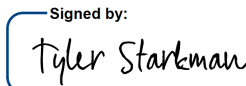

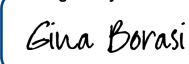


**Contract No. 1460****Standard Services Contract**

PARTIES	This Standard Services Contract ("Contract") is entered into between the following Parties:		
	The COUNTY OF SANTA CRUZ through the HEALTH SERVICES AGENCY- Behavioral Health P.O. Box 962, Santa Cruz, CA 95061-0962		Name: Mental Health Client Action Network Address: 1051 Cayuga St. Santa Cruz, CA 95062
	Hereinafter called COUNTY.		Hereinafter called CONTRACTOR.
SUBJ.	Subject of Contract: Provide a client directed activity center and related services.		
RECITALS	WHEREAS, CONTRACTOR possesses certain skills, experience, education and competency to perform the special services required by this Contract and COUNTY desires to engage CONTRACTOR for such special services upon the terms provided; and		
	WHEREAS, pursuant to the provisions of California Government Code, Section 31000, the BOARD OF SUPERVISORS of COUNTY is authorized to enter into a contract for such services; and		
	WHEREAS, to the extent applicable, this Contract is intended to memorialize and ratify any and all acts which may already have been consummated pursuant to the terms and conditions of this Contract;		
	NOW, THEREFORE, the parties hereto do mutually agree to the terms as set forth in the following Exhibits. Should a conflict arise between the language in any of the Exhibits, the order of precedence is as follows: Exhibit X, C, D, H, B, A, F.		
EXHIBITS	<u>ATTACHED</u>	<u>EXHIBIT</u>	<u>TITLE</u> (CHECK BOX IF ATTACHED)
	<input checked="" type="checkbox"/>	A	Scope of Services
	<input checked="" type="checkbox"/>	B	Budget, Fiscal and Payment Provisions
	<input checked="" type="checkbox"/>	B1	Mental Health Additional Payment, Budget, and Fiscal Provisions
	<input type="checkbox"/>	B2	Substance Use Disorder Services Additional Payment, Budget, and Fiscal Provisions
	<input checked="" type="checkbox"/>	C	Standard County / Agency Provisions
	<input checked="" type="checkbox"/>	D	Standard (Division) Provisions
	<input checked="" type="checkbox"/>	F	Medi-Cal Administrative Activities
	<input type="checkbox"/>	H <sub>1</sub>	HIPAA Business Services Addendum - County as Business Associate
	<input checked="" type="checkbox"/>	H <sub>2</sub>	HIPAA Business Services Addendum - County as Covered Entity
<input type="checkbox"/>	X	Revisions to Exhibits; Additional Terms and Provisions	
TERM	The term of this Contract is from 7/1/2025 through 6/30/2026		
	<input type="checkbox"/> This Contract is included in the COUNTY's Continuing Agreements List. (CHECK BOX IF APPLICABLE)		
TOTAL	Total Compensation Amount: \$477,939		
SIGNATURES	COUNTY		CONTRACTOR
	Director of Health Services or Designee HEALTH SERVICES AGENCY		Signed by:  0731CEB341C749B... Tyler Starkman, Executive Director
	Date		Date
APPROVALS	Approved as to Form:		Approved as to Insurances:
	DocuSigned by:  F0F8FD189D784BF... Office of the County Counsel		Signed by:  E4EADC5BA53B4DB... Risk Management
	Date		Date
DOT	Clerk of the Board	Contractor	Auditor-Controller-Treasurer-Tax Collector
			Health Services Agency

**Contractor:** Mental Health Client Action Network**Agreement No:** 1460**COUNTY OF SANTA CRUZ****EXHIBIT A – Scope of Services**

Contractor: Mental Health Client Action Network (MHCAN)  
Provider No.: N/A  
Program Address: 1051 Cayuga Street, Santa Cruz, CA 95062  
Program Telephone: (831) 469-0462  
Program FAX: (831) 469-9160

CONTRACTOR agrees to and will exercise special skill to accomplish the following results:

**PURPOSE:** CONTRACTOR is a peer-operated service program that provides a safe, supportive environment for adults with behavioral health conditions. CONTRACTOR is anchored in a strength-based model that uses peer allies to emphasize wellness and responsibility for one's own health and behavior. CONTRACTOR has a variety of program options that are person-centered and tailored to an individual's stage of recovery. CONTRACTOR respects the diversity of members and participants, encourages personal growth and resiliency, and provides a sense of community belonging. CONTRACTOR will provide services to Adults and Older Adults, eighteen (18) years and older, who have been diagnosed with a serious mental illness, or are self-identified as having a serious mental illness.

1. The Center

- a. Philosophy: CONTRACTOR strives to create strong and productive partnerships among participants and service providers that will empower members and participants to achieve their full potential and improve their health. CONTRACTOR seeks to instill hope for recovery in all clients and have the resources available for everyone's self-empowerment.
- b. Hours of Operation: The Center is open to members and participants four (4) days each week, Thursday, Friday, Monday, and Tuesday from 9:00 AM to 2:00 PM, excluding holidays. Services may be provided on site or remotely. Hours may be adjusted throughout the year to accommodate changes in programming or service delivery. Additional services may be offered on Wednesdays for specific groups or activities.
- c. Regulatory Compliance: CONTRACTOR will abide by all applicable local, state, and federal regulations, will operate in accordance with COUNTY funding requirements, and will not exceed the occupancy limits established under the City of Santa Cruz (City) Use Permit. CONTRACTOR will identify and abide by the standards of National Peer Run Organizations, incorporated into this Contract by reference.
- d. Security: CONTRACTOR will contract for Security Service in and around their facility per the City Use Permit.

2. Program Services

- a. Peer Groups: CONTRACTOR will host support groups for individuals with mental illness, including those with trauma histories, schizophrenia, bipolar disorder, and

**Contractor:** Mental Health Client Action Network**Agreement No:** 1460

co-occurring disorders. CONTRACTOR will offer a variety of recovery-focused groups and meetings. All peer facilitators will be adequately trained in these modalities to best support participants.

- b. Peer Activities: CONTRACTOR will provide a variety of activities, and an activities calendar will be prepared in advance each month.
  - c. Computer Lab: CONTRACTOR will provide a computer lab with internet service that is accessible to participants for individual use as well as computer education and training classes and skill-building to support education and employment goals.
  - d. Shadow Speakers: CONTRACTOR's mental health speaker's bureau, Shadow Speakers, provides training and opportunities for public speaking about lived experience. The program exists to ensure that schools, hospitals, law enforcement personnel and community members are sensitized to the issues faced by mental health peers and to eliminate the fear, prejudice, stigma, and discrimination associated with being a mental health peer.
  - e. Transportation: CONTRACTOR will provide transportation to bring people to and from the center as well as transport people to COUNTY groups and appointments when needed.
  - f. Drop In Services: CONTRACTOR will provide a wide range of drop-in services, including laundry and showers, as well as 1:1 support in a stigma-free and inclusive environment.
3. Employment Development - Vocational Training Program: CONTRACTOR will provide paid part-time positions for Mental Health peers. CONTRACTOR will offer volunteer opportunities to selected peers and provide vocational support and appropriate accommodations to help individuals be successful in their employment.
  4. Check Distribution/Financial Support: CONTRACTOR will provide check distribution Monday through Friday for people in the mental health system who are on Payeeship, or other hours as needed. Checks will be distributed at the COUNTY Mental Health Lobby, 1400 Emeline Avenue, Santa Cruz. Checks will be logged into each individual's file and kept in a safe and secured area. CONTRACTOR provides peer support in assisting participants in learning how to use debit cards where needed.
  5. MH Medi-Cal Administrative Activities (MAA): CONTRACTOR will provide a 1.0 FTE dedicated to providing only Mental Health Medi-Cal Administrative Activities (MH MAA) outreach services. CONTRACTOR's MH MAA outreach workers will submit to COUNTY on a quarterly basis a certification statement certifying only MH MAA outreach services are being provided. CONTRACTOR's staff are trained to identify, assess and coordinate healthcare needs and access to benefits, particularly Medi-Cal and Social Security's Supplemental Security Income (SSI). CONTRACTOR will provide the following MH MAA Services:
    - a. Linkage to health care services and benefits.
    - b. Educate individuals about specialty mental health services available through the Medi-Cal program, including people experiencing homelessness.
    - c. Encourage individuals who do not follow through with a referral to seek mental health services.

**Contractor:** Mental Health Client Action Network

**Agreement No:** 1460

- d. Gather information on the individual's health and mental-health needs and Medi-Cal eligibility.
  - e. Provide follow-up contact to ensure that an individual received the services to which they were referred.
6. Staffing: CONTRACTOR operates with staff comprised of people with lived experience for the provision of services described in this exhibit. CONTRACTOR staff will continuously receive training relevant to their role, including annual HIPAA training. CONTRACTOR staff and volunteer members will provide one-to-one support, inclusive of individuals with diverse identities and/or those challenged by homelessness.
  7. Grievances: CONTRACTOR will have COUNTY Grievance Forms and process posted and available to CONTRACTOR members and participants. CONTRACTOR will support members in filing a grievance if needed.
  8. Performance Measures: CONTRACTOR will submit required information to the COUNTY's contract monitor as specified in Attachment A-1.
  9. Geographic Areas Served: County of Santa Cruz. Two bus lines run close to The Center.
  10. Internal System Affiliations: CONTRACTOR will continue to participate with other agencies in training and supporting peer counselors. CONTRACTOR will visit local residential mental health facilities to bring residents to special events in the community room and groups. With each client's permission, CONTRACTOR will work collaboratively with Community Connection, Homeless Persons Health Project (HHPH), or any other behavioral health service provider and COUNTY staff.
  11. External Affiliations: CONTRACTOR works as a community bridge with other peer run organizations statewide and nationally.

**- END OF EXHIBIT A -**

Contractor: Mental Health Client Action Network

Contract No. 1460

**COUNTY OF SANTA CRUZ****ATTACHMENT A-1 - Performance Outcome Reports and Due Dates**

"CONTRACTOR shall provide the following report to the COUNTY by email with Subject Line: "Contractor Name Contract Number Reporting Period" at SCCBH@santacruzcountyca.gov on the schedule and in the format provided below."

Reporting Frequency Reporting Months Deadline: Date Submitted:			Quarterly				
			July-Sept	Oct-Dec	Jan-March	April-June	Annual
			1-Oct	1-Jan	1-Apr	1-Jul	1-Jul
Area of Focus		Target	Q1	Q2	Q3	Q4	Annual
Attendance	# of clients attending groups, activities and events						
Attendance	# of duplicated and unduplicated clients						
MAA Activities	# of MAA activities						
MAA Activities	# of MAA specialty service activities to people experiencing homelessness						
Shadow Speakers	# of presentations						
Shadow Speakers	# of people in attendance at each presentation						
System of Care – summary of target population	% of clients engaged in COUNTY services – target 60% (self reported)	60%					
Outcomes	Staff satisfaction surveys - Responses are 3 or greater						
Annual Report and Narrative	Performance measures indicated above and narrative of activities, events, successes, challenges						

**COUNTY OF SANTA CRUZ****EXHIBIT B – Budget, Fiscal and Payment Provisions****1. Compensation**

CONTRACTOR shall invoice COUNTY in arrears on a monthly basis a fixed payment amount up to 1/12th of the contract maximum amount. CONTRACTOR shall submit back-up documentation, including monthly program expense detail, along with a reconciliation of fixed payment received to CONTRACTOR's actual costs by the 15th of following month.

Fixed payments are interim payments and are subject to adjustment per review of actual costs and/or units of service provided as set forth in Exhibit B1.

Maximum reimbursement for the term of this Contract (12 months) is Four Hundred Seventy-Seven Thousand Nine Hundred Thirty-Nine Dollars (\$477,939).

**2. Payment Terms**

CONTRACTOR shall submit its claims on a form acceptable to COUNTY so as to reach the Health Services Agency no later than the thirtieth (30th) day of the month following the month of service. Upon termination of this Contract, CONTRACTOR shall submit its final claim for payment no later than thirty (30) days after the completion of services.

As it pertains to Mental Health Medi-Cal Administrative Activities (MH MAA) program costs (as identified in Exhibit B – Service Agreement Budget grid), CONTRACTOR shall comply with all MH MAA required cost reporting documentation.

Remit all invoices to: [MHInvoices@santacruzcountyca.gov](mailto:MHInvoices@santacruzcountyca.gov)

If, as of the date of signing this Contract, CONTRACTOR has already invoiced or received payment from COUNTY for services rendered under this Contract between COUNTY and CONTRACTOR, such amount(s), when paid, shall be deemed to have been paid out under this Contract and shall be counted towards COUNTY's maximum contractual obligation for reimbursement under this Contract and as identified below.

For internal use only. Revisions may be made to address account code changes and/or typographical errors.										
Suffix	01									
GL Key	363210									
GL Obj	62381									
JL Key										
Total Amount	\$477,939									

If for any reason this Contract is cancelled, COUNTY's maximum liability shall be the total utilization up to the date of cancellation and in no event may exceed the maximum reimbursement amount identified below.

Reimbursement is subject to limitations stated in Exhibit B1 of this Contract.

**3. Budget Control**

Budget modification(s) may be requested in writing by CONTRACTOR to COUNTY and are subject to prior review and written approval by COUNTY. Any change to the compensation total, if applicable, shall require a contract amendment and may be subject to COUNTY Board of Supervisor approval.

LEGAL ENTITY: MHCAN  
PROGRAM NAME: Client Activity Center  
GL KEY/OBJECT: 363210/62381

FISCAL YEAR: 2025/2026  
CONTRACT # 1460-01  
DATE: 7/1/2025  
**ORIGINAL**

SANTA CRUZ COUNTY  
COMMUNITY MENTAL HEALTH  
SERVICE AGREEMENT BUDGET  
EXHIBIT B

		CONTRACT TOTAL					
PROGRAM COMPONENT		The Center	Shadow Speakers Trainings	Check Distributor	Outreach (MAA)	Security	
PROVIDER #		N/A	N/A	N/A			
MODE		45	45	45			
SERVICE FUNCTION		20	20	20			
CONTRACTOR'S COSTS		477,939	341,968	16,200	15,754	58,502	45,515
CONTRACTOR REVENUES							
CONTRIBUTIONS/DONATIONS							
PATIENT FEES/INSURANCE							
RENTS AND INTEREST							
OTHER							
TOTAL REVENUES							
NET CONTRACT AMOUNT		477,939	341,968	16,200	15,754	58,502	45,515
FUNDING SOURCES							
MEDI-CAL (FFP)							
COUNTY GENERAL FUND		349,565	265,753	12,589	12,243	22,732	35,371
MHSA CSS							
MHSA PEI							
CITY OF SANTA CRUZ		100,000	76,215	3,611	3,511	6,519	10,144
OTHER - MAA		28,374				29,251	
TOTAL FUNDING SOURCES		477,939	341,968	16,200	15,754	58,502	45,515
UNIT COST CALCULATION							
CONTRACTOR'S COSTS		477,939	341,968	16,200	15,754	58,502	45,515
COUNTY'S DIRECT COSTS							
TOTAL DIRECT COSTS		477,939	341,968	16,200	15,754	58,502	45,515
UNITS OF SERVICE			N/A	N/A	N/A	N/A	N/A
COST PER UNIT - TOTAL							
NET CONTRACT COST PER UNIT			N/A	N/A	N/A	N/A	N/A
COUNTY COST PER UNIT							
REIMBURSEMENT TYPE			COST	COST	COST	COST	COST

For all services, reimbursement is subject to LIMITATIONS as specified in the Provisions of Exhibits B and B1.

CONTRACT UNITS OF SERVICE	N/A	N/A	N/A	N/A	N/A
CONTRACT MEDI-CAL UNITS					
CONTRACT INDIGENT UNITS					
CONTRACT OTHER UNITS					



## COUNTY OF SANTA CRUZ

### EXHIBIT B1 - ADDITIONAL PAYMENT, BUDGET, AND FISCAL PROVISIONS (MENTAL HEALTH SERVICES)

#### 1. DEFINITIONS

- A. Net Contract Amount: Negotiated Contract maximum amount COUNTY may reimburse CONTRACTOR.
- B. Budget Grid: Service Contract Budget pages of Exhibit B to this Contract.
- C. Contract Cost Per Unit: Negotiated/established cost per unit of service as stated on the "CONTRACT COST PER UNIT" line on the Budget Grid.
- D. Reimbursement Type: Reimbursement mechanism negotiated with CONTRACTOR and identified on "Reimbursement Type" line on Budget Grid as either:
  - 1. **COST**, in which CONTRACTOR is reimbursed based on actual program costs,
  - 2. **FEE FOR SERVICE (FFS) RATE**, in which CONTRACTOR is reimbursed based on the contracted established cost per unit rate for Med-Cal services, or
  - 3. **RATE**, in which CONTRACTOR is reimbursed based on the contracted negotiated rate for non-Medi-Cal services.
- E. Indigent Units of Service: Indigent Units are defined as units of service that are delivered to clients who are not eligible for Medi-Cal programs or have no other insurance coverage.

