AMENDMENT NO. 5
TO SUBSTANCE USE DISORDER SERVICE AGREEMENT A-14019
BY AND BETWEEN
COUNTY OF MONTEREY AND DOOR TO HOPE

This **AMENDMENT NO. 5** to Agreement A-14019 is made by and between the County of Monterey, hereinafter referred to as "COUNTY," and **Door to Hope**, hereinafter referred to as "CONTRACTOR."

WHEREAS, the COUNTY and CONTRACTOR have heretofore entered into Agreement A-14019 dated June 26, 2018 (Agreement); Amendment No. 1 dated December 08, 2019, Amendment No. 2 dated June 11, 2019, Amendment No. 3 dated October 1, 2019; Amendment No. 4 dated June 23, 2020 and

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

1. Add Coronavirus Aid, Relief, and Economic Security (CARES) Act funding for FY 2020-21.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein and in the Agreement, the parties agree as follows:

1. EXHIBIT A-4: PROGRAM DESCRIPTION is replaced by EXHIBIT A-5: PROGRAM DESCRIPTION. All references in the Agreement to EXHIBIT A-4 shall be construed to refer to EXHIBIT A-5.

2. EXHIBIT B-4: PAYMENT PROVISIONS is replaced by EXHIBIT B-5: PAYMENT PROVISIONS. All references in the Agreement to EXHIBIT B-4 shall be construed to refer to EXHIBIT B-5.

3. EXHIBIT C: BEHAVIORAL HEALTH COST REIMBURSEMENT INVOICE is replaced by EXHIBIT C-4: BEHAVIORAL HEALTH COST REIMBURSEMENT INVOICE. All references in the Agreement to EXHIBIT C shall be construed to refer to EXHIBIT C-5.

4. Except as provided herein, all remaining terms, conditions and provisions of the Agreement A-14019 are unchanged and unaffected by this Amendment No. 5 and shall continue in full force and effect as set forth in the Agreement.

5. This Amendment increases the current contract amount of $6,284,025 by $29,245 for a new contract amount of $6,313,270.

6. This Amendment NO. 5 shall be effective November 17, 2020.

7. A copy of this Amendment No. 5 shall be attached to the original Agreement executed by the COUNTY on June 26, 2018.

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Amendment No. 5 to Agreement A-14019 as of the day and year last written below.

COUNTY OF MONTEREY

By: DocuSigned by: C7A30BA59CA8423...
Elsa M. Jimenez, Director of Health
Date: 12/3/2020 | 5:17 PM PST

Approved as to Form
By: DocuSigned by: C0ECE1B99F444A9...
~~Marina Pantchenko~~, Deputy County Counsel
Date: 11/3/2020 | 4:03 PM PST

Approved as to Fiscal Provisions
By: DocuSigned by: D3834BEEC1D8449...
Gary Giboney, Chief Deputy Auditor/Controller
Date: 11/3/2020 | 4:06 PM PST

Approved as to Liability Provisions
By:
Les Girard, Risk Management
Date:

Approved as to Content
By:
Lucero Robles, Interim Behavioral Health Director
Date:

CONTRACTOR

Contractor*
By: DocuSigned by: A2750E7362934C7...
Chris Shannon, Executive Director
Date: 11/3/2020 | 9:57 AM PST

By: DocuSigned by: FE1554FC6B814B7...
Denise Felix, CFO*
Date: 11/3/2020 | 10:26 AM PST

INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and nonprofit corporations, the full legal name of the corporation shall be set forth above together with 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 an officer 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

EXHIBIT A-5:
PROGRAM (S) DESCRIPTION (S) AND OBJECTIVES

PROGRAM 1 - RESIDENTIAL INPATIENT SERVICES (ASAM Level 3)

Program Location:
165 Clay Street
Salinas, CA 93901

Hours of Operation
Services are provided on a 24-hour, 7-day a week basis.

Program Description
CONTRACTOR operates a 3 month, 14-bed recovery program for women with severe alcohol and/or drug problems. Residential recovery services are provided in a supervised drug-free, non-smoking environment for indigent, low-income, and/or homeless women. Services provided include:

- Intake and screening
- Individualized assessment and treatment planning 12-Step Program facilitation
- Family counseling
- Life skills development
- Focus on issues unique to women Trauma/grief resolution
- Relapse prevention programs Parenting education and support Sober social activities and support
- Information and assistance with community-based health, legal, educational, and vocational referrals
- Individual and group counseling Individualized case management Stress management program Anger management program Mood management program Recovery education
- Prenatal drug and alcohol education Nutrition education
- AIDS/I-UV education Toxicology drug screening Discharge planning
- Aftercare support services for graduates

CONTRACTOR embraces abstinence-based goals while utilizing motivational enhancement and cognitive-behavioral therapies in the provision of its recovery services. An interdisciplinary team approach is utilized, which includes, but is not necessarily limited to: a physician, physician's assistant, clinical supervisor, licensed therapist, therapy intern, certified counselor, counselor, parent educators, and aides

ASAM Service Level Descriptions
CONTRACTOR will provide Level 3.1: Clinically Managed Low-Intensity Residential Services, consisting of 24-hour structure and support with available trained personnel and at least 5 hours of clinical service/week. This treatment setting has a primary focus on the development of interpersonal skills and strengthening recovery so that individuals are prepared for transition to

outpatient treatment, a sober living environment, and/or direct reintegration into the community.

CONTRACTOR will provide Level 3.5: Clinically Managed High-Intensity Residential Services (Adult Criteria), consisting of structure and support designed to serve individuals who, because of specific functional limitations, need a 24-hour supportive treatment environment to initiate or continue a recovery process that has failed to progress. Many individuals placed in this level of care have significant social, behavioral and psychological problems. This treatment setting is staffed by licensed or credentialed clinical staff such as addiction counselors who work with allied health professional staff in an interdisciplinary team approach. Staff are knowledgeable about the biological and psychosocial dimensions of co-occurring substance use and mental health disorders and their treatment. Primary focus of treatment is delivery of evidence based clinical services that improve the individual's ability to structure and organize the tasks of daily living and to develop and practice prosocial behaviors within the therapeutic community. Residential Treatment is a non-institutional, non-medical, short-term residential program that provides rehabilitation services to beneficiaries with a substance use disorder diagnosis when determined by a Medical Director or Licensed Practitioner of the Healing Arts as medically necessary and in accordance with an individualized treatment plan.
These services are intended to be individualized to treat the functional deficits identified in the American Society of Addiction Medicine Criteria (ASAM). In the residential treatment environment, an individual's functional cognitive deficits may require treatment that is primarily slower paced, more concrete and repetitive in nature. The daily regimen and structured patterns of activities are intended to restore cognitive functioning and build behavioral patterns within a community. Each beneficiary shall live on the premises and shall be supported in their efforts to restore, maintain and apply interpersonal and independent living skills and access community support systems. Providers and residents work collaboratively to define barriers, set priorities, establish goals, create treatment plans, and solve problems. Goals include sustaining abstinence, preparing for relapse triggers, improving personal health and social functioning and engaging in continuing care.

CONTRACTOR will provide Drug Medi-Cal (DMC) Residential/Inpatient Services to Beneficiaries in a Department of Health Care Services (DHCS) licensed residential facility that also has DMC certification and has been designated by DHCS as capable of delivering care consistent with ASAM criteria. Residential services can be provided in facilities of any size. Services shall be provided in an alcohol-free and drug-free environment and will support recovery or treatment for substance use disorder problems. These services are to be provided by a registered or certified substance use disorder counselor or Licensed Practitioner of the Healing Arts (LPHA).

The Medical Director or LPHA shall evaluate each beneficiary's assessment and intake information if completed by a counselor through face-to-face review or telehealth (when available) with the counselor to establish a beneficiary meets medical necessity criteria.

<u>The components of Residential Treatment Services are:</u>
<u>Intake:</u> The process of determining that a beneficiary meets the medical necessity criteria and beneficiary is admitted into a substance use disorder treatment program. Intake includes the

evaluation or analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of treatment needs to provide medically necessary services. Intake may include a physical examination and laboratory testing necessary for substance use disorder treatment.

Individual Counseling: Contacts between a beneficiary and a therapist or counselor. Services provided in-person, by telephone or by telehealth qualify as Medi-Cal reimbursable units of service and are reimbursed without distinction.

Group Counseling: Face-to-face contacts in which one or more therapists or counselors treat two or more clients at the same time with a maximum of 12 in the group, focusing on the needs of the individuals served.

Family Therapy: The effects of addiction are far-reaching and the patient's family members and loved ones also are affected by the disorder. By including family members in the treatment process, education about factors that are important to the patient's recovery as well as their own recovery can be conveyed. Family members can provide social support to the patient, help motivate their loved one to remain in treatment, and receive help and support for their own family recovery as well.

Patient Education: Provide research-based education on addiction, treatment, recovery and associated health risks.

Medication Services: The prescription or administration of medication related to substance use treatment services, or the assessment of the side effects or results of that medication conducted by staff lawfully authorized to provide such services and/or order laboratory testing within their scope of practice or licensure.

