provided herein, all remaining terms, conditions and provisions of this Agreement are unchanged and unaffected by this AMENDMENT NO. 1, and shall continue in full force and effect as set forth in the Agreement.
7. This AMENDMENT NO. 1 shall be effective July, 1 2017.
8. A copy of the AMENDMENT NO. 1 shall be attached to the original Agreement executed by the COUNTY on September 27, 2016.

**EXHIBIT A-1:
PROGRAM DESCRIPTION**

**PROGRAM DESCRIPTION
Medi-Cal "Test" Year
Fiscal Year 2016 – 2017
(October 1, 2016 – June 30, 2017)**

I. IDENTIFICATION OF PROVIDER

The Village Project, Inc.
1069 Broadway, Suites 200 and 201
P. O. Box 127
Seaside, CA 93955

II. PROGRAM NARRATIVE

This program began as a unique response to the critical need to provide African Americans with intervention strategies that address issues that impact individuals and families of color. The Village Project has become an integral part of the community and serves as a focal program where individuals and families from all racial and ethnic groups can access a range of culturally competent mental health and supportive services. The Village Project utilizes licensed clinicians, social workers, counselors, as well as interns who receive specific expertise and training in working with African Americans. The Village Project works in collaboration with other community based organizations providing mental health services to ensure that services are culturally competent.

During Fiscal Year (FY) 2016-17 (October 1, 2016-June 30, 2017), The Village Project will provide Outreach and Engagement and mental health services, and AB 109 Services. FY 2016-17 will be considered a test period whereby Monterey County Behavioral Health (MCBH) will work with The Village Project, Inc. in building its organizational capacity to become a Medi-Cal service provider of mental health services as described in the Program Description. After the conclusion of FY 2016-17 (October 1, 2016-June 30, 2017), CONTRACTOR will begin invoicing MCBH by July 1, 2017 for Medi-Cal services.

During the test period, by March 31, 2017, CONTRACTOR and MCBH will assess CONTRACTOR'S readiness for Medi-Cal billing for the 2017-18 fiscal year. If it is anticipated the CONTRACTOR will be unable to provide the FY 2017-18 level of Medi-Cal Outpatient Mental Health Services as included in this Agreement, FY 2017-18 will be renegotiated in accordance with the outcome of the assessment and services will be adjusted to meet mutually acceptable objectives.

III. PROGRAM DESCRIPTION

Program 1:

Outreach and Engagement and Mental Health Services

- **Quarter 2 (October 1 – December 31, 2016)**
During Quarter 2, CONTRACTOR'S clinical staff and interns/trainees shall attend all Avatar and documentation trainings offered by MCBH, and review clinical and documentation online training materials so that all staff is prepared to provide and document clinical services in Avatar based on Medi-Cal standards. When possible MCBH will provide in person training to TVP staff and interns/trainees related to Medi-Cal standards and regulations, documentation, and/or the use of Avatar.
- **Quarter 3 (January 1 – March 31, 2017)**
By the end of Quarter 3, CONTRACTOR shall have documented in Avatar and provided mental health services to a minimum of nineteen (19) new clients, and determine Medi-Cal eligibility on all clients.
- **Quarter 4 (April 1 – June 30, 2017)**
Beginning of Quarter 4, CONTRACTOR shall provide approximately thirty (30) hours a week of therapeutic services to clients who meet medical necessity and document in Avatar according to medical necessity criteria.

By the end of Quarter 4, CONTRACTOR shall assure at least a total of twenty-seven to thirty-four (27- 34) clients served during FY 2016-17 meet Medi-Cal eligibility and moderate to severe medical necessity criteria in accordance with State mental health regulations. CONTRACTOR shall continue to provide approximately thirty (30) hours a week of therapeutic services to clients who meet medical necessity and document in Avatar according to medical necessity criteria.

Goal 3: CONTRACTOR shall provide therapeutic services to approximately thirty to thirty-eight (30-38) unserved/underserved Monterey County residents and their families. During the "Test" year (October 1, 2016- June 30, 2017) CONTRACTOR may continue to serve mild clients under MHSA PEI. After the "Test" year, services will be limited to individuals who meet moderate to severe medical necessity in accordance with State mental health regulations.

1. CONTRACTOR will receive referrals from MCBH with the primary focus of such referrals being African American clients, and from the community. Referrals from MCBH will include release of information consents, full psychosocial assessment and diagnosis. Referrals from the community will require completion of applicable consents and acknowledgement forms along with the full psychosocial assessment by CONTRACTOR.
2. All referrals made to CONTRACTOR for services shall be contacted by CONTRACTOR within five (5) business days after receipt of each referral and offered an appointment within ten (10) business days of date of referral, or, in the event of a waiting list, interim services will be offered which may include groups and check in phone calls. CONTRACTOR shall follow the client no show protocol agreed upon with the COUNTY, and will notify COUNTY when there is no client engagement after 30 days.

D. Population of Focus Description/Characteristics

The primary population of focus is the unserved/underserved African American population of Monterey County in need of mental health services but who have experienced barriers to access or utilization of services within the public mental health care system. The population of focus includes other unserved populations, including low income population who reside in the most poverty impacted areas within the County, especially on the Monterey Peninsula. CONTRACTOR'S focus population encompasses all ages and racial/ethnic groups, and includes at risk school age students, adolescents at risk of legal detention, parents facing abuse and unemployment, and senior members of the family facing homelessness and depression, among others.

E. Service Delivery Site

The primary service delivery site for the provision of mental health services is 1069 Broadway Avenue, Suites 200 and 201, Seaside, California. Services will also be provided in schools within the County, in private clinicians' offices, and in offices with other community based agencies, not to exceed twenty (20) hours/week at these satellite sites. Outreach and Engagement activities will be provided in locations that reach the population of focus.