#### 2. ACCOUNTS RECEIVABLE

In the event that CONTRACTOR or COUNTY terminates this Contract, COUNTY shall retain its interest in the accounts receivable which were a result of CONTRACTOR's Bronzan-McCorquodale eligible service and/or conducting business under this Contract. The accounts receivable shall either be assigned to COUNTY or shall be used to offset any amounts that may be due to CONTRACTOR resulting from such termination with said determination to be made by COUNTY in the exercise of its reasonable judgment.

CONTRACTOR shall submit audited financial reports specific to this Contract on an annual basis. The audit shall be conducted in accordance with generally accepted accounting principles and generally accepted auditing standards (42 Code of Federal Regulations (CFR) 438.3(m)).

#### 3. PAYMENTS

- A. Form, Certification and Timeliness: CONTRACTOR shall certify each claim/invoice submitted to COUNTY by including the following statement on each claim/invoice and signed by CONTRACTOR's officer: "The claimant, under penalty of perjury, states: That this claim/invoice and the items as therein set out are true

and correct, that no part thereof has been heretofore paid, that the amount therein is justly due, and the claim is presented within one year after the last item thereof has accrued.”

COUNTY agrees to pay CONTRACTOR in a timely manner, no later than thirty (30) calendar days following the receipt and acceptance of the claim by COUNTY. If COUNTY does not accept CONTRACTOR’s claim as correct or valid, COUNTY will provide notice to CONTRACTOR within one (1) business day of such determination.

**B. Payment in Arrears:**

1. Actual Costs in Arrears: CONTRACTOR’s monthly claim in arrears for reimbursement from COUNTY shall be itemized as follows: (1) all of CONTRACTOR’s actual and allowable costs resulting from services/activities and/or funding for the particular claim month for cost reimbursement services, and/or (2) units of service provided for the particular claim month for FFS RATE and/or RATE based services.
  - a. Total Contract Units of Service, Contract Medi-Cal Units, Contract Indigent Units and Contract Maximum Indigent Units shall be negotiated for each program component identified on the Budget Grid of Exhibit B with Reimbursement Type of FFS RATE and/or RATE.
  - b. Contract Maximum Indigent Units: Contract Indigent Units are defined as units of service that are delivered to clients who are not enrolled in the Medi-Cal programs or have no other insurance coverage. CONTRACTOR shall not receive reimbursement for any units of service delivered to indigent clients in excess of the number of units of service specified in Contract Maximum Indigent Units by program component.
2. Fixed Payments in Arrears for COST Reimbursement Type Services: When monthly fixed payments in arrears are requested by CONTRACTOR for COST reimbursement type services, CONTRACTOR will invoice COUNTY in arrears a fixed amount up to 1/12<sup>th</sup> of the Contract Maximum for those services, and are subject to adjustment per review of actual costs and/or units of service provided as set forth below in Section C.3 “Performance Review Limitations.” FFS RATE and RATE reimbursement type services are not eligible for Fixed Payments in Arrears.
3. Amounts: The Budget Grid of Exhibit B of this Contract will specify the type of payment modality for each type of service (program component) delivered by CONTRACTOR. Each program component shall be identified on the Budget Grid as Reimbursement Type COST, FFS RATE or RATE. For COST reimbursement, CONTRACTOR’s monthly claim in arrears shall be limited in amount to allowable costs. For RATE reimbursement type, CONTRACTOR’s monthly claim in arrears shall be limited in amount to allowable units of service

delivered at the Contract Cost Per Unit rate specified on the Budget Grid of Exhibit B.

4. Contracts on the COUNTY's Continuing Contracts List (CAL) identified as CAL Section II and/or III: For the forthcoming fiscal year for the period covering July through August, COUNTY agrees to reimburse CONTRACTOR's claims for this period in an amount not to exceed 2/12<sup>th</sup> of the prior year Contract amount or 2/12<sup>th</sup> of the proposed new year Contract amount, whichever is less or up to 3/12<sup>th</sup> with consultation and documented approval of the department's County Administrative Office Analyst and the Auditor-Controller management of the lesser prior year or new year Contract amount. The proposed new year amount shall not exceed the value shown in the COUNTY's CAL as approved by the COUNTY's Board of Supervisors during the final day of budget hearings, typically at the end of June. Upon execution of a renewed Contract for the forthcoming year, COUNTY will provide reimbursement in arrears commensurate with allowable costs and units of service delivered and shall include, if appropriate, adjustment for each of the months of July and August (and September, if applicable).

**C. Advance Payment for COST Reimbursement Type Services:**

1. Conditions: When a Non-profit, community-based organization granted tax-exempt status under Internal Revenue Code Section 501 requires payment advances for COST reimbursement type services, CONTRACTOR assures COUNTY that an advance is necessary in order to maintain program integrity. Evidence of such shall be retained in the department files. CONTRACTOR will not use advances to provide working capital for non-County programs. When possible, advances will be deposited in interest-bearing accounts, with said interest being used to reduce program costs. FFS RATE and RATE reimbursement type services are not eligible for Advance Payment.
2. Amounts: When advances for COST reimbursement type services are requested by CONTRACTOR under this Contract, COUNTY agrees to provide CONTRACTOR with a one-time advance for the forthcoming fiscal year in an amount equal to 2/12<sup>th</sup> of the new year total Contract amount or 2/12<sup>th</sup> of the prior year total Contract amount, whichever is less. The proposed new year amount shall not exceed the value shown in the COUNTY's CAL as approved by the COUNTY's Board of Supervisors during the final day of budget hearings, typically at the end of June. The objective of the advance for COST reimbursement type services is to provide working capital for local non-profits for the provision of COST reimbursement type services contracted. Upon execution of a renewed Contract for the forthcoming year, CONTRACTOR will invoice in arrears for actual COST reimbursement type services provided starting with the month of July. Reconciliation of actual costs and/or units of service provided against the advance payment will start at the latest with the service month of April forward and will be subject to payment adjustment. Invoices for the months of April, May, and June may be reduced for

CONTRACTOR to repay COUNTY any unearned amount of the Advance payment.

3. Performance Review Limitations:

- a. Overview: If COUNTY makes advance payments or fixed payments to CONTRACTOR for services under terms of this Contract, COUNTY will review CONTRACTOR's performance progress with the intent to reduce payments in proportion to the value of services falling behind Contract expectations. COUNTY shall review CONTRACTOR's progress on an "as needed" basis but not less than twice each fiscal year, typically in February and again in April.
- b. Defined Performance Expectations: The Budget Grid of Exhibit B of this Contract will specify the type of payment modality for each type of service (program component) delivered by CONTRACTOR. Each program component shall be identified on the Budget Grid as Reimbursement Type COST, FFS RATE, or RATE. For performance review purposes, the following percentages of completion are expected for each program component under the following Reimbursement Types:
  1. COST incur a minimum of 90% of budgeted expenditures; and
  2. FFS RATE/RATE provide a minimum of 95% of budgeted total units of service
- c. Method: COUNTY performance reviews shall compare the Net Contract Amount value of (a) fiscal year-to-date total units of service provided by CONTRACTOR and/or fiscal year-to-date costs incurred by CONTRACTOR, to (b) prorated budget data. Year-to-date units shall be based on data entered into the COUNTY's management information system, and year-to-date costs shall be based on CONTRACTOR expenditure reports. Prorated budget data shall be based upon the Budget Grid for corresponding year-to-date period of time applied by expected percentages of completion as identified in paragraph 3.b. of this Section. COUNTY's review will compare CONTRACTOR's performance prorated budget for each program component. If the Net Contract Amount value of performance measured in aggregate for each Budget Grid is at or above the prorated budget including estimated Budget Transfer amounts agreed upon in writing between CONTRACTOR and COUNTY, then COUNTY will make full payment on the next monthly claim submitted by CONTRACTOR and, as applicable, restore previous reductions. If the Net Contract Amount value of performance measured in aggregate for each Budget Grid is below the prorated budget, COUNTY will reduce the next monthly claim submitted by CONTRACTOR. This reduction shall be equal to the dollar value of the performance shortage through the end of the month for which the claim is being evaluated, and, if applicable, include adjustment from previous review

reductions. Unreconciled units of service will be addressed in subsequent invoices, subsequent reviews, and year-end reconciliation.

**D. Coordination of Benefits**

COUNTY billing department handles billing for all Specialty Mental Health Services and manages Coordination of Benefits for clients with coverage from multiple payors. As the Payor of Last Resort for all Medi-Cal clients, COUNTY will reimburse CONTRACTOR only up to the Medi-Cal allowable rate for any given service net of any reimbursement received from any other payors.

CONTRACTOR is responsible for collecting all benefits eligibility information from clients served and providing this information to COUNTY's Billing Department/Patient Accounting at 1800 Green Hills Road, Suite 240, Scotts Valley, CA 95066.

**E. Time-Based Healthcare Services and Lock-Out Codes**

1. **Time-Based Healthcare Services** The healthcare services provided under this Contract are governed by the Current Procedural Terminology (CPT) codes, which are structured based on time-based increments where applicable. For services that require time-based reporting, the total duration of the service, as documented by the provider, will be used to determine the appropriate CPT code and reimbursement rate. These services will be reported using the applicable CPT time-based codes as defined by the American Medical Association (AMA) and consistent with the guidelines outlined in the CPT manual. Time-based services are to be documented with precision, indicating the duration of the service based on QI instructions and guidelines found on COUNTY's website (<https://www.santacruzhealth.org/HSAHome/HSADivisions/BehavioralHealth/AvatarResources/CalAIM.aspx>), along with any specific details that justify the time spent.
2. **Lock-Out Codes** In situations where a "lock-out" code applies, the following rules shall govern the application of such codes:
  - a. A lock-out code is a restriction that prevents the billing of certain CPT codes in combination with other services due to overlapping time periods, duplicate procedures, or conflicting services, as defined by DHCS information the service tables on the MedCCC website (<https://www.dhcs.ca.gov/services/MH/Pages/MedCCC-Library.aspx>).
  - b. The lock-out codes and their applicable restrictions are determined based on the AMA's CPT guidelines, the payer's policies, and any other relevant rules governing time-based healthcare services.

#### **4. PROVIDER OVERPAYMENT**

CONTRACTOR agrees to ensure Program Integrity and will comply with 42 CFR Section 438.608 related to return of overpayments, and related to issues of potential fraud, waste, or abuse. CONTRACTOR agrees to ensure Program Integrity (Fraud Waste and Abuse protection) by reimbursing COUNTY for all audit exceptions and disallowances, which are determined by the COUNTY'S Director of Behavioral Health or their designee to be the responsibility of CONTRACTOR from either: 1) State audits (Fiscal & Quality Assurance); 2) COUNTY Quality Improvement Committee/Utilization Review (UR) denials; or 3) CONTRACTOR internal audit practices.

Reimbursement shall be made within thirty (30) calendar days of the disallowance, unless CONTRACTOR chooses to appeal pursuant to State Medi-Cal procedures, or unless COUNTY defers payment until year-end reconciliation. When the outcome of appeal is determined, final due amount shall be made to COUNTY within thirty (30) calendar days.

#### **5. MENTAL HEALTH SERVICES ACT (MHSA) COMPLIANCE**

CONTRACTOR will comply with all MHSA laws, rules, and regulations established by the State Department of Health Care Services (DHCS) including but not limited to reporting requirements.

#### **6. REQUIRED REPORTS AND PAYMENTS**

CONTRACTOR will submit all required reports identified in this Contract including but not limited to Performance Measures/Outcomes Reports and MHSA reports. Failure to submit any of the required reports will result in withholding of payment of up to 5% of Contract maximum amount. Withheld payments will be transmitted to CONTRACTOR upon compliance with reporting requirements.

#### **7. QUALITY IMPROVEMENT REVIEW AND DISALLOWANCES**

As referenced in Exhibit D, Section 5 "QUALITY IMPROVEMENT PARTICIPATION," CONTRACTOR will participate in the Quality Improvement Program. With regard to any quality review of consumer records and services that are determined to be disallowed, COUNTY will issue a notice of intent to disallow claims payments and recoup denied claims as follows:

##### **A. Notice of intent to disallow claims payments:**

1. At any time during the effective dates of this Contract, COUNTY may issue CONTRACTOR a written notice of intent to disallow claims payments associated with the delivery of services based on CONTRACTOR's failure to comply with documentation requirements specified in State and Federal regulations.
  - a. The failure to comply with these requirements shall be based on quality assurance reviews conducted by COUNTY.

- b. Before issuing a notice of disallowance, COUNTY shall provide CONTRACTOR an opportunity to rectify the disallowed documentation, within seven (7) business days of receiving the notice of disallowance, if permissible under State and Federal regulations.
2. A notice of intent to disallow claims payments is the result of a quality assurance audit on the documentation provided by CONTRACTOR for the provision of clinical services.
  - a. The purpose of the notice is to notify CONTRACTOR as early as practicable during the Contract period that the claims payment is considered unallowable under the Contract terms and to provide for timely resolution of any resulting disagreement.
  - b. In the event of disagreement, CONTRACTOR may submit to COUNTY a written response substantiating why the claims payment should be allowed.

(1) Any such response shall be answered by withdrawal of the notice or by COUNTY making a written decision within ten (10) calendar days.
3. At a minimum, the notice of disallowed claims payments shall:
  - a. Describe the specific claims payments to be disallowed, including estimated dollar value by claim and applicable time periods, and state the reasons for the intended disallowance;
  - b. State the notice effective date and the date by which written response must be received;
  - c. List the recipients of copies of the notice; and
  - d. Request CONTRACTOR acknowledge receipt of the notice.

**B. Recoupment of denied claims:**

1. On a quarterly basis, during the months of October, January, April and July, CONTRACTOR's invoice to COUNTY shall reflect a credit for the disallowed claims payment amount.
2. Recoupment for disallowed claims payments shall be based on the current contracted rates between COUNTY and CONTRACTOR in effect for the Contract period.
3. COUNTY shall not reimburse CONTRACTOR for any final disallowed claims payments in the final year-end reconciliation for the fiscal year.

- a. All disallowed claims payments will be excluded from the year-end reconciliation.

## 8. YEAR-END RECONCILIATION

**A. Overview:** During the term of this Contract and thereafter, COUNTY and CONTRACTOR agree to settle dollar amounts earned by CONTRACTOR for the program components specified on the Budget Grid of Exhibit B of this Contract up to the Contract maximum amount. Phases of reconciliation are listed below in chronological order.

**B. COUNTY Performance Review:** The first reconciliation payment adjustment is performed by COUNTY, as applicable, on an “as needed” basis but not less than twice each fiscal year and is intended to reduce payment for units of service and/or costs that are less than the contracted amounts shown on the Budget Grid. Section 3.C.3 Performance Review Limitations describes in detail the procedure followed by COUNTY.

Timeline: Typically occurs, at minimum, once in February when six (6) months of data are available, and once in April when nine (9) months of data are available.

**C. COUNTY Year-End Reconciliation:** At the subsequent time when all the COUNTY's outstanding claims for payment from Short-Doyle/Medi-Cal are paid to COUNTY by the State, approximately six (6) to twelve (12) months following the close of the fiscal year, a year-end reconciliation will be administered by COUNTY. DHCS may, prior to completing payment to COUNTY of all outstanding COUNTY's claims, allow or disallow additional units previously submitted by COUNTY on behalf of the CONTRACTOR's Legal Entity. COUNTY may choose to appeal the DHCS disallowance(s) and therefore reserves the right to defer reconciliation with CONTRACTOR until resolution of the appeal. Upon completion of year-end reconciliation, CONTRACTOR shall submit a claim for any amounts due from COUNTY, or CONTRACTOR shall submit a check to COUNTY reimbursing COUNTY for any unearned amount.

Timeline: No later than six (6) to twelve (12) months following the close of the COUNTY's fiscal year.

**F. CONTRACTOR Appeal Rights:** If CONTRACTOR disagrees with an audit finding made against it pursuant to Exhibit C, Section 14, CONTRACTOR may appeal that decision to the Behavioral Health Services Director or their designee for a review of the disputed finding. CONTRACTOR may further appeal the decision of the Behavioral Health Services Director to the Health Services Agency Director who shall have final authority to determine CONTRACTOR's responsibility related to an audit finding. CONTRACTOR shall file their appeal within thirty (30) calendar days from the date of notification of the audit findings.



## 9. RECONCILIATION LIMITATIONS

- A. Overview:** The Budget Grid of Exhibit B of this Contract will specify the type of payment modality for each type of service delivered by CONTRACTOR. Service modalities (program components) shall be identified on the Budget Grid as Reimbursement Type COST, FFS RATE or RATE. Each of these reimbursement types uniquely affects the reconciliation amount for services provided within each program component.
- B. COST Reimbursement Type:**  
For each program component identified as COST reimbursement type, CONTRACTOR shall be reimbursed for the actual costs expended by CONTRACTOR for services delivered, up to the Net Contract Amount for that program component, unless otherwise limited by other provisions in this Exhibit.
- C. FFS RATE Reimbursement Type:**  
Allowable Units of Service for reconciliation shall be defined as the number of units entered into the COUNTY's management information system that are not denied through any process including COUNTY UR, State of California or Federal audit or disallowment.
- G. RATE Reimbursement Type:** Allowable Units of Service for reconciliation shall be defined as number of units not denied through any other process, including COUNTY UR, State of California, or Federal audit or disallowment.

