

**AMENDMENT NO. 3 TO MENTAL HEALTH SERVICES AGREEMENT A-12682  
BY AND BETWEEN  
COUNTY OF MONTEREY AND PSYNERGY PROGRAMS, INC.**

**THIS AMENDMENT NO. 3** is made to AGREEMENT A-12682 for the provision of community mental health services to adults with severe psychiatric disabilities in an adult residential facility by and between **PSYNERGY PROGRAMS, 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 three-year Mental Health Services Agreement No. A-12682 with Psynergy Programs, Inc. in the amount of \$3,486,316 for the term of July 1, 2014 through June 30, 2017 for the provision of mental health services to adult residents with severe psychiatric disabilities; and

**WHEREAS**, the COUNTY entered into Amendment No. 1 to Agreement A-12682 with Psynergy Programs, Inc. with revised EXHIBITS B-1, G-1, and H-1, for a decreased total contract amount of \$2,527,417; and

**WHEREAS**, the COUNTY entered into Amendment No. 2 to Agreement A-12682 with Psynergy Programs, Inc. with revised EXHIBITS B-2, F-2, and G-2, for an increased total contract amount of \$2,998,871; and

**WHEREAS**, the COUNTY and CONTRACTOR hereby request AMENDMENT NO. 3 to AGREEMENT A-12682 to increase the total amount of the Agreement from Amendment No. 2 based on a new vendor pricing and service model, and by adding a third facility to the Agreement, revising the Program Description, Payment and Billing Provisions, and Cost Reimbursement Invoice Form, for a new maximum COUNTY obligation of \$3,692,361 for the full term of July 1, 2014 through June 30, 2017.

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

1. EXHIBIT A-3: PROGRAM DESCRIPTION replaces EXHIBITS A. All references in the Agreement to EXHIBIT A shall be construed to refer to EXHIBIT A-3.
2. 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.
3. EXHIBIT G-3: COST REIMBURSEMENT INVOICE FORM replaces EXHIBITS G-2, G-1, and G. All references in the Agreement to EXHIBIT G shall be construed to refer to EXHIBIT G-3.
4. 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.

5. This Amendment No. 3 is effective March 1, 2017.
6. A copy of this AMENDMENT No. 3 shall be attached to the original AGREEMENT executed by the COUNTY on May 20, 2014.

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IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Amendment No. 3 to Agreement A-12682 as of the day and year written below.

**COUNTY OF MONTEREY**

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

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

By: for \_\_\_\_\_  
Department Head (if applicable)

Date: 05/30/2017

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

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

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

By: Deputy \_\_\_\_\_  
County Counsel

Date: 4/24/17

Approved as to Fiscal Provisions

By: \_\_\_\_\_  
Auditor/Controller's Office

Date: 5-1-17

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

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

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

**CONTRACTOR**

**PSYNERGY PROGRAMS, INC.**

Contractor's Business Name\*

By: \_\_\_\_\_  
(Signature of Chair, President,  
or Vice-President)\*  
Arturo Uribe, LCSW, President  
Name and Title

Date: April 11, 2017

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

Michael Weinstein, CFO  
Name and Title

Date: April 11, 2017

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

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

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

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

Monterey County Mental Health Services Agreement

Psynergy Programs, Inc.

Amendment No. 3 to Agreement A-12682

July 1, 2014 – June 30, 2017

## **EXHIBIT A-3: PROGRAM DESCRIPTION**

### **I. IDENTIFICATION OF CONTRACTOR**

<b>Facility Name</b>	<b>Service Address</b>	<b>Telephone #</b>	<b>Type of Facility</b>
Cielo Vista	806 Elm Street, Greenfield, CA 93927	831-674-2180	24-hour Adult Residential Care Facility / Outpatient Services
Nueva Vista	18225 Hale Avenue, Morgan Hill, CA 95037	408-465-8280	24-hour Adult Residential Intensive & Dual Diagnosis Level of Care Facility / Outpatient Services
Tres Vista	18217 Hale Avenue, Apts. 100, 130 & 230, Morgan Hill, CA 95037	408-465-8280	24-hour Adult Independent Housing – Psynergy Morgan Hill Outpatient Clinic

