



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
D-15

For the meeting of: JUNE 24, 2008

Date: **JUNE 9, 2008**

To: **BOARD OF SUPERVISORS**

From: **PHILLIP R. CRANDALL, DIRECTOR** *KR for PC*
DEPARTMENT OF HEALTH AND HUMAN SERVICES
MENTAL HEALTH BRANCH

Subject: **APPROVAL OF SERVICE AGREEMENT WITH HUMBOLDT FAMILY SERVICES CENTER FOR THE PROVISION OF MENTAL HEALTH AND CASE MANAGEMENT SERVICES TO MEDI-CAL BENEFICIARIES FOR FY 2008-09 AND FY 2009-10**

RECOMMENDATION(S):

That the Board of Supervisors:

1. For Mental Health Administration Budget Unit #1170-424, authorize the Chair to approve the Service Agreement between Humboldt County Medi-Cal Managed Mental Health Care and Humboldt Family Service Center (HFSC) for the provision of Mental Health and Case management services to Medi-Cal beneficiaries for FY 2008-09 and FY 2009-10; and
2. Authorize the Chair to sign the above-described Agreement.

SOURCE OF FUNDING

Mental Health Fund.

Prepared by Dirk Grutterink, Administrative Analyst II CAO Approval Phillip Smith Hines

REVIEW:	Auditor <u>MS</u>	County Counsel <u>KR</u>	Personnel _____	Risk Manager <u>9</u>	Other _____
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TYPE OF ITEM

Consent

Departmental

Public Hearing

Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
 Upon motion of Supervisor **SMITH**
 Seconded by Supervisor **NEELY**
 And unanimously carried by those members present,
 The Board hereby adopts the recommended action
 contained in this report.

PREVIOUS ACTION/REFERRAL:

Board Order No. C-7; D-6

Meeting of: Oct. 10, 2006; Apr. 8, 2008

Dated: June 24, 2008
 Kathy Hayes, Clerk of the Board
 By: Jakei Turner

DISCUSSION:

The Board of Supervisors has authorized Humboldt County Mental Health to be the Medi-Cal Managed Mental Health Care Plan for this County. To assume that responsibility since April 1998, Mental Health has contracted with qualified Specialty Mental Health Providers who have historically served the Fee for Service Medi-Cal population. In so doing, the Mental Health Plan has been able to: assure beneficiary choice of clinically appropriate Providers; maintain access to care standards which are equal to, or better than, pre-Phase II turn-around-times; meet our commitment to cause the least disruption to existing professional relationships; and establish a Provider Network for referrals to those clients whose needs may be met in the community, rather than at the Mental Health Branch.

On October 10, 2006, the Board of Supervisors approved FY 2004-05 and FY 2005-06 Agreement with HFSC for the provision of mental health and case management services to eligible Humboldt County Medi-Cal clients who have met medical necessity criteria.

On April 8, 2008, the Board of Supervisors approved the First Amendment to the Service Agreement for the provision of mental health and case management services to increase the contract value for FY 2007-08 from \$114,200 per fiscal year to \$149,200 per fiscal year.

The Service Agreement with HFSC expires June 30, 2008. This new Service Agreement for FY 2008-09 and FY 2009-10 comes to the Board for approval.

FINANCIAL IMPACT:

This Service Agreement with Humboldt Family Service Center for the provision of mental health and case management services has a contract value of \$149,200 per fiscal year. Expenditure for FY 2007-08 for contracted services is approximately \$96,600. Humboldt County Mental Health has chosen to contract with the afore-mentioned Provider and related expenditures and revenues have been included in the proposed budget for DHHS-Mental Health Branch Administration Budget Unit 1170-424 for FY 2008-09. Revenue for these contract expenditures comes from the State Department of Mental Health Managed Care allocation, Federal Medi-Cal funding and State Early Periodic Screening Diagnosis and Treatment (EPSDT) funding. There is no anticipated impact to County General Fund.

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Since the provision of Specialty Mental Health services to all those Medi-Cal beneficiaries meeting Specialty Mental Health medically necessary criteria is, and will remain, the responsibility of Humboldt County Mental Health, the inability to contract with and subsequently maintain a Provider Network would result in the need for County Mental Health to provide those services directly. This is not a realistic alternative however, as the current Short-Doyle Medi-Cal population is already utilizing the Mental Health Branch's maximum clinical, clerical and physical resources.

ATTACHMENT

Attachment #1 Service Agreement with Humboldt Family Service Center for FY 2008-09 and
FY 2009-10

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

6/20/2007

PRODUCER
PATTERSON CONNERS INSURANCE SVCS
 POB 575
 Fortuna, CA 95540
 (707) 725-3400

INSURED
Humboldt Family Service Center
 1802 California Street
 Eureka, CA 95501
 707-443-7358

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: Nonprofits Insurance Alliance of CA	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	X	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	2007-01804-NPO	7/6/07	7/6/08	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 100,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
A		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	2007-01804-NPO	7/6/07	7/6/08	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A		OTHER Social Service Professional Liability	2007-01804-NPO	7/6/07	7/6/08	\$1,000,000 Occurrence \$3,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

*Ten-Day Notice of Cancellation applies in event of non-payment of premium.

County of Humboldt, including it's Department of Health and Human Services and Department of Health, Alcohol, and Other Drugs is named as Additional Insured/Funding Source.

CERTIFICATE HOLDER

County of Humboldt
 Dept. of Health and Human Svcs
 Mental Health Division
 720 Wood St.
 Eureka, CA 95501

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



POLICYHOLDER COPY

NH

**STATE
COMPENSATION
INSURANCE
FUND**

P.O. BOX 420807, SAN FRANCISCO, CA 94142-0807

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 07-01-2007

GROUP:
POLICY NUMBER: 0641789-2007
CERTIFICATE ID: 9
CERTIFICATE EXPIRES: 07-01-2008
07-01-2007/07-01-2008

COUNTY OF HUMBOLDT
MENTAL HEALTH DEPT
720 WOOD ST
EUREKA CA 95501-4413

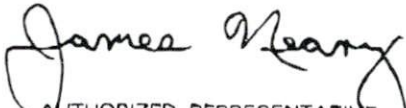
NH

This is to certify that we have issued a valid Workers' Compensation insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period indicated.