## 10. ADDITIONAL BUDGET CONTROLS

- A. Funds Not Allowed to Transfer:** Unless otherwise specifically allowed in Exhibit B, grants and pass through funds are not allowed to be transferred between Program Components and are thereby "locked down" and excluded from the Net Contract Amount when applying a transfer provision.  
Furthermore, excluding FFS programs, positions funded at a level equal to or greater than 75% of the total position (e.g., one full-time equivalent) cost are prohibited to work in another program or bill other revenue sources for more than the balance of the total costs of the position without prior approval from COUNTY.
- B. Funds with Transfer Limitations:** MHSA funds may only be transferred to other MHSA funded program components with prior written approval from COUNTY.
- C. Contract Amendment:** If the Contract maximum compensation is reached for any given program budget, COUNTY and CONTRACTOR will discuss whether to increase the Contract maximum compensation, transfer funds between program, or reduce services.

## COUNTY OF SANTA CRUZ

### EXHIBIT C – STANDARD COUNTY / AGENCY PROVISIONS

#### 1. **TERMINATION.**

- A. Termination for Cause. COUNTY may, in its sole discretion, immediately terminate this Contract if CONTRACTOR fails to adequately perform the services required hereunder, fails to comply with the terms or conditions set forth herein, or violates any local, state or federal law, regulation or standard applicable to its performance hereunder.
- B. Termination Without Cause. COUNTY may terminate this Contract without cause upon at least thirty (30) calendar days advance written notice which states the effective date of the termination. Such termination is without penalty to or further obligation of COUNTY.
- C. Termination Due To Cessation Of Funding. COUNTY shall have the right to terminate this Contract without prior notice to CONTRACTOR in the event that State or Federal funding for this Contract ceases prior to the ordinary term of the Contract.
- D. Compensation Upon Termination. In the event this Contract is terminated, CONTRACTOR shall be entitled to compensation for uncompensated services provided pursuant to the terms and conditions set forth herein through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Contract by CONTRACTOR.

#### 2. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** To the fullest extent permitted by applicable law, CONTRACTOR shall exonerate, indemnify, defend, and hold harmless COUNTY (which for the purpose of paragraphs 2 and 3 shall include, without limitation, its officers, agents, employees, and volunteers) from and against:

- A. Any and all claims, demands, losses, damages, defense costs, expenses (including attorneys' fees and costs), fines, penalties, and liabilities of any kind or nature which COUNTY, CONTRACTOR, or any third party may sustain as a result of, arising out of, or in any manner connected with CONTRACTOR's performance or failure to comply with or perform under the terms of this Contract, excepting any liability arising out of the sole negligence of COUNTY. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.

- B.** Any and all federal, state, and local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR's officers, employees, and agents engaged in the performance of this Contract (including without limitation unemployment insurance, social security, and payroll tax withholding).

COUNTY may conduct or participate in its own defense without affecting CONTRACTOR's obligation to indemnify and hold harmless or defend COUNTY.

Acceptance of the insurance required by this Contract shall not relieve CONTRACTOR from liability under this provision. This provision shall apply to all claims for damages related to CONTRACTOR's performance hereunder, regardless of whether any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided hereunder.

- 3. INSURANCE.** Unless waived in Exhibit X, Paragraph 1 of this Contract, or modified in Exhibit X, Paragraph 2 of this Contract, CONTRACTOR, at its sole cost and expense, and for the full term of this Contract (and any extensions thereof), shall obtain and maintain, at minimum, all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage and non-contributory as respects COUNTY and any insurance or self-insurance maintained by COUNTY shall be considered in excess of CONTRACTOR's insurance coverage and shall not contribute to it.

If CONTRACTOR normally carries insurance in an amount greater than the minimum amount required by COUNTY for this Contract, that greater amount shall become the minimum required amount of insurance for purposes of this Contract. Therefore, CONTRACTOR hereby acknowledges and agrees that any and all insurance carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Contract. Insurance is to be obtained from insurers reasonably acceptable to COUNTY.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Contract, CONTRACTOR shall obtain and maintain Contractor's Protective Liability insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of CONTRACTOR in this Contract.

**A. TYPES OF INSURANCE AND MINIMUM LIMITS**

1. Workers' Compensation Insurance in the minimum statutory required coverage amounts.
2. Automobile Liability Insurance for each of CONTRACTOR's vehicles used in the performance of this Contract, including owned, non-owned (e.g.,

owned by CONTRACTOR's employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage.

3. Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO Form CG 00 01 with a minimum limit of \$2,000,000 per occurrence, and \$2,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.
4. Professional Liability Insurance in the minimum amount of \$1,000,000 combined single limit.
5. Cyber liability insurance with limits of not less than \$1,000,000 per occurrence, and \$2,000,000 in the aggregate. Coverage must include claims involving Cyber Risks. The cyber liability policy must be endorsed to cover the full replacement value of damage to, alteration of, loss of, or destruction of intangible property (including but not limited to information or data) that is in the care, custody, or control of CONTRACTOR. "Cyber Risks" include but are not limited to (1) security breach; (2) data breach; (3) system failure; (4) data recovery; (5) failure to timely disclose data breach or security breach; (6) failure to comply with privacy policy; (7) business interruption; (8) cyber extortion; (9) invasion of privacy violations, including release of private information; (10) information theft; (11) release of private information; (12) payment card liabilities and costs; (13) infringement of intellectual property, including but not limited to infringement of copyright, trademark, and trade dress; (14) damage to or destruction or alteration of electronic information; (15) extortion related to CONTRACTOR's obligations under this Contract regarding electronic information, including personal information; (16) fraudulent instruction; (17) funds transfer fraud; (18) telephone fraud; (19) network security; (20) data breach response costs, including security breach response costs; (21) regulatory fines and penalties related to CONTRACTOR's obligations under this Contract regarding electronic information, including personal information; and (22) credit monitoring expenses.

## **B. OTHER INSURANCE PROVISIONS**

1. If any insurance coverage required in this Contract is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees that the retroactive date thereof shall be no later than the first effective date of Contract as written on the signature page of this Contract, and that it shall maintain the required coverage for a period of three (3) years after the expiration of this Contract (hereinafter "post Contract coverage") and any extensions thereof. CONTRACTOR may maintain the required post Contract coverage by renewal or purchase of prior acts or tail coverage.

This provision is contingent upon post Contract coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Contract. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Contract in order to purchase prior acts or tail coverage for post Contract coverage shall be deemed reasonable.

2. All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover the County of Santa Cruz, its officers, officials, employees, agents and volunteers as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.
3. All required policies shall be endorsed to contain the following clause: *"This insurance shall not be canceled until after thirty (30) calendar days' prior written notice (ten (10) calendar days for nonpayment of premium) has been given to:*

**County of Santa Cruz  
Health Services Agency  
Attn: HSA Fiscal - Claims  
1080 Emeline Avenue  
Santa Cruz, CA 95060**

Should CONTRACTOR fail to obtain such an endorsement to any policy required hereunder, CONTRACTOR shall be responsible to provide at least thirty (30) calendar days' notice (ten (10) calendar days for nonpayment of premium) of cancellation of such policy to COUNTY as a material term of this Contract.

4. CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide COUNTY on or before the effective date of this Contract with Certificates of Insurance and endorsements for all required coverages. However, failure to obtain the required documents prior to the work beginning shall not waive CONTRACTOR's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

**County of Santa Cruz  
Health Services Agency  
Attn: HSA Fiscal - Claims  
1080 Emeline Avenue  
Santa Cruz, CA 95060**

5. CONTRACTOR hereby grants to COUNTY a waiver of any right of subrogation which any insurer of said CONTRACTOR may acquire against COUNTY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not COUNTY has received a waiver of subrogation endorsement from the insurer.
4. **EQUAL EMPLOYMENT OPPORTUNITY.** During and in relation to the performance of this Contract, CONTRACTOR agrees as follows:
- A. CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, physical, or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, gender identity, gender expression, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.
- B. If this Contract provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:
1. CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, national origin, ancestry, physical, or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. In addition, CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned

Business Enterprises in CONTRACTOR's solicitation of goods and services. Definitions for Minority/Women/Disabled Business Enterprises are available from the COUNTY General Services Purchasing Division.

2. In the event of CONTRACTOR's non-compliance with the non-discrimination clauses of this Contract or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further agreements with COUNTY.
3. CONTRACTOR shall cause the foregoing provisions of this Subparagraph 4B to be inserted in all subcontracts for any work covered under this Contract by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to agreements or subcontracts for standard commercial supplies or raw materials.

5. **INDEPENDENT CONTRACTOR STATUS.** CONTRACTOR and COUNTY agree that in performing its obligations under this Contract, CONTRACTOR, including its officers, agents, employees, and volunteers, is at all times acting and performing as an independent contractor, in an independent capacity, and not as an officer, agent, servant, employee, joint venturer, partner, or associate of COUNTY.

Because of its status as an independent contractor, CONTRACTOR has no right to employment rights or benefits available to COUNTY employees. CONTRACTOR is solely responsible for providing to its own employees all employee benefits required by law. CONTRACTOR shall save COUNTY harmless from all matters relating to the payment of CONTRACTOR's employees, including all payroll related taxes. COUNTY has no right to control, supervise, or direct the manner or method of CONTRACTOR's performance under this Contract, but COUNTY may verify that CONTRACTOR is performing according to the terms of this Contract.

6. **NONASSIGNMENT.** CONTRACTOR shall not assign this Contract without the prior written consent of COUNTY.
7. **ACKNOWLEDGMENT.** CONTRACTOR shall acknowledge in all reports and literature that the Santa Cruz County Board of Supervisors has provided funding to CONTRACTOR.
8. **INSPECTIONS, AUDITS, AND PUBLIC RECORDS.**

- A. **Inspection of Documents.** CONTRACTOR shall make available to COUNTY, and COUNTY may examine at any time during business hours and as often as COUNTY deems reasonably necessary, all of CONTRACTOR's records and data with respect to the matters covered by this Contract, excluding attorney-client privileged communications. CONTRACTOR shall, upon request by

COUNTY, permit COUNTY to audit and inspect all of such records and data to ensure CONTRACTOR's compliance with the terms of this Contract.

- B. Retention and Audit of Records.** CONTRACTOR shall retain records pertinent to this Contract for a period of not less than ten (10) years after final payment under this Contract or until a final audit report is accepted by COUNTY, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector, the Auditor General of the State of California, or the designee of either, for a period of ten (10) years after final payment under this Contract.
- C. Public Records.** COUNTY is not limited in any manner with respect to its public disclosure of this Contract or any record or data that CONTRACTOR may provide to COUNTY. COUNTY's public disclosure of this Contract or any record or data that CONTRACTOR may provide to COUNTY may include but is not limited to the following:
1. COUNTY may voluntarily, or upon request by any member of the public or governmental agency, disclose this Contract to the public or such governmental agency.
  2. COUNTY may voluntarily, or upon request by any member of the public or governmental agency, disclose to the public or such governmental agency any record or data that CONTRACTOR may provide to COUNTY, unless such disclosure is prohibited by court order.
  3. This Contract, and any record or data that CONTRACTOR may provide to COUNTY, is subject to public disclosure as a public record under the California Public Records Act (California Government Code, Title 1, Division 10, beginning with section 7920.000) ("CPRA").
  4. This Contract, and any record or data that CONTRACTOR may provide to COUNTY, is subject to public disclosure as information concerning the conduct of the people's business of the State of California under Article 1, section 3, subdivision (b) of the California Constitution.
  5. Any marking of confidentiality or restricted access upon or otherwise made with respect to any record or data that CONTRACTOR may provide to COUNTY shall be disregarded and have no effect on COUNTY's right or duty to disclose to the public or governmental agency any such record or data.
- D. Public Records Act Requests.** CONTRACTOR shall cooperate with COUNTY with respect to any COUNTY demand for requested records.



1. If COUNTY receives a written or oral request under the CPRA to publicly disclose any record that is in CONTRACTOR's possession or control, and which COUNTY has a right, under any provision of this Contract or applicable law, to possess or control, then COUNTY may demand, in writing, that CONTRACTOR deliver to COUNTY, for purposes of public disclosure, the requested records that may be in the possession or control of CONTRACTOR. Within five (5) COUNTY business days after COUNTY's demand, CONTRACTOR shall (a) deliver to COUNTY all of the requested records that are in CONTRACTOR's possession or control, together with a written statement that CONTRACTOR, after conducting a diligent search, has produced all requested records that are in CONTRACTOR's possession or control, or (b) provide to COUNTY a written statement that CONTRACTOR, after conducting a diligent search, does not possess or control any of the requested records.
2. If CONTRACTOR wishes to assert that any specific record or data is exempt from disclosure under the CPRA or other applicable law, it must deliver the record or data to COUNTY and assert the exemption by citation to specific legal authority within the written statement that it provides to COUNTY under this section. CONTRACTOR's assertion of any exemption from disclosure is not binding on COUNTY, but COUNTY will give at least ten (10) calendar days' advance written notice to CONTRACTOR before disclosing any record subject to CONTRACTOR's assertion of exemption from disclosure.
3. CONTRACTOR shall indemnify COUNTY for any court-ordered award of costs or attorney's fees under the CPRA that results from CONTRACTOR's delay, claim of exemption, failure to produce any such records, or failure to cooperate with COUNTY with respect to any COUNTY demand for any such records.
4. This provision shall not prohibit CONTRACTOR from seeking a protective order to prevent the disclosure of records CONTRACTOR has deemed or marked as confidential or restricted or proprietary.
9. **PRESENTATION OF CLAIMS.** Presentation and processing of any or all claims arising out of or related to this Contract shall be made in accordance with the provisions contained in Chapter 1.05 of the Santa Cruz County Code, which by this reference is incorporated herein.
10. **LIVING WAGE.** If initialed by COUNTY in Exhibit X, Paragraph 3, then this Contract is subject to the provisions of Santa Cruz County Code Chapter 2.122, which requires payment of a living wage to covered employees (per County Code Chapter 2.122.050, non-profit contractors are exempt from the living wage rate requirement of this chapter, but are not exempt from, and must adhere to, the "non-wage" related requirements of County Code Chapter 2.122.100, 2.122.130, and

2.122.140, as well as all other applicable portions of County Code Chapter 2.122). Non-compliance with these Living Wage provisions during the term of this Contract will be considered a material breach, and may result in termination of this Contract and/or pursuit of other legal or administrative remedies.

CONTRACTOR agrees to comply with Santa Cruz County Code section 2.122.140, if applicable.

11. **NON-BINDING UNTIL APPROVED.** Regardless of whether this Contract has been signed by all parties, if the total compensation identified in this Contract is greater than \$200,000, this Contract is not binding on any party until this Contract has been approved by the Santa Cruz County Board of Supervisors.
12. **REPRESENTATIONS & WARRANTIES AND FINANCIAL REPORTING FOR 501(c)(3) NONPROFIT AGENCIES.**

A. The following representations and warranties are only applicable to 501(c)(3) nonprofit agencies:

1. CONTRACTOR warrants and certifies itself as a nonprofit organization with a 501(c)(3) status in good standing. CONTRACTOR agrees it will continue to operate as a recognized 501(c)(3) organization and in good standing for the duration of this Contract and that failure to do so shall be a material breach of this Contract.

B. Within one hundred eighty (180) calendar days of the end of each of CONTRACTOR's fiscal years occurring during the term of this Contract, CONTRACTOR shall provide the Contract Administrator with two copies of Financial Statements relating to the entirety of CONTRACTOR's operations. Financial Statements normally include: (1) a Statement of Financial Position or Balance Sheet; (2) a Statement of Activities or Statement of Revenues and Expenses; (3) a Cash Flow Statement; and (4) a Statement of Functional Expenses. The Contract Administrator will forward one copy of the financial statements to the County Auditor-Controller-Treasurer-Tax Collector.

1. For the purposes of this Paragraph, "CONTRACTOR's fiscal year" shall be that period CONTRACTOR utilizes for its annual budget cycle.
2. The Contract Administrator with concurrence of the County Auditor-Controller-Treasurer-Tax Collector may agree to extend the deadline for the Financial Statements required by this Paragraph.
3. In the sole discretion of COUNTY, the requirements of this Paragraph may be exempted where the Contract Administrator and the County Auditor-Controller-Treasurer-Tax Collector ascertain that such reporting is not essential, and does certify to its inapplicability by initialing in Exhibit X, Paragraph 4.

C. CONTRACTOR shall make a good faith effort to provide the Contract Administrator with timely notice of any event or circumstance that materially impairs CONTRACTOR's financial position or substantially interferes with CONTRACTOR's ability to offer the services it has agreed to provide as set forth in this Contract. The Contract Administrator shall notify the Auditor-Controller-Treasurer-Tax Collector of any impairment upon being notified by CONTRACTOR.

