

PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF SHASTA AND MENTAL HEALTH MANAGEMENT I, INCORPORATED

This agreement is entered into between the County of Shasta, a political subdivision of the State of California, through its Health and Human Services Agency ("County") and Mental Health Management I, Incorporated, a California corporation dba Canyon Manor ("Contractor") (collectively, the "Parties" and individually a "Party") for the provision of residential mental health rehabilitation services.

Section 1. RESPONSIBILITIES OF CONTRACTOR.

- A. Pursuant to the terms and conditions of this agreement and in consideration of the compensation hereinafter set forth, Contractor shall perform services for County as prescribed in **EXHIBIT A, SCOPE OF SERVICES**, attached and incorporated herein, in Contractor's Canyon Manor facility located at 655 Canyon Road, Novato, CA ("Facility").
- B. Contractor shall provide County copies of any reports prepared by State agencies or licensing bodies regarding the facilities or quality of care provided, including any notations of deficiencies.

Section 2. RESPONSIBILITIES OF COUNTY.

County shall:

- A. Compensate Contractor as prescribed in sections 3 and 4 of this agreement and shall monitor the outcomes achieved by Contractor.
- B. For any clients admitted to Contractor's facility without a third party payer, including but not limited to Medi-Cal, Medicare or private insurance, for ancillary services not provided by Contractor, including but not limited to pharmacy or laboratory services, County shall make payment arrangements directly with providers of the ancillary services.

Section 3. COMPENSATION.

- A. County shall compensate Contractor for services rendered pursuant to this agreement in accordance with the terms as set forth in **EXHIBIT B, PAYMENTS**, attached and incorporated herein. Maximum compensation shall not exceed \$900,000 during the entire term of this agreement.
- B. Contractor's violation or breach of agreement terms may result in fiscal penalties, withholding of compensation, or termination of agreement.

Section 4. BILLING AND PAYMENT

- A. Contractor shall submit to HHSA Business and Support Services, Attn: Accounts Payable, P.O. Box 496005, Redding, CA 96049-6005, monthly by the 15th day of each month for services rendered the preceding month, a billhead or invoice regularly used in the conduct of business of the Contractor along with, at a minimum, the Facility's name, client's name, number of days of service, and dates of service for each

client billed. County shall make payment within 30 days of receipt of Contractor's correct and approved statement or invoice. Notwithstanding the foregoing, upon termination, expiration, or cancellation of this agreement, Contractor shall submit to County a final Statement within 10 days of the termination, expiration, or cancellation of this agreement, and County shall make payment within 30 days of receipt of Contractor's correct and approved final Statement. For purposes of effectuating payment of compensation this provision shall survive the termination, expiration, or cancellation of this agreement.

- B. Compensation under this agreement shall be reduced by applicable contractor revenues. The term "applicable contractor revenues" refers to those receipts or reductions in expenditures or costs which operate to offset or reduce expense or cost items that are allocable to Contractor's compensation under this agreement (such as but not limited to: purchase discounts, rebates or allowances, insurance refunds and adjustments or overpayment, or other erroneous charges). To the extent that applicable contractor revenues, accruing or received by Contractor relate to allowable reduction, or a cash refund, as appropriate.
- C. Should County, or the state or federal government, disallow any amount claimed by Contractor, Contractor shall reimburse County, or the state or federal government, as directed by County, or the state or federal government, for such disallowed cost.

Section 5. TERM OF AGREEMENT.

The term of this agreement shall commence on July 1, 2017 and shall end on June 30, 2020. Notwithstanding the foregoing, County shall not be obligated for payments hereunder for any future County fiscal year unless or until County's Board of Supervisors appropriates funds for this agreement in County's budget for that County fiscal year. In the event that funds are not appropriated for this agreement, then this agreement shall end as of June 30 of the last County fiscal year for which funds for this agreement were appropriated. For the purposes of this agreement, the County fiscal year commences on July 1 and ends on June 30 of the following year. County shall notify Contractor in writing of such non-appropriation at the earliest possible date.