F. Reporting Requirements

Monterey County Behavioral Health shall provide to CONTRACTOR the reporting requirements and instructions as required by the State Mental Health Services Oversight and Accountability Commission, DHCS and County. CONTRACTOR shall report to MCBH's designated Contract Monitor and Prevention and Early Intervention Coordinator, on a quarterly basis, demographic data for each service provided, as well as the program outcomes identified in the "Logic Model" document as required by the PEI regulations. The "Logic Model" document will be reviewed at least annually and can be revised upon mutual agreement by CONTRACTOR and County, as part of the PEI Program Evaluation Report process.

Program 2:

AB 109 Services

A. Program Objective

To assist individuals recently released from State prison to access and receive culturally competent mental health services.

B. Scope of Work

1. CONTRACTOR shall provide mental health counseling services to individuals recently released from State prison who are returning to the community.
2. CONTRACTOR shall provide mental health services to address issues such as mental health issues, family reunification, substance abuse, employability, etc. to support individuals to avoid recidivism.
3. CONTRACTOR shall document and maintain client records in Avatar.

PROGRAM DESCRIPTION

Fiscal Year 2017 -2018

(July 1, 2017 – June 30, 2018)

I. IDENTIFICATION OF PROVIDER

The Village Project, Inc.
1069 Broadway, Suites 200 and 201
P. O. Box 127
Seaside, CA 93955

II. PROGRAM NARATIVE

This program began as a unique response to the critical need to provide African Americans with intervention strategies that address issues that impact individuals and families of color. The Village Project has become an integral part of the community and serves as a focal program where individuals and families from all racial and ethnic groups can access a range of culturally competent mental health and supportive services. The Village Project utilizes licensed clinicians, social workers, counselors, as well as interns who receive specific expertise and training in working with African Americans. The Village Project works in collaboration with other community based organizations providing mental health services to ensure that services are culturally competent.

During Fiscal Year (FY) 2017-18, The Village Project will provide Outreach and Engagement Services, AB 109 Services, and Outpatient Mental Health Services. Beginning July 1, 2017 The Village Project will start invoicing Monterey County Behavioral Health (MCBH) for Medi-Cal services.

III. PROGRAM DESCRIPTION

Program 1:

Outreach and Engagement

A. Program Objectives

1. To assist clients to engage with community-based organizations and partner with other agencies to reduce/eliminate disparities that prevent timely access to adequate and effective mental health treatment for African American individuals and other unserved/underserved racial and ethnic groups and/or their family members due to language, cultural and other barriers.
2. To reduce the stigma and discrimination that is so often associated with being diagnosed with mental illness, or seeking mental health services.

B. Scope of Work

1. CONTRACTOR shall conduct 10-12 outreach and engagement activities in intervals that support the CONTRACTOR'S outreach goals to increase mental health awareness and timely access to mental health services.

other serious consequences; members of ethnic/racial, cultural, and linguistic populations that do not have access to mental health programs due to barriers such as poor identification of their mental health needs, poor engagement and outreach, limited language access, and lack of culturally competent services; and those in rural areas, Native American Rancherias and/or reservations who are not receiving sufficient services. CONTRACTOR'S focus population encompasses all ages and racial/ethnic groups, and includes at risk school age students, adolescents at risk of legal detention, parents facing abuse and unemployment, and senior members of the family facing homelessness and depression, among others.

D. Reporting Requirements

Monterey County Behavioral Health shall provide to CONTRACTOR the reporting requirements and instructions as required by the State Mental Health Services Oversight and Accountability Commission, the Department of Health Care Services (DHCS) and County. CONTRACTOR shall report to MCBH's designated Contract Monitor and Prevention and Early Intervention Coordinator, on a quarterly basis, demographic data for each service provided, as well as the program outcomes identified in the "Logic Model" document as required by the PEI regulations. The "Logic Model" document will be reviewed at least annually and can be revised upon mutual agreement by CONTRACTOR and County, as part of the PEI Program Evaluation Report process.

Program 2:

AB 109 Services

A. Program Objective

To assist individuals recently released from State prison to access and receive culturally competent mental health services.

B. Scope of Work

1. CONTRACTOR shall provide mental health counseling services to individuals recently released from State prison who are returning to the community.
2. CONTRACTOR shall provide mental health services to address issues such as mental health issues, family reunification, substance abuse, employability, etc. to support individuals to avoid recidivism.
3. CONTRACTOR shall document and maintain client records in Avatar. CONTRACTOR shall document services in the appropriate Avatar code indicated in table in Section C.
4. CONTRACTOR shall function in collaboration with MCBH and other partners.
5. CONTRACTOR shall evaluate client's progress in treatment through a Utilization Review process. CONTRACTOR shall conduct reviews at regular intervals of the quality and utilization of services for all recipients of service under this Agreement.

Program 3:

Outpatient Mental Health Services

A. Program Objectives

1. To provide approximately forty-eight (48) hours a week of therapy service to clients who meet medical necessity and document in Avatar according to medical necessity criteria.
2. To provide therapeutic services to unserved/underserved Monterey County residents and their families. Services will be limited to individuals who meet moderate to severe medical necessity in accordance with State mental health regulations.
3. To provide therapeutic services to at least 50% new/previously unserved clients as documented in Avatar.
4. To document all clinical services in Avatar according to medical necessity, and serve the unserved/underserved Monterey County residents who meet Medi-Cal eligibility criteria.