D. For audit authority of the Auditor-Controller-Treasurer-Tax Collector refer to the Paragraph on "Retention and Audit of Records."

**13. DISALLOWANCE AND RESPONSIBILITY FOR AUDIT EXCEPTIONS.**

CONTRACTOR is responsible for knowledge of, and compliance with, all County, State, and Federal regulations applicable to expenditure of funds under the terms of this Contract. In the event CONTRACTOR claims and receives payment from COUNTY which is later disallowed based on an audit performed by COUNTY, the State of California or the United States government, CONTRACTOR shall promptly refund the disallowed amount to COUNTY on request, or at COUNTY's sole option, COUNTY may offset the amount disallowed from any payment due or to become due to CONTRACTOR under this Contract. CONTRACTOR also agrees to assume all responsibility for receiving, replying to, and complying with any audit exceptions by the County, State, or Federal audit agency.

**14. POLITICAL ACTIVITIES PROHIBITED.** CONTRACTOR agrees to comply with all provisions of the Hatch Act (Title 5 USC, Sections 1501-1508). This includes but is not limited to the provision that none of the funds, provided directly or indirectly, under this Contract shall be used for any political activities or to further the election or defeat of any candidate for public office or measure before the electorate.

**15. LOBBYING.** None of the funds provided under this Contract shall be used for publicity or propaganda purposes designed to support or defeat any legislation pending before State or Federal legislatures or the Board of Supervisors of the COUNTY to an extent other than allowed under applicable federal tax regulations for tax exempt corporations pursuant to 26 USC Section 501(h) and 26 CFR Section 1.501(h)-1 to 1.501(h)-3.

**16. CONFORMANCE TO REGULATIONS.** CONTRACTOR shall perform duties under this Contract in conformance with applicable Federal, State, and local rules and regulations, including applicable facility and professional licensure and/or certification laws. CONTRACTOR shall conform to all provisions of the False Claims Acts including but not limited to 31 USC, Chapter 37, Sections 3729-3733 of the Federal False Claims Act, and Government Code Sections 12650-12656 (State False Claims Act).

**17. RESPONSIBILITY FOR INVENTORY ITEMS.**

- A.** Equipment, materials, supplies, or property of any kind purchased from funds advanced or reimbursed under the terms of this Contract having a useful life of three years or greater and a value in excess of three hundred dollars (\$300) is defined as an inventory item. All such items not fully consumed in the work described herein shall be the property of COUNTY at the termination of this Contract unless COUNTY, at its sole discretion, makes an alternate disposition. CONTRACTOR shall, at the request of COUNTY, submit an inventory of said items purchased under the terms of this Contract, and for items received on a loan or leased basis from COUNTY; such inventory will not be required more frequently than annually. CONTRACTOR shall provide a final inventory to COUNTY's Administrator within ten (10) calendar days of the termination of this Contract. Final disposition of all inventory items shall be in accordance with written instructions provided by COUNTY.
- B.** Inventory items in CONTRACTOR's possession shall only be used in connection with the program funded under this Contract, and shall not be loaned to the public at large. CONTRACTOR is strictly liable for repairing or replacing any inventory item which is lost and/or damaged while in its possession. CONTRACTOR is responsible for the proper maintenance of all inventory items. CONTRACTOR will return all inventory items to COUNTY in the same condition that it received them except for damage due to normal wear and tear.

**18. NONDISCRIMINATION IN SERVICES.**

- A.** By signing this Contract, CONTRACTOR certifies under the laws of the State of California that CONTRACTOR and its subcontractors shall not unlawfully discriminate in the provision of services because of race, color, creed, religion, national origin, ancestry, physical, or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, gender identity, gender expression, pregnancy, or any other non-merit factor as provided by state and federal law and in accordance with Title VI of the Civil Rights Act of 1964 [42 USC 2000(d)]; Age Discrimination Act of 1975 (42 USC 6101); Rehabilitation Act of 1973 (29 USC 794); Education Amendments of 1972 (20 USC 1681); Americans with Disabilities Act of 1990 (42 USC 12101); Title 45, CFR, Part 84; provisions of the Fair Employment and Housing Act (Government Code Section 12900 et seq.); and regulations promulgated thereunder (Title 2, CCR, Section 7285.0 et seq.); Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section 11135; and Chapter 6 of Division 4 of Title 9 of the CCR, commencing with Section 10800.
- B.** For the purpose of this Contract, discrimination on the basis of race, color, creed, religion, national origin, ancestry, physical, or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, gender identity, gender expression, pregnancy, or any other non-merit factor includes, but is

not limited to, the following: denying an otherwise eligible individual any service or providing a benefit which is different, or is provided in a different manner or at a different time, from that provided to others under this Contract; subjecting any otherwise eligible individual to segregation or separate treatment in any matter related to the receipt of any service; restricting an otherwise eligible individual in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and/or treating any individual differently from others in determining whether such individual satisfied any admission, enrollment, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any service or benefit.

- C. CONTRACTOR shall, on a cycle of at least every three (3) years, assess, monitor, and document each subcontractor's compliance with the Rehabilitation Act of 1973 and Americans with Disabilities Act of 1990 to ensure that recipients/beneficiaries and intended recipients/beneficiaries of services are provided services without regard to physical or mental disability. CONTRACTOR shall also monitor to ensure that beneficiaries and intended beneficiaries of service are provided services without regard to race, color, religion, national origin, ancestry, physical, or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, gender identity, gender expression, pregnancy, or any other non-merit factor.

CONTRACTOR shall include nondiscrimination and compliance provisions in all subcontracts. CONTRACTOR shall establish written procedures under which service participants are informed of their rights including their right to file a complaint alleging discrimination or a violation of their civil rights. Participants in programs funded hereunder shall be provided a copy of their rights that shall include the right of appeal and the right to be free from sexual harassment and sexual contact by members of the treatment, recovery, advisory, or consultant staff.

- D. Noncompliance with the requirements of nondiscrimination in services shall constitute grounds for state to withhold payments under this Contract or terminate all, or any type, of funding provided hereunder.

- 19. **CONFIDENTIALITY OF RECORDS.** CONTRACTOR agrees that all information and records obtained in the course of providing services to COUNTY shall be subject to confidentiality and disclosure provisions of applicable Federal and State statutes and regulations adopted pursuant thereto. CONTRACTOR agrees that it has a duty and responsibility to make available to COUNTY Administrator or their designated representatives, including the Auditor-Controller-Treasurer-Tax Collector of the COUNTY, the contents of records pertaining to COUNTY which are maintained in connection with the performance of CONTRACTOR's duties and responsibilities under this Contract, subject to the provisions of the heretofore mentioned Federal and State statutes and regulations. COUNTY acknowledges

its duties and responsibilities regarding such records under such statutes and regulations.

20. **MONITORING.** CONTRACTOR agrees that COUNTY shall have the right to monitor the services provided under this Contract. Monitoring shall be conducted according to standards and guidelines as set forth by Federal, State, and COUNTY requirements. CONTRACTOR agrees to provide COUNTY's Administrator, or their designee, with access to all applicable files and records as may be necessary to monitor the services according to the standards or guidelines described above.
21. **REPORTS.** CONTRACTOR shall submit written reports of operations and other reports as requested by COUNTY. Format for the content of such reports will be developed by COUNTY in consultation with CONTRACTOR. Reports shall be submitted to COUNTY's Administrator. Submitted electronic written reports shall comply with accessibility standards including Web Content Accessibility Guidelines (WCAG).
22. **OWNERSHIP, PUBLICATION, REPRODUCTION AND USE OF MATERIAL.** All reports, studies, information, data, statistics, forms, designs, plans, procedures, systems, and any other material or properties produced under this Contract shall be the property of COUNTY. No such materials or properties produced in whole or in part under this Contract shall be subject to private use, copyright, or patent right by CONTRACTOR in the United States or in any other country without the express written consent of COUNTY. COUNTY shall have unrestricted authority to publish, disclose, distribute, and otherwise use, copyright, or patent such material in the United States or in any other country without the express written consent of CONTRACTOR. COUNTY shall have unrestricted authority to publish, disclose, distribute and otherwise use, copyright, or patent, in whole or in part, any such reports, studies, data, statistics, forms, or other materials or properties produced under this Contract.
23. **EVALUATION/RESEARCH.** Evaluation or research involving contact with past or present recipients of services provided under this Contract shall be permitted with the informed consent of the recipient and only after CONTRACTOR has determined that the conduct of such evaluation or research will not adversely affect the quality of services provided or individual participation in services. COUNTY reserves the right to prohibit or terminate evaluation or research activities which in its judgment jeopardize the quality of services or individual participation in services provided under this Contract.
24. **TRAVELING EXPENSES, FOOD AND LODGING.** CONTRACTOR's claim for travel expense for food and lodging must be directly related to this Contract and shall be at rates not to exceed federal issued per diem rates. No travel outside of the State of California shall be payable unless prior written authorization is obtained from COUNTY's Contract Administrator.

25. **CONTRACTOR PERSONNEL STANDARDS.** CONTRACTOR shall determine that all staff providing services under this Contract shall be qualified to perform the job requirements under this Contract.
26. **WITHHOLDING OF PAYMENT.** COUNTY may withhold final payment until year-end reports are received and approved by COUNTY. COUNTY may suspend or terminate payments for noncompliance with the terms of this Contract.
27. **OVERPAYMENTS.** Overpayments as determined by audits shall be payable to COUNTY within thirty (30) calendar days after date of said determination.
28. **SAFETY AND INFECTION CONTROL.** CONTRACTOR asserts that it is in compliance with applicable Cal/OSHA guidelines for safety and infection control, including blood-borne pathogens, and that there are no enforcement actions, litigation, or other legal or regulatory proceedings in progress or being brought against CONTRACTOR as a result of non-compliance with such guidelines. CONTRACTOR agrees to notify COUNTY immediately should the status of any of the assertions in this Paragraph change or come into question.
29. **CULTURAL COMPETENCY.** In order to ensure access to services, CONTRACTOR shall provide services in a culturally competent manner. Cultural competency is defined as a congruent set of practice skills, behaviors, attitudes, and policies that enable staff to work effectively in cross-cultural situations.
30. **MEDI-CAL ADMINISTRATIVE ACTIVITIES (MAA).** As applicable to Scope of Services, CONTRACTOR shall: provide information and outreach to individuals and families about Medi-Cal services, refer individuals and families to Medi-Cal eligibility sites, assist individuals and families with aspects of the Medi-Cal application process, assist individuals and families with access to Medi-Cal covered services, assist in referring, monitoring and coordination of care including without limitation transportation, and if necessary, accompany individuals and families to Medi-Cal covered health services. Additionally, CONTRACTOR shall work with community and government agencies to identify and fill gaps in health and Medi-Cal services by collaborating and planning for individuals and families in need of such services and assist in implementation and oversight of Medi-Cal Administrative Activities claims process.
31. **SURVIVAL OF PROVISIONS.** The duties and obligations of the parties set forth in Paragraph 1.D. – Compensation Upon Termination, Paragraph 2 – Indemnification for Damages, Taxes, and Contributions, Paragraph 8 – Inspections, Audits, and Public Records, and Paragraph 19 – Confidentiality of Records of this Exhibit shall survive the expiration or termination of this Contract.

### **32. NOTICES.**

- A. Contact Information. The persons having authority to give and receive notices provided for or permitted under this Contract include the following:

For COUNTY:

Adults Branch Director  
HSA Behavioral Health Division  
1400 Emeline Ave.  
Santa Cruz, CA 95060  
MHContractNotices@  
santacruzcountycalifornia.gov

For CONTRACTOR:

Executive Director  
Mental Health Client Action Network  
1051 Cayuga Street  
Santa Cruz, CA 95062

executivedirector@mhcan.org

- B. Change of Contact Information. Either Party may change the information in Paragraph 32.A by giving notice as provided in Paragraph 32.C.
- C. Method of Delivery. Each notice between COUNTY and CONTRACTOR provided for or permitted under this Contract must be in writing, state that it is a notice provided under this Contract, and be delivered either by personal service, by first-class United States mail, by an overnight commercial courier service, or by Portable Document Format (PDF) document attached to an email.
1. A notice delivered by personal service is effective upon service to the recipient.
  2. A notice delivered by first-class United States mail is effective three (3) COUNTY business days after deposit in the United States mail, postage prepaid, addressed to the recipient.
  3. A notice delivered by an overnight commercial courier service is effective one (1) COUNTY business day after deposit with the overnight commercial courier service, delivery fees prepaid, with delivery instructions given for next day delivery, addressed to the recipient.
  4. A notice delivered by telephonic facsimile transmission or by PDF document attached to an email is effective when transmission to the recipient is completed (but, if such transmission is completed outside of COUNTY's business hours, then such delivery is deemed to be effective at the next beginning of a COUNTY business day), provided that the sender maintains a machine record of the completed transmission.

### **33. GENERAL TERMS.**

- A. Compliance with Laws. CONTRACTOR shall, at its own cost, comply with all applicable federal, state, and local laws and regulations in the performance of its obligations under this Contract, including but not limited to workers compensation, labor, and confidentiality laws and regulations. This shall include, but is not limited to, obtaining the necessary licenses, permits, and any other required authorization to perform the work necessary to complete the terms of this Contract. CONTRACTOR bears sole responsibility for any



violation of such laws and regulations by itself and agrees that it will indemnify, defend and hold COUNTY harmless for the consequences of any such violation, as referenced in Paragraph 2 of this Contract.

- B. Standard of Practice.** CONTRACTOR warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. CONTRACTOR's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.
- C. Prior Acts Ratified.** Any and all acts which may have already been consummated pursuant to the terms and conditions of this Contract are hereby ratified.
- D. Modification.** This Contract may not be modified, and no waiver is effective, except by written agreement signed by both Parties. CONTRACTOR acknowledges that COUNTY employees have no authority to modify this Contract except as expressly provided in this Contract.
- E. Non-Liability of County Officers, Officials, Employees, Agents, Volunteers.** No officer, official, employee, agent, or volunteer of COUNTY shall be personally liable to CONTRACTOR in the event of any default or breach by COUNTY.
- F. Governing Law.** The laws of the State of California govern all matters arising from or related to this Contract.
- G. Jurisdiction and Venue.** This Contract is signed and performed in Santa Cruz County, California. CONTRACTOR consents to California jurisdiction for actions arising from or related to this Contract, and, subject to the Government Claims Act, all such actions must be brought and maintained in Santa Cruz County.
- H. Construction.** The final form of this Contract is the result of the Parties' combined efforts. If anything in this Contract is found by a court of competent jurisdiction to be ambiguous, that ambiguity shall not be resolved by construing the terms of this Contract against either Party.
- I. Headings.** The headings and paragraph titles in this Contract are for convenience only and are not part of this Contract.
- J. Severability.** If anything in this Contract is found by a court of competent jurisdiction to be unlawful or otherwise unenforceable, the balance of this Contract remains in effect, and the Parties shall make best efforts to replace the unlawful or unenforceable part of this Contract with lawful and enforceable terms intended to accomplish the Parties' original intent.

- K. No Waiver.** Payment, waiver, or discharge by COUNTY of any liability or obligation of CONTRACTOR under this Contract on any one or more occasions is not a waiver of performance of any continuing or other obligation of CONTRACTOR and does not prohibit enforcement by COUNTY of any obligation on any other occasion.
- L. No Third-Party Beneficiaries.** This Contract does not and is not intended to create any rights or obligations for any person or entity except for the Parties.
- M. Force Majeure.** Neither Party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control, and without the fault or negligence, of such Party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, pandemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.
- N. Authorized Signature.** CONTRACTOR represents and warrants to COUNTY that:
1. CONTRACTOR is duly authorized and empowered to sign and perform its obligations under this Contract.
  2. The individual signing this Contract on behalf of CONTRACTOR is duly authorized to do so and their signature on this Contract legally binds CONTRACTOR to the terms of this Contract.
- O. Integrated Contract.** This Contract, including its attachments, is the entire agreement between CONTRACTOR and COUNTY with respect to the subject matter of this Contract, and it supersedes all previous negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature unless those things are expressly included in this Contract.
- P. Counterpart Execution.** This Contract, and any amendments hereto, may be executed in one (1) or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one (1) and the same agreement. This Contract, and any amendments hereto, may be signed by manual or electronic signatures in accordance with any and all applicable local, state and federal laws, regulations and standards, and such signatures shall constitute original signatures for all purposes. A signed copy of this Contract, and any amendments hereto, transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Contract and any amendments hereto.