This policy is not subject to cancellation by the Fund except upon 10 days advance written notice to the employer.

We will also give you 10 days advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policy listed herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of insurance may be issued or to which it may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions, and conditions, of such policy.


AUTHORIZED REPRESENTATIVE


PRESIDENT

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000 PER OCCURRENCE.

EMPLOYER

HUMBOLDT FAMILY SERVICE CENTER
1802 CALIFORNIA ST
EUREKA CA 95501

NH

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POLICYHOLDER COPY

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COUNTY OF HUMBOLDT
MENTAL HEALTH DEPT
720 WOOD ST
EUREKA CA 95501-4413

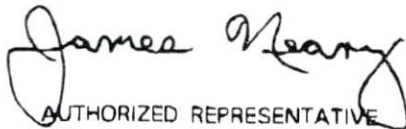
NH

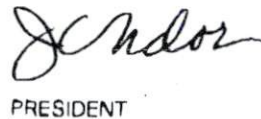
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AUTHORIZED REPRESENTATIVE


PRESIDENT

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000 PER OCCURRENCE.

EMPLOYER

HUMBOLDT FAMILY SERVICE CENTER
1802 CALIFORNIA ST
EUREKA CA 95501

NH

MENTAL HEALTH ORGANIZATIONAL PROVIDER SERVICES AGREEMENT

Between

HUMBOLDT COUNTY

And

HUMBOLDT FAMILY SERVICE CENTER

This Mental Health Organizational Provider Services Agreement is entered into this 24 day of June, 2008, by and between Humboldt Family Service Center (*A Non-Profit Entity*), a Mental Health Service Organization that is certified as a Medi-Cal Provider by the Humboldt County Mental Health Branch, hereinafter referred to as "PROVIDER"; and Humboldt County, a political subdivision of the State of California, through its Department of Health and Human Services-Mental Health Branch, hereinafter referred to as "COUNTY".

Organizational Provider

Two authorized signatures required

By: [Signature]
(Signature)

By: Paula Nedelcoff MFT Director
(Print Name and Title)

Date: 6-9-08

By: [Signature]
(Signature)

By: Janet K Kretsinger, President BofD
(Print Name and Title)

Date: _____

Address: 1802 California Street
Eureka, CA 95501

MENTAL HEALTH ORGANIZATIONAL PROVIDER SERVICES AGREEMENT
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MENTAL HEALTH ORGANIZATIONAL PROVIDER SERVICES AGREEMENT

Recitals:

WHEREAS, Humboldt County Medi-Cal Beneficiaries shall receive all mental health services, hereinafter defined as "Covered Services", through COUNTY's Department of Social Services-Mental Health Branch's Medi-Cal Managed Mental Health Care Program.

WHEREAS, COUNTY shall arrange such Covered Services through mental health services providers or organizational provider contracts.

WHEREAS, Psychiatrist, Mental Health Services Provider or Organizational Provider shall participate in providing Covered Services to Beneficiaries and shall receive payment from COUNTY for the rendering of those Covered Services.

WHEREAS, both parties desire to demonstrate that effective and economical mental health care can be provided through a locally administered program.

NOW, THEREFORE, it is agreed that the above Recitals are true and correct.

SECTION 1 DEFINITIONS

Terms used in this Agreement shall have the meaning as set forth in the COUNTY Provider Manual, hereinafter referred to as "Provider Manual", a copy of which has been provided, except when it is clear from the context that another meaning is intended.

SECTION 2 QUALIFICATIONS

2.1 Psychiatrist

Any physician duly licensed as a Psychiatrist in the State of California may elect to serve Beneficiaries hereunder as a Psychiatrist if that physician meets the qualifications set by COUNTY under Article 2.2.1, 2.2.2, 2.2.3 and 2.2.4.

2.2 Mental Health Services Provider

Any Mental Health Services Provider duly licensed in the State of California to practice psychotherapy independently may elect to serve Beneficiaries hereunder as a Mental Health Services Provider if that Mental Health Services Provider meets the qualifications set by COUNTY as stated below:

- 2.2.1 Is certified and in good standing to provide services under the California Medi-Cal Program including those requirements contained in Article 3, Chapter 3, Subdivision 1, Division 3, of Title 22 of the California Code of Regulations; and
- 2.2.2 Is a Provider practicing within Humboldt County or has been specifically excepted from this requirement by COUNTY;
- 2.2.3 Is a Provider that complies and adheres to Title XIX of the Social Security Act and conforms to all applicable Federal and State statutes and regulations.
- 2.2.4 Is a Psychiatrist under the California Medi-Cal program who maintains a specialty code designation of 26 Psychiatry (child), 27 Psychiatry Neurology, and 36 Psychiatry, or is a licensed Psychologist with two (2) years post licensure experience.
- 2.2.5 Providers located out of Humboldt County may be authorized to provide services upon the submission of current copies of their state license, Drug Enforcement Administration certification, Insurance certificate in accordance with Section 7 of this Agreement and furnishing documentation that they have been credentialed and privileged by their local County Mental Health Plan.

2.3 Intern in Marriage and Family Therapy or Associate Social Worker:

Only Mental Health Services Organizational Providers which meet the criteria in Article 2.2.1 for Department of Mental Health Certification and are credentialed and approved by COUNTY may use Interns and/or Associates, hereinafter referred to as "I/A", to administer services to Beneficiaries if the following requirements are met:

- 2.3.1 Provider must maintain malpractice insurance on I/A under their supervision and maintain an employer - employee relationship.
- 2.3.2 Provider must, prior to assigning Authorized services, submit to COUNTY, the I/A's application, resume, photocopy of I/A's and Supervisor's license, Responsibility Statement for Supervisors, and proof of insurance coverage along with a description of the I/A's training program.
- 2.3.3 Every I/A must meet the following criteria:
 - 2.3.3.1 Individual must be post masters and be certified by the Board of Behavioral Science for internship or associate status.
 - 2.3.3.2 Documented clinical supervision must take place in accordance with current Board of Behavioral Science requirements for Interns and Associates.
 - 2.3.3.3 Individual supervision will be augmented by two (2) documented hours of weekly multi-disciplinary group supervision. This supervision will be required for the first six (6) months of experience and may be required for up to one year.
- 2.3.4 Supervisors must meet regularly to review I/A's performance, develop and schedule training seminar topics, and monitor services provided.
- 2.3.5 Documentation of required supervision shall be provided to COUNTY upon request.