B. Scope of Work

1. CONTRACTOR will receive referrals from MCBH and from the community. Referrals from MCBH will include release of information consents, full psychosocial assessment and diagnosis. Referrals from the community will require completion of applicable consents and acknowledgement forms along with the full psychosocial assessment by CONTRACTOR.
2. All referrals made to CONTRACTOR for services shall be contacted by CONTRACTOR within five (5) business days after receipt of each referral and offered an appointment within ten (10) business days of date of referral, or, in the event of a waiting list, interim services will be offered which may include groups and check in phone calls. CONTRACTOR shall follow the client no show protocol agreed upon with the COUNTY, and will notify COUNTY when there is no client engagement after 30 days.
3. All clients shall have a psychosocial assessment conducted by either MCBH or CONTRACTOR prior to receiving Individual Therapy, Collateral, Mental Health Rehab, Plan Development, or Group Therapy services from CONTRACTOR.
4. CONTRACTOR shall complete a treatment plan for each individual based on the identified diagnosis and functioning level.
5. CONTRACTOR shall provide group sessions on a variety of topics including health and stress management, life skills, grief, self-esteem, symptom relapse management, and mental health and co-occurring relapse prevention.
6. All services shall be provided at a location and time that is convenient for the individual/family to the extent possible, consistent with organizational capacity.
7. CONTRACTOR shall deliver services in a manner that is culturally competent and linguistically appropriate for all people.
8. All services will be provided in the beneficiary's preferred language. Friends or family members of the client will not be expected to provide interpretation services.

Service	Mode of Service	Service Function Code	FY 2017-2018		
			Medical Est. Units	Non Medi-Cal Est. Units	Total Est. Units
Case Management	15	01	38,410	17,949	56,359
Assessment & Evaluation	15	30	60,661	28,346	89,007
Individual Therapy	15	40			
Collateral	15	10			
Mental Health Rehab	15	45			
Plan Development	15	45			
Group Therapy	15	50	19,205	8,975	28,180

2. Service Delivery Sites: 1069 Broadway Avenue, Suite 201 Seaside, California 93955

D. Population of Focus Description/Characteristics

The population of focus is the Monterey County African Americans and other historically unserved/underserved racial, ethnic and socio-economic groups who are Medi-Cal beneficiaries and/or Medi-Cal eligible and meet moderate to severe medical necessity criteria in accordance with State mental health regulations. It is anticipated approximately 68% of clients served will be Medi-Cal beneficiaries or be Medi-Cal eligible, and 32% of clients will be Monterey County uninsured residents in need of services.

E. Reporting Requirements

CONTRACTOR will be required to report outcome data regularly to COUNTY according to the requirements as set forth by DHCS. COUNTY will provide to CONTRACTOR the reporting requirements, forms and instructions as required by DHCS and COUNTY.

CONTRACTOR shall provide to MCBH a monthly report on the staff productivity and client no show data, clinical Utilization Review, fiscal data on billed services, and contract usage.

CONTRACTOR shall provide to MCBH a quarterly report on intake and case closure data.

IV. MEETINGS/COMMUNICATIONS

CONTRACTOR will meet monthly with the designated MCBH Contract Monitor to monitor progress on consumer and program outcomes; oversee contract implementation; and evaluate contract usage, effectiveness, issues, and recommendations.

V. DESIGNATED CONTRACT MONITOR

Kacy Carr, LCSW
Behavioral Health Services Manager
Monterey County Health Department
Behavioral Health Bureau
1270 Natividad Rd., Ste. 107 Salinas, CA 93906
(831) 755-8941

FY 2018-2019 (July 1, 2018 - June 30, 2019)	
OUTREACH AND ENGAGEMENT	
Service	Estimated Number Services
Outreach and Engagement	A minimum of ten to twelve (10-12) presentations to community groups

2. CONTRACTOR shall provide outreach and engagement services and presentations to increase recognition of early signs of mental illness and treatment; to educate the community on Mental Health First Aid and other mental health awareness trainings, and to respond to community mental health needs. Outreach and engagement services shall be provided at schools or community events and locations that reach the population of focus, i.e. unserved/underserved low income communities.
3. CONTRACTOR shall enter monthly into the Avatar system's "Appointment Scheduler" the following data for outreach and engagement activity: theme/topic of each presentation, community partner (e.g. school, church, other charitable group, etc.), location, length of presentation (in minutes), outreach participant demographic information (age, gender, race/ethnicity, preferred language, zip code of residence, as per the state Prevention and Early Intervention regulations), and total number of individuals reached.
4. CONTRACTOR shall submit monthly invoices providing supporting documentation of the associated costs including but not limited to staff time, mileage, marketing materials and event space/booth rental related to each outreach event and/or presentation conducted.

C. Population of Focus Description/Characteristics

The primary population of focus is the unserved/underserved African American population of Monterey County in need of mental health services who have experienced barriers to access or utilization of services within the public mental health care system. The population of focus includes other unserved populations, including low income population who reside in the most poverty impacted areas within the County. The underserved population is defined by Title 9 California Code of Regulations Section 3200.300 as clients of any age who have been diagnosed with a serious mental illness and/or serious emotional disturbance and are receiving some services, but are not provided the necessary or appropriate opportunities to support their recovery, wellness and/or resilience. When appropriate, it includes clients whose family members are not receiving sufficient services to support the client's recovery, wellness and/or resilience. These clients include, but are not limited to, those who are so poorly served that they are at risk of homelessness, institutionalization, incarceration, out of home placement or other serious consequences; members of ethnic/racial, cultural, and linguistic populations that do not have access to mental health programs due to barriers such as poor identification of their mental health needs, poor engagement and outreach, limited language access, and lack of culturally competent services; and those in rural areas, Native American Rancherias and/or reservations who are not receiving sufficient services. CONTRACTOR'S focus population encompasses all ages and racial/ethnic

2. **Service Delivery Sites:**

The primary service delivery site is located at 1069 Broadway Avenue, Suite 200 and 201, Seaside, California. Services will also be provided in private clinicians' offices, and in offices with other community based agencies, not to exceed twenty (20) hours/week at these satellite sites.

D. **Population of focus**

For the AB 109 Program, all referrals are made by the Behavioral Health Forensic Team.

E. **Reporting Requirements**

CONTRACTOR will be required to report outcome data regularly to COUNTY according to the requirements as set forth by DHCS. COUNTY will provide to CONTRACTOR the reporting requirements, forms and instructions as required by DHCS and COUNTY.