## **COUNTY OF SANTA CRUZ**

### **EXHIBIT D - STANDARD MEDI-CAL PROVISION OF SERVICES**

This is an Agreement between the parties relating to the rendering of medically necessary Medi-Cal behavioral health (mental health and/or substance use disorder) services as defined in, and for which State reimbursement may be claimed under, the designated Department of Health Care Services (DHCS) California Advancing and Innovating Medi-Cal (CalAIM) implementation Information Notices released in 2021, 2022, 2023 and 2024:

- 21-019 Drug Medi-Cal Organized Delivery System (DMC-ODS) Medical Necessity and Level of Care Criteria;
- 21-021 DMC-ODS Update Policy on Residential Treatment Limitations;
- 21-024 DMC-ODS expansion of Medication-Assisted Treatment (MAT) services;
- 23-054 MAT Services Requirements for Licensed and/or Certified SUD Recovery or Treatment Facilities;
- 21-026 Rate setting for Psychiatric Inpatient Hospital services;
- 21-073 Criteria for beneficiary access to Specialty Mental Health Services (SMHS);
- 22-003 Medi-Cal Substance Use Disorder (SUD) Treatment Services for Beneficiaries under age 21;
- 21-020 & 22-005 Recovery Services components that are reimbursable under the DMC-ODS;
- 22-006, 22-018 & 22-026 Medi-Cal SMHS and DMC-ODS Peer Support Specialist service requirements;
- 22-009 SMHS to beneficiaries with eating disorders;
- 22-011 No Wrong Door; 22-016 Authorization of Outpatient SMHS;
- 22-017 Concurrent Review Standards for Psychiatric Inpatient Hospital and Psychiatric Health Facility Services;
- 22-020 County Mental Health (MH) Plan obligations related to Indian Health Care Providers;
- 22-053 Obligations Related to Indian Health Care Providers in DMC-ODS Counties;
- 23-068 Documentation Requirements for all Specialty MH, DMC and DMC-ODS Services;
- 24-001 Drug Medi-Cal Organized Delivery System Requirements for the Period of 2022 – 2026;
- 24-004: Quality Measures and Performance Improvement Requirements; and
- Other DHCS informational notices and policies related to the Medi-Cal CalAIM reform initiative.

All elements of the DMC-ODS DHCS-Santa Cruz County (COUNTY) Intergovernmental Agreement (IA) shall remain in effect. Additional state and federal laws including the provisions of Early Periodic Screening, diagnostic and Treatment (EPSDT) mandate under Section 1905(a)(r) of the Social Security Act and W&I Code section 14184.402(f), the Bronzan McCorquodale Act (Part 2 of Division 5, Welfare and Institutions Code) and its accompanying regulations contained in the DHCS Mental Health Plan (MHP)

Agreement and associated regulations; and applicable COUNTY ordinances and resolutions of the Santa Cruz County Board of Supervisors.

Services shall be provided under the general supervision of the COUNTY's Health Services Agency Director or their designee. For the purposes of this Section, "designee" may include any permanent employee on the staff of such Director as may be appropriately designated to provide liaison, coordination, or supervision over the services described herein.

1. **ADMINISTRATION.** COUNTY's Director of Behavioral Health or their designee hereinafter called COUNTY's Agreement Administrator under direction of the COUNTY's Health Services Agency Director shall represent COUNTY in all matters pertaining to services rendered pursuant to this Agreement and shall administer this Agreement on behalf of COUNTY. CONTRACTOR's Executive Director shall administer this Agreement on behalf of CONTRACTOR. The COUNTY's Agreement Administrator shall specify in writing the kind, quality and amount of service which shall be provided to each eligible client under this Agreement. Said service to be mutually agreed upon and fall within parameters of this Agreement.
2. **NOTICE.** Any notice or notices required or permitted to be given pursuant to this Agreement may be personally served on the other party by the party giving such notice, or may be served by certified mail, postage prepaid, return receipt requested, to the officials identified in Paragraph 1 above at the addresses identified on the cover page of this Agreement.

Per United States Code of Federal Regulations (CFR) Title 42, Sections 455.101, 455.104, and 455.416, CONTRACTOR is responsible to disclose to COUNTY if there is 5% or more Ownership Interest by any person (individual or corporation) in CONTRACTOR. In the event that, in the future, any person obtains an interest of 5% or more of any mortgage, deed of trust, note or other obligation secured by CONTRACTOR, and that interest equals at least 5% of CONTRACTOR's property or assets, then CONTRACTOR will make disclosures to COUNTY.

Disclosures will be submitted to COUNTY upon execution of this Agreement, upon its extension or renewal, and within thirty-five (35) calendar days after any change in CONTRACTOR ownership, on an annual basis (March of each year), and upon request of the COUNTY. CONTRACTOR shall require providers, or any person with a 5 percent or more direct or indirect ownership interest in the provider to submit a set of fingerprints per 42 CFR 455.434(b)(1).

COUNTY will review verification of disclosure of ownership, control and relationship information from individual providers, agents and managing employees.

3. **PROVISION OF GENERAL MEDI-CAL SERVICES.** Consistent with the requirements of applicable Federal law, such as 42 CFR 438.3(d)(3) and (4), and State law, CONTRACTOR shall not engage in any unlawful discriminatory practices in the admission of beneficiaries, assignment of accommodations, treatment, evaluation,

employment of personnel, or in any other respect on the basis of race, color, gender, gender identity, gender expression, religion, marital status, national origin, age, sexual orientation, or mental or physical handicap or disability.

**A. Network Adequacy Standards – Capacity and Composition.**

1. CONTRACTOR agrees to comply with all applicable Medi-Cal laws Welfare and Institutions Code (W&I) section 14197 regulations, and Agreement provisions (42 CFR 438.68, 42 CFR 438.206, 42 CFR 438.207, 42 CFR 438.230(c)(2)). Mental Health CONTRACTOR shall comply with all Mental Health Services Act rules and regulations established by the DHCS, including but not limited to reporting requirements and will submit all other required reports identified in this Agreement.
2. CONTRACTOR providing Medi-Cal services shall ensure active and good-standing Medi-Cal provider enrollment in accordance with 42 CFR part 455, subparts B and E (42 CFR 438.608(b)). CONTRACTOR shall notify COUNTY within five (5) business days if enrollment is expired or terminated (42 CFR 438.608(b)).
3. CONTRACTOR agrees to maintain staffing ratios consistent with regulatory requirements for network capacity and scope of service delivery, including necessary licensing and certification or approvals to conduct Medi-Cal service delivery. (California Code of Regulations (CCR) Title 9, Section 1840.350 and 42 CFR 438.206(b)(1)(6) and (c)(3)).
4. CONTRACTOR is responsible for initial credentialing and re-credentialing of all staff, including enrollment in DHCS PAVE (Provider Application Verification Enrollment) system, ensure licenses, registrations, certifications, and waivers are current and without sanctions, exclusions, professional misconduct, and other limitations; and monitor continual credentialing status. Quarterly and upon COUNTY's request, CONTRACTOR will provide documentation of such credentialing monitoring practices to [AskQI@santacruzcountyca.gov](mailto:AskQI@santacruzcountyca.gov). (42 CFR 438.12(a)(2), 438.214(c)).

CONTRACTOR will provide monthly and upon request documentation verifying that its staff are not on the Office of Inspector General Exclusion List and Medi-Cal List of Suspended or Ineligible Providers. CONTRACTOR will provide updates to changes in staff if requested for the purpose of updating the COUNTY's Provider Directory. CONTRACTOR will provide documentation to COUNTY verifying CONTRACTOR's staff are not on these exclusion lists. Any CONTRACTOR staff found to be on the exclusion list will not be employed or contracted with by CONTRACTOR. CFR Title 42, Section 1128; Section 1128 of the Social Security Act; CFR Title 42 Section 438.214.

COUNTY will not subcontract with any party listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the Office of Management and Budget (OMB) guidelines at 2 CFR 180 that

implement Executive Orders 12549 (3 CFR part 1986 Comp. p. 189) and 12689 (3 CFR part 1969, p. 235), "Debarment and Suspension." SAM exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

To verify the list of excluded individuals, CONTRACTOR should access the following websites:

- System Award Management (SAM)  
<https://www.sam.gov/SAM/>
- Office of the Inspector General Exclusion List  
<http://exclusions.oig.hhs.gov/>
- Medi-Cal Suspended and Ineligible Provider List (Excel download link):  
<https://files.medi-cal.ca.gov/pubsdoco/sandilanding.asp>
- Social Security Administration's Death Master File, available at:  
<https://www.ssdmf.com/>

CONTRACTOR will comply with all applicable Federal debarment and suspension regulations, in addition to the requirements set forth in 42 CFR part 1001.

5. CONTRACTOR must ensure that only approved, current employees are permitted to access the COUNTY's Electronic Health Records (EHR) system. When access to the COUNTY's EHR system is requested by CONTRACTOR for their employee, CONTRACTOR will confirm their identity, license, and other demographic information via the credentialing process. CONTRACTOR will also confirm and require their employee to go through a credentialing process and that their employee is acting as a trusted agent who is authorized by CONTRACTOR. CONTRACTOR will provide notification to COUNTY within one (1) business day of CONTRACTOR's knowledge of CONTRACTOR's new staff, staff extended leave of absence, staff separation of employment and/or staff changes in role or transfer to another program within CONTRACTOR's entity who have or need access to the COUNTY's EHR system. CONTRACTOR shall submit notification via: [hsa\\_BHCCredentialing@santacruzcountyca.gov](mailto:hsa_BHCCredentialing@santacruzcountyca.gov) and [hsa\\_mhcompassist@santacruzcountyca.gov](mailto:hsa_mhcompassist@santacruzcountyca.gov) and is required to provide additional information in the manner and form requested by COUNTY.
6. CONTRACTOR agrees to provide and monitor all Medi-Cal service-providing staff required development trainings prior to first delivered service and annually (42 CFR 438.68(c)(1)(iv)).
7. CONTRACTOR agrees to provide all medically necessary Medi-Cal services within regulatory time and distance standards in accordance with the Managed Care Rule (42 CFR 438.68) to clients throughout the term of this Agreement.

8. CONTRACTOR shall establish policies and procedures that ensure all such medically necessary Medi-Cal services covered under MHP and/or DMC-ODS Medi-Cal are available and accessible to its beneficiaries in a timely manner in accordance with 42 CFR 438.68 and linked MHP CCR Title 9 Section 1810 and 42 CFR 438.68.
9. CONTRACTOR shall implement mechanisms to assess the capacity of service delivery for Medi-Cal beneficiaries and notify COUNTY within five (5) business day if capacity is met and CONTRACTOR can no longer accept new service referrals.
10. CONTRACTOR shall provide a beneficiary's choice of the person providing services to the extent possible and appropriate consistent with CCR Title 9 section 1830.225 and 42 CFR 438.3(l). CONTRACTOR to inform beneficiaries of rights and the QI Change of Provider Form.
11. CONTRACTOR shall maintain staffing that is able to serve Medi-Cal beneficiaries, including those with limited English proficiency or physical or mental disabilities (42 CFR 438.206(a)(b)(1)).

**B. Access to care.**

1. CONTRACTOR shall establish assessment and referral procedures and shall arrange, provide, or subcontract for medically necessary CONTRACTOR Specific Covered Services in the CONTRACTOR's service area in compliance with 42 CFR 438.210(a)(1), 438.210(a)(2), and 438.210(a)(3).
2. CONTRACTOR will deliver providers sufficient in number, mix, and geographic distribution to meet the service area needs, with consideration being given to access, culture, and timeliness in conformance with Federal Managed Care and Parity Rules.
3. DMC-ODS CONTRACTOR shall participate as a DMC-ODS network "entry gate", conduct an American Society of Addiction Medicine (ASAM) screening of all beneficiaries contacting the CONTRACTOR directly for service requests, and refer to the appropriate level of care treating network provider. CONTRACTOR will issue appropriate Notices of Adverse Benefit Determination (NOABD).
4. CONTRACTOR shall render, and monitor the sufficient rendering of, medically necessary services identified in an amount, duration, and scope to reasonably achieve the treatment needs of the beneficiary (42 CFR 440.230), and for beneficiaries under the age of 21, as set forth in 42 CFR, subpart B.
5. CONTRACTOR agrees to participate in the COUNTY's EHR system or utilize a self-procured EHR system to ensure accurate documentation of access to care service request, service disposition, referral information, prior-authorization requests, and rendered service documentation to ensure timely

- access to care (42 CFR 438.210(a-b)). Specifically, CONTRACTOR shall ensure that ALL requests for services and offered appointments are consistently entered into the EHR Service Request and Disposition Log to track access to care timeliness standards, or will provide information regarding service requests and offered appointments on a quarterly basis and as needed by COUNTY.
- a. In addition, MHP CONTRACTOR shall comply with all Client and Service Information (CSI), Child and Adolescent Needs and Strengths (CANS), Adult Needs and Strengths Assessment (ANSA), and other related access to care recording requirements.
  - b. In addition, DMC-ODS CONTRACTOR shall comply with all ASAM, California Outcome Measurement System (CalOMS), the Drug and Alcohol Treatment Access Report (DATAR), and other related access to care recording requirements.
  - c. If CONTRACTOR utilizes self-procured EHR system, a method must be agreed upon with COUNTY to obtain all necessary client data relating to service provision, timely access to care, and all required reporting.
  - d. If CONTRACTOR utilizes self-procured EHR system, CONTRACTOR agrees to provide direct access to appropriate members of COUNTY's Quality Improvement and Operations / Billing branches for utilization management and billing operations.
6. CONTRACTOR agrees to provide written notification (a completed Notice of Adverse Benefit Determination (NOABD) letter) to a beneficiary to notify of any decision by the CONTRACTOR to deny a service request, or to authorize a service in an amount, duration, or scope that is less than requested, or a termination of a previously authorized service, or there is a delay in determining the service request decision, or there is a delay in scheduling a service (42 CFR 438.210(c)). These written notices shall be conducted in accordance with 42 CFR 438.210(d) timeliness Standard or Expedited requirements.
  7. CONTRACTOR agrees to deliver Medi-Cal services in a culturally responsive manner to all beneficiaries, including those with limited English proficiency and diverse cultural and ethnic backgrounds, disabilities, and regardless of gender, sexual orientation, or gender identity and shall make reasonable service accommodations for beneficiaries (42 CFR 438.206(c)(2)).
  8. CONTRACTOR agrees to offer and make available beneficiary-facing materials, forms and posted signage in all threshold languages of Santa Cruz County, including at a minimum posting of beneficiary rights, grievance and appeal informational brochures, Medi-Cal Beneficiary Handbook, provider directory publication, consent, authorization and NOABD forms, in all threshold languages, in an easy to find location and in alternative formats (large print, audio or interpretation) when needed (42 CFR 438.10).
  9. CONTRACTOR agrees to establish and conduct program services that comply with the accessibility requirements of Section 508 of the Rehabilitation Act and



the American with Disabilities Act of 1973 as amended (29 U.S.C. 794(d)), and regulations implementing that Act as set forth in Part 1194 of Title 36 of the Code of Federal Regulations; including making electronic and information technology accessible to people with disabilities (California Government Code section 11135 codifies section 508 of the Act, 45 CFR 92.204, 45 CFR 92.205).