2.4 Unlicensed Mental Health Case Management Service Providers

- 2.4.1 Mental Health Rehabilitation and Plan Development Services, and Case Management/Brokerage may be provided by staff who have at least two (2) years of dealing with adults or children with psychiatric illnesses and principles and methods of Case Management. A minimum of Associate of Arts Degree in a related social science field is preferred.
- 2.4.2 PROVIDER agrees to provide clinical supervision of this level of staff by a Licensed Mental Health Professional which includes Physicians, Doctor of Osteopathy, Psychologists, Licensed Clinical Social Workers, Marriage and Family Therapists or a Registered Nurse with a Master's degree in Psychiatric Nursing.

SECTION 3
COVERED SERVICES AND REQUIREMENTS

3.1 Covered Services

Mental Health Provider services are Covered Services when rendered by individual and organizational providers who meet the appropriate licensure requirements to render Covered Services outlined in Exhibit A hereto attached, and these services have been rendered in accordance with policies and procedures described in the Provider Manual that has been provided.

3.2 Prior Authorization(s)

PROVIDER agrees to adhere to the Prior Authorization policies and procedures described in the Provider Manual that has been provided.

3.3 Referrals and Time Frame

PROVIDER agrees to accept at least three (3) Beneficiary referrals by COUNTY for each contract year. PROVIDER agrees to schedule initial appointments within ten (10) working days of referrals.

3.4 Imposition of Additional Controls If Necessary

PROVIDER recognizes the possibility that COUNTY, through the Utilization Management and Quality Improvement processes, may be required to take action requiring consultation with its Medical Director or with other Mental Health Professionals regarding the provision of Covered Services or to terminate this Agreement. In the interest of program integrity or the welfare of Beneficiaries, COUNTY may introduce additional utilization controls as may be necessary at any time and without advance notice to PROVIDER. In the event of such change, the change may take effect immediately upon receipt by PROVIDER of notice from the COUNTY Mental Health Branch Director, but PROVIDER shall be entitled to appeal such action to the Provider Grievance Process.

3.5 Discrimination Prohibited

Consistent with the requirements of applicable federal or state law, PROVIDER will not engage in any unlawful discriminatory practices in the admission of Beneficiaries, assignments of accommodations, treatment, evaluation, employment or personnel, or in any other respect on the basis of race, color, gender, religion, marital status, national origin, age, sexual preference or mental or physical handicap.

During the performance of this Agreement, PROVIDER will not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, mental or physical handicap, medical conditions, marital status, age or sex. PROVIDER will comply with the Disabilities Act of 1990, the Fair Employment and Housing

Act (Government Code, Section 12900 et seq.), and the applicable regulations promulgated thereunder (Title 2, California Code of Regulations, Section 7285 et seq.). PROVIDER will ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5, Division 4 of Title 2, California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as it set forth in full. PROVIDER will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

PROVIDER will comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in all federally assisted programs or activities, as detailed in regulations signed by the Secretary of Health and Welfare Agency, effective June 2, 1977, and found in the Federal Register, Volume 42, No. 86, dated May 4, 1977.

Notwithstanding other provisions of this section, PROVIDER may require a determination of medical necessity pursuant to Title 9, California Code of Regulations, Section 1820.205, Section 1830.205 or Section 1830.210, prior to providing covered services to a Beneficiary.

3.6 Compliance With Committee Decisions

PROVIDER shall cooperate and participate with COUNTY in Quality Improvement and Utilization Review Programs and grievance procedures, and comply with all final determinations rendered by the Quality Improvement, Utilization Review and Grievance Committees, unless decision is reversed by COUNTY on appeal.

3.7 Provider Authority

Nothing expressed or implied herein shall require the Psychiatrist or Provider to provide to the Beneficiary, or order on behalf of the Beneficiary, Covered Services that, in the professional opinion of the Psychiatrist or Provider, are not required.

3.8 Benefit Restrictions

Covered Services provided will be subject to the limitations and procedures listed in the Provider Manual unless PROVIDER is notified by COUNTY of modification in that policy.

3.9 Location Expansion

PROVIDER shall not provide services under this Agreement at a location other than those locations it uses as of the date of this Agreement without prior written permission by COUNTY.

**SECTION 4
RESPONSIBILITIES OF PROVIDER**

- 4.1 For the entire duration of the Agreement, PROVIDER shall verify the Medi-Cal eligibility of Beneficiaries who present themselves at the time of service.
- 4.2 Providers shall apply to participate on the County Provider Panel by: completion and submission of a County Provider Application, including required copies of licensure and other documentation, and furnishing of required three (3) professional references; completion of the County Mental Health Organizational Provider Services Agreement; adherence to the terms and conditions detailed in the Provider Manual and any Provider (update) Bulletins.

**SECTION 5
PAYMENTS AND CLAIMS PROCESSING**

5.1 Conditions for Payment

COUNTY will reimburse PROVIDER for Covered Services rendered to Beneficiaries if the following conditions are met:

- 5.1.1 The Beneficiary is eligible for Medi-Cal Program benefits at the time the Covered Service is rendered by PROVIDER;
- 5.1.2 The service is a Covered Service under COUNTY's Medi-Cal Managed Health Care Program according to regulations in effect at that time; and
- 5.1.3 Service provision is based on the client meeting specialty mental health medical necessity criteria as per Title 9 California Code of Regulations, Chapter 11.
- 5.1.4 Adherence to the COUNTY Claims Processing procedures detailed in the Provider Manual, a copy of which has been provided to PROVIDER.