Section 6. TERMINATION OF AGREEMENT.

- A. If Contractor materially fails to perform Contractor's responsibilities under this agreement to the satisfaction of County, or if Contractor fails to fulfill in a timely and professional manner Contractor's responsibilities under this agreement, or if Contractor violates any of the terms or provisions of this agreement, then County shall have the right to terminate this agreement for cause effective immediately upon the County giving written notice thereof to Contractor. If termination for cause is given by County to Contractor and it is later determined that Contractor was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this section.
- B. County may terminate this agreement without cause on 30 days written notice to Contractor.

- C. County may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- D. County's right to terminate this agreement may be exercised by the Shasta County Board of Supervisors, the County Executive Officer or his or her designee, or the Shasta County Health and Human Services Agency ("HHSA") Director ("Director"), or any HHSA Branch Director designated by the HHSA Director.
- E. Should this agreement be terminated, Contractor shall promptly provide to County any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Contractor pursuant to this agreement.
- F. If this agreement is terminated, Contractor shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.

Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS; EXHIBITS/APPENDICES.

- A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. Contractor shall be entitled to no other benefits other than those specified herein. Contractor specifically acknowledges that in entering into and executing this agreement, Contractor relies solely upon the provisions contained in this agreement and no others.
- B. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties. However, minor amendments including retroactive and rate increases not to exceed 20% over the original rate during the entire term of the agreement, which do not otherwise result in a substantial or functional change to the original intent of this agreement, and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Contractor and the HHSA Director, or any HHSA Branch Director designated by the HHSA Director, provided that the amendment is in substantially the same format as the County's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101).
- C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.
- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's exhibits or appendices, the provisions of this agreement shall govern.

Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.

Inasmuch as this agreement is intended to secure the specialized services of Contractor, Contractor may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of County. The waiver by County of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

Section 9. EMPLOYMENT STATUS OF CONTRACTOR.

Contractor shall, during the entire term of this agreement, be construed to be an independent contractor, and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which Contractor performs the work or services that are the subject matter of this agreement; provided, however, that the work or services to be provided by Contractor shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of County is to insure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Contractor shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if Contractor were a County employee. County shall not be liable for deductions for any amount for any purpose from Contractor's compensation. Contractor shall not be eligible for coverage under County's workers' compensation insurance plan nor shall Contractor be eligible for any other County benefit. Contractor must issue W-2 and 941 Forms for income and employment tax purposes, for all of Contractor's assigned personnel under the terms and conditions of this agreement.

Section 10. INDEMNIFICATION.

To the fullest extent permitted by law, Contractor shall indemnify and hold harmless County, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of County Counsel and counsel retained by County, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this agreement by Contractor, or by any of Contractor's subcontractors, any person employed under Contractor, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of County. Contractor shall also, at Contractor's own expense, defend the County, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against County, its elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this agreement by Contractor, or any of Contractor's subcontractors, any person employed under Contractor, or under any Subcontractor, or in any capacity. Contractor shall also defend and indemnify County for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless County with respect to Contractor's "independent contractor" status that would establish a liability on County for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law. This provision shall survive the termination, expiration, or cancellation of this agreement.

Section 11. INSURANCE COVERAGE.

- A. Without limiting Contractor's duties of defense and indemnification, Contractor and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles, and other insurance necessary to protect the County and the public with limits of liability of not less than \$1 million combined single limit bodily injury and property damage; such insurance shall be primary as to any other insurance maintained by County.
- B. Contractor and any subcontractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover Contractor, subcontractor, Contractor's partner(s), subcontractor's partner(s), Contractor's employees, and subcontractor's(s') employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by Contractor or subcontractor. Each such policy shall be endorsed to state that the Workers' Compensation carrier waives its right of subrogation against the County, its elected officials, officers, employees, agents, and volunteers which might arise in connection with this agreement. Contractor hereby certifies that Contractor is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Contractor shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this agreement.
- C. Contractor shall obtain and maintain continuously a policy of Errors and Omissions coverage with limits of liability of not less than \$1 million per incident or occurrence, \$3 million aggregate.
- D. Contractor shall require subcontractors to furnish satisfactory proof to County that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of Contractor pursuant to this agreement.
- E. With regard to all insurance coverage required by this agreement:
 - (1) Any deductible or self-insured retention exceeding \$25,000 for Contractor or subcontractor shall be disclosed to and be subject to approval by the County Risk Manager prior to the effective date of this agreement.
 - (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to the effective date of this agreement and continue coverage for a period of three years after the expiration of this agreement and any extensions thereof. In lieu of maintaining post-agreement expiration coverage as specified above, Contractor or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide the insurance coverage required hereunder for claims received and reported three years after the expiration date of this agreement.