**C. Beneficiary protections.**

1. CONTRACTOR agrees to provide visible and easily accessible information to beneficiaries in both English and Spanish, including available Medi-Cal Beneficiary Handbooks, Beneficiary Rights, Change of Provider, Grievance, Appeal, Continuity of Care, and Advance Directive brochures, Privacy Protections, and informed consents (42 CFR 438.10(e)(2)).
2. CONTRACTOR agrees to adhere to Confidentiality rules set forth by the Health Insurance Portability and Accountability Act (HIPAA), 42 CFR Part 2, and California Law as applicable to scope of service.
3. CONTRACTOR or an affiliate, vendor, contractor or subcontractor of the CONTRACTOR shall not submit a claim to, or demand or otherwise collect reimbursement from, the beneficiary or persons acting on behalf of the beneficiary for any Medi-Cal rendered service or related administrative service provided under this Agreement. CONTRACTOR or any affiliate shall not hold beneficiaries liable for debts if CONTRACTOR becomes insolvent (Managed Care Rule: 42 CFR 438.106 and MHP: CCR Title 9, 1810.365 (a-c)).
4. CONTRACTOR shall inform all Medi-Cal beneficiaries of their right to file a grievance and/or appeal upon admission to the program and inform all beneficiaries of the grievance process. CONTRACTOR shall visibly display the COUNTY's grievance and appeal brochures in an easily accessible location. CONTRACTOR's process shall be in writing and available to the public (42 CFR 438.400 through 42 CFR 438.424). As part of this written process, CONTRACTOR shall forward all types of grievances, appeals, and system issues causing problems for clients to COUNTY's Behavioral Health Quality Improvement via [AskQI@santacruzcountyca.gov](mailto:AskQI@santacruzcountyca.gov) email immediately and no later than one (1) business day of receiving the complaint. Procedures for:
  - a. Complaint/Grievance Process: Client grievances covered under Medi-Cal Managed Care Final Rule for MHP and DMC-ODS/Substance Use Block Grant (SUBG) must be sent immediately, within one (1) business day, to Quality Improvement via email [AskQI@santacruzcountyca.gov](mailto:AskQI@santacruzcountyca.gov) for investigation and response.
    - i. CONTRACTOR shall offer a client access to Grievance information and will assist the client in completing a Grievance brochure if requested.
    - ii. CONTRACTOR shall submit paper Grievance brochures to COUNTY's Quality Improvement at 1400 Emeline Ave., Building K, Santa Cruz, CA 95060 or email a scanned copy to email

- iii. [AskQI@santacruzcountyca.gov](mailto:AskQI@santacruzcountyca.gov).
  - iv. CONTRACTOR shall also inform client of COUNTY's QI Helpdesk number (831-454-4468) as a method to leave a grievance in a confidential voicemail message.
  - v. CONTRACTOR shall collaborate with COUNTY to resolve the grievance within timeframe standards.
  - vi. Specific: CONTRACTOR shall provide information to all beneficiaries on how to file a grievance regarding discrimination in the delivery of services by CONTRACTOR because of sex, race, color, ethnic group identification, religion, ancestry, age, mental or physical disability, medical condition, genetic information, national origin, marital status, gender, gender identity, gender expression, or sexual orientation to the United States Department of Health and Human Services Office for Civil Rights. In addition, all such complaints shall also be submitted to COUNTY's Quality Improvement via email [AskQI@santacruzcountyca.gov](mailto:AskQI@santacruzcountyca.gov) within one (1) business day of receipt.
  - vii. CONTRACTOR shall, subject to the approval of the DHCS, establish procedures under which recipients of service are informed of their rights to file a complaint alleging discrimination, or a violation of their civil rights, with the DHCS in addition to the grievance process noted in paragraphs 3.C.IV.a.i-v above.
- b. Client Appeal Process (POST NOABD): A client has the right to file an appeal regarding the written Notice of Adverse Benefit Determination (NOABD) letter they received from a MHP or DMC-ODS CONTRACTOR regarding timeliness in decision, a delay in service, or a change, modification or termination of a Medi-Cal service. CONTRACTOR shall adhere to regulations for notice of adverse action, completion of letters and attachments, informing COUNTY's Quality Improvement of all NOABDs, and maintaining records.
  - i. CONTRACTOR shall offer a client access to Appeal information and will assist the client to complete an Appeal brochure if requested.
  - ii. CONTRACTOR shall submit paper Appeal brochures to COUNTY's Quality Improvement at 1400 Emeline Ave., Building K, Santa Cruz, CA 95060 or email a scanned copy to email [AskQI@santacruzcountyca.gov](mailto:AskQI@santacruzcountyca.gov)
  - iii. CONTRACTOR shall also inform client of the COUNTY's QI Helpdesk number (831-454-4468) as a method to leave an Appeal in a confidential voicemail message.
  - iv. CONTRACTOR shall collaborate with COUNTY to resolve Appeal within timeframe standards.

**4. QUALITY ASSURANCE PARTICIPATION.** All providers are required to obtain, review, and remain in full compliance with the local Utilization Review processes in

the Quality Management Plan. As part of adhering to the State's required Quality Management Program functions, CONTRACTOR shall comply with:

- A. Establishing Quality Assurance (QA) policies and practices for all Medi-Cal service monitoring and tracking.
  - B. Reporting quality assurance monitoring outcomes upon request, and alerting COUNTY's Quality Improvement (QI) of any QA issues.
  - C. Participating in planned and unplanned audits by COUNTY, State, and/or Federal regulatory entities to ensure quality assurance.
    - a. DMC-ODS and SUBG CONTRACTOR service programs: Participate in site monitoring practices (programmatic, fiscal, facility, staffing) conducted by the COUNTY as indicated and at least annually.
    - b. MHP CONTRACTOR service programs: Participate in COUNTY site certification practices (programmatic, fiscal, facility, staffing) conducted by the COUNTY as indicated and at least once every three years.
  - D. Ensuring Program Integrity (Fraud, Waste and Abuse protection) by reimbursing COUNTY for all audit exceptions and disallowances (which are determined by the COUNTY's Administrator to be the responsibility of CONTRACTOR) from either: 1) State audits (Fiscal & Quality Assurance); 2) COUNTY's Quality Improvement Committee/UR denials; or 3) CONTRACTOR internal audit practices.
  - E. Providing staff training, support and monitoring of Medi-Cal documentation standard compliance to ensure minimum standards for beneficiary care documentation are met, including timeliness, to support claims for the delivery of services.
  - F. Performing Coordination of Care activities that ensure each served beneficiary has an ongoing source of care appropriate to their needs while ensuring each beneficiary's privacy is protected in accordance with all Federal and State privacy laws including but not limited to 45 CFR 160 and 164, subparts A and E, to the extent that such provisions are applicable (42 CFR 438.208(b)).
5. **QUALITY IMPROVEMENT PARTICIPATION.** All CONTRACTORS who provide direct services to clients in the County of Santa Cruz shall participate in the Quality Improvement Program. This includes periodic meetings providing review of clinical records, peer review, Sentinel Event Reviews, care conferences, utilization review, beneficiary satisfaction surveys, performance improvement projects, external quality review requirements and/or sessions and client outcomes development and review upon request by COUNTY.

CONTRACTOR and COUNTY to ensure that services align with adopted practice guidelines and such practice guidelines are reviewed and updated periodically with

consideration to needs of beneficiaries and reliable clinical evidence (42 CFR 438.236(b) and, if applicable, CCR Title 9, Section 1810.326).

CONTRACTOR will support, as requested, participation in the Quality Improvement Committee and/or Quality Improvement initiatives.

CONTRACTOR agrees to provide data to COUNTY as required by DHCS Quality Measure and Performance Improvement Requirements outlined in BHIN 24-004: Quality Measures and Performance Improvement Requirements.

CONTRACTOR agrees to perform Medi-Cal Administrative and Outreach activities as an agent for the Santa Cruz County Health Services Agency in order to improve the availability, accessibility, coordination, and appropriate utilization of preventive and remedial health care resources to Medi-Cal eligible individuals and their families (where appropriate). CONTRACTOR also agrees to capture information using methods developed by the State (with training in these methods provided by the COUNTY) under the direction of the COUNTY. Medi-Cal Administrative and Outreach activities are to be approved by the State. It is the responsibility of CONTRACTOR to remain current on the requirements for documentation of costs and activities as defined by the State.

6. **REPORTABLE INCIDENTS (aka SENTINEL EVENT REPORTS).** CONTRACTOR shall report within 24 hours of incident discovery, not at the conclusion of an investigation. A reportable incident includes all incidents affecting the immediate health, safety and well-being of clients. Incidents will be reported to the office of the COUNTY Agreement Administrator and the Quality Improvement Team via submission of a Sentinel Event Report to [AskQI@santacruzcountyca.gov](mailto:AskQI@santacruzcountyca.gov). Reportable incidents include, but are not limited to, all deaths, episodes of acute life-threatening illness, serious physical or psychological injuries (or risk thereof), and allegations of abuse and/or neglect. Medication-related issues are included when an incident includes client safety risks, such as dispensing errors that resulted in wrong medication, withheld medication, increased dosing of medications, side effects, or multi-pharmaceutical prescribing practices.

CONTRACTOR shall establish procedures for the investigation of such incidents and shall cooperate with any investigation COUNTY may wish to conduct.

7. **CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES (CLAS).** In order to ensure access to services, CONTRACTOR shall provide services in a culturally aware manner. Cultural awareness is defined as a congruent set of practical skills, behaviors, attitudes and policies that enable staff to work effectively in cross-cultural situations.

CONTRACTOR will have policies that comply with Title VI (Civil Rights Act) requirements prohibiting the expectation that family members provide interpreter services. CONTRACTOR will provide or arrange for services in the COUNTY's

threshold language (Spanish) and will provide free language assistance services by providing in-person interpreters, or remote interpreters including remote interpreting services contracted by the COUNTY to be used across COUNTY and contract system of care. CONTRACTOR shall have policies and procedures for meeting language needs for consumers who do not meet threshold language criteria.

CONTRACTOR shall have available culturally and linguistically appropriate written information for identified threshold languages. Materials will be in easy-to-read language and in alternate formats for people with limited vision.

CONTRACTOR shall have available, as appropriate, alternatives and options that accommodate individual preferences and cultural and linguistic differences.

CONTRACTOR shall have a process to ensure that staff is able to provide culturally and linguistically appropriate services that are responsive to diverse cultural beliefs and practices, preferred language, health literacy and other communication needs, in accordance with the fifteen (15) Culturally and Linguistically Appropriate Services (CLAS) set forth by the U.S. Department of Health and Human Services. CONTRACTOR will provide or make available to staff cultural awareness training, including an annual training on client culture. CONTRACTOR will maintain records of such trainings and provide records to COUNTY upon request. CONTRACTOR must provide verification of staff trainings to COUNTY for monitoring and reporting purposes at least annually (reference COUNTY Policy 3111: **Contract Requirements for Culturally & Linguistically Appropriate Service Standards.**)

A. Behavioral Health Equity Plan (BHEP): Cultural Competence Plan Requirements (formerly known as the Culturally and Linguistically Appropriate Services (CLAS) Report). The Behavioral Health Equity Plan (BHEP) Report will include behavioral health equity topics specific to the [National Culturally and Linguistically Appropriate Services \(CLAS\) Standards](#), incorporated into this Agreement by reference, of diversity, equity, and inclusion, cultural humility, community-defined practices, and other competencies related to behavioral health equity and the efforts made toward attainment of the goals and objectives toward the CLAS Standards. CONTRACTOR shall participate in an annual CLAS survey and submit an updated report to COUNTY when requested to [AskQI@santacruzcountyca.gov](mailto:AskQI@santacruzcountyca.gov).

## 8. **RECORDS.**

A. Client records shall be entered into the COUNTY's Electronic Health Record (EHR) system either directly or by scanning, or if using a self-procured EHR, CONTRACTOR will allow COUNTY BH staff access to their EHR in perpetuity and will include all required DHCS reporting elements. CONTRACTOR shall maintain individual records for each client. Such records shall include identifying data, social and financial data, and a record of services provided by various personnel in sufficient detail to make possible an evaluation by COUNTY of services rendered. COUNTY, at its sole option, may take custody and be responsible for safeguarding CONTRACTOR's client records that have been entered in the COUNTY's EHR

upon termination of this Agreement and shall thereupon act as custodian of such records for CONTRACTOR. CONTRACTOR shall be permitted access to and have a right to make copies of such records at any time. COUNTY agrees to maintain such records for such period as may be required by Title 22 of the CCR and the applicable California Business and Professions Code. COUNTY agrees that such custody will conform to applicable confidentiality provisions of State and Federal law. If CONTRACTOR self-procures an EHR, CONTRACTOR will have their own custodian of records and will be responsible for all custodian of records duties for CONTRACTOR, as required by CCR Title 9 Section 1810.435, Welfare and Institutions Code section 14043.1, 42 CFR, Part 2 and 45 CFR, section 164.530 (HIPAA Security and Privacy Rule). In addition, in the event that CONTRACTOR cease to operate its business, CONTRACTOR must notify COUNTY, the Department of Health Care Services (DHCS), and clients. CONTRACTOR must notify clients on how to access their records prior to said event and transfer their records to COUNTY.

**B.** For CONTRACTORs who participate in the COUNTY's EHR system, CONTRACTOR shall enter all client documentation into the COUNTY's EHR system according to applicable COUNTY (or Health Services Agency) policies and related MHP or DMC-ODS documentation standards, incorporated into this Agreement by reference. Noncompliance, including excessive late entry of data, may result in the reduction of CONTRACTOR claim amounts (See Exhibit B1, METHOD OF PAYMENT). CONTRACTORs who choose to procure their own EHR must ensure that all client documentation is completed according to COUNTY policies related to MHP or DMC-ODS documentation standards, incorporated into this Agreement by reference. Noncompliance may result in reduction of CONTRACTOR claim amounts.

**C.** CONTRACTOR agrees to:

1. Ensure provision of technology infrastructure to operate the COUNTY's, or their own current EHR system for compliance with Federal requirements and designate staff as trainer(s) and/or super user(s) to train CONTRACTOR staff. If CONTRACTOR utilizes self-procured EHR system, CONTRACTOR, at their sole cost and expense, is responsible to provide and train COUNTY staff in use and navigation of their EHR including without limitations supplying guides or manuals relating to the use of their EHR.
2. Complete data forms which allow for accurate billing and State reporting of documented services provided by clinical staff and enter the data into the COUNTY's management information system/EHR within five (5) business days of service delivery or ensure that COUNTY has timely access to data forms which allow for accurate billing and State reporting.
  - MHP: CSI, CANS, ANSA, Pediatric System Checklist (PSC-35)
  - DMC-ODS: ASAM, Cal-OMS, DATAR.
3. Utilize available resources including State online queries and Central California Alliance for Health eligibility portal or work with Behavioral Health Services

Patient Accounting/Billing section to:

- a. Confirm current eligibility for Medi-Cal and Medicare benefits and assist clients in applying for benefits if appropriate;
  - b. Provide proof of private insurance and assignment of benefits for clients with or without dual coverage. Failure to provide required insurance information to COUNTY will result in DHCS denying Medi-Cal claims (aka disallowed/denied units). During reconciliation, COUNTY will not reimburse CONTRACTOR for disallowed/denied units of service;
  - c. Monitor services provided, the benefit status of clients, ensure the Behavioral Health Patient Accounting/Billing section receives current client eligibility status for billing, and work to correct any billing data errors; and
  - d. Adhere to current Medi-Cal billing manuals including without limitation the applicable State code set and claiming requirements.
4. Provide timely medical necessity justification for Medi-Cal services appropriate to the CONTRACTOR's Scope of Work, including documentation of required assessment, International Classification of Diseases, 10<sup>th</sup> Revision (ICD-10) and Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5) diagnosis codes, incorporated into this Agreement by reference, and Care Plans / Problems Lists as applicable to the service type in accordance with State and COUNTY requirements.
  5. Document all services for a client in the COUNTY's EHR system or CONTRACTOR's EHR system and obtain approval as needed for treatment services from a Licensed (or registered or waived) Practitioner of the Healing Arts (LPHA) and ensure services are delivered in accordance with current CalAIM documentation standards.
- D. Right to Review:** CONTRACTOR authorizes the DHCS, the Health Services Agency Director or their designee, and/or designated auditors of the COUNTY or State, the right to inspect and otherwise evaluate the appropriateness and timeliness of services performed, and to audit and inspect any books and records of CONTRACTOR which pertain to services performed and payments made pursuant to this Agreement. The DHCS shall have the same rights of inspection and evaluation of Medi-Cal services provided by CONTRACTOR pursuant to this Agreement. All CONTRACTORS shall maintain such books and records of services for a minimum period of ten (10) years for adults from the date of last service and for minors until their 25<sup>th</sup> birthday.
- E. Confidentiality of Client Records and Information:** For COUNTY to provide coordinated, quality care, all COUNTY and Agreement providers must be able to discuss and exchange relevant clinical and service needs information, as permitted by State and Federal law. This information may be exchanged when making referrals, accepting referrals, or coordinating service delivery to a client. CONTRACTOR is responsible for ensuring that its ability to exchange client

information within the COUNTY's EHR system and/or other required COUNTY systems is maintained. CONTRACTOR is responsible to store, maintain, and protect the privacy of health records and confidentiality of all protected health information, as required by State and Federal law. Any breaches of Federal or State confidentiality regulations must be reported by CONTRACTOR (also known as Business Associate) to the COUNTY's HIPAA Privacy Officer by phone, fax, or email within 24 hours of discovery. COUNTY will, by next business day, forward the report to DHCS with follow-up within 72 hours of a written report (PIR) and notice to affected persons within sixty (60) calendar days.

**9. PRODUCTIVITY.** CONTRACTOR shall develop and monitor individual written staff productivity standards which maximize direct services to clients. CONTRACTOR shall provide written productivity standards and a method of monitoring those standards to the COUNTY's Agreement Administrator.

**10. PERSONNEL POLICIES.** In addition to complying with the Contractor Personnel Standards in Exhibit C, Section 25, CONTRACTOR shall have written personnel policies and shall make its personnel policies accessible to employees and to COUNTY. CONTRACTOR shall maintain records for each employee to include qualifying education, experience, and licenses. Substance Use Disorder treatment providers will include documentation of compliance with State Alcohol and Drug Counselor Certification Regulations (California Code of Regulations Chapter 8 and Title 9, Division 4) in CONTRACTOR records.

**11. AMERICANS WITH DISABILITIES ACT REQUIREMENTS.** To ensure accessibility to individuals with disabilities in COUNTY funded programs, to meet the Americans with Disabilities Act (ADA) requirements, and to comply with COUNTY and Substance Use Disorder Services reporting and action requirements, CONTRACTOR must:

- A. Maintain the appropriate Fire Marshal clearance and State License or Certification; and
- B. Report any complaints related to ADA compliance verbally to the COUNTY's Agreement Administrator or their designee within 24 hours and in writing within three (3) calendar days.