Incorporation Status: Private, for profit, Corporation

### **II. PROGRAM DESCRIPTION**

The program will provide primary intervention services as certified and needed, to Medi-Cal eligible clients to reduce psychiatric hospital stays, reduce Institute for Mental Disease (IMD) placements, and to ensure access to all services necessary to live in the least restrictive community setting possible. The residential program assists residents with medication and medical appointments as well as with a wide variety of daily living skills. Residential care includes weekly residential council meetings, house meetings, staff meetings, money management and structured activities. The facility is designed to enable clients with severe mental illness to live in an unlocked setting that is designed to provide a maximum level of supervision and structured mental health support services and treatment programs that maximize functioning of the participants. Services provided by this facility include:

- A. Assisting clients in decreasing symptoms or behaviors that can result in utilization of higher levels of care by providing a level of supervision and intensive interaction that is consistent with the clients' needs as outlined in the client's individualized care plan.
- B. Providing Mental Health services which include, but are not limited to, assessment, evaluation, mental health services, plan development, case management and collateral contacts.
- C. Provide a multi-disciplinary team which may include licensed social workers, nurses, mental health coordinators, and mental health aides to offer wellness/recovery oriented support services.
- D. Mental Health Services to provide support while clients work toward individual

wellness/recovery goals and programs.

- E. Self-care development to become more responsible in taking medications as prescribed by the treating physician. The facility will encourage the client to use treatment services and develop continuing support systems.

### **III. PROGRAM GOALS AND OBJECTIVES**

The purpose of the Psynergy Programs, Inc. is to provide wellness/recovery oriented integrated mental health services within a continuum of supervised and supportive residential settings. Services are provided which focus on assisting clients to live in the least restrictive level of care and to enhance ones quality of life. The program may utilize a variety of tools that will assist individuals with Daily Living Skills, and will provide linkage to employment, education and community integration.

In order to receive payment for the care of mentally ill clients who have been assessed by the MCBHD, a residential care facility must be licensed by the State of California Community Care Licensing. CONTRACTOR must provide the following services:

- A. Participate with the MCBHD Case Coordinator, the client and others in the development of an individualized needs assessment and care plan for each client within the first thirty (30) days of placement and retain a signed copy of the documented results in a client chart that is retained in the facility.
- B. Work cooperatively with the staff and programs of the MCBHD to accomplish each client's individualized treatment plan and will document significant ongoing problems and/or progress.
- C. Will attempt to reasonably manage those crisis situations so as to avoid psychiatric hospitalization. The goal will be to reduce the client's need for acute psychiatric services.
- D. Will work cooperatively with and provide information to the MCBHD Case Coordinator to facilitate the evaluation of those clients who have been discharged due to medical necessity or to a facility providing a more acute level of care that are deemed to require re-admission.
- E. Will transport or arrange transportation for the client to, and/or will monitor, visits for psychiatric treatment at MCBHD will attend scheduled medication evaluation and planning appointments as well as work with MCBHD staff when medications are changed.
- F. Will store and assist residents with self-administered medications in an approved and effective manner, following State guidelines and maintain an updated record of the daily monitoring of medication, recording changes in dosages and types.

- G. Arrange transportation for the client to attend services and programs as outlined in each client's individual care plan as well as educate and encourage the client to use the services of the MCBHD Adult Services Programs and other specialized services identified in each client's individualized care plan. CONTRACTOR will cooperate with the Case Coordinator and the staff of specialized services identified in each client's individualized care plan.
- H. Post, on a monthly basis, information about programs, groups and activities that are provided by community agencies and activities that the facility will provide for clients in the general and specialized needs and interests of the client
- I. CONTRACTOR will encourage the client to develop regular daily activities or routines and to teach self-care such as maintaining an acceptable level of personal hygiene and grooming, as well as physical and dental health. CONTRACTOR will provide adequate supplies and materials to accomplish this goal.
- J. CONTRACTOR will ensure that the client receives an annual medical evaluation and will record the date and results of all medical and dental visits in the client's folder. CONTRACTOR will monitor to ensure that the client follows up on any established plan to care for identified medical and dental problems and will record these actions in the client's folder.
- K. The facility will provide services in a manner that reflects an understanding of the specialized needs of the seriously mentally ill.
- L. CONTRACTOR will ensure that all administrative staff and staff responsible for the supervision of clients receive a minimum of twenty (20) hours of training. The training schedule will be shared with MCBHD. The facility will document and maintain a record of each staff person's attendance at approved training programs.
- M. CONTRACTOR will allow the staff of the MCBHD access to the facility, to the extent authorized by law.
- N. CONTRACTOR will work with the staff of the MCBHD to conduct client assessments, monitor care, provide consultation, conduct record reviews and evaluate the results of the services.