- (3) All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance which names *Shasta County, its elected officials, officers, employees, agents, and volunteers as additional insureds* and provides that coverage *shall not be reduced or canceled without 30 days written prior notice certain to the County*. Any available insurance proceeds in excess of the specified minimum limits and coverage pursuant to the terms of this agreement shall be applicable to the Additional Insured. The additional insureds coverage shall be equal to Insurance Service Office endorsement CG 20 10 for on-going operations, and CG 20 37 for completed operations.
- (4) Each insurance policy (except for workers' compensation and professional liability policies), or an endorsement thereto, shall contain a "separation of insureds" clause which shall read:
- "Separation of Insureds.
- Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:
- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each suit insured against whom a claim is made or suit is brought."
- (5) Contractor shall provide the County with an endorsement or amendment to Contractor's policy of insurance as evidence of insurance protection before the effective date of this agreement.
- (6) The insurance coverage required herein shall be in effect at all times during the term of this agreement. In the event any insurance coverage expires at any time during the term of this agreement, Contractor shall provide, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this agreement or for a period of not less than one year. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of this agreement, County may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.
- (7) If the endorsement or amendment does not reflect the limits of liability provided by the policy of insurance, Contractor shall provide County a certificate of insurance reflecting those limits.
- (8) Any of Contractor's Excess Insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the County.

Section 12. NOTICE OF CLAIM; APPLICABLE LAW; VENUE.

- A. If any claim for damages is filed with Contractor or if any lawsuit is instituted concerning Contractor's performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect County, Contractor shall give prompt and timely notice thereof to County. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

Section 13. COMPLIANCE WITH LAWS; NON-DISCRIMINATION.

- A. Contractor shall observe and comply with all applicable federal, state, and local laws, ordinances, and codes that relate to the work or services to be provided pursuant to this agreement.
- B. Contractor shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.
- C. Contractor represents that Contractor is in compliance with and agrees that Contractor shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq.*), the Fair Employment and Housing Act (Government Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.
- D. For all services, Contractor shall comply with all applicable Medi-Cal Specialty Mental Health Services regulations; section 14680 of the Welfare and Institutions Code; and the California Code of Regulations, Title 9, Chapter 11.
- E. Contractor shall comply with all applicable provisions of Part 2 of Division 5 of the Welfare and Institutions Code, (commencing at section 5600 *et seq.*), Title 9 and Title 22 of the California Code of Regulations, the California Department of Health Care Services Cost Reporting/Data Collection Manual (CR/DC), and the prior State of California Department of Mental Health Policy Letters.
- F. Contractor shall comply with all applicable County, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, pertaining to the provision of Medi-Cal Specialty Mental Health Services, each of which are hereby made a part hereof and incorporated herein by reference including, but not limited to, California Code of Regulations, title 9, section 1810.436, subd. (a)(1) - (5), which provides (in substance) that:
 - (1) Medi-Cal beneficiaries shall receive the same level of care as provided to all other patients served;
 - (2) Medi-Cal beneficiaries shall not be discriminated against in any manner;

- (3) Contractor shall make all records, program compliance, and beneficiary complaints available for authorized review and fiscal audit whenever requested to do so by County, state, or federal authorities;
 - (4) Compensation paid pursuant to this agreement is considered to be payment in full; and
 - (5) Contractor shall adhere to Title XIX of the Social Security Act and conform to all other applicable federal and state statutes and regulations.
- G. No funds or compensation received by Contractor under this agreement shall be used by Contractor for sectarian worship, instruction, or proselytization. No funds or compensation received by Contractor under this agreement shall be used to provide direct, immediate, or substantial support to any religious activity.
- H. Contractor and Contractor's officers, employees, and agents shall comply with the policies of County adopted pursuant to the Deficit Reduction Act of 2005 §6032.