5.2 Claims

Psychiatrists and Mental Health Services Providers shall obtain and complete such claim forms as are currently in use in the Mental Health Managed Care Medi-Cal Program for Covered Services rendered to Beneficiaries, and submit completed claims to COUNTY within thirty (30) days from the end of the month that Covered Services were rendered. Upon submission of a complete and uncontested clean claim within the timelines defined in the Provider Manual, payment shall be made to PROVIDER within thirty (30) days; except that should Medi-Cal funds payable by the State to COUNTY be delayed or unavailable, COUNTY may delay payment until receipt of such funds. An uncontested clean claim shall include all information needed to process the claim.

Organizational providers shall adhere to Short-Doyle Medi-Cal claims processing procedures, including, but not limited to: completion of a daily contact log by each service provider; and meeting the internal Mental Health Branch documentation standards.

5.3 Reimbursement

- 5.3.1 Service reimbursement is contingent on the client being Medi-Cal eligible and enrolled during the service period and the service meeting medical necessity criteria.
- 5.3.2 Reimbursement to PROVIDER for rendering Covered Services to Beneficiaries provided by PROVIDER or by an I/A shall be made at the negotiated reimbursement rate(s) in effect with COUNTY for such services.
- 5.3.3 Current negotiated reimbursement rate(s) are considered to be interim payment in full subject to third party liability and patient share of costs for specialty mental health services to a Beneficiary, and the provisions of Section 12 of this Agreement.
- 5.3.4 Negotiated reimbursement rates are subject to approval by the State Department of Mental Health. COUNTY reserves the right to re-negotiate those rates based on final rate negotiations with State Department of Mental Health.
- 5.3.5 PROVIDER shall bill COUNTY at the PROVIDER's negotiated reimbursement rate(s) for all services described in Exhibit A of this Agreement. PROVIDER shall review and submit to COUNTY, in writing, any rate change with a frequency of not more than one (1) time per quarter, as necessary, provided that rates shall be within the State Maximum Allowance for each covered service.
- 5.3.6 If State, Federal or County funding or State Maximum Allowance/Rates are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable under this Agreement, or may terminate the Agreement as provided by Section 9 of this Agreement.
- 5.3.7 PROVIDER is responsible for tracking the total amount of claims submitted to COUNTY for reimbursement, in order to ascertain that the total does not exceed the maximum amount set forth in Exhibit B unless additional terms are approved in writing by COUNTY. All costs/expenses incurred by PROVIDER above the maximum shall be the responsibility of the PROVIDER. It shall be the responsibility of the PROVIDER to notify COUNTY in writing, at least six weeks prior to the date upon which the PROVIDER estimates that the maximum will be reached.
- 5.3.8 PROVIDER shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under this Agreement pursuant to Government Code Section 8546.7. PROVIDER shall hold COUNTY harmless for any liability resulting from said audit.

5.4 Beneficiary Liability

Unless Beneficiary has other health insurance coverage, PROVIDER shall look only to COUNTY for compensation for Covered Services and, with the exception of authorized Share of Cost payments, and/or non-covered services, shall at no time seek compensation from Beneficiaries.

5.5 No Reimbursement From State

The PROVIDER shall hold harmless the State of California, and Beneficiaries in the event COUNTY cannot or will not pay for Covered Services rendered by the PROVIDER pursuant to the terms of the Agreement.

**SECTION 6
RECORDS, ACCOUNTS, REPORTING AND RECOVERIES**

6.1 Medical Record

PROVIDER shall maintain for each Beneficiary who has received Covered Services, a legible medical record, kept in detail consistent with appropriate medical and professional practice and requirements of the Provider Manual, which permits effective internal professional review, external medical audit process, and which facilitates an adequate system for follow-up treatment. PROVIDER shall maintain such records for at least seven (7) years from the close of the State's fiscal year during which the services were provided.

6.2 Inspection Rights

PROVIDER shall make all books and records pertaining to the goods and services furnished under the terms of this Agreement available for inspection, examination, fiscal audits, program compliance, review of Beneficiary complaints, or copying:

6.2.1 By COUNTY, the State Department of Mental Health, the State Department of Health Care Services, the United States Department of Health and Human Services, the Comptroller General of the United States, and other authorized federal and state agencies, or their duly authorized representatives.

6.2.2 At all reasonable times at the PROVIDER's normal place of business or at such other mutually-agreeable location in California.

6.2.3 In a form maintained in accordance with the general standards and COUNTY standards applicable to such book or record keeping.

6.2.4 For a term of at least seven (7) years from the close of the State Department of Health Care Services fiscal year in which the services were provided.

6.2.5 Books and records include, but are not limited to, all physical records originated or prepared pursuant to the performance under this Agreement including working papers, reports, financial records and books of account, beneficiary records, prescription files, subcontracts, and any other documentation pertaining to covered services and other related services for Beneficiaries.

6.3 Confidentiality of Beneficiary Information

For purposes of these subsections, identifying information shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print, or a photograph.

With respect to any identifiable information concerning a Beneficiary under this Agreement that is obtained by the PROVIDER, the PROVIDER:

- 6.3.1 Shall promptly transmit to COUNTY all requests for disclosure of such information;
- 6.3.2 Shall protect the confidentiality of all Beneficiaries and shall comply with applicable laws and regulations, including, but not limited to, Sections 14100.2 and 5328 et seq. of the Welfare and Institutions Code, Section 431.300 et seq. of Title 42, Code of Federal Regulations, and the Health Insurance Portability and Accountability Act (HIPAA), including but not limited to Section 1320d et seq. of Title 42, United States Code and its implementing regulations (including but not limited to Title 45, Code of Federal Regulations, Parts 142, 160 and 164) regarding the confidentiality and security of patient information, and as appropriate Title 45 of the Code of Federal Regulations Section 205.50;
- 6.3.3 Shall protect, from unauthorized disclosure, names and other identifying information concerning persons receiving services pursuant to this Agreement, except for statistical information. PROVIDER shall not use such identifying information for any purpose other than carrying out PROVIDER's obligations under this Agreement;
- 6.3.4 Shall not disclose, except as otherwise specifically permitted by this Agreement, authorized by law or authorized by the Beneficiary, any such identifying information to anyone other than COUNTY, the U.S. Department of Health and Human Services, the State Department of Health Care Services, or the State Department of Mental Health;
- 6.3.5 During the term of this Agreement, PROVIDER shall notify COUNTY, immediately upon discovery of any breach of Medi-Cal Protected Health Information (PHI) and/or data, where the information and/or data is reasonably believed to have been acquired by an unauthorized person. Immediate notification shall be made to COUNTY and to the State Department of Mental Health Information Security Officer, within two business days of discovery, at (916) 651-6776. PROVIDER shall take prompt corrective action to cure any deficiencies and any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations. PROVIDER shall investigate such breach and provide a written report of the investigation to COUNTY,

and to the State Department of Mental Health Information Security Officer, postmarked within thirty (30) working days of the discovery of the breach to the address below:

Information Security Officer
Office of HIPAA Compliance
California Department of Mental Health
1600 9th Street, Room 150
Sacramento, CA 95814

- 6.3.6 Will implement strong access controls and other security safeguards and precautions to restrict logical and physical access to confidential, personal (e.g. PHI) or sensitive data to authorized users only;
- 6.3.7 Will enforce the following administrative and technical password controls on all systems used to process or store confidential, personal, or sensitive data:
- a. Passwords must not be:
 - i. shared or written down where they are accessible or recognizable by anyone else, such as taped to computer screens, stored under keyboards, or visible in a work area
 - ii. a dictionary word
 - iii. stored in clear text
 - b. Passwords must be:
 - i. 8 characters or more in length
 - ii. changed every 90 days
 - iii. changed immediately if revealed or compromised
 - iv. composed of characters from at least three of the following four groups from the standard keyboard:
 - (1) upper case letters (A-Z)
 - (2) lower case letters (a-z)
 - (3) Arabic numerals (0-9); and
 - (4) non-alphanumeric characters (punctuation symbols)
- 6.3.8 Will implement the following security controls on each workstation or portable computing device (e.g., laptop computer) containing confidential, personal, or sensitive data:
- a. network-based firewall and/or personal firewall
 - b. continuously updated anti-virus software
 - c. patch management process including installation of all operating system/software vendor security patches

- 6.3.9 Will utilize a commercial encryption solution that has received FIPS 140-2 validation to encrypt all confidential, personal, or sensitive data stored on portable electronic media (including, but not limited to, CDs and thumb drives) and on portable computing devices (including, but not limited to, laptop and notebook computers);
- 6.3.10 Will not transmit confidential, personal, or sensitive data via e-mail or other internet transport protocol unless the data is encrypted by a solution that has been validated by the National Institute of Standards and Technology (NIST) as conforming to the Advanced Encryption Standard (AES) Algorithm; and
- 6.3.11 Shall, at the expiration or termination of the Agreement, return all such information to COUNTY or maintain such information according to written procedures sent COUNTY by the State Department of Health Care Services for this purpose.

6.4 Subcontracts

PROVIDER shall not subcontract services without prior written permission by COUNTY or such assignment or delegation will be rendered void. In the event that the PROVIDER sees the need to subcontract services and COUNTY grants written permission to the PROVIDER to proceed with such undertaking, the PROVIDER shall ascertain that all subcontractors possess and maintain the necessary licensing or certification.

6.5 Other Insurance Coverage

6.5.1 Health Insurance Other Than Medi-Cal

PROVIDER shall inform COUNTY of all potential third party insurance recoveries. PROVIDER shall notify COUNTY that health insurance or another health program may cover any Covered Services provided by PROVIDER whenever PROVIDER discovers this potential coverage. The requirements concerning notification and recoveries in the current Provider Manual shall apply. PROVIDER also shall cooperate with and assist COUNTY in obtaining such recoveries.

6.5.2 Medicare Coverage

Services to Beneficiaries of both Medicare and Medi-Cal will continue to be paid through the current Fee-For-Service system, EDS. Authorization by COUNTY is NOT required.

6.6 Beneficiaries' Potential Tort, Casualty, or Workers' Compensation Awards

PROVIDER shall notify COUNTY that a potential tort, casualty insurance, or Workers' Compensation award may reimburse PROVIDER for any Covered Services rendered by

PROVIDER whenever PROVIDER discovers such potential awards. If such an award is granted, PROVIDER shall reimburse COUNTY the amount of any paid claims.

SECTION 7 INSURANCE AND INDEMNIFICATION

This Agreement shall not be executed by COUNTY and the PROVIDER is not entitled to any rights, unless certificates of insurance or other sufficient proof that the following provisions have been complied with, and are filed with the Clerk of the Humboldt County Board of Supervisors.

Without limiting PROVIDER's indemnification provided herein, PROVIDER shall take out and maintain, throughout the period of this Agreement, the following policies of insurance placed with insurers with a current A.M. Bests rating of no less than A: VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of PROVIDER, its agent, employees or subcontractors.

7.1 Malpractice Liability Insurance

Each participating Provider covered by this Agreement shall carry at his/her sole expense professional liability insurance of at least ONE MILLION DOLLARS (\$1,000,000) per person per occurrence, and THREE MILLION DOLLARS (\$3,000,000) in aggregate, including five (5) years of "tail coverage" in the same amount whenever claims-made malpractice coverage is unavailable, insuring against professional errors and omissions (malpractice) in providing medical services under the terms of this Agreement and for the protection of the interests and property of Provider, its beneficiaries and employees.

The policy shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of the premium) to County by mail.

7.2 Personal Injury and General Liability Insurance

Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in an amount of \$1,000,000 per occurrence. If work involves explosive, underground or collapse risks, XCU must be included. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be twice the required occurrence limit. Said policy shall be endorsed with, the following provisions:

7.2.1. The COUNTY, its officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by or on behalf of the PROVIDER. The coverage shall contain no special limitations on the scope of protection afforded to the COUNTY, its officers, officials, employees and volunteers.

