

AMENDMENT NO. 1 TO MENTAL HEALTH SERVICES AGREEMENT A-12846
BY AND BETWEEN
COUNTY OF MONTEREY AND TELECARE CORPORATION

THIS AMENDMENT NO. 1 is made to AGREEMENT A-12686 for the provision of community mental health services to adults with severe psychiatric disabilities in an adult residential facility by and between **TELECARE CORPORATION** 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 three-year Mental Health Services Agreement No. A-12846 with Telecare Corporation in the amount of \$768,987 for the term of July 1, 2015 through June 30, 2018 for adult mental health services; and

WHEREAS, the COUNTY and CONTRACTOR wish to amend the AGREEMENT to add an additional Telecare program and service location with separate rates, increasing the total amount of the Agreement for the same full term of July 1, 2015 through June 30, 2018 as follows:

1. Increase the total contract amount payable by COUNTY to CONTRACTOR by \$57,636 for FY 2015-16, \$344,874 for FY 2016-17, and \$344,874 for FY 2017-18, for a maximum COUNTY obligation of \$1,516,371. This increase expands the Telecare Agreement to include the Morton Bakar Center Skilled Nursing Facility in Hayward, CA for the provision of mental health services to older adults (ages 57+) with a primary diagnosis of severe mental illness.

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

1. EXHIBIT A-1: PROGRAM DESCRIPTION replaces EXHIBIT A. All references in the Agreement to EXHIBIT A shall be construed to refer to EXHIBIT A-1.
2. EXHIBIT B-1: PAYMENT AND BILLING PROVISIONS replaces EXHIBIT B. All references in the Agreement to EXHIBIT B shall be construed to refer to EXHIBIT B-1.
3. 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.
4. This Amendment No. 1 is effective May 1, 2016.
5. A copy of this AMENDMENT No. 1 shall be attached to the original AGREEMENT executed by the COUNTY on June 9, 2015.

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Amendment No. 1 as of the day and year written below.

COUNTY OF MONTEREY

By: _____
Contracts/Purchasing Officer

Date: _____

By: [Signature]
Department Head (if applicable)

Date: 06/27/16

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form ¹

By: [Signature]
County Counsel

Date: May 18, 2016

Approved as to Fiscal Provisions²

By: [Signature]
Auditor/Controller

Date: 5-19-16

Approved as to Liability Provisions³

By: _____
Risk Management

Date: _____

CONTRACTOR

TELECARE CORPORATION

Contractor's Business Name*

By: [Signature]
(Signature of Chair, President,
or Vice-President)*

FAITH RICHIE SVP DEVELOPMENT
Name and Title

Date: 5-2-16

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

MARSHALL LANGFORD SVP/CFO
Name and Title

Date: 4/29/16

*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 A: PROGRAM 1 DESCRIPTION

I. IDENTIFICATION OF CONTRACTOR

Name: Telecare Corporation
Garfield Neurobehavioral Center

Address: 1080 Marina Village Pkwy, Ste. 100
Alameda, CA 94501

Incorporation Status: Private, for profit, Corporation

Type of Facility: SNF – Neurobehavioral Center

Type of License: Skilled Nursing Facility

II. TARGET POPULATION/FACILITY SPECIALIZATION

Specialized long-term care program for adults with impairments such as organic brain syndrome (OBS), traumatic brain injury, dementia, developmental disability, and other neurological conditions, who are from 18 years of age to 64 years of age.

III. PROGRAM DESCRIPTION

Treatment services include:

- A. A highly structured program of psychiatric, behavioral, rehabilitative and restorative care, with the focus on long-term residential adjustment and behavioral stability. The program offers a group treatment approach, within which individual treatment goals are tailored to meet the specific needs of each person.
- B. A structured behavioral management approach that stresses environmental safety and individual management.

A social rehabilitation program that encourages increased self-care and activities of daily living (ADL's) and active participation in the rehabilitative groups where structured activities are offered. The facility has the capability of providing the following interventions in a group setting, modified as needed for impaired cognition, for each individual. This may include but is not limited to:

- a) Behavior modification
- b) Community skills development
- c) Psychological and psychiatric adjustment
- d) Self-care development
- e) Group interaction
- f) Individual social support
- g) Individual counseling

- h) Interpersonal and social skills development
- i) Educational and recreational training;
- j) Art and Music Therapy

