



HEALTH SERVICES AGENCY
ADMINISTRATION

COUNTY OF SANTA CRUZ

HEALTH SERVICES AGENCY

P.O. BOX 962, 1080 EMELINE AVENUE
SANTA CRUZ, CA 95061
(408) 454-4066 FAX: (408) 454-4770
TDD: (408) 454-4123

February 10, 2000

AGENDA: March 7, 2000

BOARD OF SUPERVISORS

County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

RE: Approval of New Mental Health Agreement and Related Resolution

Dear Board Members:

In 1998, mental health services provided to Medi-Cal beneficiaries in California transitioned from an individual state run fee-for-service program to a consolidated program managed through each county's State authorized Mental Health Plan (MHP). In short, this change designated Santa Cruz County Mental Health as the Managed Care provider of mental health services for all Medi-Cal beneficiaries in the County.

One component of care provided through the County's Managed Care Plan includes mental health services for Medi-Cal beneficiaries who are minors and who live out-of-home and out of their county of residence (typically in either foster care or in group homes). The Santa Cruz County MHP currently has approximately 10 children or youth in this category.

Each out-of-county facility routinely accepts children or youth from multiple counties. Under the new Managed Care programs, clinical providers were required to contract with multiple counties to provide services to children placed in the same facility. This placed an extraordinary burden on each provider as well as on each county's MHP. As a result, an administrative mechanism has been developed to manage all of the mental health services provided to children and youth placed in homes outside of their counties of origin.

In order to improve beneficiary access to care and to maintain continuity of treatment services to these out-of-county minors, the State Department of Mental Health (DMH) is proposing to coordinate the management of these services through an Administrative Services Organization (ASO).

The ASO will provide administrative functions including claims processing and payment, information management and reporting, and fiscal management and cost reporting. It will also manage service provision including the development and maintenance of a provider network, determining need for services, determining and authorizing type, frequency and duration of services, assuring the quality of services, and providing all beneficiary rights and protections.

In order to support implementation of the ASO, \$2.3 Million of the initial statewide distribution of FY 1999-2000 State General Funds for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services will be retained by the State Department of Mental Health. Santa Cruz County's share of the \$2.3 Million to be retained by DMH for the ASO is \$55,430 out of a total initial distribution of EPSDT funds to the County of \$2,017,297.

The California Mental Health Directors Association (CMHDA) will be the entity contracting directly with the ASO for services. If a County Mental Health Plan wishes DMH to transfer funds to CMHDA, it is necessary for the County to execute a contract with CMHDA as well as for your Board to pass a resolution authorizing DMH to make such a transfer of funds.

In essence, the proposed attached agreement with CMHDA allows that organization to function as an intermediary with the ASO on behalf of Santa Cruz County. CMHDA will manage and monitor the ASO contract on behalf of the County and any other county that participates in the coordination with the ASO for mental health services provided to Medi-Cal beneficiaries who are minors living out-of-home and outside of their county of residence.

It is, therefore, RECOMMENDED that your Board:

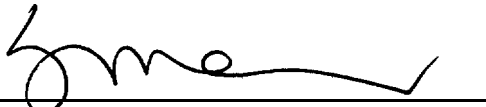
1. Adopt the attached resolution authorizing the State Department of Mental Health to withhold \$55,430 from State General Funds designated for distribution to the County to provide EPSDT Specialty Mental Health Services in FY 1999-2000; and
2. Approve the attached new agreement with the California Mental Health Directors Association (Budget Index 363301, Subobject 4380) effective October 19, 1999 to coordinate and manage the activities of an Administrative Services Organization on behalf of the County, and authorize the Health Services Administrator to sign.

Sincerely,



Rama Khalsa, Ph.D., Administrator
Health Services Agency

RECOMMENDED:



Susan Mauriello
County Administrative Officer

RK:PS
Attachments

cc: County Administrative Office
Auditor-Controller
County Counsel
Health Services Agency
Mental Health & Substance Abuse Administration

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. _____

On the motion of Supervisor _____
duly seconded by Supervisor _____
the following resolution is adopted:

AUTHORIZATION FOR THE STATE DEPARTMENT OF MENTAL HEALTH TO
WITHHOLD \$55,430 FROM STATE GENERAL FUNDS DESIGNATED FOR INITIAL
DISTRIBUTION TO SANTA CRUZ COUNTY TO PROVIDE EPSDT SPECIALTY
MENTAL HEALTH SERVICES IN FISCAL YEAR 1999-2000

WHEREAS, Santa Cruz County wishes to ensure access to medically necessary
specialty mental health services for full scope Medi-Cal beneficiaries under the
age of 18 placed outside of Santa Cruz County; and

WHEREAS, in order to provide the above services dollars must be transferred to
the California Mental Health Directors Association (CMHDA) which will fund
services authorized on behalf of Santa Cruz County beneficiaries by an
administrative services organization (ASO); and

WHEREAS, the ASO will manage authorization, provider certification, contracting
and claims payment for selected Early and Periodic Screening, Diagnosis and
Treatment (EPSDT) services provided to eligible children/youth placed out-of-
county; and

WHEREAS, under this arrangement, the funding available for Santa Cruz County
beneficiaries for EPSDT specialty mental health services will remain at the
current level, and the State Department of Mental Health will consider any funds
given to CMHDA on behalf of Santa Cruz County as funds given to Santa Cruz
County;

NOW, THEREFORE, BE IT RESOLVED that the Santa Cruz County Board of
Supervisors authorize the State Department of Mental Health to withhold \$55,430
from State General Funds designated for initial distribution to Santa Cruz County
to provide Early and Periodic Screening, Diagnosis and Treatment specialty
mental health services in Fiscal Year 1999-2000, and to forward said funds to the
California Mental Health Director's Association for services provided through the
ASO.