- 7.2.2 The policy shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of the premium) to COUNTY by mail.
- 7.2.3 The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.
- 7.2.4 For claims related to this project, the PROVIDER's insurance is primary coverage to the COUNTY, and any insurance or self-insurance programs maintained by the COUNTY are excess to PROVIDER's insurance and will not be called upon to contribute with it.
- 7.2.5 Any failure to comply with reporting or other provisions of the parties, including breach of warranties, shall not affect coverage provided to COUNTY, its officers, officials, employees, and volunteers.
- 7.3 Workers' Compensation and Employer's Liability insurance meeting statutory limits of the California Labor Code which policy shall contain or be endorsed to contain a waiver of subrogation against COUNTY, its officers, agents, and employees and provide for thirty (30) days prior written notice in the event of cancellation.

If PROVIDER has no employees, then the PROVIDER can sign the statement below. PROVIDER is aware of the provisions of the California Labor Code Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and the PROVIDER is or will comply with provisions of that code before commencing with and during the performance of the work of this contract.

Signature: _____ Date: _____

Signature: _____ Date: _____

- 7.4 Automobile liability insurance coverage at least as broad as Insurance Services Office form CA 0001 06092, Code 1 (any auto), for vehicles used in the performance of this Agreement with minimum coverage of not less than \$1,000,000 per accident combined single limit (CSL). Such policy shall contain or be endorsed with the provision that coverage shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of premium) to COUNTY by mail.
- 7.5 Certificates of Insurance
PROVIDER shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement by COUNTY. The endorsements shall

be on forms as approved by the COUNTY's Risk Manager or County Counsel. Any deductible or self-insured retention over \$100,000 shall be disclosed to and approved by COUNTY. If PROVIDER does not keep all required policies in full force and effect, County may, in addition to other remedies under this Agreement, take out the necessary insurance, and PROVIDER agrees to pay the cost of said insurance.

7.6 Notification of Termination

COUNTY shall be informed by the PROVIDER within forty-eight (48) hours of notification of termination of liability insurance.

7.7 Notification of Litigation

COUNTY shall be informed by the PROVIDER within forty-eight (48) hours of notification of professional litigation.

7.8 Indemnity Agreement

PROVIDER agrees to accept all responsibility for loss or damage to any entity or person, and to defend, indemnify, hold harmless and release COUNTY, its officers, officials, employees, and volunteers from any and all claims, damages, disabilities or expenses that may be asserted by any person or entity, including PROVIDER, arising out of or in connection with the performance by PROVIDER hereunder, whether or not there is concurrent negligence on the part of the COUNTY, but excluding liability due to the sole active negligence or sole willful misconduct of the COUNTY. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for PROVIDER or its agents under workers' compensation acts, disability acts, or other employee benefit acts. PROVIDER shall be liable to COUNTY for any loss or damage to COUNTY property arising from or in connection with PROVIDER's performance hereunder. This indemnification shall survive the expiration or earlier termination of this Agreement.

**SECTION 8
GRIEVANCES, APPEALS, AND SANCTIONS**

Appeals and Grievances

It is understood that PROVIDER may have complaints, concerns, or differences, which may arise as a mental health care provider under contract with COUNTY. These complaints, concerns, or differences shall be resolved through the mechanisms as reflected in the Provider Manual, a copy of which has been provided. PROVIDER and COUNTY shall be bound by the decisions of COUNTY's grievance and appeal mechanisms.

SECTION 9
TERM, TERMINATION, AND AMENDMENT

9.1 Term

The term of this Agreement shall be from July 1, 2008 until June 30, 2010, and may be extended for subsequent terms. This contract may be terminated or amended as hereinafter provided.

9.2 Termination Without Cause

This Agreement may be terminated by either party without cause as follows:

9.2.1 If terminated by PROVIDER, termination shall require sixty (60) days advance written notice of such intent to terminate, or thirty (30) days notice if done in response to a contract amendment instituted pursuant to Section 9.6.2. The notice shall state the effective date of the termination.

9.2.2 If termination is initiated by COUNTY, the date of such termination shall be set by consideration for the welfare of Beneficiaries and necessary allowance for notification of Beneficiaries, and PROVIDER shall be notified as hereinafter provided. COUNTY may terminate this Agreement without cause upon thirty (30) days written notice.

9.3 Termination for Cause

9.3.1 COUNTY shall terminate this Agreement effective immediately in the following situation: loss of licensure by PROVIDER.

9.3.2 COUNTY may terminate this Agreement effective immediately in the following situations: charges to Beneficiaries by PROVIDER other than the authorized share of cost payments; PROVIDER's failure to comply with COUNTY's Utilization Review procedures; PROVIDER's failure to abide by Grievance and/or Quality Improvement Committee decisions; PROVIDER's failure to maintain adequate levels of insurance as specified in Section 7 herein; PROVIDER's failure to meet COUNTY qualification criteria; any other violation or breach of the provisions of this Agreement or of the requirements of State or Federal law; where termination is recommended by the Peer Review Sub-Committee; or filing of a bankruptcy petition.

9.4 Practice / Business Closure

In the event of the death or withdrawal of PROVIDER from practice, this Agreement shall terminate immediately.

9.5 Assignment

This Agreement is a service agreement and shall not be transferred or assigned to any other person or entity.

9.6 Amendment

9.6.1 Amendment by Mutual Agreement

This Agreement may be amended at any time upon the written Agreement of both parties.

9.6.2 Amendment by COUNTY

This Agreement may be amended by COUNTY upon sixty (60) days written notice to the PROVIDER. If the PROVIDER does not give written notice of termination within 30 days of receipt of the notice to amend, the amendment by COUNTY shall become part of the Agreement as of the effective date stated in the notice. However, this Section may not be invoked to amend any portion of Section 9 of this Agreement.

9.7 Continuity of Care

Upon termination of this Agreement for any reason, PROVIDER shall ensure an orderly transition of care for patients under treatment, including but not limited to the transfer of Beneficiary medical records.

**SECTION 10
GENERAL PROVISIONS**

10.1 Reference to Laws and Rules

In the event any part of this Agreement is found to be unlawful or legislation modifies the entitlement of Beneficiaries or other provision(s) hereunder, the Agreement shall automatically and without prior notice be modified to reflect that which is lawful and all other provisions shall remain in full force and effect.

