



HEALTH SERVICES AGENCY  
ADMINISTRATION

# COUNTY OF SANTA CRUZ<sup>0229</sup>

## 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

December 22, 2000

AGENDA: January 9, 2001

### BOARD OF SUPERVISORS

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

RE: APPROVAL OF MENTAL HEALTH CONTRACT FOR FY 2000-2001

Dear Board Members:

This letter seeks Board approval for one existing contract shown on the 2000-2001 Continuing Agreements List as a Section II. Because of program changes, the contract requires specific Board approval.

Since April 1990, HSA Mental Health has contracted with Front Street Inc. (County Contract No. 539) to provide residential care services for Santa Cruz County residents. The attached contract is in the maximum amount of **\$3,428,522**, an increase of \$458,922 from the amount listed on the 2000-2001 Continuing Agreements List. The increase will allow payment for 1) additional treatment days made possible by the closure of 2 six bed facilities previously operated by Front Street, Inc. in Santa Clara County for the benefit of Santa Cruz clients and the concurrent opening of a fifteen bed facility here in Santa Cruz; 2) \$118,000 of ADA repair and other major improvement costs in two of the facilities operated by this vendor, one of which is owned by the County; and 3) reimbursement for 2,500 additional days of rehabilitative treatment services, for a new total of 9,684 days, designed to assist clients in gaining skills necessary for independent living and reduce the County's utilization of skilled nursing facility beds.

The increase will be funded by new Short-Doyle Medi-Cal revenue, with match provided from funding redirected from Mental Health's skilled nursing facility budget. Sufficient funds exist within the current Mental Health budget and no additional county funds are needed or requested.

It is, therefore, RECOMMENDED that your Board:

1. Approve the attached 2000/01 agreement with Front Street, Inc, County Contract No. 539 (Budget Index 363149, Subobject 4616) in the amount of **\$3,428,522**, and authorize the Health

Services Agency Administrator to sign, and

2. Adopt the attached resolution accepting and appropriating \$289,713 of unanticipated federal funds into the HSA Mental Health budget.

Sincerely,



Rama Khalsa  
Health Services Administrator

RK:NA:GK:ep  
Attachment

RECOMMENDED



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Susan Mauriello  
County Administrative Officer

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

COUNTY OF SANTA CRUZ  
REQUEST FOR APPROVAL OF AGREEMENT

0231

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

FROM: HEALTH SERVICES AGENCY (Mental Health) (Dept.)  
[Signature] (Signature) 12/22/00 (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, Front Street, Inc., 303 Potrero Street, Suite 1A, Santa Cruz, CA 95060 (Name & Address)
2. The agreement will provide residential care programs and residential treatment for adults with  
behavioral and emotional disorders and the operation of two day treatment programs.
3. The agreement is needed, to provide the above.
4. Period of the agreement is from July 1, 2000 to June 30, 2001  
\$3,428,522.00
5. Anticipated cost is \$ ~~2,969,600~~ through June 30, 2001 (Fixed amount; Monthly rate; Not to exceed)
6. Remarks: On 2000-01 Continuing Agreements List - Section II in the amount of \$2,969,600. This  
contract increases that amount by \$458,922 to provide reimbursement for additional services and capital costs.  
Given the new contract amount, this contract no longer qualifies as a Section II Agreement.
7. Appropriations are budgeted in 363149 112,905 - 01 (Index#) 4616 (Subobject)  
346,017 - 02

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

Appropriations are available and have been encumbered. Contract No. C000539-01/03 Date 12/27/00  
are not will be

GARY A. KNUTSON Auditor - Controller  
By [Signature] Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the  
Health Services Administrator to execute the same on behalf of the  
HEALTH SERVICES (Agency). County Administrative Officer

Remarks: [Signature] (Analyst) BY \_\_\_\_\_ Date \_\_\_\_\_

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

\_\_\_\_\_ 19 \_\_\_\_\_ By \_\_\_\_\_ Deputy Clerk

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

0232

RESOLUTION NO. \_\_\_\_\_

On the motion of Supervisor \_\_\_\_\_  
duly seconded by Supervisor \_\_\_\_\_  
the following resolution is adopted.

**RESOLUTION ACCEPTING UNANTICIPATED REVENUE**

WHEREAS, the County of Santa Cruz is a recipient of funds Short-Doyle Medi-Cal  
\_\_\_\_\_ program; and

WHEREAS, the County is a recipient of funds in the amount of \$ 289,713  
which are either in excess of those anticipated or are not specifically set  
in the current fiscal year budget of the County; and

WHEREAS, pursuant to Government Code Section 29130(c)/29064(b), such funds  
may be made available for specific appropriation by a four-fifths vote of  
the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County  
Auditor-Controller accept funds in the amount of \$ 289,713 into  
Department Mental Health

<u>T/C</u>	<u>Index Number</u>	<u>Revenue Subobject Number</u>	<u>Account Name</u>	<u>Amount</u>
001	363101	0624	Short-Doyle Medi-Cal	289,713

and that such funds be and are hereby appropriated as follows:

<u>T/C</u>	<u>Index Number</u>	<u>Expenditure Subobject Number</u>	<u>PRJ/UCD</u>	<u>Account Name</u>	<u>Amount</u>
021	363149	4616	--	Other Charges (IMD)	289,713

**DEPARTMENT HEAD**

I hereby certify that the fiscal provisions have been  
researched and that the Revenue(s) (has been) (will be) received within the  
current fiscal year.