PASSED AND ADOPTED, by the Board of Supervisors of the County of Santa
Cruz, State of California, this 7th day of March, 2000, by the-following vote:

AYES: SUPERVISORS
NOES: SUPERVISORS
ABSENT: SUPERVISORS
ABSTAIN: SUPERVISORS

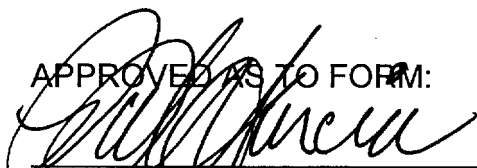
0236

Chair of the Board

ATTEST:

CLERK OF THE BOARD

APPROVED AS TO FORM:



County Counsel

Distribution:

County Administrative Officer
Auditor-Controller
County Counsel
Health Services Agency

COUNTY OF SANTA CRUZ
REQUEST FOR APPROVAL OF AGREEMENT

0287

TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

FROM: HEALTH SERVICES (Mental Health) (Dept.)
Rama Chalsa/ag (Signature) 2/22/00 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

1. Said agreement is between the County of Santa Cruz (Community Mental Health) (Agency)
and Calif. Mental Health Directors Assoc., 1119 K Street, Sacramento, CA 95814 (Name & Address)

2. The agreement will provide coordination and management of the activities of an Administrative Service Organization on behalf of the County

3. The agreement is needed to provide the above.

4. Period of the agreement is from October 19, 1999 to until terminated

5. Anticipated cost is \$ 20,000 through June 30, 2000 (Fixed amount; Monthly rate; Not to exceed)

6. Remarks: Auditor: This is a new Agreement; to be added to the Continuous Agreements List - Section

7. Appropriations are budgeted in 363301 (Index#) 4380 (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and Contract will be encuNo.red. C09TDD 9 2045 Date 2/23/00

GARY A. KNUTSON, Auditor - Controller

By Ronald J. Silver Deputy

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the Health Services Administration to execute the same on behalf of the

Health Services (Agency).

County Administrative Officer

Remarks: _____ (Analyst)

By [Signature] Date 2/23/00

Agreement approved as to form. Date _____

Distribution:

- Bd. of Supv. - White
- Auditor-Controller - Blue
- County Counsel - Green *
- Co. Admin. Officer - Canary
- Auditor-Controller - Pink
- Originating Dept. - Goldenrod

*To Orig. Dept. if rejected.

State of California)
County of Santa Cruz) ss

I _____ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,
State of California, do hereby certify that the foregoing request for approval of agreement was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on _____

By _____ Deputy Clerk

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County Department/Agency: The County of Santa Cruz through the
 HEALTH SERVICES AGENCY (Community Mental Health)
 1400 Emeline Avenue, P.O. Box 962, Santa Cruz CA 95061-0962

0288

Hereinafter called COUNTY and:

CALIFORNIA MENTAL HEALTH DIRECTORS ASSOCIATION

**1119 K Street, 2nd Floor
 Sacramento, CA 95814
 (916) 556-3477**

hereinafter called CMHDA for managed care direct client care and administrative services.

WHEREAS CMHDA possesses certain skills, experience, education and competency to perform the special services and, COUNTY desires to engage CMHDA for such special services upon the terms provided; and

WHEREAS pursuant to the provisions of California Government Code, Section 3 1000, and W & I Code, Sections 5775, et seq., the BOARD OF SUPERVISORS of COUNTY is authorized to enter into an agreement for such services.

NOW, THEREFORE, the parties here to do mutually agree as set forth in:

<u>TITLE</u>	<u>EXHIBIT</u>
Standard Provisions	A
Standard County Mental Health Provisions	B
Standard County / Agency Provisions	C

Said exhibits attached hereto and incorporated into this Agreement by this reference.