10.2 Provider's Affiliation

PROVIDER authorizes COUNTY to inform prospective Beneficiaries, active Beneficiaries and other COUNTY participating providers regarding PROVIDER's affiliation with COUNTY.

10.3 Medi-Cal Regulations

Unless specifically excepted by COUNTY in this Agreement, in amendments to this Agreement, or in Provider Manual or Bulletins, PROVIDER shall follow the regulations of the State Medi-Cal program.

10.4 No Waiver of Default

The waiver by COUNTY of any one or more defaults, if any, on the part of PROVIDER hereunder, shall not be construed to operate as waiver by COUNTY of any other or future default in the same obligation or any other obligation in this Agreement.

10.5 Notices

Whenever either party amends or terminates this Agreement, notice shall be given in writing and shall be served by Registered or Certified U.S. Mail, Return Receipt Requested, addressed as follows:

10.5.1 If served on COUNTY, it shall be addressed to:

**Humboldt County Medi-Cal Managed Mental Health Care
Department of Health and Human Services - Mental Health Branch Director
720 Wood Street
Eureka CA 95501**

10.5.2 If served on PROVIDER, it shall be addressed to PROVIDER at the address appearing on the cover page of this agreement.

10.5.3 Any such notice so mailed shall be deemed to have been served upon and received by the addressee forty-eight (48) hours after the same has been deposited in Registered or Certified U.S. Mail, Return Receipt Requested. Either party shall have the right to change the place to which notice is to be sent by giving forty-eight (48) hours written notice to the other of any change of address.

10.6 Relationship of Parties

None of the provisions of this Agreement is intended to create nor shall be deemed or construed to create any relationship between the parties hereto other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. Neither of the parties hereto, nor any of their respective employees, shall be construed to be the agent, the employee or the representative of the other.

10.7 Co-Payment

PROVIDER is prohibited from charging Medi-Cal Beneficiaries a co-payment according to Federal law.

10.8 Hours of Operation

PROVIDER shall offer to Humboldt County Medi-Cal Beneficiaries hours of operation that are no less than the hours of operation offered to commercial enrollees, if PROVIDER also serves enrollees of a commercial health plan, or that are comparable to the hours PROVIDER

makes available for Medi-Cal services that are not covered by COUNTY or another Mental Health Plan, if PROVIDER serves only Medi-Cal clients.

10.9 Media Release

All press releases and informational material related to this Agreement shall receive approval from COUNTY prior to being released to the media (television, radio, newspapers, Internet). In addition, PROVIDER shall inform COUNTY of requests for interviews by media related to this Agreement prior to such interviews taking place. COUNTY reserves the right to have a representative present at such interviews. All notices required by this provision shall be given to the Director of the County Department of Health and Human Services or his/her designee.

**SECTION 11
PROVIDER COMPLIANCE CLAUSES**

11.1 Compliance with Laws

PROVIDER agrees to comply with all local, State and Federal laws and regulations, including but not limited to the Americans with Disabilities Act. PROVIDER further agrees to comply with any applicable Federal, State and local licensing standards or criteria established locally or by the State or Federal governments. This Agreement shall be governed by and construed in accordance with COUNTY's contractual obligations under COUNTY's Standard Agreement Number 06-76022-000 with the State Department of Mental Health.

11.2 Reporting

PROVIDER agrees to provide COUNTY with any reports that may be required by COUNTY, State or Federal agencies for compliance with this Agreement.

11.3 Provider Manual

PROVIDER agrees to comply with the provisions and guidelines stated in the Provider Manual that has been provided.

11.4 Nuclear Free Humboldt County Ordinance Compliance

PROVIDER certifies by its signature on this contract that PROVIDER is not a Nuclear Weapons Contractor, in that the PROVIDER is not knowingly or intentionally engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. PROVIDER agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor, as defined above. COUNTY may immediately terminate this Agreement if it

determines that the foregoing certification is false or if PROVIDER becomes a Nuclear Weapons Contractor.

11.5 Clean Air/Pollution

For Contracts of amounts in excess of \$100,000: The PROVIDER shall agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.). COUNTY shall report violations to the Centers for Medicare and Medicaid Services.

11.6 Federal Health Care Program Exclusion

PROVIDER shall not employ or contract with providers or other individuals and entities excluded from participation in Federal Health care programs under either Section 1128 or 1128A of the Social Security Act. Federal financial participation is not available for amounts expended for providers excluded by Medicare, Medicaid or the State Children's Insurance Program, except for emergency services.

11.7 Certification Regarding Environmental Tobacco Smoke

Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through State or local governments, by Federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

By signing this Agreement, PROVIDER certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act.

**SECTION 12
PROVISIONS FOR ORGANIZATIONAL PROVIDERS**

Organizational providers shall adhere and agree to all of the stipulations contained in the Agreement, including the following provisions:

12.1 Adhere to all of the requirements contained in the current Provider Manual and any updates;

12.2 Agree to reimbursement at the interim rates in effect with COUNTY;

12.3 Agree to adhere to all Short-Doyle Medi-Cal regulations, including Clinic Certification, audits and documentation standards directed by COUNTY.

12.4 Administrative Fees

Administrative fees will be computed by COUNTY on a quarterly basis using the number of units of services claimed by PROVIDER for that quarter divided by the total number of units of service claimed by all the Medi-Cal Providers (who have the administrative fee clause in their Agreements) for that quarter multiplied by the COUNTY's administrative cost to process that quarter's service claims. Total administrative fees shall not exceed 15% of total claims submitted by PROVIDER per fiscal year. COUNTY will invoice PROVIDER for administrative fees and PROVIDER shall pay the stated amount to COUNTY within thirty (30) calendar days of receipt of invoice.

12.5 Cost Reports and Settlement

12.5.1 No later than ninety (90) calendar days following the close of COUNTY's fiscal year (June 30), PROVIDER shall submit a Cost Report to COUNTY in the format provided by COUNTY, summarizing all costs incurred and the units of service generated in providing each type of service. Costs to include COUNTY's billing to PROVIDER for administrative fees, as per Section 12.4.