#### **IV. ADMISSION CRITERIA**

The CONTRACTOR shall admit adult clients referred by the COUNTY with DSM IV serious mental illness Diagnostic Categories including but not limited to:

- Schizophrenia
- bipolar disorders
- schizoaffective disorders

- mental health disorders that substantially interfere with the person's ability to carry out primary aspects of daily living in the community

## **V. CERTIFICATION/TYPE OF FACILITY LICENSE**

The facility must show evidence of currently meeting all licensing requirements for Community Care facilities authorized by the State Department of Social Services to provide care and supervision to mentally disordered adults, as defined in Section 1502 of the Health and Safety Code. The facility must retain ongoing licensure and be in full compliance with licensing regulations. Any complaints received by the CONTRACTOR pertaining to services performed pursuant to this Agreement must be referred to MCBHD.

## **VI. PROGRESS & OUTCOMES REPORTING REQUIREMENTS**

Contractor will meet regularly with the designated Adult Behavioral Health Services Manager to monitor progress on client and project outcomes. Contractor will be required to report outcomes data regularly to MCBHD according to the requirements as set forth by the State Department of Mental Health. MCBHD will provide to the Contractor the reporting requirements, forms and instructions as required by DMH and the MCBHD which may include the following:

- Quarterly summary of treatment or progress
- Quarterly psychiatric summaries

## **VII. DESIGNATED CONTRACT MONITOR**

Michael Lisman, LCSW  
Deputy Director, Behavioral Health  
Monterey County Health Care Department  
1270 Natividad Rd.  
Salinas, CA 93906  
(831) 755-4708  
[LismanM@co.monterey.ca.us](mailto:LismanM@co.monterey.ca.us)

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## **EXHIBIT B-3: PAYMENT AND BILLING PROVISIONS**

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### **I. PAYMENT TYPES**

Provisional Rate and 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. PROVISIONAL RATE: COUNTY MAXIMUM REIMBURSEMENT (CMA)**

Case Management, Collateral Services, Mental Health Services, Medication Support, and Crisis Intervention shall be paid at the County Maximum Reimbursement (CMA) rate, which is provisional and subject to all the cost report conditions as set forth in this Exhibit B-3.

The following program services will be paid in arrears, not to exceed the listed CMA rates for a total maximum amount of **\$417,339 for Fiscal Year (FY) 2014-15, \$386,251 for FY 2015-16 and \$874,976 for FY 2016-17** for a total of **\$1,678,566** (*amounts are rounded to the nearest dollar*):

#### **Fiscal Year (FY) 2014-15: \$417,339**

<b>Service Description</b>	<b>Mode of Service</b>	<b>Function Code</b>	<b># of Clients</b>	<b>Monthly Units per Client</b>	<b>Estimated Units (Min/Yr)</b>	<b>CMA Rate</b>	<b>Estimated FY 2014-15 Amount</b>
Case Management	15	01 - 09	15	124	22,320	\$2.18	\$48,658
Mental Health Services	15	40	15	434	78,120	\$2.82	\$220,298
Medication Support	15	60 - 69	15	155	27,900	\$5.21	\$145,359
Crisis Intervention	15	70 - 78	1	60	720	\$4.20	\$3,024
<b>Total Services Billed to Medi-Cal FY 2014-15:</b>							<b>\$417,339</b>



