

AMENDMENT NO. 3 TO MENTAL HEALTH SERVICES AGREEMENT A-12683
BY AND BETWEEN
COUNTY OF MONTEREY AND DAVIS GUEST HOME, INC.

THIS AMENDMENT NO. 3 is made to AGREEMENT A-12683 for the provision of mental health services to adults with severe psychiatric disabilities in an adult residential facility by and between **DAVIS GUEST HOME, INC.**, hereinafter "CONTRACTOR," and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "COUNTY."

WHEREAS, the COUNTY entered into a Mental Health Services Agreement No. A-12683 with Davis Guest Home, Inc. in the amount of \$2,586,681 for the term of July 1, 2014 to June 30, 2017 for the provision of mental health services for Monterey County adult residents with severe psychiatric disabilities;

WHEREAS, effective August 18, 2014 the COUNTY entered into Amendment No. 1 to Mental Health Services Agreement No. A-12683 with Davis Guest Home, Inc. with revised EXHIBITS A-1, B-1, G-1, and H-1 for a revised total contract amount of \$2,704,992 for Fiscal Year (FY) 2014-15 thru FY 2016-17; and

WHEREAS, effective July 1, 2015 the COUNTY entered into Amendment No. 2 to Mental Health Services Agreement No. A-12683 with Davis Guest Home, Inc. with revised EXHIBITS A-2, B-2, F-2, G-2, and H-2 for a revised total contract amount of \$2,950,600 for FY 2014-15 thru FY 2016-17; and

WHEREAS, the COUNTY and CONTRACTOR hereby request to amend the Mental Health Services Agreement No. A-12683 with revised EXHIBIT B-3 Payment and Billing Provisions, to increase the Board & Care Supplemental Patch Rate by 3.2% for FY 2016-17, thereby increasing the total amount of the Agreement by 1%, for a revised total contract amount of \$2,980,165 for FY 2014-15 thru FY 2016-17.

NOW THEREFORE, the COUNTY and CONTRACTOR hereby agree to amend Agreement No. A-12683 as follows:

1. EXHIBIT B-3: PAYMENT AND BILLING PROVISIONS replaces EXHIBITS B-2, B-1, and B. All references in the Agreement to EXHIBIT B shall be construed to refer to EXHIBIT B-3.
2. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.
3. This Amendment No. 3 is effective July 1, 2016.
4. A copy of this AMENDMENT No. 3 shall be attached to the original AGREEMENT executed by the COUNTY on June 3, 2014.

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Amendment No. 3 to Agreement A-12683 as of the day and year written below.

COUNTY OF MONTEREY

By: _____
Contracts/Purchasing Officer

Date: _____

By: _____
Department Head (if applicable)

Date: _____

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form¹

By: _____
County Counsel

Date: _____
Sept 12, 2016

Approved as to Fiscal Provisions²

By: _____
Auditor/Controller

Date: _____
9/12/16

Approved as to Liability Provisions³

By: _____
Risk Management

Date: _____

CONTRACTOR

DAVIS GUEST HOME, INC.

Contractor's Business Name*

By: _____
(Signature of Chair, President,
or Vice-President)*
Tom Spurr - Vice President
Name and Title

Date: _____
8/31/16

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

Lonny D Davis CFO
Name and Title

Date: _____
8/31/16

*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 B-3: PAYMENT AND BILLING PROVISIONS

I. PAYMENT TYPES

Negotiated Rate

II. PAYMENT AUTHORIZATION FOR SERVICES

The COUNTY'S commitment to authorize reimbursement to the CONTRACTOR for services as set forth in this Exhibit B-3 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

A. Board and Care Service Rate:

Board and Care shall be paid from the clients Supplemental Security Income (SSI) or Supplemental Security Income/Social Security Administration (SSI/SSA) benefits. If the client does not yet receive SSI or SSI/SSA benefits, or those benefits have been diminished due to back payments owed to other entities, or are not at a level to cover the standard residential care rates, COUNTY will provide payment to cover the delinquent and/or amount owed. The clients SSI or SSI/SSA monthly residential board and care rate is currently \$1,014.00 per month for a client who receives one check and \$1,034.00 for a client who receives two checks (this monthly amount is subject to annual adjustments by the Federal Government and State of California). These annual adjustments shall be effective without the need for any amendment to this Agreement.

Board and Care Service				
Fiscal Year	Board & Care Monthly Service	Number of Months/Year	Estimated # of Clients Per Day	Maximum Annual Amounts
July 1, 2014 - June 30, 2015	\$1003 - \$1023	12	2	\$24,552
July 1, 2015 - June 30, 2016	\$1014 - \$1034	12	2	\$24,816
July 1, 2016 - June 30, 2017	\$1014 - \$1034	12	2	\$24,816
TOTAL MAXIMUM COUNTY OBLIGATION:				\$74,184

B. Board and Care Patch Rates:

The COUNTY agrees to pay an augmentation to the SSI/SSA rate based on the service descriptions and rates outlined in the following tables, and shall be subject to the applicable cost report provisions of this Agreement.