Program 3:

Outpatient Mental Health Services

A. **Program Objectives**

1. To provide approximately sixty (60) hours a week of therapy service to clients who meet medical necessity and document in Avatar according to medical necessity criteria.
2. To provide therapeutic services to approximately seventy-two to seventy-eight (72-78) of unserved/underserved Monterey County residents and their families. Services will be limited to individuals who meet moderate to severe medical necessity in accordance with State mental health regulations.
3. To provide therapeutic services to at least 50% new/previously unserved clients as documented in Avatar.
4. To document all clinical services in Avatar according to medical necessity, and serve the unserved/underserved Monterey County residents who meet Medi-Cal eligibility criteria.

B. **Scope of Work**

1. CONTRACTOR will receive referrals from MCBH and from the community. Referrals from MCBH will include release of information consents, full psychosocial assessment and diagnosis. Referrals from the community will require completion of applicable consents and acknowledgement forms along with the full psychosocial assessment by CONTRACTOR.
2. All referrals made to CONTRACTOR for services shall be contacted by CONTRACTOR within five (5) business days after receipt of each referral and offered an appointment within ten (10) business days of date of referral, or, in the event of a waiting list, interim services will be offered which may include groups and check in phone calls. CONTRACTOR shall follow the client no show protocol

C. Treatment Services

1. Contracted estimated Units of Service (minutes) by Modes of Service and Service Function Codes:

Service	Mode of Service	Service Function Code	FY 2018-19		
			Medical Est. Units	Non Medi-Cal Est. Units	Total Est. Units
Case Management	15	01	51,840	5,760	57,600
Assessment & Evaluation	15	30	80,352	8,928	89,280
Individual Therapy	15	40			
Collateral	15	10			
Mental Health Rehab	15	45			
Plan Development	15	45			
Group Therapy	15	50	23,328	2,592	25,920

2. Service Delivery Sites:

1069 Broadway Avenue, Suite 201 Seaside, California 93955

D. Population of Focus Description/Characteristics

The population of focus is the Monterey County African Americans and other unserved/underserved racial, ethnic and socio-economic groups who are Medi-Cal beneficiaries and/or Medi-Cal eligible and meet moderate to severe medical necessity criteria in accordance with State mental health regulations. It is anticipated approximately 90% of clients served will be Medi-Cal beneficiaries or be Medi-Cal eligible, and 10% of clients will be Monterey County uninsured residents in need of services.

E. Reporting Requirements

CONTRACTOR will be required to report outcome data regularly to COUNTY according to the requirements as set forth by DHCS. COUNTY will provide to CONTRACTOR the reporting requirements, forms and instructions as required by DHCS and COUNTY.

IV. MEETINGS/COMMUNICATIONS

CONTRACTOR will meet monthly with the designated MCBH Contract Monitor to monitor progress on consumer and program outcomes; oversee contract implementation; and evaluate contract usage, effectiveness, issues, and recommendations.

V. DESIGNATED CONTRACT MONITOR

Kacy Carr, LCSW
Behavioral Health Services Manager
Monterey County Health Department
Behavioral Health Bureau
1270 Natividad Rd., Ste. 107
Salinas, CA 93906
(831) 755-8941

PROGRAM 2:

Avatar Program Name/Code: Village Project AB 109

FY 2016-17 (October 1, 2016- June 30, 2017) AB 109 SERVICES					
Service	Mode of Service	Service Function Code	Rate per Unit	Est. Units	FY Total Amount
Case Management	15	01	\$1.17	2,552	\$2,985.84
Assessment & Evaluation	15	30	\$2.54	11,230	\$28,524.20
Individual Therapy	15	40			
Collateral	15	10			
Mental Health Rehab	15	45			
Plan Development	15	45			
Group Therapy	15	50	\$0.78	2,124	\$1,656.72
Total Maximum Agreement Amount FY 2016-17 (October 1, 2016- June 30, 2017)					\$33,167

FY 2017-18 AB 109 SERVICES					
Service	Mode of Service	Service Function Code	Rate per unit	Est. units	FY Total Amount
Case Management	15	01	\$1.17	384	\$449.28
Assessment & Evaluation	15	30	\$2.54	1,693	\$4,300.22
Individual Therapy	15	40			
Collateral	15	10			
Mental Health Rehab	15	45			
Plan Development	15	45			
Group Therapy	15	50	\$0.78	321	\$250.38
Total Maximum Agreement Amount FY 2017-18					\$5,000

FY 2018-19 AB 109 SERVICES					
Service	Mode of Service	Service Function Code	Rate per Unit	Est. Units	FY Total Amount
Case Management	15	01	\$1.17	3,402	\$3,980.34
Assessment & Evaluation	15	30	\$2.54	14,973	\$38,031.42
Individual Therapy	15	40			
Collateral	15	10			
Mental Health Rehab	15	45			
Plan Development	15	45			
Group Therapy	15	50	\$0.78	2,832	\$2,208.96
Total Maximum Agreement Amount FY 2018-19					\$44,221

SUMMARY OF TOTAL PROGRAM AMOUNT PER FY

Program	FY 2016-2017 (Oct 1, 2016-June 30, 2017)
Program 1: Outreach and Engagement, Mental Health Services	\$372,039
Program 2: AB 109 Services	\$33,167
Total Program Amounts per FY 2016-17 (Oct 1, 2016-June 30, 2017)	\$405,206

Program	FY 2017-2018
Program 1: Outreach and Engagement	\$100,000
Program 2: AB 109 Services	\$5,000
Program 3: Outpatient Mental Health Services (Medi-Cal) - Provisional	\$214,000
Outpatient Mental Health Services (Non Medi-Cal) - Provisional	\$100,000
Outpatient Mental Health Services - Cash Flow Advance	\$20,000
Total Program Amounts per FY 2017-18	\$439,000

Program	FY 2018-2019
Program 1: Outreach and Engagement	\$100,000
Program 2: AB 109 Services	\$44,221
Program 3: Outpatient Mental Health Services	\$314,382
Total Program Amounts per FY 2018-19	\$458,603

III. PAYMENT CONDITIONS

- A. If CONTRACTOR is seeking reimbursement for eligible services funded by the Short-Doyle/Medi-Cal, Mental Health Services Act ("MHSA"), SB 90, Federal or State Grants, and/or COUNTY funds provided pursuant to this Agreement, reimbursement for such services shall be based on actual cost of providing those services less any deductible revenues collected by the CONTRACTOR from other payer sources. In order to reduce COUNTY costs, the CONTRACTOR shall comply with all applicable provisions of the California Welfare and Institutions Code (WIC), the California Code of Regulations, the Code of Federal Regulations, and the federal Social Security Act related to reimbursements by non-County and non-State sources, including, but not limited to, collecting reimbursements for services from clients (which shall be the same as patient fees established pursuant to WIC section 5710) and from private or public third-party payers.