Collateral Services: Sessions with therapists or counselors and significant persons in the life of the beneficiary, focused on the treatment needs of the beneficiary in terms of supporting the achievement of the beneficiary's treatment goals. Significant persons are individuals that have a personal, not official or professional, relationship with the beneficiary.

Crisis Intervention Services: Contact between a therapist or counselor and a beneficiary in crisis. Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an unforeseen event or circumstance which presents to the beneficiary an imminent threat of relapse. Crisis intervention services shall be limited to the stabilization of the beneficiary's emergency situation.

Treatment Planning: The provider shall prepare an individualized written treatment plan, based upon information obtained in the intake and assessment process. The treatment plan will be completed upon intake and then updated every subsequent 90 days unless there is a change in treatment modality or significant event that would then require a new treatment plan. The treatment plan shall include:

- A statement of problems to be addressed,

- Goals to be reached which address each problem
- Action steps which will be taken by the provider and/or beneficiary to accomplish identified goals,
- Target dates for accomplishment of action steps and goals, and a description of services including the type of counseling to be provided and the frequency thereof.
- Treatment plans have specific quantifiable goal/treatment objectives related the beneficiary's substance use disorder diagnosis and multidimensional assessment.
- The treatment plan will identify the proposed type(s) of interventions/modality that includes a proposed frequency and duration.
- The treatment plan will be consistent with the qualifying diagnosis and will be signed by the beneficiary and the Medical Director or LPHA.

Discharge Services (Case Management): The process to prepare the beneficiary for referral into another level of care, post treatment return or reentry into the community, and/or the linkage of the individual to essential community treatment, housing and human services

Length of Stay

Any beneficiary receiving residential services pursuant to the COUNTY'S Drug Medi-Cal Organized Delivery System, regardless of the length of stay, is a "short-term resident" of the residential facility. The length of residential services ranges from 1 to 90 days with a 90-day maximum for adults; unless medical necessity authorizes a one-time extension of up to 30 days on an annual basis. Only two non-continuous 90-day regimens will be authorized in a one-year period. The average length of stay for residential services is 30 days. Residential Services for Adults- Residential services for adults may be authorized for up to 90 days in one continuous period. Reimbursement will be limited to two non-continuous regimens for adults in any one-year period (365 days). One extension of up to 30 days beyond the maximum length of stay of 90 days may be authorized for one continuous length of stay in a one-year period (365 days) Peri-natal clients may receive a longer length of stay for residential services based on medical necessity. Criminal justice offenders may receive a longer length of stay for residential services if assessed for need (e.g. up to 6 months)

Assessment, Referral and Admission

Individuals requesting admission to the Residential Recovery Program shall have an ASAM Criteria assessment completed by the Behavioral Health Bureau Access Team or qualified CONTRACTOR staff. CONTRACTOR shall complete an intake/ASAM assessment for self-referred clients. Provider staff will determine medical necessity and appropriate ASAM level of care during the assessment process and within 30 days of initial treatment. Residential Treatment Service requests originating from the providers must be reviewed and authorized by the Behavioral Health Bureau Access Team prior to admission. Upon completion of the assessment a pre-authorization referral packet (including the ASAM assessment) will be sent by the Provider to the Behavioral Health Bureau Access Team for review and authorization for funded services only. During the process, the COUNTY will review the Diagnostic and Statistical Manual of Mental Disorders (DSM) and ASAM Criteria to ensure that the client meets the requirements for residential services. The County will either approve or deny prior authorization for residential services within 24 hours of the prior authorization request being submitted by the provider. The

COUNTY has an internal grievance process that allows a beneficiary, or CONTRACTOR on behalf of the beneficiary, to challenge a denial of coverage of services or denial of payment for services by a participating County. The Department of Health Care Services will provide beneficiaries access to a state fair hearing process. Clients who do not receive a referral for a mental health screening prior to arriving at a residential facility will be encouraged by the CONTRACTOR to contact the toll-free Access line for screening and a possible referral for a mental health assessment.

AB 109/Drug Court Referrals: The COUNTY Behavioral Health Bureau AB 109/Drug Court Team will determine whether residential inpatient services are applicable to the offender and will accept and complete the assessment process for all AB 109/Drug Court referrals received from the Probation Department or Drug Court. CONTRACTOR may not accept referrals from the Probation Department/Drug Court and may not complete intakes/assessments for AB 109/Drug Court clients presenting directly to CONTRACTOR facilities. COUNTY staff will complete an intake/ASAM assessment to determine medical necessity and appropriate ASAM level of care. During the assessment process the COUNTY will review the Diagnostic and Statistical Manual of Mental Disorders (DSM) and ASAM Criteria to ensure that the client meets the requirements for residential inpatient services.

The provider shall assure a counselor or LPHA completes a personal, medical and substance use history for each beneficiary upon admission to treatment. Assessment for all beneficiaries shall include at a minimum: Drug/Alcohol use history, medical history, family history, psychiatric/psychological history, social/recreational history, financial status history, educational history, employment history, criminal history, legal status, and previous substance use treatment history. The medical director or LPHA shall review each beneficiary's personal, medical and substance use history if assessment is completed by a counselor.
The provider shall include in its policies, procedures, and practice, written admission and readmission criteria for determining beneficiary's eligibility and the medical necessity for treatment. These criteria shall include at minimum: DSM diagnosis, use of alcohol/drugs of abuse, physical health status, and documentation of social and psychological problems.

Residential Service referrals submitted by the Behavioral Health Bureau to the CONTRACTOR will include the submission of an electronic copy of the completed ASAM assessment.

Admission shall not be denied on the basis of race, color, religion, sex, sexual orientation, age, national origin or disability. The above shall not preclude the program from emphasizing services for specific populations. For each individual participant, including family members or significant others, involvement with alcohol, drugs, or alcohol/drug related problems should be the primary criteria for participation. All participation shall be voluntary. All participants shall be physically and mentally capable of assuming full responsibility for their own decisions and actions in relation to recovery from alcohol and drug misuse while in the program. No individual shall be admitted who, on the basis of staff judgment, exhibits behavior dangerous to the staff or others. Treatment service locations are handicapped accessible. Visually and hearing-impaired participants are welcome and interpreters will be utilized as needed. Pregnant, HIV+ and IV using applicants will receive priority admission.

Admission Criteria for Residential Inpatient Services

1. Be over the age of 18; and
2. Meet medical necessity and the ASAM criteria for residential services.
3. Have an addictive disorder that necessitates residential treatment; and
4. Be medically and psychiatrically stable and able to participate in an active program of counseling, education, and other recovery activities; and
5. Demonstrate the motivation and willingness to follow all program principles, guidelines, structure; and
6. Be sober and not under the influence of alcohol or drugs, except for those prescribed by an authorized physician, at the time of admission and for twenty- four (24) hours previous to admission.
7. CONTRACTOR shall give admission priority to pregnant women and I-V drug users.

If a client meets the aforementioned criteria for admission into residential services and the CONTRACTOR does not have an available bed, Provider staff will recommend a referral to outpatient services. If the CONTRACTOR does not have capacity for new referrals to their outpatient services program, CONTRACTOR shall refer the client to other residential programs within the County DMC-ODS Service Provider Network that offer the same level of residential service.

For individuals who have a stated desire to recover from alcohol or drug problems, but do not meet the medical necessity/ASAM criteria for admission or continued placement in any of the COUNTY'S DMC-ODS services CONTRACTOR will provide referrals to supportive services within the community, including 12-step recovery support groups.

Service Objectives

1. Provide the following estimated residential services and bed days to continuously enrolled Drug/Medi-Cal eligible clients. Residential Day is defined as a calendar day, which is marked as having the client's control of the bed during an overnight period.

FY 2018-19 Residential Services	UOS
Residential Services (3.1)	3,744
Residential (3.1) Board and Care	3,744
Residential Services (3.5)	1,062
Residential (3.1) Board and Care	1,062
Residential Service-Case Management (3.1 & 3.5)	43,150 (mins)

FY 2019-20 Residential Services	UOS
Residential Services (3.1)	3,638
Residential (3.1) Board and Care	3,638
Residential Services (3.5)	1,032
Residential (3.1) Board and Care	1,032
Residential Service-Case Management (3.1 & 3.5)	42,082 (mins)

FY 2020-21 Residential Services	UOS
Residential Services (3.1)	1,205
Residential (3.1) Board and Care	1,205
Residential Services (3.5)	2,811
Residential (3.1) Board and Care	2,811
Residential Service-Case Management (3.1 & 3.5)	54,000 (mins)

2. Maintain client accessibility by completing intake interviews on 80% of referrals from COUNTY within seventy-two (72) hours from the time the client calls for the interview appointment.
3. Maintain appropriate levels of client engagement in the residential treatment program with less than 40% of clients leaving the program prematurely against staff advice.
4. 30% of admissions will be treatment services to substance abusing women with co- existing mental illness.