Section 14. ACCESS TO RECORDS; RECORDS RETENTION.

- A. County, federal, and state officials shall have access to any books, documents, papers, and records of Contractor that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Contractor or County. Except where longer retention is required by federal or state law, Contractor shall maintain all records for five years after County makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Contractor shall maintain appropriate records to insure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this agreement. Contractor shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this agreement. Access to these records shall be provided to County during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by County, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this agreement.
- C. Contractor agrees to accept responsibility for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or County audit directly related to the provisions of this agreement. Contractor agrees to repay County the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Contractor agrees that County may withhold any money due and recover through any appropriate method any money erroneously paid under this agreement if evidence exists of less than full compliance with this agreement including, but not limited to, exercising a right of set-off against any compensation payable to Contractor.

Section 15. COMPLIANCE WITH CHILD, FAMILY, AND SPOUSAL SUPPORT REPORTING OBLIGATIONS.

Contractor's failure to comply with state and federal child, family, and spousal support reporting requirements regarding Contractor's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this agreement. Contractor's failure to cure such default within 90 days of notice by County shall be grounds for termination of this agreement.

Section 16. LICENSES AND PERMITS.

Contractor, and Contractor's officers, employees, and agents performing the work or services required by this agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Shasta, and all other appropriate governmental agencies, including any certification and credentials required by County. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by County.

Section 17. PERFORMANCE STANDARDS.

Contractor shall perform the work or services required by this agreement in accordance with the industry and/or professional standards applicable to Contractor's work or services.

Section 18. CONFLICTS OF INTEREST.

Contractor and Contractor's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

Section 19. NOTICES.

A. Except as provided in section 6.C. of this agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to County: Branch Director
 HHSA Business and Support Services
 Attn: Contracts Unit
 P.O. Box 496005
 Redding, CA 96049-6005
 Phone: 530-245-6860
 Fax: 530-225-5555

If to Contractor: Richard Evatz Executive Director
Canyon Manor
655 Canyon Road
Novato, CA 94949
Phone: 415-982-1628
Fax: 415-892-8624

B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 19.A. and shall be deemed to be effective immediately.

Section 20. AGREEMENT PREPARATION.

It is agreed and understood by the Parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

Section 21. COMPLIANCE WITH POLITICAL REFORM ACT.

Contractor shall comply with the California Political Reform Act (Government Code, sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the County's Conflict of Interest Code, with regard to any obligation on the part of Contractor to disclose financial interests and to recuse from influencing any County decision which may affect Contractor's financial interests. If required by the County's Conflict of Interest Code, Contractor shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

Section 22. PROPERTY TAXES.

Contractor represents and warrants that Contractor, on the date of execution of this agreement, (1) has paid all property taxes for which Contractor is obligated to pay, or (2) is current in payments due under any approved property tax payment arrangement. Contractor shall make timely payment of all property taxes at all times during the term of this agreement.

Section 23. SEVERABILITY.

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

Section 24. CONFIDENTIALITY.

During the term of this agreement, both Parties may have access to information that is confidential or proprietary in nature. Both Parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written

consent of the other Party or as required by law. This provision shall survive the termination, expiration, or cancellation of this agreement.

Section 25. CONFIDENTIALITY OF PATIENT INFORMATION.