CONTRACTOR shall not claim reimbursement from COUNTY for (or apply sums received from COUNTY with respect to) that portion of its obligations which has been paid by another source of revenue. If CONTRACTOR is seeking reimbursement for mental health services provided pursuant to this Agreement, reimbursement for such services shall be based upon the actual allowable costs of providing those services less

supporting documentations, as may be required by the COUNTY for services rendered to:

MCHDBHFinance@co.monterey.ca.us

- E. CONTRACTOR shall submit all claims for reimbursement under this Agreement within thirty (30) calendar days after the termination or end date of this Agreement. All claims not submitted after thirty (30) calendar days following the termination or end date of this Agreement shall not be subject to reimbursement by the COUNTY. Any claim(s) submitted for services that preceded thirty (30) calendar days prior to the termination or end date of this Agreement may be disallowed, except to the extent that such failure was through no fault of CONTRACTOR. Any "obligations incurred" included in claims for reimbursements and paid by the COUNTY which remain unpaid by the CONTRACTOR after thirty (30) calendar days following the termination or end date of this Agreement shall be disallowed, except to the extent that such failure was through no fault of CONTRACTOR under audit by the COUNTY.
- F. If CONTRACTOR fails to submit claim(s) for services provided under the terms of this Agreement as described above, the COUNTY may, at its sole discretion, deny payment for that month of service and disallow the claim.
- G. COUNTY shall review and certify CONTRACTOR'S claim either in the requested amount or in such other amount as COUNTY approves in conformity with this Agreement, and shall then submit such certified claim to the COUNTY Auditor. The County Auditor-Controller shall pay the amount certified within thirty (30) calendar days of receiving the certified invoice.
- H. To the extent that the COUNTY determines CONTRACTOR has improperly claimed services to a particular Program Amount, COUNTY may disallow payment of said services and require CONTRACTOR to resubmit said claim of services for payment from the correct Program Amount, or COUNTY may make corrective accounting transactions to transfer the payment of the services to the appropriate Program Amount.
- I. If COUNTY certifies payment at a lesser amount than the amount requested COUNTY shall immediately notify the CONTRACTOR in writing of such certification and shall specify the reason for it. If the CONTRACTOR desires to contest the certification, the CONTRACTOR must submit a written notice of protest to the COUNTY within twenty (20) calendar days after the CONTRACTOR'S receipt of the COUNTY notice. The parties shall thereafter promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such a dispute until the parties have met and attempted to resolve the dispute in person.

IV. 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 **\$1,302,809** for services rendered under this Agreement.

limitations of this Agreement, annual cost and MHSA reports, application of various Federal, State, and/or COUNTY reimbursement limitations, application of any Federal, State, and/or COUNTY policies, procedures and regulations, and/or Federal, State, or COUNTY audits, all of which take precedence over monthly claim reimbursements.

- B. Allowable Costs: Allowable costs shall be the CONTRACTOR'S actual costs of developing, supervising and delivering the services under this Agreement, as set forth in the Budget provided in Exhibit H. Only the costs listed in Exhibit H of this Agreement as contract expenses may be claimed as allowable costs. Any dispute over whether costs are allowable shall be resolved in accordance with the provisions of applicable Federal, State and COUNTY regulations.
- C. Cost Control: CONTRACTOR shall not exceed by more than twenty (20%) percent any contract expense line item amount in the budget without the written approval of COUNTY, given by and through the Contract Administrator or Contract Administrator's designee. CONTRACTOR shall submit an amended budget using Exhibit H, or on a format as required by the COUNTY, with its request for such approval. Such approval shall not permit CONTRACTOR to receive more than the maximum total amount payable under this Agreement. Therefore, an increase in one line item shall require corresponding decreases in other line items.
- D. Other Limitations for Certain Funded Programs: In addition to all other limitations provided in this Agreement, reimbursement for services rendered under certain Funded Programs may be further limited by rules, regulations and procedures applicable only to that Funded Program. CONTRACTOR shall be familiar with said rules, regulations and procedures and submit all claims in accordance therewith.
- E. Adjustment of Claims Based on Other Data and Information: The COUNTY shall have the right to adjust claims based upon data and information that may include, but are not limited to, COUNTY'S claims processing information system reports, remittance advices, State adjudication of Medi-Cal claims, and billing system data.