Target Population

Adult women over the age of 18 who are experiencing acute problems with alcohol and other drugs. CONTRACTOR maintains a special capability to work with substance abusing women with co-occurring mood disorders, such as depression, anxiety, and Post Traumatic Stress Disorder (PTSD

Each applicant for residential treatment services is appropriately screened for eligibility based on meeting stated admission criteria. Admission will not be denied to anyone on the basis of disability, race, color, religion, age, sexual preference, national origin, or ability to pay.

Fees

The program is expected to augment COUNTY funding through the generation of participant fees. The program will develop and maintain a multi-tiered fee scale to be approved by the COUNTY Behavioral Health Services Director. Services will not be denied because of an individual's inability to pay.

Designated Program Monitor

Andrew B. Heald,
Substance Use Disorder Services Administrator
Monterey County Behavioral Health
1270 Natividad Rd.
Salinas, CA 93906
(831) 755-6383

PROGRAM 2: OUTPATIENT SERVICES (ASAM Level 1)

Program Location:
130 West Gabilan St. Salinas, CA 9390 l

Service Delivery and Hours of Operation
The program will operate Monday and Friday from 8:30 A.M. to 5:00 P.M. Tuesday, Wednesday and Thursday from 8:30 A.M. to 7:00 P.M.

Program/ASAM Service Level Description
Outpatient Services (ASAM Level 1). Counseling services are provided to beneficiaries (up to 9 hours a week for adults.) when determined by a Medical Director or Licensed Practitioner of the Healing Arts to be medically necessary and in accordance with an individualized client plan. Services can be provided by a licensed professional or a registered or certified counselor in any appropriate setting in the community.

CONTRACTOR shall comply with the requirements for youth programs as contained in "Youth Treatment Guidelines 2002" when providing youth treatment services, until such time new Youth Treatment Guidelines are established and adopted. The Youth Treatment Guidelines may be found on the California Department of Healthcare Services Website: http://www.dhcs.ca.gov/individuals/Documents/Youth_Treatment_Guidelines.pdf.

CONTRACTOR shall further comply with California Family Code Section 6929, and California Code of Regulations, Title 22, Sections 50147.1, 50030, 50063.5, 50157(f)(3), 50167(a)(6)(D), and 50195(d) when providing services to Minor Consent beneficiaries 12-20 years of age.

CONTRACTOR will provide culturally and linguistically competent services using the evidenced based practices such as Motivational Interviewing, Cognitive Behavioral Therapy, and the Matrix Model.

CONTRACTOR will provide Drug Medi-Cal Outpatient services to men, women and Adolescents in accordance with applicable State and Federal laws. Program services must be provided within facilities that are certified by the California Department of Health Care Services (DHCS), operated and maintained to provide outpatient treatment services. Services will be provided in an alcohol-free and drug-free environment and will support recovery or treatment for substance use disorder problems. These services are to be provided by a registered or certified substance use disorder counselor or Licensed Practitioner of the Healing Arts (LPHA). and will include the following components.

The components of Outpatient Services are:

Intake: The process of determining that a beneficiary meets the medical necessity criteria and beneficiary is admitted into a substance use disorder treatment program. Intake includes the evaluation or analysis of substance use disorders; the diagnosis of substance use disorders; and

the assessment of treatment needs to provide medically necessary services. Intake may include a physical examination and laboratory testing necessary for substance use disorder treatment.

Individual Counseling: Contacts between a beneficiary and a therapist or counselor. Services provided in-person, by telephone or by telehealth qualify as Medi-Cal reimbursable units of service, and are reimbursed without distinction.

Group Counseling: Face-to-face contacts in which one or more therapists or counselors treat two or more clients at the same time with a maximum of 12 in the group, focusing on the needs of the individuals served.

Family Therapy: The effects of addiction are far-reaching and patient's family members and loved ones also are affected by the disorder. By including family members in the treatment process, education about factors that are important to the patient's recovery as well as their own recovery can be conveyed. Family members can provide social support to the patient, help motivate their loved one to remain in treatment, and receive help and support for their own family recovery as well.

Patient Education: Provide research-based education on addiction, treatment, recovery and associated health risks.

Medication Services: The prescription or administration of medication related to substance use treatment services, or the assessment of the side effects or results of that medication conducted by staff lawfully authorized to provide such services and/or order laboratory testing within their scope of practice or licensure.

Collateral Services: Sessions with therapists or counselors and significant persons in the life of the beneficiary, focused on the treatment needs of the beneficiary in terms of supporting the achievement of the beneficiary's treatment goals. Significant persons are individuals that have a personal, not official or professional, relationship with the beneficiary.

Crisis Intervention Services: Contact between a therapist or counselor and a beneficiary in crisis. Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an unforeseen event or circumstance which presents to the beneficiary an imminent threat of relapse. Crisis intervention services shall be limited to the stabilization of the beneficiary's emergency situation.

Treatment Planning: The provider shall prepare an individualized written treatment plan, based upon information obtained in the intake and assessment process. The treatment plan will be completed upon intake and then updated every subsequent 90 days unless there is a change in treatment modality or significant event that would then require a new treatment plan. The treatment plan shall include:

- A statement of problems to be addressed,
- Goals to be reached which address each problem

- Action steps which will be taken by the provider and/or beneficiary to accomplish identified goals,
- Target dates for accomplishment of action steps and goals, and a description of services including the type of counseling to be provided and the frequency thereof.
- Treatment plans have specific quantifiable goal/treatment objectives related the beneficiary's substance use disorder diagnosis and multidimensional assessment.
- The treatment plan will identify the proposed type(s) of interventions/modality that includes a proposed frequency and duration.
- The treatment plan will be consistent with the qualifying diagnosis and will be signed by the beneficiary and the Medical Director or LPHA.

Discharge Services (Case Management): The process to prepare the beneficiary for referral into another level of care, post treatment returns or reentry into the community, and/or the linkage of the individual to essential community treatment, housing and human services This program provides structured recovery support for women and men. A person' s length of stay in the program is dependent upon the nature of presenting problems, history and severity of substance use disorder (SUD), and ongoing review of medical necessity criteria. The intensity of services will be modified as the client progresses in achieving individualized recovery goals. The outpatient program requires the participant to attend treatment sessions more frequently initially and then decrease participation as the client continues to be abstinent and progresses in the treatment program.

Length of Stay

Duration of the program is dependent upon the nature of an individual's presenting problems, history of abuse/addiction, and ongoing review of medical necessity criteria. The client attends one (1) to five (5) times weekly and the service the client receives is based on individualized recovery goals. Duration of the recovery support program averages four (4) months. The program will offer group-counseling sessions designed to focus on problem-recognition, self-esteem enhancement, interpersonal skill building, recovery management, stress management, and relapse prevention.

Assessment, Referral and Admission

Individuals requesting admission to the Outpatient Program may have an assessment completed by the Behavioral Health Bureau staff or CONTRACTOR. For individuals who have been assessed by the Behavioral Health Bureau, the referral process will include the submission of an electronic copy of the completed ASAM assessment. The criteria for assessments are outlined in page 7, Program 1: Residential/Inpatient Services.

AB 109/Drug Court Referrals: The COUNTY Behavioral Health Bureau AB 109/Drug Court Team will determine whether outpatient program services are applicable to the offender and will accept and complete the assessment process for all AB 109/Drug Court referrals received from the Probation Department or Drug Court. CONTRACTOR may not accept referrals from the Probation Department/Drug Court and may not complete intakes/assessments for AB 109/Drug Court clients presenting directly to CONTRACTOR facilities. COUNTY staff will complete an

intake/ASAM assessment to determine medical necessity and appropriate ASAM level of care. During the assessment process the COUNTY will review the Diagnostic and Statistical Manual of Mental Disorders (DSM) and ASAM Criteria to ensure that the client meets the requirements for outpatient program services.

If a client meets the medical necessity/ASAM criteria for admission into outpatient services and the CONTRACTOR does not have capacity for new referrals to their program, provider shall refer the client to other outpatient service programs within the County DMC-ODS Service Provider Network that offer the same level of service. Clients who do not receive a referral for a mental health screening prior to arriving at an outpatient facility will be encouraged by the CONTRACTOR to contact the toll-free Behavioral Health Access line for screening and a possible referral for a mental health assessment.
For individuals who have a stated desire to recover from alcohol or drug problems, but do not meet the medical necessity/ASAM criteria for admission or continued placement in any of the COUNTY DMC-ODS services, COUNTY and CONTRACTOR will provide referrals to supportive services within the community, including 12-step recovery support groups.
The COUNTY has an internal grievance process that allows a beneficiary, or CONTRACTOR on behalf of the beneficiary, to challenge a denial of coverage of services or denial of payment for services by the COUNTY. The Department of Health Care Services will provide beneficiaries access to a state fair hearing process.

Admission shall not be denied on the basis of race, color, religion, sex, sexual orientation, age, national origin or disability. The above shall not preclude the program from emphasizing services for specific populations. For each individual participant, including family members or significant others, involvement with alcohol, drugs, or alcohol/drug related problems should be the primary criteria for participation. All participation shall be voluntary. All participants shall be physically and mentally capable of assuming full responsibility for their own decisions and actions in relation to recovery from alcohol and drug misuse while in the program. No individual shall be admitted who, on the basis of staff judgment, exhibits behavior dangerous to the staff or others. Treatment service locations are handicapped accessible. Visually and hearing-impaired participants are welcome and interpreters will be utilized as needed. Pregnant, HIV+ IV-drug using applicants will receive priority admission.