**Fiscal Year (FY) 2015-16: \$386,251**

Service Description	Mode of Service	Function Code	# of Clients	Monthly Units per Client	Estimated Units (Min/Yr)	CMA Rate	Estimated FY 2015-16 Amount
Case Management	15	01 - 09	15	124	22,320	\$2.02	\$45,086
Mental Health Services	15	40	15	434	78,120	\$2.61	\$203,893
Medication Support	15	60 - 69	15	155	27,900	\$4.82	\$134,478
Crisis Intervention	15	70 - 78	1	60	720	\$3.88	\$2,794
<b>Total Services Billed to Medi-Cal FY 2015-16:</b>							<b>\$386,251</b>

**Fiscal Year (FY) 2016-17: \$874,976**

Service Description	Mode of Service	Function Code	# of Clients	Monthly Units per Client	Estimated Units (Min/Yr)	CMA Rate	Estimated FY 2016-17 Amount
Case Management	15	01 - 09	24	27	7,776	\$2.02	\$15,708
Collateral Services	15	10	24	11	3,168	\$2.61	\$8,268
Mental Health Services	15	40	24	540	155,520	\$2.61	\$405,907
Medication Support	15	60 - 69	24	315	90,720	\$4.82	\$437,270
Crisis Intervention	15	70 - 78	24	7	2,016	\$3.88	\$7,822
<b>Total Services Billed to Medi-Cal FY 2016-17:</b>							<b>\$874,976</b>

**B. NEGOTIATED RATE: BOARD AND CARE**

The following Board and Care service will be paid for actual client usage in arrears, not to exceed the listed daily bed rates, on a monthly basis for a maximum total amount not to exceed **\$421,300 for FY 2014-15, \$693,865 for FY2015-16 and \$898,630 for FY 2016-17** for a total of **\$2,013,795** (amounts are rounded to the nearest dollar):

**Fiscal Year (FY) 2014-15: \$421,300**

Service Location	Board & Care Service Description	# of Clients	Estimated Units (Days/Yr)	Daily Bed Rate	Estimated FY 2014-15 Total
Cielo Vista	Cielo Vista Basic	7	2,555	\$50	\$127,750
Nueva Vista	Nueva Vista Intensive	6	2,190	\$90	\$197,100
Nueva Vista	Nueva Vista Intensive with Special Needs I *	1	365	\$115	\$36,225
Nueva Vista	Nueva Vista Intensive with Special Needs II	1	365	\$165	\$60,225
* FY 2014-15 beginning 8-20-14 for this service...					
<b>Maximum County Obligation FY 2014-15:</b>					<b>\$421,300</b>

**Fiscal Year (FY) 2015-16: \$693,865**

Service Location	Board & Care Service Description	# of Clients	Estimated Units (Days/Yr)	Daily Bed Rate	Estimated FY 2015-16 Total
Cielo Vista / Nueva Vista	Mild Complexity Level Treatment (WITH Benefits)	2	730	\$64	\$46,720
Cielo Vista / Nueva Vista	Moderate Complexity Level Treatment (WITH Benefits)	8	2,920	\$94	\$274,480
Cielo Vista / Nueva Vista	Severe Complexity Level Treatment (WITH Benefits)	5	1,825	\$125	\$228,125
Cielo Vista / Nueva Vista	Mild Complexity Level Treatment (WITHOUT Benefits)	1	365	\$100	\$36,500
Cielo Vista / Nueva Vista	Moderate Complexity Level Treatment (WITHOUT Benefits)	1	365	\$130	\$47,450
Cielo Vista / Nueva Vista	Severe Complexity Level Treatment (WITHOUT Benefits)	1	365	\$166	\$60,590
<b>Maximum County Obligation FY 2015-16:</b>					<b>\$693,865</b>