IN WITNESS THEREOF COUNTY AND CONTRACTOR have executed thjs Contract Agreement to be effective:

October 19, 1999 until terminated

CMHDA	COUNTY
By: <u>Catherine Camp</u> Catherine Camp EXECUTIVE DIRECTOR	By: _____ HEALTH SERVICES ADMINISTRATOR

Approved as to Form: <u>[Signature]</u> County Counsel Approved as to Insurances: <u>Janet McKinley 12-15-99</u> Risk Management Division Chief	Index # 363301 Subobject # 4380 Contract # co9 -01 Amount No Maxixmum Amount
Distribution: County Administrative Officer County Counsel Auditor-Controller Health Services Agency Community Mental Health Contractor	(Reserved for Clerk of the Board of Supervisors posting of minute order citation)



Exhibit A – Standard Provisions

CONTRACT BETWEEN COUNTY AND CMHDA
Coordination with Administrative Services Organization
For Mental Health ServicesRECITALS

WHEREAS, during early 1998, California Specialty Mental Health Services provided to Medi-Cal beneficiaries transitioned from an individual fee-for-service program to a consolidated program managed through the County's State-authorized Mental Health Plan;

WHEREAS, one component of care provided through the County's State-authorized Mental Health Plan includes Specialty Mental Health services for Medi-Cal beneficiaries who are minors and who reside out-of-home and out of their County of residence;

WHEREAS, the County desires coordinated management of such services in order to better assure beneficiary access to care and to maintain and foster continuity of treatment services;

WHEREAS, the County and CMHDA have concluded that coordinated management of such services can best be accomplished through an Administrative Services Organization ("ASO"), whose activities shall be monitored by CMHDA;

WHEREAS, CMHDA intends to contract with an ASO to manage the provision of Specialty Mental Health services to full scope Medi-Cal eligible beneficiaries ages 0 to 18, who have been placed in Out-of-County group homes, foster homes or kinship placements;

WHEREAS, the scope of the services sought from an ASO include the following components: (1) Managing Service Provision, including, but not limited to, developing and maintaining the provider network, determining need for services, determining and authorizing type, frequency and duration of services, assuring the quality of services and providing all necessary beneficiary rights and protections; and (2) Administrative Functions, including, but not limited to, claims processing and payment, information management, and reporting and fiscal management and cost reporting;

WHEREAS, is it mutually advantageous for the County to authorize the State Department of Mental Health ("DMH") to distribute to CMHDA available state funding for the Early and Periodic Screening, Diagnosis and Treatment ("EPSDT") program for the subsequent transfer of some such funds to the ASO;

NOW, THEREFORE, in consideration of the foregoing, the County and CMHDA agree as follows:

1. IMPLEMENTATION OF ASO CONTRACT

A. CMHDA shall enter into a contract with an ASO (the "ASO Contract"), which CMHDA shall select based upon CMHDA's evaluation of responses to the CMHDA's December 8, 1998 "Request for Proposals: Administrative Services Organization for Mental Health Services," a correct copy of which is attached hereto as Attachment 1.

B. CMHDA shall monitor the ASO's compliance with the ASO Contract, and shall keep the County informed as to any material developments and issues that may arise during the duration of thereof;

2. REGULATORY COMPLIANCE AND FUNDING FLOW

A. The County shall authorize the DMH to distribute to CMHDA all state funding for EPSDT, including initial distribution-and final payment, available for Medi-Cal beneficiaries who receive services in conjunction with the ASO Contract;

B. Within 30 days after the ASO provides the necessary data and request for reimbursement, the County shall transfer to CMHDA an amount equal to any and all federal matching funds ("Federal Financial Participation") the County is to receive for services provided to beneficiaries in conjunction with the ASO contract, to the extent such beneficiaries are deemed by the appropriate state or federal authorities to be the County's Medi-Cal responsibility;

C. CMHDA shall distribute to the ASO **(1)** any and all amounts CMHDA receives from the County for any Federal Financial Participation the County is to receive, as well as **(2)** any and all state funds transferred by the DMH through the County to CMHDA, as needed for payment of claims from authorized providers and/or for administrative expenses, as authorized by the ASO Contract; CMHDA shall refund to the DMH any excess state funds when subsequent year payments are made available;

D. The County shall comply in good faith with all Medi-Cal rules and regulations applicable to the provision of Specialty Mental Health services for Medi-Cal beneficiaries who are minors and who reside out-of-home and out of the County;

E. The County shall cooperate with the ASO in connection with providing authorization for services to beneficiaries who are deemed by the appropriate state or federal authorities to be the County's Medi-Cal responsibility. The County may retain responsibility for providing services for any minor placed out-of-county at the County's discretion after notification to the ASO and CMHDA, at any point in the treatment. Upon receipt of such notification from the County, CMHDA shall

cooperate with the ASO to transfer back to the County sufficient funds to enable the County to provide treatment for any minor for whom the County retains responsibility. The County's right to receive funds back from CMHDA in order to provide services for any minor placed out-of-county shall be limited to those amounts that CMHDA is able to transfer back to the County funds from those that the County previously authorized for distribution, and/or directly distributed, to CMHDA pursuant to this Contract.

F. The County shall include in its Client Services Information reports to the DMH all required data regarding services provided in conjunction with the ASO Contract to beneficiaries who are deemed by the appropriate state or federal authorities to be the County's Medi-Cal responsibility;

G. The County shall submit to DMH all necessary Cost Report/Data Collection fiscal year-end settlement documents which reflect services provided in conjunction with the ASO contract to beneficiaries who are deemed by the appropriate state or federal authorities to be the County's Medi-Cal responsibility;

3. LIABILITY AND INDEMNIFICATION

See Paragraph 4 of Exhibit C which is incorporated into and made part of this agreement by this reference.