**12. ASSURANCE OF NONDISCRIMINATION IN PROGRAMS OR ACTIVITIES RECEIVING STATE FINANCIAL ASSISTANCE.** By signing this Agreement, CONTRACTOR agrees to comply with Title 2, Article 9.5 (commencing with Section 11135) of the Government Code and the regulations adopted or actions taken by the State Department of Health Care Services to implement such Article to the end that no person in the State of California shall discriminate on the basis of the classifications described in Article 9.5.

CONTRACTOR shall ensure that each of its employees are aware of the rights of beneficiaries and the responsibilities of CONTRACTOR under Article 9.5, and make available to beneficiaries and other interested persons information regarding the provisions of Article 9.5 and implementing regulations and their applicability to the



program or activity for which the CONTRACTOR receives State financial assistance. Further, CONTRACTOR certifies that it has a process in place by which complaints pursuant to Article 9.5 are resolved informally and quickly at the lowest possible level.

CONTRACTOR shall permit access to a representative of the State Department of Health Care Services at any time during normal business hours to its books, records, accounts, other sources of information and its facilities as may be pertinent to ascertain compliance with Article 9.5. CONTRACTOR recognizes and agrees that State financial assistance will be extended in reliance upon the representations and agreements made in this assurance, and that the State of California shall have the right to seek administrative and judicial enforcement of this assurance. This assurance is binding on CONTRACTOR, its successor transferees, and assignees.

**13. LOBBYING.** In addition to Exhibit C, Section 15 “Lobbying”, CONTRACTOR shall comply with the Byrd Anti-lobbying Amendment (31 U.S. Code 1352).

**14. COUNTY ASSURANCES.** Under this Agreement, COUNTY agrees:

- A.** To provide Medi-Cal, patient accounting and billing services to all providers and inform CONTRACTOR of applicable disallowances/denials.
- B.** To provide CSI, CANS, ANSA, PSC-35, Cal-OMS, and DATAR State reporting services and data reports to facilitate assignment of Coordinators and productivity.
- C.** To provide Quality Improvement Training as requested by the provider.
- D.** To provide initial training and technical assistance for electronic medical records to CONTRACTOR-designated staff as trainer(s) and/or super user(s) to train CONTRACTOR staff.
- E.** To provide consultation and clinical supports based on specific services.
- F.** To coordinate regarding client benefit and Uniform Method of Determining Ability to Pay (UMDAP) status.
- G.** To provide licensing and software maintenance for EHR utilization.
- H.** To provide guidance and training on current Medi-Cal code set and claiming requirements.

### **SUBSTANCE USE DISORDER SERVICES PROVISIONS**

In addition to the Standard Medi-Cal Provisions in the above sections (1-13), the following provisions apply to Substance Use Disorder Services CONTRACTORS:

**15. STATE/COUNTY FUNDING AGREEMENTS.** California Department of Health Care Services (DHCS) Drug Medi-Cal Organized Delivery System (DMC-ODS) and Substance Use Block Grant (SUBG) Agreements are incorporated into this Agreement by this reference. Copies of Agreements are available upon request. Failure to operate in conformance with funding and licensing/certification requirements may result in termination of Agreement. Refer to the "Conformance to Regulations", Section 16 in Exhibit C, Standard COUNTY / Agency Provisions, for further detail.

**16. DEFINITION OF CLIENT.** For the purposes of this Agreement, a client shall be defined as any individual to whom CONTRACTOR provides services for which compensation is sought, in whole or in part, from COUNTY and/or for State reporting purposes.

**17. ATTENDANCE AND REPORTS AT SUBSTANCE USE DISORDER SERVICES COMMISSION MEETINGS.** CONTRACTOR's Executive Director, or their designee, shall attend any meetings of the COUNTY's Substance Use Disorder Commission (SUDC) requested by the COUNTY's Agreement Administrator. Reports to SUDC shall be given as required in the form designated by the COUNTY's Agreement Administrator. Failure to provide such reports may result in a portion of any of CONTRACTOR's claims being withheld.

**18. QUALIFICATIONS AND CREDENTIALING OF STAFF.** Any counselor or registrant providing intake, assessment of need for services, treatment or recovery planning, individual or group counseling to participants, patients or residents in a DHCS licensed or certified program is required to be certified as defined in Title 9, CCR, Division 4, Chapter 8.

**19. REPORTING.** In addition to reporting requirements covered in this and other Exhibits as a part of this Agreement, the following reports shall be submitted and sent via encrypted email to [sudsadmin@santacruzcountyca.gov](mailto:sudsadmin@santacruzcountyca.gov) by CONTRACTOR:

- A. Americans with Disabilities Act Report. CONTRACTOR participating in Medi-Cal/Medicaid services shall be knowledgeable of and adhere to the Americans with Disability Act (ADA) guidelines, which are intended to establish equal rights and opportunities for individuals with disabilities. CONTRACTOR shall have Policies and Procedures in place that indicate ADA knowledge, and non-disclination practices for those with disabilities, describe provisions of auxiliary aids and services, and the removal of barriers that are readily achievable so people can access care. CONTRACTOR shall conduct an annual review of the it's ADA Policy and Procedures, report any revisions to its ADA Policy at least annually sixty (60) calendar days following the close of the fiscal year), and must identify the staff person who is responsible for ADA compliance.
- B. Data Systems Reports. CONTRACTOR shall meet all requirements for timely, accurate submission of data, including the California Outcome Measurement System (CalOMS) for both treatment and prevention services, the Drug and Alcohol Treatment Access Report (DATAR), and any other data collection systems

required by COUNTY and the State Department of Health Care Services. COUNTY may withhold payment of CONTRACTOR claims if CONTRACTOR'S submission of data is not submitted in a timely manner.

1. To meet and monitor network adequacy needs, CONTRACTOR agrees to provide monthly census data for each program during DMC-ODS provider meeting or via e-mail by the 15<sup>th</sup> of every month. Census data includes number of current participants enrolled, number of total participant slots available, and pending/anticipated enrollments already scheduled.
2. Treatment providers who receive SUBG funds shall report if they reach or exceed 90 percent of their dedicated capacity within seven (7) calendar days to DHSCOWPS@dhcs.ca.gov.
3. For final reconciliation purposes, with COUNTY's Administrator approval, final non-Medi-Cal data additions and corrections requested by the CONTRACTOR shall be accepted by COUNTY only through the last day of the month following the end of the quarter in which services were provided. The schedule for final non-Medi-Cal Data Reconciliation is as follows:
  - First quarter (July through September): all additions and/or corrections shall be submitted no later than October 31
  - Second quarter (October through December): all additions and/or corrections shall be submitted no later than January 31
  - Third quarter (January through March): all additions and/or corrections shall be submitted no later than April 30
  - Fourth quarter (April through June): all additions and/or corrections shall be submitted no later than July 31

**C. Staff Training Report.** All staff training must be documented in individual employee training logs and maintained in the employees' personnel files. All CONTRACTOR service delivery staff shall complete the Change Companies American Society of Addiction Medicine (ASAM) e-module trainings totaling ten hours prior to conducting services to a beneficiary. COUNTY shall provide access to all clinicians and counselors within the SUD system with ASAM e-modules as requested by the service provider. The Staff Training Report is to be submitted annually, sixty (60) calendar days following the close of the fiscal year, and will include the following information:

- The name and title of each staff attending the training
- The title, topic and date of the training
- The length of the training

**D. Board of Directors Report.** Non-profit CONTRACTOR shall submit the following information to COUNTY on an annual basis, within sixty (60) calendar days following the close of the fiscal year:

- Current list of Board members
- The date that each individual became a member of the Board

- Contact information for each Board member
- Listing of any Board positions currently vacant or becoming vacant in the next sixty (60) calendar days
- A copy of the Agency's certification from the State verifying the Agency's non-profit status.

**E. Staff Credential Monitoring Reports.** As described in the above section of this Exhibit, Paragraph 3.A.4:

1. DMC-ODS CONTRACTORS will provide monthly updates to changes in staff for the purpose of updating the COUNTY'S DMC-ODS Provider Directory.
2. DMC-ODS CONTRACTORS will provide proof of verification that their staff are not on the Office of Inspector General Exclusion List and Medi-Cal List of Suspended or Ineligible Providers. Any CONTRACTOR staff found to be on the exclusion list will not be employed or contracted by CONTRACTOR (42 CFR 1128 and 42 CFR 438.214). This report will be submitted monthly and upon COUNTY's request.

**F. Charitable Choice Report.** CONTRACTOR shall document the total number of referrals needed because of religious objection to other substance use disorder (SUD) providers. CONTRACTOR shall submit this information annually, sixty (60) calendar days following the close of the fiscal year.

**20. ANNUAL PLANS.** All treatment CONTRACTOR will submit an annual plan with their re-contracting proposal. The following reports shall be submitted and sent via encrypted email to [sudsadmin@santacruzcountyca.gov](mailto:sudsadmin@santacruzcountyca.gov) by CONTRACTOR:

**A. Staff Training Plan.** An annual staff training plan is required to promote staff development and competency and is due during the annual site monitoring and/or certification review, depending on when scheduled either in January or July. In addition to alcohol and drug treatment and prevention training topics, the training plan must include the following:

- Safety and infectious disease policy issues
- HIV/AIDS prevention, treatment, confidentiality, and referrals
- Admission priority and waiting list requirements, TB testing and services, and interim services for injection drug users
- ADA requirements and agency plan
- Programmatic issues related to the diverse aspects of the population (e.g., culture, acculturation and assimilation, cultural competency and Latino accessibility, dual diagnosis, and other population characteristics)
- ASAM training topic(s)

**B. Behavioral Health Equity Plan (BHEP).** A BHEP is required to maintain a high level of accessibility to services and to take needed actions to improve agency cultural

competency and language accessibility for non-English speaking clients whose presence exceeds 5% of the County population (i.e., Spanish speakers). The annual plan should include:

- A list of current staff members, their ethnicity and language fluency, and governing board approval of the current policy and objectives
- Staff training on cultural competence, linguistically appropriate services and equity in behavioral health services should be addressed in the Staff Training Plan

**21. PROPERTY DISCLOSURES.** The following disclosures shall be submitted upon any material change, or as otherwise noted, and sent via encrypted email to [sudsadmin@santacruzcountycal.gov](mailto:sudsadmin@santacruzcountycal.gov) by CONTRACTOR. If CONTRACTOR is renting, leasing or subleasing any real property where people are to receive services hereunder, CONTRACTOR shall prepare and submit to the COUNTY's Agreement Administrator an affidavit sworn to and executed by CONTRACTOR's duly constituted officers containing a detailed description of all existing and pending rental agreements, leases, and subleases. The description shall include: the term (duration) of such rental agreement, the amount of monetary consideration to be paid to the lessor or sublessor over the term of the rental agreement, and the full names and addresses of all parties who stand in position of lessor or sublessor. If the lessor or sublessor is a private corporation, the affidavit shall disclose a listing of all general and limited partners thereof. True and correct copies of all written rental agreements, leases, and subleases with respect to any such real property shall be made available to COUNTY upon request. CONTRACTOR shall notify COUNTY within ninety (90) calendar days when any material change occurs during the term, renewal, or termination, of the rental agreement, lease, and sublease agreement(s).

**22. TRAFFICKING VICTIMS PROTECTION ACT.** CONTRACTOR shall comply with Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA) as amended (22 U.S.C. 7104) and ensure that their staff members receive training at least annually on the TVPA. CONTRACTOR shall ensure program staff are trained in Human Trafficking awareness and have established policies and procedures to attend to such cases, per DMC-ODS regulation.

**23. FEDERAL BLOCK GRANT FUNDING REQUIREMENTS.** CONTRACTOR receiving Federal Block Grant (FBG) funding shall ensure their protocols, procedures and practices comply with the FBG requirements in 45 CFR 96.131. FBG requirements include, but are not limited to:

- Pregnant Intravenous Drug Users
- Pregnant substance abusers
- Intravenous Drug Users (IVDU)
- All other eligible individuals

**24. AIDS PROTOCOL.** CONTRACTOR shall develop a protocol on Acquired Immune Deficiency Syndrome (AIDS) as it relates to the treatment services provided by the agency. The protocol shall address staff training, client information, and treatment

environment. In addition, providers receiving Federal Block Grant (FBG) HIV Set Aside funds for these services shall ensure these protocols comply as described in the "Federal Block Grant Funding Requirements" paragraph, above. The AIDS protocol shall be developed in consultation with the COUNTY's Agreement Administrator and shall be submitted to the COUNTY's Agreement Administrator for approval.

**25. HIV POSITIVE.** Each service modality described in Exhibit A in this Agreement that provides treatment services for intravenous drug users shall admit on a priority basis individuals who test positive for HIV and so advise those individuals seeking treatment. HIV status shall be disclosed by individuals only on a voluntary basis. In addition, providers receiving Federal Block Grant (FBG) HIV Set Aside funds for these services shall ensure these protocols comply as described in the "Federal Block Grant Funding Requirements" paragraph, above.

**26. OUTREACH.** Each treatment service modality described in Exhibit A in this Agreement shall perform outreach activities for the purpose of encouraging individuals in need of drug abuse treatment to obtain such treatment. In addition, providers receiving Federal Block Grant (FBG) funds shall ensure these services comply as described in the "Federal Block Grant Funding Requirements" paragraph, above.

**27. CHARITABLE CHOICE.** Religious organizations receiving Substance Use Block Grant (SUBG) funds for provision of alcohol and drug treatment services shall comply with 42 CFR part 54. These requirements include provision that any religious organization that provides services of a religious nature to clients must provide a notice to clients regarding the religious character of the program and referral for any clients who object to the religious nature of the program to another program as follows:

- A.** The provider may not expend COUNTY funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. However, among other things, faith-based organizations may use space in their facilities to provide services supported by applicable programs, without removing religious art, icons, scriptures, or other symbols. In addition, CONTRACTOR shall retain the authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- B.** CONTRACTOR shall ensure that clients and prospective clients are notified of the client's right to services from an alternative provider. The notice must clearly articulate the client's right to a referral to services that reasonably meet the requirements of timeliness, capacity, accessibility, and equivalency.
- C.** If a client or prospective client objects to the religious character of the program that is provided by a religious organization, that provider shall, within a reasonable time after the date of such objection, refer such individual to an alternative provider selected from the list of COUNTY contract providers with equivalent services, shall

notify COUNTY of the referral, and shall ensure the beneficiary makes contact with the alternative provider.

**28. RESTRICTION ON DISTRIBUTION OF STERILE NEEDLES.** No Substance Use Block Grant (SUBG) funds made available through this Agreement shall be used to carry out any program that includes the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug absent approval from COUNTY.

**29. ASSURANCES REGARDING THE NO UNLAWFUL USE OF DRUGS OR ALCOHOL (Based on ADP 7290 – 4/92).** Consistent with the requirements of California Health and Safety Code, Division 10.5, Sections 11999 through 11999.3 (SB 1377), Statutes of 1989, Chapter 1429, by signing this Agreement, CONTRACTOR does hereby assure that they understand the requirements of Section 11999.2, have reviewed those aspects of the program to which Section 11999.2 applies, and assures that those aspects of the program to which Section 11999.2 applies meet the requirements of Section 11999.2 which states:

- A. Notwithstanding any other provision of law, commencing July 1, 1990, no State funds shall be encumbered by a State agency for allocation to any entity, whether public or private, for a substance use program, unless the substance use program contains a component that clearly explains in written materials that there shall be no unlawful use of drugs or alcohol. No aspect of a substance use program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol.
- B. All aspects of a substance use program shall be consistent with the "no unlawful use" message, including, but not limited to, program standards, curricula, materials, and teachings. These materials and programs may include information regarding the health hazards of use of illegal drugs and alcohol, concepts promoting the wellbeing of the whole person, risk reduction, the addictive personality, and development of positive concepts consistent with the "no unlawful use" of drugs and alcohol message.
- C. The "no unlawful use" of drugs and alcohol message contained in a substance use programs shall apply to the use of drugs and alcohol prohibited by law.
- D. This section does not apply to any programs funded by the State that provide education and prevention outreach to intravenous drug users with AIDS or AIDS related conditions, or persons at risk of HIV infection through intravenous drug use.
- E. None of the funds made available through this Agreement may be used for an activity that promotes legalization of any drug or substance included in Schedule 1 of Section 202 of the Controlled Substance Act (21 USC 812).

**30. SUBSTANCE USE DISORDER AGREEMENT APPEAL PROCESSES**

CONTRACTOR Appeal Process: CONTRACTOR may seek assistance from the State in the event of a dispute over the terms and conditions of this Agreement in accordance with the following Appeal Processes:

A. ADMINISTRATIVE APPEALS

If CONTRACTOR wishes to appeal DHCS dispositions concerning recoupment of specific Medi-Cal claims, the procedures included in the California Code of Regulations (CCR) Title 22, Section 51015 must be followed. This section applies to Drug Medi-Cal (DMC) claims processing. CONTRACTOR may also appeal disapprovals by DHCS for (re)certification requests as indicated in Section 3 of this Exhibit.