IV. PROGRAM GOALS

- A. To assist Monterey County Behavioral Health (MCBH) in efficiently and effectively managing limited resources by providing an alternative to utilization of State hospital days and acute hospital administrative days.
- B. To stabilize the client's psychiatric condition through medication management and behavioral management approaches.
- C. To provide a safe, secure and behaviorally focused environment, which enhances the opportunity of the residents to reach their maximum level of functioning.
- D. To develop alternative therapeutic interventions that reduce recidivism to more restrictive levels of care and enable the resident to remain in community placement for significantly longer periods of time.
- E. To provide a regional program which enables residents previously placed in the state hospital or more expensive levels of care to be treated in the community.
- F. To provide the intensive staff required to supervise and treat OBS, Traumatic Brain Injured, Dementia, and Medically Debilitated Diagnosis Adults.
- G. To develop a current and comprehensive assessment, stabilization, safety, security and skills training within an atmosphere of positive regard, and appropriate expectation.

V. PROGRAM PLAN & ORGANIZATIONAL CHART

The CONTRACTOR will provide the COUNTY with a copy of the Special Treatment Program plan.

VI. CASE MANAGEMENT

The COUNTY will provide a case manager to coordinate services and assess for discharge planning.

VII. ADMISSION CRITERIA, BASIC SERVICES & CONTINUED STAY CRITERIA

A. ADMISSION CRITERIA

The CONTRACTOR shall admit patients referred by the COUNTY with a primary psychiatric diagnosis and the presence of a neurological condition, such as brain injury or dementia, and conserved and found to be gravely disabled, subject to bed availability,

with order of a physician, and in compliance with reasonable admission policies and procedures. In addition, the individual may be diagnosed with:

- a) Dementia or OBS
- b) Severe cognitive impairment secondary to brain injury or neurological condition with behaviors preventing community placement
- c) Primary psychiatric diagnosis with a need for a Skilled Nursing Facility for medical reasons and behavior management
- d) Neurodegenerative disease accompanied or exacerbated by mental illness that prevents Skilled Nursing Facility placement

Individuals will be excluded from the program who may have histories of and, without adequate treatment, are at risk of displaying behavioral symptoms such as severe combativeness, elopement or active AWOL risk, suicide risk, and excessive verbal abusiveness. Frequency, scope, and severity of these behaviors are a determining factor to be discussed on an individual patient basis between the COUNTY and the CONTRACTOR. The COUNTY may grant individual exceptions to these admission criteria. Individuals whose mental illness and neurological conditions are deemed more suitable for acute psychiatric or medical care, as well as individuals suffering exclusively from development disability, brain injury, mental retardation and/or physical illnesses (without a psychiatric component) shall be reviewed for their appropriateness or acceptability. All admissions are subject to the COUNTY'S prior authorization and CONTRACTOR'S commitment to provide care and services in accordance with the terms of this Agreement.

B. BASIC SERVICES

The basic service level (the minimum array of services provided to IMD residents) shall comply with Title 22 of the California Code of Regulations, Section 72445. Basic services shall also include: reasonable access to required medical treatment and up-to-date psychopharmacology, transportation to needed off-site services, and bilingual/bicultural programming as specifically described herein.

C. CONTINUED STAY CRITERIA

1. Admission for contracted services occurs only under the order of a licensed mental health physician, with approval of the COUNTY representative(s).
2. Admission is available only to clients in need of 24-hour skilled nursing services and observation of mental illness or other related disorders. Individuals with exclusively physical illnesses shall not be admitted.
3. Clients must exhibit behavioral symptoms, which prohibit them from being admitted into a lower level care. Due to their mental or neurological condition or status, and behavioral problems, clients are unable to provide for their basic needs, thus requiring this level of care.

VIII. DISCHARGE CRITERIA & PLANNING

At the point the client no longer requires the level of service of a locked skilled nursing facility, as determined by the COUNTY case manager, a plan for the client's transfer to a less restrictive community setting will be arranged by the COUNTY case manager in conjunction with the CONTRACTOR staff.

IX. TRANSFER TO ACUTE LEVEL OF CARE

If a client meets the criteria of medical necessity for acute psychiatric inpatient care, the CONTRACTOR will notify the COUNTY conservator and case manager, then proceed with the facility's psychiatrist to notify the COUNTY inpatient psychiatrist to arrange for the transfer of the client.

X. LIMITATIONS OF SERVICE

The CONTRACTOR will operate within the scope of services outlined in the CONTRACTOR'S State of California license.

XI. EVALUATION & REPORTING REQUIREMENTS

In addition to all evaluation and reporting requirements previously stated in this Agreement, CONTRACTOR will meet all reporting and evaluation requirements stated as a condition of the facility's license. Additionally, CONTRACTOR will report any unusual incidents that occur at the facility to the Contract Liaison.