4. ADMINISTRATIVE FEE

A. The County shall pay an administrative fee to CMHDA on a monthly basis in consideration for CMHDA's monitoring of the ASO Contract. CMHDA shall monitor the ASO Contract on behalf of the County and any other county that participates in the coordination with the ASO for mental health services. CMHDA shall assess each participating county a portion of the monthly administrative fee based upon the percent of total paid claim transactions attributable to that county pursuant to this Contract. CMHDA shall provide monthly reports to the County reflecting the administrative fee paid by the County. The administrative fees paid by all participating counties to CMHDA shall not collectively exceed \$200,000 annually during the term of the ASO Contract. In the event of a change of circumstances pertaining to the ASO Contract that increases CMHDA's costs of monitoring the ASO Contract, the County agrees, upon request of CMHDA, to negotiate in good faith with CMHDA regarding corresponding changes to CMHDA's administrative fee.

5. INSURANCE

See Paragraph 33 of Exhibit C which is incorporated into and made part of this agreement by this reference.

6. MISCELLANEOUS

A. This Contract shall remain in force and in effect until the ASO Contract expires or is otherwise terminated. Either party may terminate this Contract upon 120 day's prior written notice to the other party. Notwithstanding the termination of this Contract, all obligations of the County pursuant to this Contract shall survive until the end of the fiscal year or until CMHDA and/or the ASO have received any and all reimbursements provided for in Section 2 above.

COUNTY OF SANTA CRUZ

EXHIBIT B -STANDARD MENTAL HEALTH PROVISIONS

This is an Agreement between the parties relating to the rendering of mental health services as defined in, and for which State reimbursement may be claimed under, the provisions of the Bronzan-McCorquodale Act (Part 2 of Division 5, Welfare and Institutions Code) and its accompanying regulations contained in Subchapter 3 of Title 9, California Code of Regulations, parts of which provide definitions, standards, and procedures by and pursuant to which such services may lawfully be provided. Services shall be provided under the general supervision of the Health Services Administrator or his designee. For the purposes of this Section, "designee", may include any permanent employee on the staff of such Administrator **as** may be appropriately designated to provide liaison, coordination, or supervision over the services described herein.

1. ADMINISTRATION:

COUNTY'S Director of Mental Health, or his or her designee, hereinafter called COUNTY'S ADMINISTRATOR, under direction of the Health Services Administrator, shall represent COUNTY in all matters pertaining to services rendered pursuant to this Agreement and shall administer this Agreement on behalf of COUNTY. CMHDA'S Executive Director shall administer this Agreement on behalf of CMHDA.

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 cited in Paragraph 1 above, for CMHDA at the address cited on this Agreement's cover sheet, and for COUNTY at Community Mental Health, P.O. Box 962, Santa Cruz, CA 95061-0962, Attention: Director of Mental Health.

3. PROVISION OF SERVICES:

a. CMHDA agrees to establish and conduct a program of mental health services under the Bronzan-McCorquodale Act services to persons with behavioral and emotional disorders who reside in Santa Cruz County and are eligible for treatment under the Santa Cruz County Performance Contract. All services rendered under this Agreement shall be subject to the supervision of the COUNTY'S Director of Mental Health and shall be provided in a manner consistent with the requirements of the Bronzan-McCorquodale Act; Subchapter 3 of Title 9, California Code of Regulations; and applicable ordinances and resolutions of the Santa Cruz County Board of Supervisors.

- b. The COUNTY Director of Mental Health or his/her staff shall specify in writing the kind, quality and amount of service which shall be provided to each eligible patient/client under this Agreement. Said service to be mutually agreed upon and fall within parameters of this Agreement.
- c. CMHDA agrees to provide services to program clients throughout the period of this Agreement.
- d. As part of the State required Quality Assurance and Improvement Plan, CMHDA shall develop a complaint and grievance process for use by clients and family members to express concerns about access to and/or quality of care. This process shall be in writing and available to the public. As part of this process, CMHDA shall maintain a complaint log and provide an annual report on numbers and types of complaints, outcomes of the complaints, and system issues causing problems for patients.

4. CONFORMANCE TO CR/DC:

It is agreed that the Cost Reporting/Data Collection Manual, an official publication of the State Department of Mental Health promulgated pursuant to the Bronzan-McCorquodale Act, establishes basic requirements to which a contract provider must adhere for approval by the State. CMHDA agrees to comply with all applicable provisions of this manual and any amendments thereto, which by this reference is incorporated into and made a part of this Agreement. A manual will be provided to the CMHDA on an annual basis.

- a. Procedure for Complaint Process. All complaints alleging discrimination in the delivery of services by CMHDA because of race, color, religion, age, disability, national origin, gender, or sexual orientation shall be resolved by the State through the Department of Mental Health's Affirmative Action complaint process.
- b. Notice of Complaint Process. CMHDA shall, subject to the approval of the Department of Mental Health, 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 Department of Mental Health.