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

- D. COUNTY, as the Mental Health Plan, shall submit to the State in a timely manner claims for Short-Doyle/Medi-Cal services, and/or Healthy Families services only for those services/activities identified and entered into the COUNTY'S claims processing information system which are compliant with Federal and State requirements. COUNTY shall make available to CONTRACTOR any subsequent State approvals or denials of such claims upon request by the CONTRACTOR.
- E. CONTRACTOR acknowledges and agrees that COUNTY'S final payment for services and activities claimed by CONTRACTOR Short-Doyle/Medi-Cal services and/or Healthy Families services is contingent upon reimbursement from the Federal and State governments and that COUNTY'S provisional payment for said services does not render COUNTY in any way responsible for payment of, or liable for, CONTRACTOR'S claims for payment for these services.
- F. CONTRACTOR'S ability to retain payment for such services and/or activities is entirely dependent upon CONTRACTOR'S compliance with all laws and regulations related to same.
- G. Notwithstanding any other provision of this Agreement, CONTRACTOR shall hold COUNTY harmless from and against any loss to CONTRACTOR resulting from the denial or disallowance of claim(s) for or any audit disallowances related to said services, including any State approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services/activities, by the Federal, State or COUNTY governments, or other applicable payer source, unless the denial or disallowance was due to the fault of the COUNTY.
- H. CONTRACTOR shall repay to COUNTY the amount paid by COUNTY to CONTRACTOR for Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services/ activities subsequently denied or disallowed by Federal, State and/or COUNTY government.
- I. Notwithstanding any other provision of this Agreement, CONTRACTOR agrees that the COUNTY may off set future payments to the CONTRACTOR and/or demand repayment from CONTRACTOR when amounts are owed to the COUNTY pursuant to Subparagraphs G. and H. above. Such demand for repayment and CONTRACTOR'S repayment shall be in accordance with Exhibit I, Section IV (Method of Payments for Amounts Due to County) of this Agreement.
- J. CONTRACTOR shall comply with all written instructions provided to CONTRACTOR by the COUNTY, State or other applicable payer source regarding claiming and documentation.
- K. Nothing in this Section VIII shall be construed to limit CONTRACTOR'S rights to appeal Federal and State settlement and/or audit findings in accordance with the applicable Federal and State regulations.

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.

IX. CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ ACTIVITIES TO BE RENDERED OR FIXED RATE PAYMENTS

- A. The Maximum Contract Amount for each period of this Agreement includes Cash Flow Advance (CFA) or fixed rate payments which is an advance of funds to be repaid by CONTRACTOR through the provision of appropriate services/activities under this Agreement during the applicable period.
- B. For each month of each period of this Agreement, COUNTY shall reimburse CONTRACTOR based upon CONTRACTOR'S submitted claims for rendered services/activities subject to claim edits, and future settlement and audit processes.
- C. CFA shall consist of, and shall be payable only from, the Maximum Contract Amount for the particular fiscal year in which the related services are to be rendered and upon which the request(s) is (are) based.
- D. CFA is intended to provide cash flow to CONTRACTOR pending CONTRACTOR'S rendering and billing of eligible services/activities, as identified in this Exhibit B, Sections III. and V., and COUNTY payment thereof. CONTRACTOR may request each monthly Cash Flow Advance only for such services/activities and only to the extent that there is no reimbursement from any public or private sources for such services/activities.
- E. Cash Flow Advance (CFA) Invoice. For each month for which CONTRACTOR is eligible to request and receive a CFA, CONTRACTOR must submit to the COUNTY an invoice of a CFA in a format that is in compliance with the funding source and the amount of CFA CONTRACTOR is requesting. In addition, the CONTRACTOR must submit supporting documentation of expenses incurred in the prior month to receive future CFAs.
- F. Upon receipt of the Invoice, COUNTY, shall determine whether to approve the CFA and, if approved, whether the request is approved in whole or in part.
- G. If a CFA is not approved, COUNTY will notify CONTRACTOR within ten (10) business days of the decision, including the reason(s) for non-approval. Thereafter, CONTRACTOR may, within fifteen (15) calendar days, request reconsideration of the decision.
- H. Year-end Settlement. CONTRACTOR shall adhere to all settlement and audit provisions specified in Exhibit I, of this Agreement, for all CFAs received during the fiscal year.

EXHIBIT G-1: Behavioral Health Cost Reimbursement Invoice

Contractor: The Village Project, Inc.		Invoice Number:
Address Line 1	1069 Broadway, Suites 200 & 201	County PO No.:
Address Line 2	Mailing: P.O. Box 127, Seaside, CA 93955	Invoice Period:
Tel. No.:		Final Invoice (Check if Yes)
Fax No.:		<input type="checkbox"/>
Contract Term:	July 1, 2017 - June 30, 2018	BH Control Number
BH Division:	Mental Health Services	
Funded Program	Program 1: OUTREACH AND ENGAGEMENT	
AVATAR Program:		

Service Description	Rates of Payment - FY 2017-18	Total Annual Contract Amount FY 2017-18	Dollar Amount Requested this Period	Dollar Amount Requested to Date	Dollar Amount Remaining	% Remaining of Total Contract Amount
Outreach and Engagement	Provisional Cash Flow Advance amount per month: \$34,000 for Jul. 2017; \$10,000 for Aug. 2017 and Sept. 2017	\$100,000.00			\$100,000.00	100%
	Provisional Monthly Payment Rate amount per month: \$5,111.11 for Oct. 2017 - Jun. 2018					
TOTALS						

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

Signature: _____ Date: _____

Title: _____ Telephone: _____

Behavioral Health Authorization for Payment _____ Date _____

Authorized Signatory _____

Send to: MCHDBHFinances@co.monterey.ca.us

EXHIBIT G-1: Behavioral Health Cost Reimbursement Invoice

Contractor: The Village Project, Inc. Invoice Number: _____
Address Line 1: 1069 Broadway, Suites 200 & 201 County PO No.: _____
Address Line 2: Mailing, P.O. Box 127, Seaside, CA 93955 Invoice Period: _____
Tel. No.: _____ Final Invoice: (Check if Yes)
Fax No.: _____ BH Control Number _____
Contract Term: July 1, 2017 - June 30, 2019

BH Division: Mental Health
Funded Program: Program 3: OUTPATIENT MENTAL HEALTH SERVICES - Provisional Rates
AVATAR Program:

Service Description	Mode of Service	Service Code	Rate per Unit	Total Contracted UOS FY2017/18	UOS Delivered this Period	Total UOS Delivered as of Last Period	UOS Delivered to Date	% Delivered to Date of Contracted UOS	Remaining UOS Deliverables	% of Remaining Deliverables	Total Dollars Delivered as of Last Period	Dollar Amount Requested this Period	Dollar Amount Requested to Date	Dollar Amount Remaining	% Remaining of Total Contract Amount
Case Management	15	30-34	\$1.17												
Assessment & Evaluation	15	30													
Individual Therapy	15	40													
Cultural	15	10	\$2.54												
Mental Health Rehab	15	45													
Plan Development	15	45													
Group Therapy	15	50	\$0.78												
TOTALS															