XII. QUALITY ASSURANCE

- A. CONTRACTOR shall comply with Chapter 3 of Division 5 of Title 22 of the California Code of Regulations pertaining to skilled nursing facilities.
- B. CONTRACTOR will meet all quality assurance requirements which are a condition of their license. COUNTY will routinely monitor the CONTRACTOR in terms of compliance with the COUNTY'S Quality Improvement Plan (QIP) in the following areas:
 - 1. Medical necessity;
 - 2. Appropriateness of continued treatment;
 - 3. Focus, level, intensity of care;
 - 4. Outcome of treatment; and
 - 5. Cost of treatment.

XIII. CONTRACT MONITOR

Robert L. Jackson, Behavioral Health Services Manager
Mail To: Monterey County Health Dept.
Behavioral Health Bureau

1270 Natividad Road, Salinas, CA 93906
Telephone: (831) 755-6351
Email: JacksonRL@co.monterey.ca.us

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EXHIBIT A: PROGRAM 2 DESCRIPTION

I. IDENTIFICATION OF CONTRACTOR

Name: Telecare Corporation
Morton Bakar Center

Address: 494 Blossom Way
Hayward, CA 94541

Incorporation Status: Private, for profit, Corporation

Type of Facility: SNF – Neurobehavioral Center

Type of License: Skilled Nursing Facility

II. TARGET POPULATION/FACILITY SPECIALIZATION

Morton Bakar Center provides psychosocial rehabilitation and skills-building support for older adults (ages 57+) with a primary diagnosis of severe mental illness. Under the direction of a multidisciplinary team, residents receive diagnostic evaluation and treatment to address their psychiatric and medical needs.

III. PROGRAM DESCRIPTION

Treatment services include:

- A. A longer-term recovery program within a supportive, structured, and secure inpatient environment designed to help residents prepare to move to the community and/or lower levels of care. 24-hour nursing care and dedicated staff providing a collaborative recovery environment based on Telecare's Recovery-Centered Clinical System (RCCS) model.
- B. The program offers specific approaches that have been found to be effective for an individual's specific stage of readiness to change, motivational interviewing designed to engage and motivate residents who have not responded to traditional interventions, harm reduction strategies, personal strengths development, and data driven interventions.
- C. A structured behavioral management approach that stresses environmental safety and individual management.
- D. The Telecare RCCS model provides a comprehensive, holistic, and personal approach to recovery. Services include, but are not limited to:
 - a) Comprehensive evaluation and risk assessment
 - b) Independent living skills training
 - c) Physical, occupational, and speech therapy

- d) Medication education and training
- e) Psychosocial assessment
- f) Psychotherapy
- g) Recovery-focused collaborative treatment planning
- h) Art and Music Therapy
- i) 24-hour nursing care

IV. PROGRAM GOALS

- A. To assist Monterey County Behavioral Health (MCBH) in efficiently and effectively managing limited resources by providing an alternative to utilization of State hospital days and acute hospital administrative days.
- B. To stabilize the client's psychiatric condition through medication management and behavioral management approaches.
- C. To provide a safe, secure, healthful, and behaviorally focused living environment, which enhances the opportunity of the residents to reach their maximum level of functioning.
- D. To develop alternative therapeutic interventions that reduce recidivism to more restrictive levels of care and enable the resident to remain in community placement for significantly longer periods of time, preventing or reducing acute psychiatric hospitalizations or long-term hospitalization.
- E. To provide a regional program which enables residents previously placed in the state hospital or more expensive levels of care to be treated in the community, as close to Monterey County as possible.
- F. To provide high quality care and supervision at the lowest appropriate cost.
- G. To develop a current and comprehensive assessment, stabilization, safety, security and skills training within an atmosphere of positive regard, and appropriate expectation.

V. PROGRAM PLAN & ORGANIZATIONAL CHART

The CONTRACTOR will provide the COUNTY with a copy of the Special Treatment Program plan.

VI. CASE MANAGEMENT

The COUNTY will provide a case manager to coordinate services and assess for discharge planning.