5. RECORDS

- a. Client Records. CMHDA 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 such 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 CMHDA'S client records upon termination of this Agreement and shall thereupon act as custodian of such records for CMHDA. CMHDA 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 California Code of Regulations. COUNTY agrees that such custody will conform to

applicable confidentiality provisions of State and Federal law.

b. Right to Review. CMHDA authorizes the State Department of Mental Health, the Health Administrator or his/her 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 State Department of Health shall have the same rights of inspection and evaluation of Medi-Cal services provided by CMHDA pursuant to this Agreement.

c. Confidentiality of Client Records and Information. For the COUNTY'S Mental Health system (i.e., all Bronzan-McCorquodale funded providers) to provide coordinated, quality care, all COUNTY and Contract providers must be able to discuss and exchange relevant clinical and service needs information. This information must be exchanged when making referrals, accepting referrals or coordinating service delivery to a client. Consultation with the client regarding this exchange of information is required of the CMHDA. CMHDA is responsible for insuring that its ability to exchange client information within the Bronzan-McCorquodale provider system is maintained.

6. PAYMENT OF CLAIMS:

a. COUNTY agrees to pay CMHDA on receipt of a properly submitted monthly claim in a form found agreeable by COUNTY certifying the extent of performance under this Agreement. Each claim shall be submitted to and approved by COUNTY'S Administrator prior to payment by COUNTY.

7. FULL COMPENSATION:

Pending any cost report adjustment, each claim so approved and paid shall constitute full and complete compensation to CMHDA for the period covered by the claim. It is expressly understood and agreed that this Agreement constitutes the entire Agreement of CMHDA and COUNTY and in no event shall CMHDA be entitled to any compensation, benefits, reimbursements, or ancillary services other than as herein expressly provided.

8. PARTIAL PERFORMANCE:

In the event less than all services are performed in a proper and timely manner, CMHDA shall be paid only the reasonable cost for the services performed for the payment period as determined by COUNTY'S Administrator.

9. ACCOUNTS RECEIVABLE:

In the event that CMHDA or COUNTY terminates this Agreement, the COUNTY shall retain its interest in the accounts receivable which was a result of the CMHDA'S Bronzan-McCorquodale eligible service under this Agreement. The accounts receivable shall

Exhibit B

0296

either be assigned to the COUNTY or shall be used to offset any amounts that may be due to CMHDA resulting from such termination with said determination to be made by COUNTY in the exercise of its reasonable judgement.

10. REPORTABLE INCIDENTS

CMHDA shall report within 24 hours all incidents affecting the immediate health, safety and well being of clients to the office of the Mental Health Director. 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.

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

Exhibit B for CMHDA
12.10.99

COUNTY OF SANTA CRUZ**EXHIBIT C -STANDARD COUNTY/AGENCY PROVISIONS**

1. **INDEPENDENT CONTRACTOR.** It is agreed that CMHDA shall perform as an independent contractor under this Agreement. CMHDA is, for all purposes arising out of this Agreement, an independent contractor, and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CMHDA and its employees shall in no event be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, any retirement benefits, worker's compensation benefits, and injury leave or leave benefits. The Board of Directors/Trustees of CMHDA shall be vested with the responsibility for the administration of the program to be conducted under this Agreement.

By their signatures to this Contract, each party certifies that it is his or her considered judgment that the CMHDA engaged under this Contract is in fact an independent contractor,

2. **CONTRACTOR'S EMPLOYEES AND EQUIPMENT.** CMHDA agrees that it has secured or will secure at its own expense all persons, employees and equipment unless otherwise specified required to perform the services required under this Agreement and that all such services will be performed by CMHDA or under CMHDA'S supervision, by persons authorized by law to perform such services. If any arrangement is made whereby employees of COUNTY are used by CMHDA, they shall, while engaged in such work be considered for all purposes, as employees, servants, or agents of the CMHDA and not of COUNTY, irrespective of party paying them.
3. **RESPONSIBILITY FOR INVENTORY ITEMS.**
 - a. Equipment, materials, supplies, or property of any kind purchased from funds advanced or reimbursed under the terms of this Agreement having a useful life of three years or greater and a value in excess of three hundred dollars is defined a inventory item. All such items not fully consumed in the work described herein shall be the property of the COUNTY at the termination of this Agreement unless the COUNTY, at its sole discretion, makes an alternate disposition. CMHDA shall, at the request of COUNTY, submit an inventory of said items purchased under the terms of this Agreement, and for items received on a loan basis from COUNTY; such inventory will not be required more frequently than annually. CMHDA shall provide a final inventory to COUNTY'S Administrator within ten (10) days of the termination of this Agreement. Final disposition of all inventory items shall be in accordance with written instructions provided by COUNTY.
 - b. Inventory items in CMHDA'S possession shall only be used in connection with the program funded under this Agreement, and shall not be loaned to the public at large. CMHDA is strictly liable for repairing or replacing any inventory item which is lost and/or damaged while in its possession. CMHDA is responsible for the proper maintenance of all inventory items. CMHDA will return all inventory items to COUNTY in the same condition that it received them except for damage due to normal wear and tear.
4. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** CMHDA shall exonerate, indemnify, defend, and hold harmless COUNTY which for the purpose of

paragraphs 4 and 33 (which shall include, without limitation, its officers, agents, employees and volunteers) from and against:

- a. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which COUNTY may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the CMHDA'S performance under the terms of this contract, including but not limited to the use, misuse, or failure of any equipment, materials, tools, supplies or other property furnished to CMHDA by COUNTY, excepting any liability arising out of sole negligence of the COUNTY. Such indemnification includes any damage to the person(s) or property(ies) of CMHDA and third persons.
 - b. Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect to CMHDA and CMHDA'S officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security and payroll tax withholding).
5. **ASSIGNABILITY.** CMHDA shall not assign any interest in this Agreement, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the COUNTY thereto; provided, however, that claims for money due or to become due to CMHDA from COUNTY under this Agreement may be assigned without such approval. Notice of any assignment or transfer shall be furnished promptly to COUNTY.
 6. **INTEREST OF CONTRACTOR.** CMHDA covenants that it presently has no interest, including but not limited to, other projects or independent contractors, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CMHDA further covenants that in the performance of this Agreement no person having any such interest shall be employed or retained by him under this Agreement.
 7. **SUBCONTRACTS.** All subcontracts of CMHDA for provision of services under this Agreement shall be notified of CMHDA'S relationship to COUNTY. Any subcontract which is in excess of one thousand dollars (\$1,000) shall have prior written approval of COUNTY'S Administrator. CMHDA shall provide, upon request of COUNTY, copies of all subcontracts relating to this Agreement entered into by CMHDA. CMHDA has legal responsibility for performance of all contract terms including those subcontracted.
 8. **POLITICAL ACTIVITIES PROHIBITED.** 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. No CONTRACTOR shall utilize or allow its name to be utilized in any endorsement of any candidate for elected office. Neither the contract nor any funds provided thereunder shall be utilized in support of any partisan political activities for or against the election of candidates for an elected office.
 9. **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 C.F.R., Section 501(c)(3)-ib(3).

10. **CONFORMANCE TO REGULATIONS.** CMHDA shall perform this Agreement in conformance with all applicable Federal, State and local rules and regulations, including applicable facility and professional licensure and/or certification laws,
11. **CONFORMANCE TO LAW.** This Agreement shall be construed and interpreted according to the laws of the State of California, the United States of America and the ordinances of the County of Santa Cruz.
12. **ADMISSION POLICIES.** Admission procedures shall be in writing, be available to the public and include a provision that services, benefits and facilities shall be provided to patients/clients without regard to race, color, religion, age (over 18), mental or physical disability, national origin, medical condition (cancer related), gender, pregnancy, or sexual orientation and that no one will be refused services because of inability to pay for services.
 - a. Nondiscrimination in Services, Benefits and Facilities. There shall be no discrimination in the provision of services because of race, color, religion, age (over 18) , mental or physical disability, national origin, medical condition (cancer related), gender, pregnancy, or sexual orientation, in accordance with Title VI of the Civil Rights Act of 1964, 42 U.S.C. Section 2000d, Sections 503 and 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990 rules and regulations promulgated pursuant thereto, or as otherwise provided on the grounds of any of the aforementioned characteristics. Discrimination in the provision of services includes, but is not limited to, the following: denying a person any service or benefit; providing to a person any service or benefit which is different, or is provided in a different manner or at a different time from that provided to other persons under this contract; subjecting a person to segregation or separate treatment in any matter related to his receipt of any service; restricting a person differently in any way in the enjoyment of an advantage or privilege enjoyed by others receiving any service or benefit; treating a person differently from others in determining whether he/she satisfied any admission, enrollment quota, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any service or benefit; the assignment of times or places for the provision of services on the basis of any of the aforementioned characteristics of the person(s) to be served. CMHDA will take affirmative action to ensure that intended beneficiaries are provided services without regard to race, color, religion, age, disability, national origin, gender, or sexual orientation.
13. **EQUAL EMPLOYMENT OPPORTUNITY.** During and in relation to the performance of this Agreement, CMHDA agrees as follows:
 - a. CMHDA shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, mental or physical disability, medical condition (cancer related), marital status, gender, pregnancy, sexual orientation, age (over 18), veteran status or any other nonmerit 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. The CMHDA agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

“Discriminate, Discrimination or Discriminatory” - shall mean any act, policy or practice which, regardless of intent, has the effect of subjecting any person to differential treatment as a result of that person’s age (over 18), race, color, creed, religion, national origin, ancestry, mental or physical disability, marital status, pregnancy, gender, or sexual orientation.

“Discrimination” includes the assertion of an otherwise valid reason for action as a subterfuge or pretext for prohibited discrimination.

b. If this Agreement provides compensation in excess of \$50,000 to CMHDA and if **CMHDA** employs fifteen (15) or more employees, the following requirements shall apply:

(1) The CMHDA shall, in all solicitations or advertisements for employees placed by or on behalf of the CMHDA, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, mental or physical disability, medical condition (cancer related), marital status, gender, sexual orientation, age (over 18), veteran status, pregnancy, or any other non-merit factor unrelated to job duties. In addition, the CMHDA shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CMHDA’S solicitation of goods and services. Definitions for Minority/Women/Disabled Owned Business Enterprises are available from the COUNTY General Services Purchasing Division.