Target Population

Access to the Outpatient Services program will be for eligible women and men who are self-referred and or referred by the Behavioral Health Bureau assessment staff. Outpatient services are provided to non-perinatal and perinatal beneficiaries. In general, these will be women and men who may also be involved with the Probation Department, Drug Court, or Department of Social Services CalWORKS programs.

Service Objectives: CONTRACTOR will provide the following Outpatient services per Fiscal Year:

FY 2018-19 Outpatient Services	UOS (min)
Outpatient Individual Counseling	70,140
Outpatient Group Counseling	164,940
Outpatient Family Sessions	10,860
Outpatient Case Management	32,707
MAT Med Support or Physician Time	11,508

FY 2019-20 Outpatient Services	UOS (min)
Outpatient Individual Counseling	68,186
Outpatient Group Counseling	160,344
Outpatient Family Sessions	10,557
Outpatient Case Management	33,770
MAT Med Support or Physician Time	11,185

FY 2020-21 Outpatient Services	UOS (min)
Outpatient Individual Counseling	75,141
Outpatient Group Counseling	30,740
Outpatient Family Sessions	4,932
Outpatient Case Management	20,340
MAT Med Support or Physician Time	7,800

Fees

The program is expected to augment COUNTY funding through the generation of participant fees. The program will develop and maintain a multi-tiered fee scale to be approved by the COUNTY Behavioral Services Director. Services will not be denied because of an individual's inability to pay.

PROGRAM 3: INTENSIVE OUTPATIENT SERVICES (ASAM Level 2.1)

Program Location:
130 West Gabilan St. Salinas, CA 9390 1

Service Delivery and Hours of Operation
The program will operate Monday and Friday from 8:30 A.M. to 5:00 P.M. Tuesday, Wednesday and Thursday from 8:30 A.M. to 7:00 P.M.

Program/ASAM Service Level Description

Intensive Outpatient Treatment (ASAM Level 2.1) structured programming services are provided to beneficiaries (a minimum of nine hours with a maximum of 19 hours a week for adults) when determined by a Medical Director or Licensed Practitioner of the Healing Arts to be

medically necessary and in accordance with an individualized client plan. Lengths of treatment can be extended when determined to be medically necessary. Services consist primarily of counseling and education about addiction-related problems. Services can be provided by a licensed professional or a registered or certified counselor in any appropriate setting in the community. Services can be provided in-person, by telephone or by telehealth.

CONTRACTOR will provide Drug Medi-Cal Intensive Outpatient Services in accordance with applicable State and Federal laws. Program services must be provided within facilities that are certified by DHCS, operated and maintained to provide intensive outpatient treatment services. Services will be provided in an alcohol-free and drug-free environment and will support recovery or treatment for substance use disorder problems. These services are to be provided by a registered or certified substance use disorder counselor or Licensed Practitioner of the Healing Arts (LPHA) and will include the following components: Intake, Individual and Group Counseling, Family Therapy, Patient Education, Medication Services, Collateral Services, Crisis Intervention Services, Treatment Planning, and Discharge Services. The definitions for these components are outlined in pages 8-9, Program3: Outpatient Services.

Length of Stay

Duration of the program is dependent upon the nature of an individual's presenting problems, current level of multidimensional instability, history of SUD, and ongoing review of medical necessity criteria. The client attends three (3) to five (5) times weekly; services consist primarily of counseling and education about SUD-related and mental health problems. The individual's need for psychiatric and medical treatment are determined through consultation and referrals to external support if the client remains stable and requires only maintenance monitoring. Program staff should have sufficient cross-training to understand symptoms of mental health disorders and to understand the use and effects of psychotropic medications and their effect on substance use/addictive disorders. Duration of the program averages two to four (2-4) months. Individual, Group and family Therapy is based upon motivational interviewing, enhancement, and engagement strategies to address both substance related and functional issues that negatively impact relationships, coping skills, and sustainable recovery.

Assessment, Referral and Admission

Individuals requesting admission to Intensive Outpatient Services program may have an assessment completed by the Behavioral Health Bureau staff or CONTRACTOR. For individuals who have been assessed by the Behavioral Health Bureau, the referral process will include the submission of an electronic copy of the completed ASAM assessment. The criteria for assessments are outlined in page 7, Program 1: Residential/Inpatient Services.

AB 109/Drug Court Referrals: The COUNTY Behavioral Health Bureau AB 109/Drug Court Team will determine whether intensive outpatient program services are applicable to the offender and will accept and complete the assessment process for all AB 109/Drug Court referrals received from the Probation Department or Drug Court. CONTRACTOR may not accept referrals from the Probation Department/Drug Court and may not complete intakes/assessments for AB 109/Drug Court clients presenting directly to CONTRACTOR facilities. COUNTY staff will complete an intake/ASAM assessment to determine medical necessity and appropriate ASAM level of care. During the assessment process the COUNTY will review the Diagnostic

and Statistical Manual of Mental Disorders (DSM) and ASAM Criteria to ensure that the client meets the requirements for outpatient program services.

If a client meets the medical necessity/ASAM criteria for admission into outpatient services and the CONTRACTOR does not have capacity for new referrals to their program, provider shall refer the client to other outpatient service programs within the County DMC-ODS Service Provider Network that offer the same level of service. Clients who do not receive a referral for a mental health screening prior to arriving at an outpatient facility will be encouraged by the CONTRACTOR to contact the toll-free Behavioral Health Access line for screening and a possible referral for a mental health assessment.

For individuals who have a stated desire to recover from alcohol or drug problems, but do not meet the medical necessity/ASAM criteria for admission or continued placement in any of the COUNTY DMC-ODS services, COUNTY and CONTRACTOR will provide referrals to supportive services within the community, including 12-step recovery support groups.

The COUNTY has an internal grievance process that allows a beneficiary, or CONTRACTOR on behalf of the beneficiary, to challenge a denial of coverage of services or denial of payment for services by the COUNTY. The Department of Health Care Services will provide beneficiaries access to a state fair hearing process.

Admission shall not be denied on the basis of race, color, religion, sex, sexual orientation, age, national origin or disability. The above shall not preclude the program from emphasizing services for specific populations. For each individual participant, including family members or significant others, involvement with alcohol, drugs, or alcohol/drug related problems should be the primary criteria for participation. All participation shall be voluntary. All participants shall be physically and mentally capable of assuming full responsibility for their own decisions and actions in relation to recovery from alcohol and drug misuse while in the program. No individual shall be admitted who, on the basis of staff judgment, exhibits behavior dangerous to the staff or others. Treatment service locations are handicapped accessible. Visually and hearing-impaired participants are welcome and interpreters will be utilized as needed. CONTRACTOR shall give admission priority to pregnant, HIV + and IV drug users.

Target Population

Access to the Intensive Outpatient Services program will be for eligible women and men who are self-referred and or referred by the Behavioral Health Bureau assessment staff. Outpatient services are provided to non-perinatal and perinatal beneficiaries. In general, these will be women and men who may also be involved with the Probation Department, Drug Court, or Department of Social Services CalWORKS programs.

Service Objectives: CONTRACTOR will provide the following Outpatient services per Fiscal Each individual counseling session unit is 60 minutes. Each group counseling session unit is 90 minutes.:

FY 2018-19 Intensive Outpatient Service	UOS (min)
Intensive Outpatient Individual Counseling	94,500
Intensive Outpatient Group Counseling	141,750
Intensive Outpatient-Case Management	17,970

FY 2019-20 Intensive Outpatient Service	UOS (min)
Intensive Outpatient Individual Counseling (7/1/19-9/30/19)	2,559
Intensive Outpatient Individual Counseling (10/1/19-6/30/20)	86,948
Intensive Outpatient Group Counseling (7/1/19-9/30/19)	6,646
Intensive Outpatient Group Counseling (10/1/19-6/30/20)	125,149
Intensive Outpatient-Case Management	17,526

FY 2020-21 Intensive Outpatient Service	UOS (min)
Intensive Outpatient Individual Counseling	14,836
Intensive Outpatient Group Counseling	20,864
Intensive Outpatient-Case Management	4,753

Fees

The program is expected to augment COUNTY funding through the generation of participant fees. The program will develop and maintain a multi-tiered fee scale to be approved by the COUNTY Behavioral Services Director. Services will not be denied because of an individual's inability to pay.

Drug Medi-Cal Organized Delivery System Support Services

Recovery Services

Recovery Services are important to the beneficiary's recovery and wellness. CONTRACTOR will provide Drug Medi-Cal Recovery Services in accordance with applicable State and Federal laws. As part of the assessment and treatment needs of Dimension 6, Recovery Environment of the ASAM Criteria and during the transfer/transition planning process, beneficiaries will be linked to applicable recovery services. The treatment community becomes a therapeutic agent through which patients are empowered and prepared to manage their health and health care. Therefore, treatment must emphasize the patient's central role in managing their health, use effective self-management support strategies, and organize internal and community resources to provide ongoing self-management support to patients. Services are provided as medically necessary. Beneficiaries may access recovery services after completing their course of treatment whether they are triggered, have relapsed or as a preventative measure to prevent relapse. Recovery services may be provided face-to-face, by telephone, or by telehealth with the beneficiary and may be provided anywhere in the community.