The following process will apply to first-level grievances or complaints:

1. CONTRACTOR shall initiate the action by submitting the grievance or complaint in writing to DHCS.
  - a. The grievance or complaint shall be submitted in the form of a letter on the official stationary of CONTRACTOR and signed by an authorized representative of CONTRACTOR.
  - b. The document shall state that it is being submitted in accordance with CCR Title 22, Section 51015.
  - c. The document shall identify the specific claim(s) involved and describe the disputed action regarding the claims.
2. The appeal shall be submitted to DHCS within ninety (90) calendar days from the date CONTRACTOR receives written notification of the decision to disallow claims. Grievances or complaints shall be directed to:

Deputy Director  
Department of Health Care Services  
Substance Use Disorders Prevention, Treatment, & Recovery  
Services Division  
PO Box 997413 MS 2601  
Sacramento, CA 95899-7413
3. DHCS shall acknowledge the grievance or complaint within fifteen (15) calendar days of its receipt.
4. DHCS shall act on the appeal and inform CONTRACTOR of DHCS' decision, and the basic reason therefore, within fifteen (15) calendar days after DHCS' notice of acknowledgement. DHCS shall have the option of extending the decision response time if additional information is required from CONTRACTOR. CONTRACTOR shall be notified if DHCS extends the response time limit.



The following process will apply to second-level grievances or complaints:

CONTRACTOR may initiate a second-level grievance or complaint for claims processing only. The grievance or complaint shall be directed to DHCS. The second-level process may be pursued only after complying with the first-level grievance or complaint process and only under the following circumstances:

1. DHCS failed to acknowledge the grievance or complaint within fifteen (15) calendar days of its receipt.
2. CONTRACTOR is dissatisfied with the action taken by DHCS where the conclusion is based on DHCS' own evaluation of the merits of the grievance or complaint.
3. The second-level appeal is submitted to DHCS within thirty (30) calendar days from the date DHCS failed to acknowledge the first-level appeal or from the date of the first-level appeal decision by DHCS. CONTRACTOR shall refer the grievance or complaint to DHCS to the attention of:

Chief  
Field Service Branch  
Department of Health Care Services  
714 P Street, Room 1516  
Sacramento, CA 95814

The following information shall be submitted:

- a. a copy of the original written grievance or complaint that was sent to DHCS;
  - b. a copy of DHCS's response, specific finding(s), and conclusion(s) regarding the grievance or complaint with which CONTRACTOR is dissatisfied.
4. DHCS shall review the written documents submitted in the grievance or complaint and send a written report of its conclusions and reasons to CONTRACTOR within sixty (60) calendar days of receipt of the referral. DHCS may request additional information and/or hold an informal meeting with the involved parties before rendering a decision. DHCS shall have the option of extending the decision response time if additional information is required from CONTRACTOR. CONTRACTOR will be notified if DHCS extends the response time limit.

B. PROVIDER PARTICIPATION, CERTIFICATION, AND RECERTIFICATION APPEALS

The appeals procedures regarding Drug Medi-Cal (DMC) provider participation, certification, and recertification are as follows:

## 1. First-Level Appeals

- a. A provider may appeal a certification evaluator's decision by submitting a request in writing to DHCS' DMC Licensing and Certification Branch, with specific reasons for the request.
- b. The request for a First-Level Appeal will be submitted to DHCS within thirty (30) calendar days from the date the provider receives written notification of the DHCS decision to deny the provider's certification.
- c. DHCS will acknowledge the written request within fifteen (15) calendar days of its receipt.
- d. DHCS will act on the appeal and inform the provider and/or COUNTY of DHCS's decision and the basis thereof within fifteen (15) calendar days after DHCS' acknowledgment notification.
- e. DHCS will have the option of extending the decision response time if additional information is required from the provider and/or COUNTY. The provider and/or COUNTY will be notified if DHCS extends the response time limit.

The request for an appeal will be submitted in the form of a letter signed by an appropriate representative of the provider and/or COUNTY. Requests for appeal should be directed to the:

Quality Assurance Unit  
Department of Health Care Services  
Substance Use Disorders Prevention, Treatment, & Recovery  
Services Division  
PO Box 997413 MS 2601  
Sacramento, CA 95899-7413

## 2. Second-Level Appeals

- a. A provider and / or COUNTY may make a request for a second-level appeal to the DHCS Quality Assurance Division Deputy Director only after complying with first-level appeal procedures and only in the following circumstances:
  - i. DHCS has failed to acknowledge a request for a first-level appeal within fifteen (15) calendar days of its receipt; or,
  - ii. The provider and/or COUNTY is dissatisfied with the action taken by DHCS Licensing and Certification Branch where the

conclusion is based on its own evaluation of the merits of the request.

- b. A request for a second-level appeal will be submitted to DHCS within thirty (30) calendar days from the date DHCS failed to acknowledge the first-level appeal decision.
- c. In making a request for a second-level appeal, the provider and/or COUNTY will include a copy of the original written request sent to DHCS, a copy of the DHCS decision with which the provider is dissatisfied.
- d. The Deputy Director for the DHCS Quality Assurance Division will review the written documents submitted in the request, may ask for additional information, may hold an informal meeting with involved parties, and will send a written report of its conclusions and reasons to the provider and / or COUNTY within sixty (60) calendar days of receipt of the referral. DHCS will have the option of extending the decision response time if additional information is required from the provider and/or COUNTY. The provider and/or COUNTY will be notified if DHCS extends the response time limit.
- e. All requests for second-level appeals made in accordance with this paragraph will be directed to:

Deputy Director  
Department of Health Care Services  
Substance Use Disorders Prevention, Treatment, & Recovery  
Services Division  
Prevention Services Branch  
Quality Assurance and Support Unit  
PO Box 997413 MS 2601  
Sacramento, CA 95899-7413

- 3. These appeal procedures should only be used after direct communications with the program analyst assigned to the area or inquiries submitted to DHCS through normal channels have not resulted in a satisfactory resolution of the case.

## **COUNTY OF SANTA CRUZ**

### **EXHIBIT F – Medi-Cal Administrative Activities**

#### **PARTICIPATION IN MEDI-CAL ADMINISTRATIVE ACTIVITIES (MAA)**

The unique relationship that CONTRACTOR has with Medi-Cal eligible and potentially eligible individuals and families is fully recognized, as is the expertise of CONTRACTOR in identifying, assessing and coordinating the health care needs of individuals and families it serves. In order to take advantage of this expertise and relationship, CONTRACTOR participation in federal, state and local leveraging opportunities, including Medi-Cal Administrative Activities (MAA), is supported and encouraged. Such participation may include without limitation appropriate staff training and coordination, reporting and documentation of allowable MAA activities and associated costs including without limitation the tracking of staff time through time survey instruments.

In providing services under this Contract, CONTRACTOR shall:

1. Understand and provide basic health and benefit information and perform health advocacy to ensure the health and well-being of the target population and their families being served through this Contract. Outreach activities include information about health and Medi-Cal services that will benefit individuals and families to allow them to lead healthy and productive lives.
2. Provide an explanation of the benefits derived from accessing local health, mental health and substance abuse services, and encourage and assist clients and families to utilize these services.
3. Be knowledgeable regarding available health services, locations of provider sites, and how individuals and families can access these services.
4. Assist families to understand basic Medi-Cal and other relevant insurance information, and/or refer clients to eligibility sites where these activities may occur. CONTRACTOR program services may include: health and Medi-Cal outreach, information, referral, eligibility, access assistance, case coordination and monitoring, planning, and MAA coordination activities.
5. Provide information to individuals and families about Medi-Cal services, refer individuals and families to Medi-Cal eligibility sites, and assist with access and coordinate/monitor Medi-Cal covered services.
6. Assist individuals and families with aspects of the Medi-Cal application process.
7. If necessary, accompany individuals and families to Medi-Cal covered health services.
8. Work with community and government agencies to identify and fill gaps in health and Medi-Cal services by collaborating and planning for individuals and families in need of such services.
9. Assist in implementation and oversight of MAA claims process.

## **COUNTY OF SANTA CRUZ**

### **EXHIBIT H<sub>2</sub>- HIPAA BUSINESS SERVICES ADDENDUM**

#### **COUNTY as COVERED ENTITY**

This Business Associate Addendum ("Addendum") is entered into by and between the COUNTY OF SANTA CRUZ, (hereinafter referred to as "County") and CONTRACTOR (hereinafter referred to as "Business Associate") in order to comply with the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191), 42 U.S.C. Section 1320d, et. seq., and regulations promulgated thereunder, governing protected health information ("PHI"), as amended from time to time (statute and regulations hereinafter collectively referred to as "HIPAA").

#### **1. Use and Disclosure of Protected Health Information**

Except as otherwise provided in this Addendum, Business Associate may use or disclose protected health information only to perform functions, activities or services for or on behalf of the County, as specified in the Contract, provided that such use or disclosure does not violate the Health Insurance Portability and Accountability Act (HIPAA), (U.S.C. 1320d et seq.), and its implementing regulations including but not limited to 45 Code of Federal Regulations parts 142, 160, 162, and 164, hereinafter referred to as the Privacy Rule. The uses and disclosures of PHI may not exceed the limitations applicable to the County under the regulations except as authorized for management, administrative or legal responsibilities of the Business Associate.

#### **2. Further Disclosure of PHI**

The Business Associate shall not use or further disclose PHI other than as permitted or required by this Addendum, or as required by law.

#### **3. Safeguarding PHI**

The Business Associate shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Addendum.

#### **4. Unauthorized Use or Disclosure of PHI**

The Business Associate shall report to the County any use or disclosure of the PHI not provided for by this Addendum or otherwise in violation of the Privacy Rule. The Business Associate shall mitigate to the extent practicable any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Addendum. Business Associate shall report to County within twenty-four hours during a work week of discovery by Business Associate that PHI has been used or disclosed other than as provided for in this Addendum.

#### **4.1 Restrictions On Reproductive Health Care Information**

Business Associate shall not share or disclose any data potentially related to reproductive health care in contradiction with the HIPAA Final Rule and California Civil Code. This shall apply to Business Associate's subcontractors/consultants. Business Associate shall ensure that all contracts for services relating to this Contract include compliance with this Paragraph.

When Business Associate receives a request for PHI potentially related to reproductive health care for PHI received from, or created or received by the Business Associate on behalf of the County, Business Associate must obtain a signed attestation from the requestor that clearly states the requested use or disclosure is not for the prohibited purposes as described in 45 Code of Federal Regulations 164.502(a)(5)(iii)(A) where the request is for PHI for any of the following purposes:

- a) Health oversight activities
- b) Judicial or administrative proceedings
- c) Law enforcement
- d) Regarding decedents, disclosures to coroners and medical examiners

#### **5. Agents and Subcontractors of the Business Associate**

The Business Associate shall ensure that any agent, including a subcontractor, to which the Business Associate provides PHI received from, or created or received by the Business Associate on behalf of the County, shall comply with the same restrictions and conditions that apply through this Addendum to the Business Associate with respect to such information.

#### **6. Access to PHI**

At the request of the County, and in the time and manner designated by the County, the Business Associate shall provide access to PHI in a Designated Record Set to an Individual or the County to meet the requirements of 45 Code of Federal Regulations section 164.524.

#### **7. Amendments to Designated Record Sets**

The Business Associate shall make any amendment(s) to PHI in a Designated Record Set that the County directs or at the request of the Individual, and in the time and manner designated by the County in accordance with 45 Code of Federal Regulations Section 164.526.

#### **8. Documentation of Uses and Disclosures**

The Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for the County to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 Code of Federal Regulations section 164.528.

#### **9. Accounting of Disclosure**

The Business Associate shall provide to the County or an Individual, in the time and manner designated by the County, information collected in accordance with 45 Code of Federal Regulations section 164.528, to permit the County to respond to a request by the Individual for an accounting of disclosures of PHI in accordance with 45 Code of Federal Regulations section 164.528.

**10. Records Available to County and Secretary**

The Business Associate shall make available records related to the use, disclosure, and privacy protection of PHI received from the County, or created or received by the Business Associate on behalf of the County, to the County or to the Secretary of the United State Department of Health and Human Services for purposes of investigating or auditing the County's compliance with the privacy requirements, in the time and manner designated by the County or the Secretary.

**11. Destruction of PHI**

Upon termination of this Addendum for any reason, the Business Associate shall:

- a) Return all PHI received from the County, or created or received by the Business Associate on behalf of the County required to be retained by the Privacy Rule; or
- b) Return or destroy all other PHI received from the County, or created or received by the Business Associate on behalf of the County.

This provision shall apply to PHI in possession of subcontractors or agents of the Business Associate. The Business Associate, its agents or subcontractors shall retain no copies of the PHI.

In the event the Business Associate determines that returning or destroying the PHI is not feasible, the Business Associate shall provide the County notification of the conditions that make return or destruction not feasible. If the County agrees that the return of the PHI is not feasible, the Business Associate shall extend the protections of this Addendum to such PHI and limit further use and disclosures of such PHI for so long as the Business Associate, or any of its agents or subcontractors, maintains such PHI.

**12. Amendments to Addendum**

The Parties agree to take such action as is necessary to amend this Addendum as necessary for the County to comply with the requirements of the Privacy Rule and its implementing regulations.

**13. Mitigation of Disallowed Uses and Disclosures**

The Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of a use or disclosure of PHI by the Business Associate in violation of the requirements of this Addendum or the Privacy Rule.

**14. Data Aggregation**

The Business Associate may provide data aggregation services related to the health care operation of the County.

**15. Termination of Contracts**

The County shall terminate this contract upon knowledge of a material breach by the Business Associate which the Business Associate fails to cure.

**16. Assistance in Litigation or Administrative Proceedings**

Business Associate shall make itself, and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under this Addendum, available to County at no cost to County to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against County, its employees or officers based upon a claimed violation of HIPAA, the HIPAA regulations, or other laws relating to security and privacy, except where Business Associate or its subcontractor, employee or agent is a named adverse party.

**17. No Third-Party Beneficiaries**

Nothing expressed or implied in the terms and conditions of this Addendum is intended to confer, nor shall anything herein confer, upon any person other than County or Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

**18. Regulatory References**

A reference in the terms and conditions of this Addendum to a section in the HIPAA regulations means the section as in effect or as amended.

**19. Survival**

The respective rights and obligations of Business Associate under Section 11 of this Addendum shall survive the termination or expiration of this Addendum.

**20. Generative Artificial Intelligence (GenAI) Technology Use And Reporting**

- a) Business Associate shall not include or make available in their services or any work carried out under this Contract any GenAI technology, including GenAI from third parties or subcontractors, as GenAI technology can materially impact functionality, risk, or contract performance,
- b) If Business Associate discovers any GenAI technology (including from third parties) has been used or made available in work or deliverables during the term of this Contract, Business Associate shall notify County in writing immediately.



- c) Business Associate failure to disclose GenAI and/or failure to submit reporting to County in compliance with this Paragraph may be a material breach of the Contract, as determined in County's sole discretion, and County may consider such failure as grounds for the immediate termination of this Contract. County is entitled to seek any and all relief it may be entitled to as a result of such non-disclosure.
- d) County reserves the right to amend the Contract, without additional cost, to incorporate additional GenAI Special Provisions at its sole discretion and/or terminate any contract that presents an unacceptable level of risk.
- e) This section shall apply to Business Associate's subcontractors/consultants. Business Associate shall ensure that all contracts for services include compliance with this Paragraph.

## Certificate Of Completion

Envelope Id: 53F892AA-9C51-4330-AB7B-94BAE939B308

Subject: Contract 26H1460(25-1992) 6/24/2025 BOS

Source Envelope:

Document Pages: 65

Certificate Pages: 6

AutoNav: Enabled

Envelopeld Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Sent

Envelope Originator:

HSA Admin Processing

701 Ocean Street

Santa Cruz, CA 95060

hsa.adminprocessing@santacruzcountyca.gov

IP Address: 63.194.190.170

## Record Tracking

Status: Original

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Holder: HSA Admin Processing

Location: DocuSign

hsa.adminprocessing@santacruzcountyca.gov

Pool: FedRamp

Pool: County of Santa Cruz

Location: Docusign

Security Appliance Status: Connected

Storage Appliance Status: Connected

## Signer Events

John Nguyen

John.Nguyen@santacruzcountyca.gov

Lead Assistant County County Counsel

Security Level: Email, Account Authentication (None)

## Signature

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Signature Adoption: Uploaded Signature Image  
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## Electronic Record and Signature Disclosure:

Accepted: 6/12/2024 8:53:19 AM

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Gina Borasi

GINA.BORASI@SANTACRUZCOUNTYCA.GOV

Risk Manager

County of Santa Cruz

Security Level: Email, Account Authentication (None)

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Tyler Starkman

executivedirector@mhcan.org

Security Level: Email, Account Authentication (None)

Signed by:  
  
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Signature Adoption: Pre-selected Style  
Using IP Address: 67.180.227.155  
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ID: 13ab0fa5-83bd-4cfd-8bbd-e14f5bf19a0e

Jennifer Herrera

Jennifer.Herrera@santacruzcountyca.gov

Security Level: Email, Account Authentication (None)

## Electronic Record and Signature Disclosure:

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Editor Delivery Events	Status	Timestamp
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