All information and records obtained in the course of providing services under this agreement shall be confidential, and Contractor and all of Contractor's employees, volunteers, agents, and officers shall comply with state and federal requirements regarding confidentiality of patient information (including, but not limited to, section 5328 of the Welfare and Institutions Code; Civil Code section 56.10; the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations adopted pursuant thereto; Title 42, Code of Federal Regulations, Part 2; and Title 45, Code of Federal Regulations, section 205.50). All applicable regulations and statutes relating to patients' rights shall be adhered to. This provision shall survive the termination, expiration, or cancellation of this agreement.

Section 26. CONFIDENTIALITY OF CLIENT INFORMATION.

Contractor shall comply with, and require all of Contractor's employees, volunteers, agents, and officers to comply with, the provisions of section 10850 of the Welfare and Institutions Code, and of Division 19 of the California Department of Social Services Manual of Policies and Procedures. This provision shall survive the termination, expiration, or cancellation of this agreement to which the State Department of Social Services regulations apply.

Section 27. CLIENTS' RIGHTS.

Contractor shall give all clients served under this agreement, notice of their rights ("Client's Rights") pursuant to and in compliance with section 5325 of the Welfare and Institutions Code and California Code of Regulations, title 9, section 862. In addition, in all facilities providing the services described herein Contractor shall have prominently posted in the predominant languages of the community a copy of the Clients' Rights.

Section 28. CLINICAL RECORDS.

Contractor shall maintain adequate clinical treatment records. Clinical treatment records must comply with all applicable state and federal requirements. Individual client clinical treatment records shall contain assessment information, treatment planning documents, and progress notes which reflect all client contacts and/or all treatment decisions. Program and client clinical treatment records shall contain detail adequate for the evaluation of the service. Contractor shall provide monthly reports to the Director in conformance with the Client and Service Information (CSI) System as prescribed by the California Department Health Care Services.

Section 29. FINANCIAL RECORDS.

Contractor shall maintain financial records that clearly reflect the cost of each type of service for which compensation under this agreement is claimed. Any apportionment of costs shall be made in accordance with generally accepted accounting principles and shall

evidence proper audit trails reflecting the true cost of the services rendered. Appropriate service and financial records must be maintained and retained for seven years following the close of the fiscal year to which the records pertain. This provision shall survive the termination, expiration, or cancellation of this agreement.

Section 30. FINANCIAL REPORTING.

Contractor shall provide financial information and/or records pertaining to Contractor's agency including, but not limited to: audited financial statement from audit prepared in accordance with Circular No. A-133 of the Office of Management and Budget of the Executive Office of the President of the United States ("OMB") and performed by a qualified Certified Public Accountant (submitted annually to County within 30 days of Contractor's receipt of financial statement); IRS form 990 and all supporting schedules (submit to County within 30 days of filing); notice to County of any tax delinquency including but not limited to property, sales, income, and payroll taxes (submit to County within 10 days of receipt of notice or knowledge of delinquency). All financial information shall be submitted to Shasta County Health and Human Services Agency, Business and Support Services, Attention: HHSA Fiscal Manager, P.O. Box 496005, Redding, CA 96049-6005. Contractor shall provide additional financial information as requested by County within 30 days of receiving such request. Contractor shall fully cooperate with County in providing any financial information and/or records requested by County concerning this agreement. This Section shall survive the termination, expiration or cancellation of this agreement for the period of time necessary to submit all required financial reporting to County as prescribed herein.

Section 31. ANNUAL COST REPORT.

- A. Contractor shall submit a separate, detailed Provider Cost Report ("Cost Report") in the format prescribed by the California Department of Health Care Services ("DHCS") and a complete financial statement ("Financial Statement") not later than 90 days after the end of each County fiscal year. Contractor's Cost Report and Financial Statement shall be subject to audit by appropriate County, state, and federal audit agencies. In the event the Cost Report settlement identifies an overpayment to Contractor, Contractor shall reimburse County the full overpayment amount. If Contractor fails to reimburse County within 60 days of receiving notice from County of the overpayment, County may withhold up to 20 percent of future monthly payments to Contractor under this agreement until the full overpayment has been recouped, or up to 100 percent of the final payment to Contractor under this agreement until the full overpayment has been recouped. If any amount of over-payment to Contractor remains unpaid upon the termination, expiration, or cancellation of this agreement, which has not been reimbursed to County either by monthly withholding or withholding from the final payment under this agreement, Contractor shall reimburse County within 60 days of the termination, expiration, or cancellation of this agreement. This provision shall survive the termination, expiration or cancellation of this agreement.
- B. Contractor may use unaudited financial statements as the basis of cost information for completion of the Cost Report and Financial Statement. Contractor shall submit a copy of the unaudited financial statements with the completed Cost Report and Financial Statement. In addition, Contractor shall submit to County an independent audit report