Board and Care Patch / Supplemental Rate Program				
Fiscal Year	Board & Care Daily Patch	Number of Days/Year	Estimated # of Clients Per Day	Maximum Annual Amounts
July 1, 2014 - June 30, 2015	\$85	365	27	\$837,675
July 1, 2015 - June 30, 2016	\$95	365	27	\$936,225
July 1, 2016 - June 30, 2017	\$98	365	27	\$965,790
TOTAL MAXIMUM COUNTY OBLIGATION:				\$2,739,690

Board and Care Patch / Private Room Supplemental Rate			
Fiscal Year	Board & Care Private Room Daily Patch	Number of Days/Year	Maximum Annual Amounts
Aug. 18, 2014 - June 30, 2015	\$113	317	\$35,821
July 1, 2015 - June 30, 2016	\$123	365	\$44,895
July 1, 2016 - June 30, 2017	\$123	365	\$44,895
TOTAL MAXIMUM COUNTY OBLIGATION:			\$125,611

Board and Care Patch / Enhanced Services (High Acuity) Supplemental Rate			
Fiscal Year	Board & Care High Acuity Daily Patch	Number of Days/Year	Maximum Annual Amounts
July 1, 2015 - June 30, 2016	\$113	180	\$20,340
July 1, 2016 - June 30, 2017	\$113	180	\$20,340
TOTAL MAXIMUM COUNTY OBLIGATION:			\$40,680

IV. PAYMENT CONDITIONS

- A. In order to receive any payment under this Agreement, CONTRACTOR shall submit reports and claims in such form as General Ledger, Payroll Report and other accounting documents as needed, and as may be required by the County of Monterey Department of Health, Behavioral Health Bureau. Specifically, CONTRACTOR shall submit its claims on the Provider Invoice form provided as Exhibit G-2 and Monthly Service Level Report provided as Exhibit H-2 to this Agreement, along with backup documentation, on a monthly basis, to COUNTY so as to reach the Behavioral Health Bureau no later than the thirtieth (30th) day of the month following the month of service. See Section III, above, for payment amount information to be reimbursed each fiscal year period of this Agreement. The amount requested for reimbursement shall be in accordance with the approved budget and shall not exceed the actual net costs incurred for services provided under this Agreement.

CONTRACTOR shall submit via email a monthly claim using the Provider Invoice form provided as Exhibit G-2 and Monthly Service Level Report provided as Exhibit H-2 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, COUNTY may disallow payment of said services and require CONTRACTOR to resubmit said claim of services for payment, or COUNTY may make corrective accounting transactions.
- F. If COUNTY certifies payment at a lesser amount than the amount requested COUNTY shall immediately notify the CONTRACTOR in writing of such certification and shall specify the reason for it. If the CONTRACTOR desires to contest the certification, the CONTRACTOR must submit a written notice of protest to the COUNTY within twenty (20) calendar days after the CONTRACTOR'S receipt of the COUNTY notice. The parties shall thereafter promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such a dispute until the parties have met and attempted to resolve the dispute in person.
- G. In special situations CONTRACTOR may require an adjustment to the daily rate based upon acuity, medical complexity, situations requiring a private room, and behavior problems requiring staff interventions beyond typical staff to client ratios. COUNTY may choose to pay the adjusted daily rate or move resident to a higher level of care.

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 **\$2,980,165** for services rendered under this Agreement.
- B. Maximum Annual Liability:

FISCAL YEAR MAXIMUM LIABILITY	AMOUNT
July 1, 2014 - June 30, 2015	\$898,048
July 1, 2015 - June 30, 2016	\$1,026,276
July 1, 2016 - June 30, 2017	\$1,055,841
TOTAL MAXIMUM LIABILITY	\$2,980,165

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

VI. BILLING AND PAYMENT LIMITATIONS

Adjustment of Claims Based on Other Data and Information: The COUNTY shall have the right to adjust claims based upon data and information that may include, but are not limited to, COUNTY'S claims processing information system reports, remittance advices, and billing system data.

VII. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

- A. This Agreement shall be subject to any restrictions, limitations, or conditions imposed by State which may in any way affect the provisions or funding of this Agreement, including, but not limited to, those contained in State's Budget Act.
- B. This Agreement shall also be subject to any additional restrictions, limitations, or conditions imposed by the Federal government which may in any way affect the provisions or funding of this Agreement.

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

VIII. AUTHORITY TO ACT FOR THE COUNTY

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

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