The components of Recovery Services are:

- Outpatient counseling services in the form of individual or group counseling to stabilize the beneficiary and then reassess if the beneficiary needs further care;
- Education and Job Skills: Linkages to life skills, employment services, job training, and education services;
- Family Support: Linkages to childcare, parent education, child development support services, family/marriage education;
- Support Groups: Linkages to self-help and support, spiritual and faith- based support; vii.
- Ancillary Services: Linkages to housing assistance, transportation, case management, individual services coordination.
- Assessment and Referral

Individuals requesting Recovery Services need to have completed a treatment program; service is not to be delivered to individuals who have not completed a treatment program with one of the County's DMC-ODS network providers. Referrals may be completed by the Behavioral Health Bureau staff or CONTRACTOR. For individuals who are referred by the Behavioral Health Bureau, the referral process will include the submission of an electronic copy of the completed ASAM assessment.

Service Objectives: The Program will provide the following services per Fiscal Year:

1. In FY 2018-19, an estimated: **143,056 mins** of recovery services (relapse prevention/recovery monitoring) will be provided to ODF clients. Units of service consist of 15-minute increments.

2. In FY 2019-20, an estimated: **139,096 mins** of recovery services (relapse prevention/recovery monitoring) will be provided to ODF clients. Units of service consist of 15-minute increments.

3. In FY 2020-21, an estimated: **31,280 mins** of recovery services (relapse prevention/recovery monitoring) will be provided to ODF clients. Units of service consist of 15-minute increments.

Case Management:

The COUNTY will assist in coordinating Case Management services; CONTRACTOR will provide Drug Medi-Cal Case Management Services in accordance with applicable State and Federal laws. These services may be provided by a Licensed Practitioner of the Healing Arts or a registered or certified counselor.

Case management services are defined as a service that assist a beneficiary to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services. These services focus on coordination of substance use disorder care, integration around primary care especially for beneficiaries with a chronic substance use disorder, and interaction with the criminal justice system, if needed. Case management services may be provided face-to-face, by telephone, or by telehealth with the beneficiary and may be

provided anywhere in the community. Case management services include:

- Comprehensive assessment and periodic reassessment of individual needs to determine the need for continuation of case management services;
- Transition to a higher or lower level SUD of care; Development and periodic revision of a client plan that includes service activities;
- Communication, coordination, referral and related activities;
- Monitoring service delivery to ensure beneficiary access to service and the service delivery system; Monitoring the beneficiary's progress;
- Patient advocacy, linkages to physical and mental health care, transportation and retention in primary care services, Case management shall be consistent with and shall not violate confidentiality of alcohol or drug patients as set forth in 42 CFR Part 2, and California law.

Assessment and Delivery of Service:
Individuals in need of case management services are most often actively involved substance use disorder treatment or in the process of being discharged from a treatment program. This service is not defined in the ASAM criteria; assessment and delivery occurs when a beneficiary is in need of a transition to a different level of substance use disorder treatment, transition to a different level of care, advocacy services such as linkage to physical or mental health care, and determination of need for ongoing substance use disorder care and services, including case management. These services may be provided by the Behavioral Health Burau Access Team and/or the CONTRACTOR. The criteria for assessments are outlined in page 7, Program 1: Residential/Inpatient Services.

Physician Consultation Services:
Services include DMC physicians' consulting with addiction medicine physicians, addiction psychiatrists or clinical pharmacists. Physician consultation services are not with DMC-ODS beneficiaries; rather, they are designed to assist DMC physicians with seeking expert advice on designing treatment plans for specific DMC-ODS beneficiaries.

a. Physician consultation services are to support DMC providers with complex cases which may address medication selection, dosing, side effect management, adherence, drug-drug interactions, or level of care considerations.
b. COUNTY will contract with one or more physicians or pharmacists in order to provide consultation services. Physician consultation services can only be billed by and reimbursed to DMC providers

Service Objectives: The Program will provide the following services per Fiscal Year:

1. In FY 2018-19, an estimated: **1,626 mins** of service will be available for physician consultation services for Drug-Medi-Cal Clients. Units of service consist of 15-minute increments.

2. In FY 2019-20, an estimated: **1,580 mins** of service will be available for

physician consultation services for Drug-Medi-Cal Clients. Units of service consist of 15-minute increments.

3. In FY 2020-21, an estimated: **838 mins** of service will be available for physician consultation services for Drug-Medi-Cal Clients. Units of service consist of 15-minute increments.

Fees

The program is expected to augment COUNTY funding through the generation of participant fees. The program will develop and maintain a multi-tiered fee scale to be approved by the COUNTY Behavioral Services Director. Services will not be denied because of an individual's inability to pay.

Designated Program Monitor

Andrew B. Heald,
Substance Use Disorder Services Administrator
Monterey County Behavioral Health
1270 Natividad Rd. Salinas, CA 93906

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES YOUTH TREATMENT GUIDELINES

CONTRACTORs providing youth treatment services shall comply with the requirements for youth programs as contained in "Youth Treatment Guidelines 2002" until such time new Youth Treatment Guidelines are established and adopted. The Youth Treatment Guidelines may be found on the California Department of Healthcare Services Website:
http://www.dhcs.ca.gov/individuals/Documents/Youth_Treatment_Guidelines.pdf

PERINATAL, CAL OMS DATA AND CAL OMS TREATMENT PROGRAM REQUIREMENTS:

CONTRACTORs providing substance use disorder services shall fully participate in the California Outcome Measurement System (CalOMS) data collection and submission process and shall meet the timelines as established by the County. CONTRACTORs providing Perinatal Program services shall comply with the requirements for perinatal programs as contained in "Perinatal Practice Guidelines FY 2018-19" until such time new Perinatal Services Network Guidelines are established and adopted. The Perinatal Practice Guidelines may be found on the California Department of Healthcare Services Website:
https://www.dhcs.ca.gov/individuals/Documents/Perinatal_Practice_Guidelines_FY1819.pdf

Medicaid Managed Care Plan

CONTRACTORs providing substance use disorder services shall comply with the requirements contained in the Medicaid Managed Care Plan. The policy may be found on the Monterey County Behavioral Health QI website at:
http://qi.mtyhd.org/wp-content/uploads/2014/09/108-Medicaid-Managed-Care-Plan.pdf

Hatch Act

Contractor agrees to comply with the provisions of the Hatch Act (Title 5 USC, Sections 1501-1508), which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

No Unlawful Use or Unlawful Use Messages Regarding Drugs

Contractor agrees that information produced through these funds, and which pertains to drugs and alcohol-related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug or alcohol-related program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (HSC Section 11999-11999.3). By signing this Contract, Contractor agrees that it will enforce, and will require its subcontractors to enforce, these requirements.

Byrd Anti-Lobbying Amendment (31 USC 1352)

Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Contractor shall also disclose to DHCS any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

Information Access for Individuals with Limited English Proficiency

Contractor shall comply with all applicable provisions of the Dymally-Alatorre Bilingual Services Act (Government Code sections 7290-7299.8) regarding access to materials that explain services available to the public as well as providing language interpretation services.

Contractor shall comply with the applicable provisions of Section 1557 of the Affordable Care Act (45 CFR Part 92), including, but not limited to, 45 CFR 92.201, when providing access to: (a) materials explaining services available to the public, (b) language assistance, (c) language interpreter and translation services, and (d) video remote language interpreting services.

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EXHIBIT B-5:
PAYMENT PROVISIONS

1. PAYMENT TYPE

Cost Reimbursed up to the Maximum Contract Amount.

2. Drug/Medi-Cal

COUNTY shall pay CONTRACTOR for services rendered to eligible participants and to the community which fall within the general services as outlined in Exhibit A. The rates for Drug/Medi-Cal client services shall be an interim rate based upon the estimated cost and units of services. At the end of each fiscal year, COUNTY shall make adjustments for actual cost in accordance with the procedures set forth in Section 20 of this Agreement.