conducted by a Certified Public Accountant in accordance with OMB Circular A133 within 276 days after the close of each County fiscal year during which this agreement is in effect. This provision shall survive the termination, expiration, or cancellation of this agreement.

- C. Compensation for services rendered subsequent to the Cost Report and Financial Statement due dates may be withheld from Contractor at the County's sole discretion until the Cost Report and Financial Statement have been received by County.

Section 32. PERSONNEL.

- A. Contractor shall furnish such qualified professional personnel as prescribed in the California Code of Regulations, Title 9, for the type of services prescribed in **EXHIBIT A.**
- B. All Contractor's personnel shall have the appropriate state licensure required for their given profession.

Section 33. AGREEMENT SUPERVISION.

- A. The Director, or his or her designee, shall be the County representative authorized and assigned to represent the interests of the County and to determine if the terms and conditions of this agreement are carried out.
- B. County shall monitor the kind, quality, and quantity of Contractor's services and criteria for determining the persons to be served and length of treatment for the persons receiving mental health services covered under the terms of this agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, County and Contractor have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: _____

DAVID A. KEHOE, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

Approved as to form:
RUBIN E. CRUSE, JR.
County Counsel

By: ABC 5/25/17
Alan B. Cox
Deputy County Counsel

RISK MANAGEMENT APPROVAL

By: James Johnson 05/25/17
James Johnson
Risk Management Analyst

CONTRACTOR

Date: 5/31/17

By: Richard Evatz
Richard Evatz
Executive Director

Date: 5/31/17

By: Paul Heil
Paul Heil
Assistant Director

Tax I.D.#: On File

EXHIBIT A SCOPE OF SERVICES

Contractor shall provide the services described below in a manner consistent with the terms and provisions of this agreement.

1. SERVICES TO BE PROVIDED

- A. Provision of beds for adults (18 years or older) in a Mental Health Rehabilitation Center (MHRC) as an alternative to State hospitalization, acute psychiatric hospital administrative days, or a higher level of care. Services provided in a locked, 24 hour care facility, utilizing resources available to both Contractor and County.
- B. It is agreed by County and Contractor that the basic service level (the minimum array of services provided to clients in the MHRC) complies with respective California Code of Regulations defining the scope and responsibility of such facility-based services. The MHRC services as they currently exist or as they may be modified or added during the term of this Agreement include but are not limited to:
1. An individualized program to meet the specific needs of each client
 2. A structured training regimen with individualized therapy to assist clients in the development of new skills and in modifying behaviors that exclude them from living in a lower level of care facility. The Facility shall have the capability of providing all of the following special rehabilitation program services. Individual programs shall be provided based on the specific needs identified through client assessments. Special rehabilitation program services provided by Contractor shall include, but is not limited, to:
 - a. Self-Help Skills Training. This shall include, but not be limited to:
 - Supervision of medications and education regarding medications
 - Money management
 - Use of public transportation
 - Use of community resources
 - Behavior control and impulse control
 - Frustration tolerance
 - Stress management
 - Mental health education
 - Substance abuse education
 - Physical education
 - b. Behavioral Intervention Training. This shall include, but not be limited to:
 - Behavior modification modalities
 - Remotivation therapy
 - Client government activities