VII. ADMISSION CRITERIA, BASIC SERVICES & CONTINUED STAY CRITERIA

A. ADMISSION CRITERIA

The CONTRACTOR shall admit older adult patients referred by the COUNTY with a primary psychiatric diagnosis of severe mental illness, subject to bed availability, with order of a physician, and in compliance with reasonable admission policies and procedures. In addition, the individual may be diagnosed with:

- a) Dementia or OBS
- b) Sub-acute psychiatric impairment and/or with severely impaired adaptive functioning
- c) Primary psychiatric diagnosis with a need for a Skilled Nursing Facility for medical reasons and behavior management

Individuals will be excluded from the program who may have histories of and, without adequate treatment, are at risk of displaying behavioral symptoms such as severe combativeness, elopement or active AWOL risk, suicide risk, and excessive verbal abusiveness. Frequency, scope, and severity of these behaviors are a determining factor to be discussed on an individual patient basis between the COUNTY and the CONTRACTOR. The COUNTY may grant individual exceptions to these admission criteria. Individuals whose mental illness and neurological conditions are deemed more suitable for acute psychiatric or medical care, as well as individuals suffering exclusively from development disability, brain injury, mental retardation and/or physical illnesses (without a psychiatric component) shall be reviewed for their appropriateness or acceptability. All admissions are subject to the COUNTY'S prior authorization and CONTRACTOR'S commitment to provide care and services in accordance with the terms of this Agreement.

B. BASIC SERVICES

The basic service level (the minimum array of services provided to IMD residents) shall comply with Title 22 of the California Code of Regulations, Section 72445. Basic services shall also include: reasonable access to required medical treatment and up-to-date psychopharmacology, transportation to needed off-site services, and bilingual/bicultural programming as specifically described herein.

C. CONTINUED STAY CRITERIA

1. Admission for contracted services occurs only under the order of a licensed mental health physician, with approval of the COUNTY representative(s).

2. Admission is available only to clients in need of 24-hour skilled nursing services and observation of mental illness or other related disorders. Individuals with exclusively physical illnesses shall not be admitted.
3. Clients must exhibit behavioral symptoms, which prohibit them from being admitted into a lower level care. Due to their mental or neurological condition or status, and behavioral problems, clients are unable to provide for their basic needs, thus requiring this level of care.

VIII. DISCHARGE CRITERIA & PLANNING

At the point the client no longer requires the level of service of a locked skilled nursing facility, as determined by the COUNTY case manager, a plan for the client's transfer to a less restrictive community setting will be arranged by the COUNTY case manager in conjunction with the CONTRACTOR staff.

IX. TRANSFER TO ACUTE LEVEL OF CARE

If a client meets the criteria of medical necessity for acute psychiatric inpatient care, the CONTRACTOR will notify the COUNTY conservator and case manager, then proceed with the facility's psychiatrist to notify the COUNTY inpatient psychiatrist to arrange for the transfer of the client.

X. LIMITATIONS OF SERVICE

The CONTRACTOR will operate within the scope of services outlined in the CONTRACTOR'S State of California license.

XI. EVALUATION & REPORTING REQUIREMENTS

In addition to all evaluation and reporting requirements previously stated in this Agreement, CONTRACTOR will meet all reporting and evaluation requirements stated as a condition of the facility's license. Additionally, CONTRACTOR will report any unusual incidents that occur at the facility to the Contract Liaison.

XII. QUALITY ASSURANCE

- A. CONTRACTOR shall comply with Chapter 3 of Division 5 of Title 22 of the California Code of Regulations pertaining to skilled nursing facilities.
- B. CONTRACTOR will meet all quality assurance requirements which are a condition of their license. COUNTY will routinely monitor the CONTRACTOR in terms of compliance with the COUNTY'S Quality Improvement Plan (QIP) in the following areas:

1. Medical necessity;
2. Appropriateness of continued treatment;
3. Focus, level, intensity of care;
4. Outcome of treatment; and
5. Cost of treatment.

XIII. CONTRACT MONITOR

Robert L. Jackson, Behavioral Health Services Manager
Mail To: Monterey County Health Dept.
Behavioral Health Bureau
1270 Natividad Road, Salinas, CA 93906
Telephone: (831) 755-6351
Email: JacksonRL@co.monterey.ca.us

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EXHIBIT B: PAYMENT AND BILLING PROVISIONS

I. PAYMENT TYPE

Cost Reimbursement (CR) or Negotiated Rate (NR) up to the maximum contract amount.

II. PAYMENT AUTHORIZATION FOR SERVICES

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

III. REIMBURSEMENT FOR BASIC/STP SERVICES

A. Garfield Neurobehavioral Center

Under the terms of this Agreement, COUNTY shall reimburse the CONTRACTOR for services rendered as described in Exhibit A, which will be identified as the Enhanced Treatment Rate for clients who have Medi-Cal benefits. For Non Medi-Cal clients, the fee will include the Enhanced Treatment Rate plus the State Medi-Cal Rate for clients residing at this facility.