(2) The CMHDA shall furnish **COUNTY** Affirmative Action Office information and reports in the prescribed reporting format (PER 4012) identifying the gender, race, disability,, and job classification of its employees and the names, dates and methods of advertisement and direct solicitation efforts made to subcontract with Minority/Women/Disabled Business Enterprises.

(3) In the event of the CMHDA’S non-compliance with the non-discrimination clauses of this contract or with any of the said rules, regulations, or orders this CMHDA may be declared ineligible for further contracts with the COUNTY.

(4) The CMHDA shall cause the foregoing provisions of this Subparagraph 13b. to be inserted in all subcontracts for any work covered under this Agreement by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

14. **CONFIDENTIALITY OF RECORDS.** CMHDA agrees that all information and records obtained in the course of providing services to COUNTY in the program shall be subject to confidentiality and disclosure provisions of applicable Federal and State statutes and regulations adopted pursuant thereto. CMHDA agrees that it has a duty and responsibility to make available to the COUNTY Administrator or his/her designated representatives, including the Auditor-Controller of the COUNTY, the contents of records pertaining to COUNTY which are maintained in connection with the performance of CMHDA’S duties and responsibilities under this Agreement, subject to the provisions of the heretofore mentioned Federal and State statutes and regulations. The COUNTY acknowledges its duties and responsibilities regarding such records under such statutes and regulations.
15. **MONITORING.** CMHDA agrees that COUNTY shall have the right to monitor the services provided under this Agreement. Monitoring shall be conducted according to standards and

guidelines as set forth by State and COUNTY requirements. CMHDA agrees to provide COUNTY'S Administrator, or his/her 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.

16. **REPORTS.** CMHDA 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 CMHDA. Reports shall be submitted to COUNTY'S Administrator.
17. **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 Agreement shall be the property of COUNTY. No such materials or properties produced in whole or in part under this Agreement shall be subject to private use, copyright or patent right by CMHDA in the United States or in any other country without the express written consent of the COUNTY. COUNTY shall have unrestricted authority to publish, disclose, distribute and otherwise use copyright or patent right by CMHDA in the United States or in any other country without the express written consent of the CMHDA. 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 Agreement.
18. **EVALUATION/RESEARCH.** Evaluation or research involving contact with past or present recipients of services provided under this Agreement shall be permitted with the informed consent of the recipient and only after the CMHDA 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 Agreement.
19. **PUBLICITY.** CMHDA agrees to provide acknowledgment to COUNTY in any and all public information released regarding programs, activities and services provided under this Agreement. Such releases shall contain a credit substantially as follows:

This program is funded under a contract with the County of Santa Cruz.

20. VOLUNTEERS. CMHDA agrees not to fill budgeted positions with volunteer workers.

21. TRAVELING EXPENSES, FOOD AND LODGING.

a. CMHDA'S claim for travel expense for food and lodging must be directly related to this program and shall be at rates not to exceed those applicable to regular COUNTY employees. No travel outside of the State of California shall be payable unless prior written authorization is obtained from COUNTY'S Administrator.

b. Private mileage reimbursement, if paid based upon miles driven, to CMHDA'S employees when incurred in performance of duties under this Agreement shall be payable at a rate not to exceed COUNTY rates payable to COUNTY employees.

22. CONTRACTOR PERSONNEL STANDARDS. The CMHDA shall determine that all staff providing services under this Agreement shall be personally and professionally qualified to perform the job requirements under this Agreement. CMHDA shall maintain a resume for each employee which shall include qualifying education, experience and licenses, if applicable. COUNTY'S Administrator may review resumes of all CMHDA'S employees to determine that CMHDA is meeting State and/or Federal job qualification requirements, if applicable under this Agreement.

23. PRESENTATION OF CLAIMS. Presentation and processing of any or all claims arising out of or related to this Agreement 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.

24. CHANGES.

a. COUNTY may from time to time request changes in the scope of the services of CMHDA to be performed hereunder. Such changes, including any increase or decrease in the amount of CMHDA'S compensation, which are mutually agreed upon by and between COUNTY and CMHDA, shall be effective when incorporated in written amendments in this Agreement. No alteration, amendment, or modification of the terms of this Agreement shall be valid unless executed by written amendment hereto and approved by COUNTY.

b. COUNTY shall have the right to renegotiate the financial and/or programmatic terms of this Agreement in the event that there is a reduction in the approved budget.

25. NOTICE OF POSSIBLE TERMINATION FOR CAUSE.

a. In the event CMHDA fails to perform any of the provisions of this Agreement or fails to make progress so as to endanger performance of this Agreement in accordance with its terms, and in either of these circumstances does not cure such failure within a period of fourteen (14) days after receipt of notice from COUNTY specifying such failure, COUNTY may by written notice of default terminate the whole or part of this Agreement.

b. In the event of a termination pursuant to Paragraph 25a, all finished or unfinished documents, and other materials, prepared by CMHDA under this Agreement shall become the

property of COUNTY. CMHDA shall be entitled to receive reasonable compensation not to exceed actual cost as reported in interim cost reports for any satisfactory work completed on such documents, or other such materials to date of termination, not to exceed amount payable to date of termination under Paragraph 25a reduced by the amount of damages sustained by COUNTY by reason of such breach.