COUNTY shall compensate CONTRACTOR in the following manner:

A. For Programs 1, 2, and 3 and Recovery services and Physician Consult, services shall be invoiced to COUNTY in arrears and on a monthly basis.
B. CONTRACTOR shall bill COUNTY monthly, in arrears, on Exhibit C, attached to supporting documentation as required by COUNTY for payment.
C. COUNTY shall pay the CONTRACTOR the following rates:

Door to Hope Programs Am No. 1	Units	FY 2018-19	
		Rate	Total
1. Women's Residential (3.1)	3,744	$95.73	$358,413
1 Residential Board and Care (3.1)	3,744	$30.00	$112,320
1. Women's Residential (3.5)	1,062	115.08	$122,215
1. Residential Board and Care (3.5)	1,062	$30.00	$31,860
1. Case Management Residential (3.1 and 3.5)	43,150	$1.97	$85,006
4. Nueva Esperanza Residential 3.5*	218	$115.08	$25,087
4. Residential Board and Care Residential (NE) 3.5*	218	$30.00	$6,540
4. Case Management (NE)*	2,880	$1.97	$5,674
2. Outpatient Individual Counseling (DMC)	70,140	$3.14	$220,240
2. Outpatient Group Counseling (DMC)	164,940	$3.14	$517,912
2. Family Sessions	10,860	$3.14	$34,100
2. Case Management OP DMC	32,707	$1.97	$64,432
3. Intensive Outpatient Treatment Individual (DMC)	94,500	$1.67	$157,815
3. Intensive Outpatient Treatment Group (DMC)	141,750	$1.67	$236,723
3. Case Management IOT	17,970	$1.97	$35,401
3. MAT Med Support or Physician Time IOT	11,508	$5.54	$63,754
Recovery Services (relapse prevention/recovery monitoring)	143,056	$2.81	$401,987
Physician Consult (Peer-to-Peer)	1,626	$5.54	$9,008
DRUG/MEDI-CAL TOTAL			**$2,488,486**

Door to Hope Programs	Units	FY 2019-20	
		Rate	Total
1. Women's Residential (3.1)	3,638	$98.51	$358,380
1 Residential Board and Care (3.1)	3,638	$30.00	$109,140
1. Women's Residential (3.5)	1,032	118.42	$122,189
1. Residential Board and Care (3.5)	1,032	$30.00	$30,960
1. Case Management Residential (3.1 and 3.5)	42,082	$2.02	$85,006
2. Outpatient Individual Counseling	68,186	$3.23	$220,241
2. Outpatient Group Counseling	160,344	$3.23	$517,912
2. Family Sessions	10,557	$3.23	$34,100
2. Case Management OP	33,770	$2.02	$68,216
3. Intensive Outpatient Treatment Individual (7/1/19-9/30/19)	2,559	$3.23	$8,265
3. Intensive Outpatient Treatment Individual (10/1/19-6/30/20)	86,948	$1.72	$149,550
3. Intensive Outpatient Treatment Group (7/1/19-9/30/19)	6,646	$3.23	$21,468
3. Intensive Outpatient Treatment Group (10/1/19-6/30/20)	125,149	$1.72	$215,256
3. Case Management IOT	17,526	$2.02	$35,403
3. MAT Med Support or Physician Time IOT	11,185	$5.70	$63,755
Recovery Services (relapse prevention/recovery monitoring)	139,096	$2.89	$401,988
Physician Consult (Peer-to-Peer)	1,580	$5.70	$9,006
DRUG/MEDI-CAL TOTAL			**$2,450,835**

Door to Hope Programs	Units	FY 2020-21	
		Rate	Total
1. Women's Residential (3.1)	1,205	$98.51	$ 118,705
1 Residential Board and Care (3.1)	1,205	$30.00	$ 36,150
1. Women's Residential (3.5)	2,811	118.42	$ 332,879
1. Residential Board and Care (3.5)	2,811	$30.00	$ 84,330
1. Case Management Residential (3.1 and 3.5)	54,000	$2.02	$ 109,080
2. Outpatient Individual Counseling	75,141	$3.23	$ 242,705
2. Outpatient Group Counseling	30,740	$3.23	$ 99,290
2. Family Sessions	4,932	$3.23	$ 15,930
2. Case Management OP	20,340	$2.02	$ 41,087
3. Intensive Outpatient Treatment Individual	14,836	$3.23	$ 47,920
3. Intensive Outpatient Treatment Group	20,864	$3.23	$ 67,391
3. Case Management IOT	4,753	$2.02	$ 9,601
3. MAT Med Support or Physician Time IOT	7,800	$5.70	$ 44,460
Recovery Services (relapse prevention/recovery monitoring)	31,280	$2.89	$ 90,399
Physician Consult (Peer-to-Peer)	838	$5.70	$ 4,777
DRUG/MEDI-CAL TOTAL			**$ 1,344,704**

ONE-TIME "CARES" ACT FUNDS – REIMBURSEMENT FOR COVID-19-RELATED EXPENSES

The Monterey County Board of Supervisors approved the disbursement of Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") funds to help mitigate the cost overruns incurred due to the COVID-19 pandemic for a total maximum amount as follows:

DTH: CARES Act Reimbursement for Covid Related Expenses (07/01/2020-12/30/2020)	FY 2020-21 Lump Sum Payment
Total Maximum Annual Amount	$29,245

3. PAYMENT CONDITIONS

A. If CONTRACTOR is seeking reimbursement for eligible services funded by Drug Medi-Cal funds, SAPT funds, 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 substance abuse treatment and/or alcohol and other drug prevention 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), which is based on the CONTRACTOR's submitted budget for each funded program. CONTRACTOR shall be responsible for costs that exceed applicable CMAs. In no case shall payments to CONTRACTOR exceed the CMA. 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, Section 3. Said amounts shall be referred to as the "Maximum Obligation of County," as identified in this Exhibit B, Section 5.

B. To the extent a recipient of services under this Agreement is eligible for coverage under Drug Medi-Cal funds, SAPT funds, 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 Drug Medi-Cal Funded Program(s), CONTRACTOR assumes fiscal responsibility for services provided to all individuals who do not have full-scope Drug/Medi-Cal or are not Drug/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 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 C, 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^{th}) day of the month following the month of service. See Section 3, 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 C, 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

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.

J. COUNTY may withhold claims for payment to CONTRACTOR for delinquent amounts due to COUNTY as determined by a Drug/Medi-Cal Disallowance Report, Cost Report or Audit Report settlement resulting from this or prior years' Agreement(s). CONTRACTOR agrees to reimburse COUNTY for any state, federal, or COUNTY audit exceptions resulting from noncompliance herein on the part of CONTRACTOR or any subcontractor.

K. If COUNTY certifies payment at a lesser amount than the amount requested, COUNTY shall immediately notify CONTRACTOR in writing of such certification and shall specify the reason for it. If CONTRACTOR desires to contest the certification, CONTRACTOR must submit a written notice of protest to the COUNTY within twenty (20) days after CONTRACTOR's receipt of COUNTY's 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. Any costs incurred for dispute resolution will be split evenly between CONTRACTOR and COUNTY.

4. 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 **$6,313,270** for services rendered under this Agreement.

B. Maximum Annual Liability:

FISCAL YEAR LIABILITY	AMOUNT
FY 2018-19	$2,488,486
FY 2019-20	$2,450,835
FY 2020-21	$1,373,949
TOTAL AGREEMENT MAXIMUM LIABILITY	**$6,313,270**

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.

5. 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 Drug/Medi-Cal claims files, contractual limitations of this Agreement, annual cost, 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 and Expenditure Report 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. All requests for budget amendments must be

submitted prior to March 31 of the current Fiscal Year period. 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. Administrative Overhead: CONTRACTOR's administrative costs shall not exceed fifteen (15%) percent of total program costs and are subject to Cost Report Settlement provisions.

E. 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.

F. 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 Drug/Medi-Cal claims, and billing system data.

6. 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.

7. BILLING PROCEDURES AND LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER FEDERAL SOCIAL SECURITY ACT, TITLE XIX MEDICAID SERVICES

A. Under this Agreement, CONTRACTOR has Funded Programs that include Drug/Medi-Cal services, CONTRACTOR shall certify in writing annually, by July 1 of each year, that all necessary documentation shall exist at the time any claims for Drug/Medi-Cal 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 Drug Medi-Cal Organized Delivery System Plan for the Federal, State and local governments.

C. CONTRACTOR shall submit to COUNTY all Drug/Medi-Cal 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 Drug MC-Organize Delivery System (ODS) Plan, shall submit to the State in a timely manner claims for Drug/Medi-Cal 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 Drug/Medi-Cal 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 Medicaid Administrative 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 Medicaid, 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 V (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. In no event shall CONTRACTOR bill COUNTY for a portion of service costs for which CONTRACTOR has been or will be reimbursed from other contracts, grants or sources.

L. Nothing in this Section 8 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.

8. 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 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 Non-Drug/Medi-Cal, Drug/Medi-Cal service/activities specified in this Agreement.

C. CONTRACTOR shall not retain any fees paid by any sources for, or on behalf of Drug Medi-Cal beneficiaries without deducting those fees from the cost of providing those Drug/Medi-Cal services for which fees were paid.

D. 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 Non-Drug/Medi-Cal, Drug/Medi-Cal services/activities specified in this Agreement.

E. 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 Drug 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 Drug/Medi-Cal beneficiaries and/or COUNTY'S revision of the Annual Report(s).
3. Any appropriate financial adjustment to CONTRACTOR'S reimbursement.

9. AUTHORITY TO ACT FOR THE COUNTY

The DIRECTOR may designate one or more persons within the Department of Health, Behavioral Health Bureau 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.

Attachment 1

This Attachment 1 will serve as an Addendum to the Exhibit B-5 to the Substance Use Disorder Services Standard Agreement A-14019 between the County of Monterey, on behalf of its Health Department, Behavioral Health Bureau, and Door to Hope, attached hereto, and will have the full force and effect as if set forth within the Agreement.