12.5.2 Initial year end settlement will be based on the lower of actual cost as determined by the year end Cost Report per Section 12.5.1, the PROVIDER's published charges or the State Maximum Allowance (SMA) as published by the State Department of Mental Health for approved Medi-Cal units of service. Initial year end settlement will occur no later than ninety (90) calendar days after COUNTY has submitted their year end Cost Report to the State. Settlement may result in either additional payment due to PROVIDER or reimbursement by PROVIDER to COUNTY for overpayment.

12.6 Audit and Settlement

12.6.1 PROVIDER shall reimburse COUNTY for any billings which are denied by the State or are disallowed upon County, State or Federal audit.

12.6.2 Audit settlement will occur as per Section 12.6.3 below.

12.6.3 PROVIDER shall pay to COUNTY the amount of any liability imposed on COUNTY, by State or Federal audit, that is attributable to PROVIDER's costs or to services rendered by PROVIDER. COUNTY shall be responsible for costs which are attributable to COUNTY.

12.6.4 PROVIDER will reimburse COUNTY at 100% of any paid claims in the event that services or claims are disallowed upon County, State or Federal audit.

COUNTY OF HUMBOLDT



Chair, Board of Supervisors of the County of Humboldt of the
State of California

ATTEST:
CLERK OF THE BOARD

By: Mikki Turner
Kathy Hayes

HUMBOLDT COUNTY COUNSEL:

By: Karen Raebuck

HUMBOLDT COUNTY RISK MANAGER

By: John Smith

EXHIBIT A Scope of Services

The Mental Health Branch has a mission to provide an array of mental health, alcohol and drug related services to promote health and mental health as well as treat illness, respect consumer dignity, respond to cultural differences, utilize evidence-based practices and continually evaluate for effectiveness of our services. PROVIDER has demonstrated competence in delivering specialty mental health services that support our mission.

PROVIDER shall offer the following services to COUNTY clients as appropriate (see Provider Manual for definition of terms below) from July 1, 2008 to June 30, 2010 :

ADULT CLIENTS (No travel time will be reimbursed for adult clients.)

- Assessment: Code 1538
- Evaluation: Code 1539
- Individual Therapy/Collateral: Code 1549
- Group Therapy (to be computed at service rate per minute multiplied by number of minutes for the group therapy session, divided by number of clients attending group therapy): Code 1559
- Case Management/Brokerage: Code 1501
- Mental Health Plan Development: Code 1509
- Mental Health Rehabilitation Services: Code 1503

PROVIDER shall provide medically necessary covered services, as outlined above, to the following client population(s) only:

- Beneficiaries 21 years and older who are eligible for Medi-Cal with Mental Health Service benefits, and
- Beneficiaries 21 years and older who have met their Share of Cost (see Provider Manual for definition of Share of Cost.)

CHILD CLIENTS "Child clients" is defined as youth clients under the age of 21. Once they turn 21, they are considered as adults. (Travel and documentation time is included in the total service claimed.)

- Assessment: Code 1538C
- Evaluation: Code 1539C
- Individual Therapy/Collateral: Code 1549C
- Group Therapy (to be computed at service rate per minute multiplied by number of minutes for the group therapy session, divided by number of clients attending group therapy): Code 1559C
- Case Management/Brokerage: Code 1501C
- Mental Health Plan Development: Code 1509C
- Mental Health Rehabilitation Services: Code 1503C

PROVIDER shall offer the above-described services to the following client population(s) (Early and Periodic Screening, Diagnosis and Treatment – EPSDT) only:

- Full scope Medi-Cal beneficiaries under age 21 years old and meet the criteria for needing these services and have a primary DSM-IV Mental Health Disorder which meets the Specialty Mental Health Target Population of medical necessity.

These services are expected to benefit the client in the following way(s):

To address the underlying issues which impair or likely will lead to the deterioration of the client functioning in self-care, school, family, community and/or other life functioning area.

PROVIDER shall provide COUNTY with reports documenting the services rendered on a monthly basis or as specified in the Provider Manual. PROVIDER will notify COUNTY of any current or anticipated difficulty in providing services, or if the services do not appear to be providing the anticipated benefit to the client.

PROVIDER shall maintain current licenses and/or certifications as follows:

1. Licensed Mental Health Professional in the State of California, i.e. Physicians, Psychologists, Licensed Clinical Social Worker, Marriage Family Therapist or Registered Nurse with a Master's Degree in Psychiatric Nursing.
2. Compliance with all other standards and requirements as described in the Provider Manual.

Desired Outcomes:

PROVIDER will show evidence, as indicated by Treatment Summary, that clients served by PROVIDER have met specialty mental health medical necessity criteria, that diagnosis and treatment goals are congruent, and indicate what progress is being made towards treatment goals.

**EXHIBIT B
PAYMENT AGREEMENT**

Payment for services pursuant to this Agreement shall not exceed \$ 149,200 total for combined Adult and Child beneficiaries per fiscal year. COUNTY will not reimburse PROVIDER for any amount that exceeds the maximum specified in this provision unless additional terms are approved in writing by COUNTY. All costs incurred above maximum will be the responsibility of the PROVIDER.

If State, Federal or County funding or State Maximum Allowance Rates are reduced or deleted, the maximum reimbursement shall be reduced or deleted.

ADULT CLIENTS

PROVIDER will be reimbursed for medically necessary covered services, as described in Exhibit A, Scope of Services up to a maximum of \$ 75,000 charged to COUNTY per fiscal year. Expenses incurred beyond this amount will be the responsibility of the PROVIDER, except as noted above.

CHILD CLIENTS (Early and Periodic Screening, Diagnosis and Treatment (EPSDT):

PROVIDER will be reimbursed for medically necessary covered services, as described in Exhibit A, Scope of Services up to a maximum of \$ 74,200 charged to COUNTY per fiscal year. Expenses incurred beyond this amount will be the responsibility of the PROVIDER, except as noted above.