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

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

Behavioral Health Authorization for Payment
 Authorized Signatory _____ Date _____

The Village Project, Inc.
 Amendment No. 1 to Mental Health Services Agreement A-13309
 October 1, 2016 through June 30, 2019

EXHIBIT H-1: REVENUE AND EXPENDITURE REPORT

Insert Rev & Expenditure Report

	Budgeted FY 2017-18	Requested FY 2017-18	Difference
22 Rent and Leases - building and improvements (please identify the property address and method of cost allocation) 1069 Broadway Ave. Seaside, CA 93955 --- Monthly Rent;\$4300.00,Cam,\$500.00,Water;\$120.00;PGE\$580.00;Green waste \$95.00			
23 Taxes and assessments (Please identify the property address and method of cost allocation)			
24 Interest In Other Long-term debts (please identify the property address and method of cost allocation)			
25 Other Professional and Consultant Services (allowable with prior specific approval from Monterey County and must meet the criteria of a direct cost)			
26 Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133)			
27 Miscellaneous (personal development for continue education)			
28 Depreciation Expenses (please exclude assets purchased by COUNTY funds and provide Schedule of Depreciation expense.)			
29 Total Mode Costs	\$ -	\$ 65,700.00	\$ -

B. Administrative Costs - the allocation base must reasonably reflect the level of service received by the County from the program/activity and there must be a direct causal relationship between the allocation based used and the service provided.

30 Salaries and Benefits		\$ 29,000.00	
31 Supplies		\$ 300.00	
32 Others - please provide details. Expense must be authorized by the County and/or not prohibited under Federal, State or local law or regulations.			
33 Depreciation Expenses (please exclude assets purchased by COUNTY funds and provide Schedule of Depreciation expense.)			
34 Total Administrative Costs	\$ -		\$ -
35 TOTAL DIRECT COSTS	\$ -	\$ 29,300.00	\$ -

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

	Budgeted FY 2017-18	Requested FY 2017-18	Difference
INDIRECT COSTS			
36 Equipment (purchase price of less than \$5000)	\$ -		\$ -
37 Rent and Leases - equipment			
38 Rent and Leases - building and improvements			
39 Taxes and assessments			
40 Insurance and Indemnity			
41 Maintenance - equipment			
42 Maintenance - building and improvements			
43 Utilities			
44 Household Expenses			
45 Interest in Bonds			
46 Interest in Other Long-term debts			
47 Other interest and finance charges			
48 Contracts Administration			
49 Legal and Accounting (when required for the administration of the County Programs)			
50 Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133)			
51 Data Processing			
52 Personnel Administration			
53 Medical Records			

The Village Project, Inc.
REVENUE AND EXPENDITURE SUMMARY
For Monterey County - Behavioral Health

PROGRAM 2: AB 109 Services

	Budgeted FY 2017-2018	Requested FY 2017-18	Difference
A. PROGRAM REVENUES			
Requested Monterey County Funds	\$ 44,221.00	\$ 5,000.00	
Other Program Revenues			
TOTAL PROGRAM REVENUES (equals Allowable Program Expenditures)	44,221.00	5,000.00	
B. ALLOWABLE PROGRAM EXPENDITURES - Allowable Expenditures for the services provided in accordance with requirements contained in this Agreement. Expenditures should be reported within the cost categories listed below.			
1 Program Expenditures			
2 Salaries and wages		4,300.00	
3 Payroll taxes		700.00	
4 Employee benefits			
5 Workers Compensation			
6 Severance Pay (if required by law, employer-employee agreement or established written policy or associated with County's loss of funding)			
7 Temporary Staffing			
8 Flexible Client Spending (please provide supporting documents)			
9 Client Transportation Costs and staff mileage			
10 Employee Travel and Conference			
11 Staff Training			
12 Communication Costs			
13 Utilities/Rent			
14 Cleaning and Janitorial			
15 Insurance and Indemnity			
16 Maintenance and Repairs - Buildings			
17 Maintenance and Repairs - Equipment			
18 Printing and Publications			
19 Memberships, Subscriptions and Dues			
20 Office Supplies			
21 Postage and Mailing			
22 Legal Services (when required for the administration of the County Programs)			
23 Audit Costs and Related Services (Audits required by and conducted in			
24 Other Professional and Consultant Services (allowable with prior specific approval from Monterey County)			
25 Rent and Leases - building and improvements			

	Budgeted FY 2017-2018	Requested FY 2017-18	Difference
57 Other interest and finance charges			
58 Advertising (for recruitment of admin personnel, procurement of services and disposal of surplus assets)			
59 Miscellaneous (please provide details)			
60 Total Administrative Expenditures		-	-
61 Depreciation Expense			-
62 OTHERS - must be authorized by the County and/or not prohibited under Federal, State or local law or regulations.			
63 Total Allowable Program Expenditures	-	5,000.00	-
We hereby certify to the best of my knowledge, under penalty of perjury, that the above report is true and correct, that the amounts reported are traceable to (Contractor's Name) accounting records, and that all Monterey County funds received for the purposes of this program were spent in accordance with the Contract's program requirements, the Agreement and all applicable Federal, State and County laws and regulations. Falsification of any amount disclosed herein shall constitute a false claim pursuant to California Government Code Section			

 6-12-20
 Executive Director's Signature Date

Supplemental Schedule of Salaries and Wages - Direct Services

July 1, 2017 - June 2018

TITLE OF POSITION	Annual Salary/Wage	FTE (Full Time Employee)	TOTAL
<i>Example: Executive Assistant</i>	\$ 40,000	0.25	\$ 10,000
Executive Director/Clinical Director			\$-
Therapist	\$5,000.00		\$5,000.00
Therapist/Part-Time			\$-
Office Manager			\$-
Office Assistant/Part-time			\$-
Office Aide/Part-time			\$-
Total Salaries and Wages			\$-