The following documents provide guidance to recipients of the one-time funding available from the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"):

- Coronavirus Relief Fund, Guidance for State, Territorial, Local, and Tribal Governments, Updated September 2, 2020 (pages 1-8).
- Coronavirus Relief Fund, Frequently Asked Questions, Updated as of September 2, 2020 (pages 1-13).

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Coronavirus Relief Fund
Guidance for State, Territorial, Local, and Tribal Governments
Updated September 2, 2020[1]

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The CARES Act established the Coronavirus Relief Fund (the "Fund") and appropriated $150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.[2]

The guidance that follows sets forth the Department of the Treasury's interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred "due to" the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be "necessary." The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

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[1] On June 30, 2020, the guidance provided under "Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020" was updated. On September 2, 2020, the "Supplemental Guidance on Use of Funds to Cover Payroll and Benefits of Public Employees" and "Supplemental Guidance on Use of Funds to Cover Administrative Costs" sections were added.

[2] *See* Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The "most recently approved" budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the "covered period"). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID–19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient's usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, *e.g.*, the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020,

will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient's control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
    - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
    - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
    - Costs of providing COVID-19 testing, including serological testing.
    - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
    - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
    - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
    - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
    - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
    - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
    - Expenses for public safety measures undertaken in response to COVID-19.
    - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
    - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
    - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
    - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
    - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
    - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
    - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures[3]

The following is a list of examples of costs that would not be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.[4]
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

[3] In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

[4] *See* 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

Supplemental Guidance on Use of Funds to Cover Payroll and Benefits of Public Employees

As discussed in the Guidance above, the CARES Act provides that payments from the Fund must be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As reflected in the Guidance and FAQs, Treasury has not interpreted this provision to limit eligible costs to those that are incremental increases above amounts previously budgeted. Rather, Treasury has interpreted this provision to exclude items that were already covered for their original use (or a substantially similar use). This guidance reflects the intent behind the Fund, which was not to provide general fiscal assistance to state governments but rather to assist them with COVID-19-related necessary expenditures. With respect to personnel expenses, though the Fund was not intended to be used to cover government payroll expenses generally, the Fund was intended to provide assistance to address increased expenses, such as the expense of hiring new personnel as needed to assist with the government's response to the public health emergency and to allow recipients facing budget pressures not to have to lay off or furlough employees who would be needed to assist with that purpose.

Substantially different use

As stated in the Guidance above, Treasury considers the requirement that payments from the Fund be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020, to be met if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a *substantially different use* from any expected use of funds in such a line item, allotment, or allocation.

Treasury has provided examples as to what would constitute a substantially different use. Treasury provided (in FAQ A.3) that costs incurred for a substantially different use would include, for example, the costs of redeploying educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Substantially dedicated

Within this category of substantially different uses, as stated in the Guidance above, Treasury has included payroll and benefits expenses for public safety, public health, health care, human services, and similar employees whose services are *substantially dedicated* to mitigating or responding to the COVID-19 public health emergency. The *full amount* of payroll and benefits expenses of substantially dedicated employees may be covered using payments from the Fund. Treasury has not developed a precise definition of what "substantially dedicated" means given that there is not a precise way to define this term

across different employment types. The relevant unit of government should maintain documentation of the "substantially dedicated" conclusion with respect to its employees.

If an employee is not substantially dedicated to mitigating or responding to the COVID-19 public health emergency, his or her payroll and benefits expenses may not be covered *in full* with payments from the Fund. A *portion* of such expenses may be able to be covered, however, as discussed below.

Public health and public safety

In recognition of the particular importance of public health and public safety workers to State, local, and tribal government responses to the public health emergency, Treasury has provided, as an administrative accommodation, that a State, local, or tribal government may presume that public health and public safety employees meet the substantially dedicated test, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise. This means that, if this presumption applies, work performed by such employees is considered to be a substantially different use than accounted for in the most recently approved budget as of March 27, 2020. All costs of such employees may be covered using payments from the Fund for services provided during the period that begins on March 1, 2020, and ends on December 30, 2020.

In response to questions regarding which employees are within the scope of this accommodation, Treasury is supplementing this guidance to clarify that public safety employees would include police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (*e.g.*, laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.

Not substantially dedicated

As provided in FAQ A.47, a State, local, or tribal government may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department. This means, for example, that a government could cover payroll expenses allocated on an hourly basis to employees' time dedicated to mitigating or responding to the COVID-19 public health emergency. This result provides equitable treatment to governments that, for example, instead of having a few employees who are substantially dedicated to the public health emergency, have many employees who have a minority of their time dedicated to the public health emergency.

Covered benefits

Payroll and benefits of a substantially dedicated employee may be covered using payments from the Fund to the extent incurred between March 1 and December 30, 2020.

Payroll includes certain hazard pay and overtime, but not workforce bonuses. As discussed in FAQ A.29, hazard pay may be covered using payments from the Fund if it is provided for performing hazardous duty or work involving physical hardship that in each case is related to COVID-19. This means that, whereas payroll and benefits of an employee who is substantially dedicated to mitigating or responding to the COVID-19 public health emergency may generally be covered in full using payments from the Fund, hazard pay specifically may only be covered to the extent it is related to COVID-19. For example, a recipient may use payments from the Fund to cover hazard pay for a police officer coming in close

contact with members of the public to enforce public health or public safety orders, but across-the-board hazard pay for all members of a police department regardless of their duties would not be able to be covered with payments from the Fund. This position reflects the statutory intent discussed above: the Fund was intended to be used to help governments address the public health emergency both by providing funds for incremental expenses (such as hazard pay related to COVID-19) and to allow governments not to have to furlough or lay off employees needed to address the public health emergency but was not intended to provide across-the-board budget support (as would be the case if hazard pay regardless of its relation to COVID-19 or workforce bonuses were permitted to be covered using payments from the Fund).

Relatedly, both hazard pay and overtime pay for employees that are not substantially dedicated may only be covered using the Fund if the hazard pay and overtime pay is for COVID-19-related duties. As discussed above, governments may allocate payroll and benefits of such employees with respect to time worked on COVID-19-related matters.

Covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

Supplemental Guidance on Use of Funds to Cover Administrative Costs

General

Payments from the Fund are not administered as part of a traditional grant program and the provisions of the Uniform Guidance, 2 C.F.R. Part 200, that are applicable to indirect costs do not apply. Recipients may not apply their indirect costs rates to payments received from the Fund.

Recipients may, if they meet the conditions specified in the guidance for tracking time consistently across a department, use payments from the Fund to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency. (In other words, such costs would be eligible direct costs of the recipient). This includes, but is not limited to, costs related to disbursing payments from the Fund and managing new grant programs established using payments from the Fund.

As with any other costs to be covered using payments from the Fund, any such administrative costs must be incurred by December 30, 2020, with an exception for certain compliance costs as discussed below. Furthermore, as discussed in the Guidance above, as with any other cost, an administrative cost that has been or will be reimbursed under any federal program may not be covered with the Fund. For example, if an administrative cost is already being covered as a direct or indirect cost pursuant to another federal grant, the Fund may not be used to cover that cost.

Compliance costs related to the Fund

As previously stated in FAQ B.11, recipients are permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act, subject to the limitations set forth in 2 C.F.R. § 200.425. Pursuant to that provision of the Uniform Guidance, recipients and subrecipients subject to the Single Audit Act may use payments from the Fund to cover a reasonably proportionate share of the costs of audits attributable to the Fund.

To the extent a cost is incurred by December 30, 2020, for an eligible use consistent with section 601 of the Social Security Act and Treasury's guidance, a necessary administrative compliance expense that relates to such underlying cost may be incurred after December 30, 2020. Such an expense would include, for example, expenses incurred to comply with the Single Audit Act and reporting and recordkeeping requirements imposed by the Office of Inspector General. A recipient with such necessary administrative expenses, such as an ongoing audit continuing past December 30, 2020, that relates to Fund expenditures incurred during the covered period, must report to the Treasury Office of Inspector General by the quarter ending September 2021 an estimate of the amount of such necessary administrative expenses.

Coronavirus Relief Fund
Frequently Asked Questions
Updated as of September 2, 2020[1]

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").[2] Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

A. Eligible Expenditures

1. ***Are governments required to submit proposed expenditures to Treasury for approval?***

   No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

2. ***The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?***

   The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

3. ***The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?***

   Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

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[1] On August 10, 2020, these Frequently Asked Questions were revised to add Questions A.49–52. On September 2, 2020, Questions A.53–56 were added, and Questions A.34 and A.38 were revised.

[2] The Guidance is available at https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf.

Note that a public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

4. ***May a State receiving a payment transfer funds to a local government?***

   Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

5. ***May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

   Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

6. ***Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

   No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

7. ***Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

   No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

8. ***Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

   Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

9. ***Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

   To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

10. ***Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

    Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

11. ***The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?***

    The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

12. ***In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

    Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

13. ***If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

    Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

14. ***May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

    Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

15. ***May Fund payments be used for COVID-19 public health emergency recovery planning?***

    Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

16. ***Are expenses associated with contact tracing eligible?***

    Yes, expenses associated with contact tracing are eligible.