26. Paragraph not applicable

27. **TERMINATION DUE TO CESSATION OF FUNDING.** COUNTY shall have the right to terminate this Agreement without prior notice to CMHDA in the event that State or Federal funding for this Agreement ceases prior to the ordinary term of the Agreement.

28. **EXTENSION OF TIME.** COUNTY'S Administrator may extend the time for completion of CMHDA'S performance under this Agreement in the event performance is delayed due to unforeseeable causes beyond the control and without the fault or negligence of CMHDA. Both parties agree that such extension of time does not alter the amount of compensation due CMHDA.

29. **RETENTION AND AUDIT OF RECORDS.** CMHDA shall retain records pertinent to this Agreement for a period of not less than five (5) years after final payment under this Agreement or until a final audit report is accepted by COUNTY, whichever occurs last. CMHDA hereby agrees to be subject to the examination and audit by the Santa Cruz County Auditor-Controller, the Auditor General of the State of California, federal auditors or the designee of either for a period of five (5) years after final payment under this Agreement.

CMHDA must comply with Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Non-Profit Institutions, which requires a single or program-specific audit be conducted annually if federal funds exceed \$300,000. A copy of the A-133 audit shall be submitted to COUNTY no later than eight (8) months following the end of the fiscal year being audited.

30. **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 Agreement.

31. **DISALLOWANCE AND RESPONSIBILITY FOR AUDIT EXCEPTIONS.** CMHDA is responsible for knowledge of, and compliance with, all COUNTY, State and Federal regulations applicable to expenditure of funds under the terms of this Agreement. In the event CMHDA claims and receives payment from COUNTY which is later disallowed based on an audit, performed by the COUNTY, the State of California or the United States government, CMHDA 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 CMHDA under this Agreement. CMHDA also agrees to assume all responsibility for receiving, replying to, and complying with any audit exception by the COUNTY, State or Federal audit agency.

32. OVERPAYMENTS. Over payments as determined by audits shall be payable to COUNTY within thirty (30) days after date of said determination. Over payments held in excess of thirty days shall be subject to a penalty charge of a flat twelve (12) percent per annum.

33. INSURANCE.

a. CMHDA, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects COUNTY and any insurance or self-insurance maintained by COUNTY shall be excess of CMHDA'S insurance coverage and shall not contribute to it.

b. If CMHDA utilizes subcontractors in the performance of this Agreement, CMHDA shall obtain and maintain Independent contractors Insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of CMHDA in this Agreement.

(1) Types of Insurance and Minimum Limits

(a) Worker's Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall not be required if CMHDA has no employees.

(b) Automobile Liability Insurance for each of CMHDA'S vehicles used in the performance of this Agreement, including owned, non-owned (e.g., owned by CMHDA'S employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage.

(c) Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$1 ,000,000 combined single limit, including coverage for:

a) bodily injury, b) personal injury, c) broad form property damage, d) contractual liability, and e) cross-liability.

(d) Professional Liability Insurance in the minimum amount of \$1 ,000,000 combined single limit.

(e) CMHDA agrees to carry and maintain during the entire term of this Agreement fire and extended coverage including theft insurance to adequately cover value of COUNTY'S inventoriable items in the possession of CMHDA. Insurance policy must name COUNTY as the loss payee.

(2) Other Insurance Provisions

(a) If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, CMHDA agrees to maintain the required coverage for a period of three (3) years after the expiration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. CMHDA may maintain the required post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post agreement being both available and reasonably affordable in relation

to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.

(b) All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause:

"The County of Santa Cruz, its officials, employees, agents and volunteers are added as an additional insured as respects the operations and activities of, or on behalf of, the named insured performed under Agreement with the County of Santa Cruz".

(c) All required insurance policies shall be endorsed to contain the following clause:

"This insurance shall not be canceled until after thirty (30) days prior written notice has been given to: **Claims Desk, Health Services Administration, P.O. Box 96.2, Santa Cruz, CA 95061.**

(d) CMHDA 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 Agreement with Certificates of Insurance for all required coverage. All Certificates of Insurance shall be delivered or sent to: **Claims Desk, Health Services Administration, P.O. Box 962, Santa Cruz, CA 95061.**

34. SAFETY AND INFECTION CONTROL.

a. CMHDA 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 CMHDA as a result of non-compliance with such guidelines. CMHDA agrees to notify COUNTY immediately should the status of any of the assertions in this paragraph change or come into question.

b. CMHDA must, upon request, furnish documentation satisfactory to COUNTY'S Health Officer, of the absence of tuberculosis disease for any employee or volunteer who provides services under this Agreement.

c. CMHDA agrees to furnish COUNTY, upon request, a copy of CMHDA'S Safety and Infection Control Policy.