**Fiscal Year (FY) 2016-17: \$898,630**

Service Location	Board & Care Service Description	# of Clients	Estimated Units (Days/Yr)	Daily Bed Rate	Estimated FY 2016-17 Total
Cielo Vista / Nueva Vista	Mild Complexity Level Treatment (WITH Benefits)	1	365	\$64	\$23,360
Cielo Vista / Nueva Vista	Moderate Complexity Level Treatment (WITH Benefits)	13	4,745	\$94	\$446,030
Cielo Vista / Nueva Vista	Severe Complexity Level Treatment (WITH Benefits)	6	2,190	\$125	\$273,750
Cielo Vista / Nueva Vista	Mild Complexity Level Treatment (WITHOUT Benefits)	1	365	\$100	\$36,500
Cielo Vista / Nueva Vista	Moderate Complexity Level Treatment (WITHOUT Benefits)	1	365	\$130	\$47,450
Cielo Vista / Nueva Vista	Severe Complexity Level Treatment (WITHOUT Benefits)	1	365	\$166	\$60,590
Tres Vista	WITH Benefits	1	365	\$30	\$10,950
Tres Vista	WITHOUT Benefits	0	0	\$60	\$0
<b>Maximum County Obligation FY 2016-17:</b>					<b>\$898,630</b>

**SCHEDULE OF RESIDENTAL RATES (daily patch rate):**

DESCRIPTION OF SERVICE TYPES	CONDITIONS	RATES
Mild Complexity Level with Benefits	Residents are integrated with only minor to moderate deviations from the structured program.	\$64 per client/day
Moderate Complexity Level with Benefits	Residents require specialized services such as forensic management of frequent behavioral episodes or medication complications.	\$94 per client/day
Severe Complexity Level with Benefits	Step down level of care for residents admitted directly from acute care facilities for an intensive evaluation period.	\$125 per client/day
Mild Complexity Level without Benefits	Residents are integrated with only minor to moderate deviations from the structured program; resident is ineligible for benefits.	\$100 per client/day
Moderate Complexity Level without Benefits	Residents require specialized services such as forensic management of frequent behavioral episodes or medication complications; resident is ineligible for benefits.	\$130 per client/day
Severe Complexity Level without Benefits	Step down level of care for residents admitted directly from acute care facilities for an intensive evaluation period; resident is ineligible for benefits.	\$166 per client/day
Tres Vista, with Benefits	24-hour Adult Independent Housing – Psynergy Morgan Hill Outpatient Clinic	\$30 per client/day
Tres Vista, without Benefits	24-hour Adult Independent Housing; resident is ineligible for benefits.	\$60 per client/day

#### **IV. 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 any deductible revenues, as stated above. Notwithstanding any other provision of this Agreement, in no event may CONTRACTOR request a rate that exceeds the COUNTY'S Maximum Allowances (CMA). CONTRACTOR shall be responsible for costs that exceed applicable CMAs. In no case shall payments to CONTRACTOR exceed CMAs. In addition to the CMA limitation, in no event shall the maximum reimbursement that will be paid by COUNTY to CONTRACTOR under this Agreement for any Program Amount be more than the amount identified for each Program Amount for each Funded Program, as identified in this Exhibit B-3, Section III. Said amounts shall be referred to as the "Maximum Obligation of County," as identified in this Exhibit B-3, Section V.

- B. To the extent a recipient of services under this Agreement is eligible for coverage under Short-Doyle/Medi-Cal or Medicaid or Medicare or any other Federal or State funded program ("an eligible beneficiary"), CONTRACTOR shall ensure that services provided to eligible beneficiaries are properly identified and claimed to the Funded Program responsible for such services to said eligible beneficiaries. For the Short-Doyle/Medi-Cal Funded Program, CONTRACTOR assumes fiscal responsibility for services provided to all individuals who do not have full-scope Medi-Cal or are not Medi-Cal eligible during the term of this Agreement.
- C. CONTRACTOR shall be responsible for delivering services to the extent that funding is provided by the COUNTY. To the extent that CONTRACTOR does not have funds allocated in the Agreement for a Funded Program that pays for services to a particular eligible beneficiary, CONTRACTOR shall, at the first opportunity, refer said eligible beneficiary to another CONTRACTOR or COUNTY facility within the same geographic area to the extent feasible, which has available funds allocated for that Funded Program.