17. ***To what extent may a government use Fund payments to support the operations of private hospitals?***

    Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

18. ***May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

    Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

19. ***May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

    Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

20. ***Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

    Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

21. ***May recipients create a "payroll support program" for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

22. ***May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

23. ***May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

24. ***The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a "small business," and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

25. ***The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

26. ***May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

27. ***May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

28. ***Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

29. ***The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of "hazard pay"?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

30. ***The Guidance provides that ineligible expenditures include "[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency." Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers' employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

31. ***May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

32. ***Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

33. ***Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum $1.25 billion allocation and had one county with a population over 500,000 that received $250 million directly. The State should distribute 45 percent of the $1 billion it received, or $450 million, to local governments within the State with a population of 500,000 or less.

34. ***May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions, such as restrictions on reopening that do not directly concern the use of funds, are not permissible.

35. ***If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

36. ***May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

37. ***Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

38. ***May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19. Payments from the fund may only be used to cover such hazard pay.

39. ***May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

40. ***May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

41. ***May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

42. ***May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

43. ***Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

44. ***May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

45. ***May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

46. ***May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

47. ***The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

48. ***May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?***

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

49. ***Are States permitted to use Coronavirus Relief Fund payments to satisfy non-federal matching requirements under the Stafford Act, including "lost wages assistance" authorized by the Presidential Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019 (August 8, 2020)?***

Yes. As previous guidance has stated, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. States are fully permitted to use payments from the Fund to satisfy 100% of their cost share for lost wages assistance recently made available under the Stafford Act.

50. ***At what point would costs be considered to be incurred in the case of a grant made by a State, local, or tribal government to cover interest and principal amounts of a loan, such as might be provided as part of a small business assistance program in which the loan is made by a private institution?***

A grant made to cover interest and principal costs of a loan, including interest and principal due after the period that begins on March 1, 2020, and ends on December 30, 2020 (the "covered period"), will be considered to be incurred during the covered period if (i) the full amount of the loan is advanced to the borrower within the covered period and (ii) the proceeds of the loan are used by the borrower to cover expenses incurred during the covered period. In addition, if these conditions are met, the amount of the grant will be considered to have been used during the covered period for purposes of the requirement that expenses be incurred within the covered period. Such a grant would be analogous to a loan provided by the Fund recipient itself that incorporates similar loan forgiveness provisions. As with any other assistance provided by a Fund recipient, such a grant would need to be determined by the recipient to be necessary due to the public health emergency.

51. ***If governments use Fund payments as described in the Guidance to establish a grant program to support businesses, would those funds be considered gross income taxable to a business receiving the grant under the Internal Revenue Code (Code)?***

Please see the answer provided by the Internal Revenue Service (IRS) available at https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions.

52. ***If governments use Fund payments as described in the Guidance to establish a loan program to support businesses, would those funds be considered gross income taxable to a business receiving the loan under the Code?***

Please see the answer provided by the IRS available at https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions.

53. ***May Fund recipients incur expenses associated with the safe reopening of schools?***

Yes, payments from the Fund may be used to cover costs associated with providing distance learning (*e.g.*, the cost of laptops to provide to students) or for in-person learning (*e.g.*, the cost of acquiring personal protective equipment for students attending schools in-person or other costs associated with meeting Centers for Disease Control guidelines).

To this end, as an administrative convenience, Treasury will presume that expenses of up to $500 per elementary and secondary school student to be eligible expenditures, such that schools do not need to document the specific use of funds up to that amount.

54. ***May Fund recipients upgrade critical public health infrastructure, such as providing access to running water for individuals and families in rural and tribal areas to allow them to maintain proper hygiene and defend themselves against the virus?***

Yes, fund recipients may use payments from the Fund to upgrade public health infrastructure, such as providing individuals and families access to running water to help reduce the further spread of the virus. As required by the CARES Act, expenses associated with such upgrades must be incurred by December 30, 2020. Please see Treasury's Guidance as updated on June 30 regarding when a cost is considered to be incurred for purposes of the requirement that expenses be incurred within the covered period.

55. ***How does a government address the requirement that the allowable expenditures are not accounted for in the budget most recently approved as of March 27, 2020, once the government enters its new budget year on July 1, 2020 (for governments with June 30 fiscal year ends) or October 1, 2020 (for governments with September 30 year ends)?***

As provided in the Guidance, the "most recently approved" budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Furthermore, the budget most recently approved as of March 27, 2020, provides the spending baseline against which expenditures should be compared for purposes of determining whether they may be covered using payments from the Fund. This spending baseline will carry forward to a subsequent budget year if a Fund recipient enters a different budget year between March 27, 2020 and December 30, 2020. The spending baseline may be carried forward without adjustment for inflation.

56. ***Does the National Environmental Policy Act, 42 U.S.C. § 4321 et seq, (NEPA) apply to projects supported by payments from the Fund?***

NEPA does not apply to Treasury's administration of the Fund. Projects supported with payments from the Fund may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

B. Questions Related to Administration of Fund Payments

1. ***Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

2. ***What records must be kept by governments receiving payment?***

   A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

3. ***May recipients deposit Fund payments into interest bearing accounts?***

   Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

4. ***May governments retain assets purchased with payments from the Fund?***

   Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

5. ***What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

   If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

6. ***Are Fund payments to State, territorial, local, and tribal governments considered grants?***

   No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

7. ***Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

   Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

8. ***Are Fund payments subject to other requirements of the Uniform Guidance?***

   Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

9. ***Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

   Yes. The CFDA number assigned to the Fund is 21.019.

10. ***If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend $750,000 or more in federal awards during their fiscal year.

11. ***Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

12. ***If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

EXHIBIT C: COST REIMBURSEMENT INVOICE FORM

Contractor :	Door to Hope	Invoice Number :	
Address Line 1	130 W. Gabilan Street	County PO No. :	
Address Line 2	Salinas, CA 93901	Invoice Period :	
Tel. No.:	831.758-0181		
Fax No.:			
Contract Term:	FY 2018-21	Final Invoice :	(Check if Yes)
BH Division :	Substance Use Disorder Services (Residential)		BH Control Number

Service Description	Rate of Reimbursement per Unit	Total Contracted UOS FY 2018-19	UOS Delivered this Period	Total UOS Delivered as of Last Period	UOS Delivered to Date	Remaining Deliverables	% of Remaining Deliverables	Total Contract Amount	Dollar Amount Requested this Period	Dollar Amt Requested as of Last Period	Dollar Amount Requested to Date	Dollar Amount Remaining	% of Total Contract Amount
Residential 3.1					0	0	#DIV/0!	$ -	$ -		$ -	$ -	#DIV/0!
Residential Board and Care-3.1					0	0	#DIV/0!	$ -	$ -		$ -	$ -	#DIV/0!
Residential 3.5					0	0	#DIV/0!	$ -	$ -		$ -	$ -	#DIV/0!
Residential Board and Care-3.5					0	0	#DIV/0!	$ -	$ -		$ -	$ -	#DIV/0!
Residential- Case Management (3.1 and3.5)					0	0	#DIV/0!	$ -	$ -		$ -	$ -	#DIV/0!
Recovery Services/Relapse Prevention/Recovery Monitoring					0	0	#DIV/0!	$ -	$ -		$ -	$ -	#DIV/0!
Physician Consult					0	0	#DIV/0!	$ -	$ -		$ -	$ -	#DIV/0!
TOTALS		0	0	0	0	0	#DIV/0!	$0	0.00	0.00	0.00	$0	#DIV/0!

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: Chief Financial Officer Telephone: _____

Send to: MCHDBHFinance@co.monterey.ca.us
Behavioral Health Claims Section

Behavioral Health Authorization for Payment

Authorized Signatory Date

Behavioral Health
Cash Flow Advance/CARES Act Funds Request

Contractor :	Door to Hope
Address Line 1	130 W. Gabilan Street
Address Line 2	Salinas, CA 93901
Tel. No.:	831-758-0181
Fax No.:	
Contract Term:	July 1, 2018 - June 30, 2021
BH Bureau :	SUD

Invoice Number :

County PO No.:

Invoice Period :

Final Invoice : (Check if Yes)

BH Control Number

Service Description	Total Maximum Amount of CARES Act Funds 07/01/2020 - 12/30/2020	Total Amount Requested
SUD Services as Per Agreement A-14019	$ 29,245	
TOTAL	$ 29,245	$ -

PLEASE NOTE: This Invoice must be accompanied by justification and back-up records as required by the CARES Act. See Attachment 1 to EXHIBIT B-7 for guidance.

I certify that the information provided above is, to the best of my knowledge, complete and accurate; the cash flow advance amount requested is in accordance with the Agreement approved for services provided under the provisions of that Agreement. I understand that this is an advance payment and is subject to the year-end cost report settlement process.

Signature: _____ Date: _____

Title: Director of Finance Telephone: _____

Send to:	Behavioral Health Claims Section MCHDBHFinance@co.monterey.ca.us	Behavioral Health Authorization for Payment
		Authorized Signatory Date