	Budgeted FY 2017-18	Requested FY 2017-18	Difference
22 Rent and Leases - building and Improvements (please identify the property address and method of cost allocation) 1069 Broadway Ave. Seaside, CA 93955 --- Monthly Rent; \$4300.00, Cam, \$500.00, Water; \$120.00; PGE \$580.00; Green waste \$95.00		\$ 20,000.00	
23 Taxes and assessments (Please identify the property address and method of cost allocation)		\$ 100.00	
24 Interest in Other Long-term debts (please identify the property address and method of cost allocation)		\$ -	
25 Other Professional and Consultant Services (allowable with prior specific approval from Monterey County and must meet the criteria of a direct cost)			
26 Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133))		\$ 4,000.00	
27 Miscellaneous (personal development for continue education)		\$ 4,000.00	
28 Depreciation Expenses (please exclude assets purchased by COUNTY funds and provide Schedule of Depreciation expense.)		\$ -	
29 Total Mode Costs	\$ -	\$ 263,045.00	\$ -
B. Administrative Costs - the allocation base must reasonably reflect the level of service received by the County from the program/activity and there must be a direct causal relationship between the allocation based used and the service provided.			
30 Salaries and Benefits		\$ 40,246.00	
31 Supplies		\$ 1,500.00	
32 Others - please provide details. Expense must be authorized by the County and/or not prohibited under Federal, State or local law or regulations.			
33 Depreciation Expenses (please exclude assets purchased by COUNTY funds and provide Schedule of Depreciation expense.)			
34 Total Administrative Costs	\$ -	\$ 41,746.00	\$ -
35 TOTAL DIRECT COSTS	\$ -	\$ 304,791.00	\$ -
II Indirect Cost Centers - include all costs that are incurred for a common or joint purpose benefitting more than one final cost objective, that are not readily assignable to the cost objective specifically benefitted without effort disproportionate to 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.			
INDIRECT COSTS	Budgeted FY 2017-18	Requested FY 2017-18	Difference
36 Equipment (purchase price of less than \$5000)	\$ -	\$ 4,500.00	\$ -
37 Rent and Leases - equipment			
38 Rent and Leases - building and Improvements			
39 Taxes and assessments			
40 Insurance and Indemnity			
41 Maintenance - equipment			
42 Maintenance - building and Improvements			
43 Utilities			
44 Household Expenses		\$ 1,709.00	
45 Interest in Bonds			
46 Interest in Other Long-term debts			
47 Other Interest and finance charges			
48 Contracts Administration			
49 Legal and Accounting (when required for the administration of the County Programs)			
50 Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133))			
51 Data Processing			
52 Personnel Administration			
53 Medical Records			

**EXHIBIT I-1:
ANNUAL REPORT(S), COST REPORT SETTLEMENT AND AUDIT**

I. ANNUAL REPORT(S)

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

claim(s) or withhold payment(s), COUNTY shall give CONTRACTOR written notice, during the thirty (30) calendar days after the due date specified by the COUNTY, of its intention to disallow claim(s) or withhold payment(s) as of the date specified in the notice, including the reason(s) for its intended action. Thereafter, CONTRACTOR, within the time specified in the notice, shall submit the CONTRACTOR'S Year-End Cost Report Settlement to avoid disallowance of claim(s) or withholding of payment(s).

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

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

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

1. As part of its cost report settlement, COUNTY shall identify any amounts due to CONTRACTOR by the COUNTY or due from the CONTRACTOR to the COUNTY.
2. Upon issuance of the COUNTY'S Findings, CONTRACTOR may, within thirty (30) calendar days, submit a written request to the COUNTY for review of the Findings.

IV. AUDIT(S) AND AUDIT APPEALS

- A. At any time during the term of this Agreement or after the expiration or termination of this Agreement, in accordance with Federal and State law including but not limited to the California Welfare and Institutions Code (WIC) Sections 14170 et seq., authorized representatives from the Federal governments, State or COUNTY may conduct an audit of CONTRACTOR regarding the services/activities provided under the fiscal year(s) for which the audit is outstanding. In addition, contract compliance audits or reviews may be conducted by the Monterey County's Auditor-Controller's Office or designated representative. Furthermore, the California State Controller Office performs audits of the mandated cost claims for the seriously emotionally disturbed pupils for the Out-of-State Mental Health Services Program and Handicapped and Disabled Students Programs. The Centers for Medicare and Medicaid Services (CMS) also perform audits of the Certified Public Expenditure (CPE) processes, negotiated rate audit information, and other issues.
- B. Settlement of audit findings shall be conducted according to the auditing party's procedures in place at the time of the audit.
- C. In the case of a Federal Government or State audit, COUNTY may perform a post-audit based on Federal or State audit findings. Such post-audit shall take place when the Federal Government or State initiates its settlement action, which customarily is after the issuance of the audit report by the Federal Government or State and before the Federal Government or State's audit appeal process.
 1. If the Federal Government or State stays its collection of any amounts due or payable because of the audit findings, COUNTY shall also stay its settlement of the same amounts due or payable until the responsible auditing party initiates its settlement action with COUNTY.
 2. COUNTY shall follow all applicable Federal, State and local laws, regulations manuals, guidelines and directives in recovering from CONTRACTOR any amount due to the COUNTY.
 3. COUNTY shall issue an invoice to CONTRACTOR for any amount due to the COUNTY no later than ninety (90) calendar days after the Federal or State issues its audit settlement letter to the COUNTY. CONTRACTOR shall make payment to the COUNTY in accordance with the terms of Section IV (Method of Payments for Amounts Due to COUNTY) of this Exhibit I. Said payment shall be submitted to the person and at the address identified in the COUNTY invoice.
- D. CONTRACTOR may appeal any such audit findings in accordance with the audit appeal process established by the party performing the audit.
 1. For Federal audit exceptions, Federal audit appeal processes shall be followed.

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.