The Leave of Absence and Bed Hold rate will apply only when an existent client is transferred to a facility temporarily, for acute psychiatric inpatient care, due to return to the facility. The rate reduction for Leave of Absence and Bed Hold for acute hospitalization is \$7.08 per diem and will conform to the State-approved Medi-Cal per diem rate as it varies, in accordance with AB 360. CONTRACTOR will notify COUNTY in the event a client has to be moved to an acute treatment facility and a bed hold needs to be made.

The Skilled Nursing Facility (SNF) program services will be paid in arrears at the Enhanced Treatment Rate as follows:

Year	Mode of Service	Service Function Code	Enhanced Treatment (ET) Rate	Estimated # of Bed Days per FY	Maximum Yearly Estimated Cost
July 1, 2015 - June 30, 2016	05	30-34	\$234.09	1095	\$256,329
July 1, 2016 - June 30, 2017	05	30-34	\$234.09	1095	\$256,329
July 1, 2017 - June 30, 2018	05	30-34	\$234.09	1095	\$256,329
TOTAL MAXIMUM COUNTY OBLIGATION:					\$768,987

B. Morton Bakar Center

Under the terms of this Agreement, COUNTY shall reimburse the CONTRACTOR for services rendered as described in Exhibit A, which will be identified as the Enhanced Services Rate for clients without Medi-Cal benefits, or for clients with Medi-Cal benefits under the age of 65, at the rate of \$347.41 per diem. For Medi-Cal eligible clients aged 65 years and older, at the rate of \$125.02 per diem.

For payment amounts based on the current Medi-Cal rate (shown as "Non-Medi-Cal Eligible / Medi-Cal Eligible Clients < 65 years" in the accompanying chart), COUNTY shall reimburse CONTRACTOR at the current Medi-Cal rate plus the "Medi-Cal Eligible Clients 65 Years and Older" Enhanced Services rate.

For the purposes of the Agreement, the term "bed day" includes beds held vacant for Leave of Absence and Bed Hold for existent clients who are temporarily [not more than seven (7) days] absent from a facility, for acute psychiatric inpatient care, due to return to the facility. The Leave of Absence and Bed Hold rate will apply only during the time of the temporary transfer. The rate reduction for Leave of Absence and Bed Hold for acute hospitalization is \$7.08 per diem and will conform to the State-approved Medi-Cal per diem rate as it varies, in accordance with AB 360. CONTRACTOR will notify COUNTY in the event a client has to be moved to an acute treatment facility and a bed hold needs to be made.

The Skilled Nursing Facility (SNF) program services will be paid in arrears at the Enhanced Services Rate as follows:

Year	Mode of Service	Service Function Code	Non-Medi-Cal Eligible / Medi-Cal Eligible Clients < 65 years	Estimated # of Bed Days per FY	Medi-Cal Eligible Clients 65 Years and Older	Estimated # of Bed Days per FY	Maximum Yearly Estimated Cost
May 1, 2016 - June 30, 2016	05	30-34	\$347.41	122	\$125.02	122	\$57,636
July 1, 2016 - June 30, 2017	05	30-34	\$347.41	730	\$125.02	730	\$344,874
July 1, 2017 - June 30, 2018	05	30-34	\$347.41	730	\$125.02	730	\$344,874
TOTAL MAXIMUM COUNTY OBLIGATION:							\$747,384

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 Cost Reimbursement Invoice Form provided as Exhibit G, to this Agreement, along with backup documentation, on a monthly basis, to COUNTY so as to reach the Behavioral Health Bureau no later than the thirtieth (30th) day of the month following the month of service. See Section III, above, for payment amount information to be reimbursed each fiscal year period of this Agreement. 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, Cost Reimbursement Invoice Form in Excel format with electronic signature along with supporting documentations, as may be required by the COUNTY for services rendered to:

MCHDBHFinance@co.monterey.ca.us

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

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 **\$1,516,371** for services rendered under this Agreement.
- B. Maximum Annual Liability:

FISCAL YEAR LIABILITY	AMOUNT
July 1, 2015 to June 30, 2016	\$313,965
July 1, 2016 to June 30, 2017	\$601,203
July 1, 2017 to June 30, 2018	\$601,203
TOTAL MAXIMUM COUNTY OBLIGATION:	\$1,516,371

- 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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