- D. In order to receive any payment under this Agreement, CONTRACTOR shall submit reports and claims in such form as General Ledger, Payroll Report and other accounting documents as needed, and as may be required by the County of Monterey Department of Health, Behavioral Health Bureau. Specifically, CONTRACTOR shall submit its claims on Cost Reimbursement Invoice Form provided as Exhibit G-3, to this Agreement, along with backup documentation, on a monthly basis, to COUNTY so as to reach the Behavioral Health Bureau no later than the thirtieth (30<sup>th</sup>) day of the month following the month of service. See Section III, above, for payment amount information to be reimbursed each fiscal year period of this Agreement. The amount requested for reimbursement shall be in accordance with the approved budget and shall not exceed the actual net costs incurred for services provided under this Agreement.

CONTRACTOR shall submit via email a monthly claim using Exhibit G-3, Cost Reimbursement Invoice Form in Excel format with electronic signature along with supporting documentations, as may be required by the COUNTY for services rendered to:

[MCHDBHFinance@co.monterey.ca.us](mailto:MCHDBHFinance@co.monterey.ca.us)

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

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

## 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 **\$3,692,361** for services rendered under this Agreement.

### B. MAXIMUM ANNUAL LIABILITY:

FISCAL YEAR MAXIMUM LIABILITY	Mental Health / Medi-Cal Services	Board & Care Services	TOTAL AMOUNT PER FISCAL YEAR
July 1, 2014 to June 30, 2015	\$417,339	\$421,300	\$838,639
July 1, 2015 to June 30, 2016	\$386,251	\$693,865	\$1,080,116
July 1, 2016 to June 30, 2017	\$874,976	\$898,630	\$1,773,606
<b>TOTAL COUNTY MAXIMUM LIABILITY:</b>	<b>\$1,678,566</b>	<b>\$2,013,795</b>	<b><u>\$3,692,361</u></b>

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

## VI. BILLING AND PAYMENT LIMITATIONS

- A. Provisional Payments: COUNTY payments to CONTRACTOR for performance of eligible services hereunder are provisional until the completion of all settlement activities and audits, as such payments are subject to future Federal, State and/or

COUNTY adjustments. COUNTY adjustments to provisional payments to CONTRACTOR may be based upon COUNTY'S claims processing information system data, State adjudication of Medi-Cal and Healthy Families claims files, contractual 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-1. Only the costs listed in Exhibit H-1 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-1, 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.

## **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. 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. If, under this Agreement, CONTRACTOR has Funded Programs that include Short-Doyle/Medi-Cal services and/or Healthy Families services, CONTRACTOR shall certify in writing annually, by August 1 of each year, that all necessary documentation shall exist at the time any claims for Short-Doyle/Medi-Cal services and/or Healthy Families services are submitted by CONTRACTOR to COUNTY.

CONTRACTOR shall be solely liable and responsible for all service data and information submitted by CONTRACTOR.

- B. CONTRACTOR acknowledges and agrees that the COUNTY, in under taking the processing of claims and payment for services rendered under this Agreement for these Funded Programs, does so as the Mental Health Plan for the Federal, State and local governments.
- C. CONTRACTOR shall submit to COUNTY all Short-Doyle/Medi-Cal, and/or Healthy Families claims or other State required claims data within the thirty (30) calendar day time frame(s) as prescribed by this Agreement to allow the COUNTY to meet the time



frames prescribed by the Federal and State governments. COUNTY shall have no liability for CONTRACTOR'S failure to comply with the time frames established under this Agreement and/or Federal and State time frames, except to the extent that such failure was through no fault of CONTRACTOR.

- D. COUNTY, as the 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 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 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.

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

- A. CONTRACTOR shall comply with all Federal, State and COUNTY requirements and procedures relating to:
1. The determination and collection of patient/client fees for services hereunder based on the Uniform Method of Determining Payment (UMDAP), in accordance with the State Department of Health Care Services guidelines and WIC sections 5709 and 5710.
  2. The eligibility of patients/clients for 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.
- F. 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. 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-3, 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.
- I. Should CONTRACTOR request and receive CFAs, CONTRACTOR shall exercise cash management of such CFAs in a prudent manner.

## **XI. 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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