- Group counseling
 - Individual counseling
- c. Interpersonal Relationships. This shall include, but not be limited to:
- Social counseling
 - Educational and recreational therapy
 - Social activities such as outings, dances, etc.
- d. Pre-vocational Preparation Services. This shall include, but not be limited to:
- Homemaking
 - Work activity
 - Vocational counseling
- e. Discharge planning
- Out-of-home planning
 - Linkage to medical services in the community as needed.
- C. Contractor agrees to facilitate access to and utilization of Health Insurance Portability and Accountability Act (HIPAA) compatible web conferencing, video conferencing or telemedicine equipment to enable County to have joint conferences with client, County, and Contractor's clinicians, and/or client's significant others in order to facilitate discharge planning processes. Contractor will be responsible to obtain informed consent(s) for telemedicine.
- D. Contractor further agrees that basic services provided under this agreement will also include appropriate access to medical treatment and up-to-date psychopharmacology including atypical anti-psychotics, transportation to essential offsite therapeutic services, and bilingual/bicultural programming.
- E. Bed holds can be authorized if the Contractor agrees to have client return and are limited to a maximum of seven days per client per hospital stay. Bed Holds are limited to clients currently residing in the Facility and must be pre-authorized by County.

2. ADMISSION POLICY AND ADMITTING CRITERIA

- A. County and Contractor shall work cooperatively to admit clients to Contractor's facility. All admissions shall be subject to screening procedures and standards mutually agreeable to Contractor and County. The admission of all persons receiving services under this agreement must receive prior written approval from the HHSA Director or his/her designee.
- B. Contractor shall admit clients with a DSM-IV TR diagnosis. Individuals in need of 24-hour nursing services within the scope of Facility services, clients who have histories of or are currently displaying behavioral symptoms (such as combativeness, elopement risk, suicide risk, and excessive verbal abusiveness) which preclude them from being admitted into a lower level of care facility shall be considered for admission. The frequency, scope, and severity of these behaviors are determining factors for admission, which are negotiated between County and Contractor for each client admission. County may grant individual exception to the admission criteria.
- C. If Contractor denies an admission, County's authorized representative shall be notified immediately and informed of the reasons for the denial. As appropriate, and with agreement, County and Contractor may hold a "case conference" to discuss the reasons for the denial and the options available in meeting the client's mental health treatment needs. However, the final decision on admission to the Facility shall be the responsibility of and fall within the authority of Contractor.
- D. It is agreed by County and Contractor that individuals whose mental illness is deemed appropriate for acute care, as well as individuals suffering exclusively from development disability, mental retardation, or physical illness (without a psychiatric component) shall not be considered for admission.

3. COUNTY LIAISON, CLIENT DISCHARGE PLANNING

- A. County shall designate a Facility Liaison who shall be responsible for ongoing contact and consultation with County clients and Facility staff
- B. Contractor shall keep County Facility Liaison fully informed of each client's progress and shall collaborate in pre-discharge and discharge planning.
- C. County Facility Liaison shall be responsible for arranging community supports deemed necessary for each client to be discharged.
- D. Contractor shall provide notice to County as soon as possible if there is a change in service level that requires acute psychiatric hospitalization.
- E. Contractor shall discharge client from the Facility for the purpose of emergency hospitalization.

4. GOALS

- A. To minimize inappropriate or unnecessary state and local acute psychiatric hospitalization to the extent clinically appropriate by providing quality 24-hour MHRC services
- B. To modify client's dysfunctional maladaptive behavior patterns and develop daily living skills which will enable them to live in less restrictive, more independent settings.
- C. Contractor shall adhere to County's individualized client plans to reduce the lengths of stay in order to transition clients to less restrictive levels of care in a timely manner, as appropriate.
- D. At request of County, Contractor shall consult with County's psychiatrist on the proper dosage and administration of appropriate medications to reduce the lengths of stay in order to transition clients to less restrictive levels of care in a timely manner.

**EXHIBIT B
PAYMENTS**

Contractor shall submit to County a monthly Statement in accordance with Section 4 of this agreement.

Contractor will be paid at the following rate for services:

FY 17/18	\$311.24	Per Day
FY 18/19	\$317.46	Per Day