By 37 R. Kern Date 12/22/00  
Department Head

COUNTY ADMINISTRATIVE OFFICER



☒ Recommended to Board

0233

☐ Not Recommended to Board

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz,  
State of California, this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_  
by the following vote (requires three-fifths vote for approval):

AYES: SUPERVISORS

NOES: SUPERVISORS

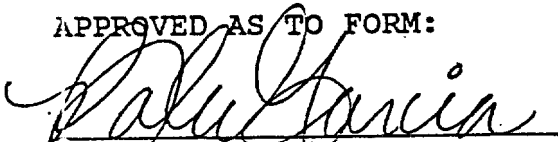
ABSENT: SUPERVISORS

CHAIR OF THE BOARD

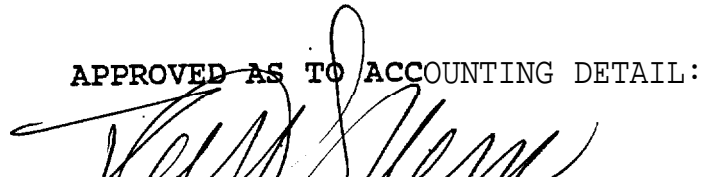
ATTEST:

\_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

  
County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

  
Auditor-Controller

Distribution:

Auditor-Controller  
County Council  
County Administrative Officer  
Originating Department

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

0234

Hereinafter called COUNTY and:

**FRONT STREET, INC.**  
**303 Potrero Street, Suite 1A**  
**Santa Cruz, CA 95060**  
**(831) 420-0120**

hereinafter called CONTRACTOR for: Front Street Residential Care Services, Opal Cliff Rehabilitation Center,  
Darwin House.

WHEREAS CONTRACTOR possesses certain skills, experience, education and competency to perform the special services 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, and W & I Code, Sections 5775, et seq., the BOARD OF SUPERVISORS of COUNTY is authorized to enter into an agreement for such services.

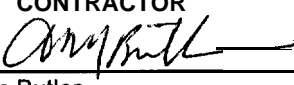
NOW, THEREFORE, the parties here to do mutually agree as set forth in:

TITLE	EXHIBIT
Standard Mental Health Provisions	A
Standard County/Agency Provisions	B
Scope of Services and Budget	C
Medi-Cal & Medicare Requirements	D
Revisions	E

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

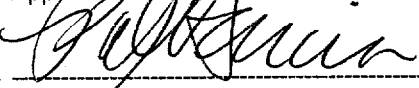
IN WITNESS THEREOF COUNTY AND CONTRACTOR have executed this Contract Agreement to be effective:

**JULY 1, 2000 through JUNE 30, 2001**

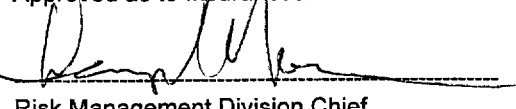
**CONTRACTOR**  
By:   
Ann Butler  
PRESIDENT

**COUNTY**  
By: \_\_\_\_\_  
Rama Khalsa  
HEALTH SERVICES ADMINISTRATOR

Approved as to Form:

  
County Counsel

Approved as to Insurances:

  
Risk Management Division Chief

Distribution:

County Administrative Officer  
County Counsel  
Auditor-Controller  
Health Services Agency  
Community Mental Health  
Contractor

Index # 363149  
Subobject # 4616  
Contract # CO00539-01/03  
Amount ~~\$2,989,600~~ \$3,428,522 .00

(Reserved for Clerk of the Board of Supervisors posting of minute order citation)

## COUNTY OF SANTA CRUZ

## EXHIBIT A -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. CONTRACTORS Executive Director shall administer this Agreement on behalf of CONTRACTOR.

**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 CONTRACTOR 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. CONTRACTOR 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. CONTRACTOR 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, CONTRACTOR 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, CONTRACTOR 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.
- e. Managed Care requires that each provider who delivers client services monitor its success helping clients avoid re-hospitalizations. Each CONTRACTOR shall develop and submit a monthly report to Mental Health Administration. This report shall include the names of clients enrolled in the program and a highlighting of clients admitted to the hospital in the prior calendar month. CONTRACTORS may obtain assistance from Mental Health Administration on how to gather the necessary data to be in compliance with this requirement.
- f. Should CONTRACTOR provide services to client(s) whose **payor** source is a Health Maintenance Organization, CONTRACTOR shall receive prior approval from the HMO, otherwise the client shall be charged full cost for services provided; CONTRACTOR shall inform client(s) of this during the fee evaluation process or at the time of program admission.
- g. Similarly, clients who receive funds distributed by a Trust of any kind shall be informed by CONTRACTOR during the fee evaluation process or at the time of program admission that they will be charged the full cost of services provided.

#### 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. CONTRACTOR 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 CONTRACTOR on an annual basis.

- a. **Procedure for Complaint Process.** All complaints alleging discrimination in the delivery of services by CONTRACTOR 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. CONTRACTOR 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. 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 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 CONTRACTOR'S client records 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 California Code of Regulations. COUNTY agrees that such custody will conform to applicable confidentiality provisions of State and Federal law.
- b. Right to Review. CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR. CONTRACTOR 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 CONTRACTOR 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.
- b. It is further agreed that the monthly claim will be based on the proposed budget and/or estimated units of service as presented in Exhibit C.

**7. FULL COMPENSATION:**

Pending any cost report adjustment, each claim so approved and paid shall constitute **full and complete** compensation to CONTRACTOR for the period covered by the claim. It is expressly understood and agreed that this Agreement constitutes the entire Agreement of CONTRACTOR and COUNTY and in no event shall CONTRACTOR 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, CONTRACTOR 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 CONTRACTOR or COUNTY terminates this Agreement, the COUNTY shall retain its interest in the accounts receivable which was a result of the CONTRACTOR'S **Bronzan-McCorquodale** eligible service under this Agreement. The accounts receivable shall either be assigned to the 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 judgement.

**10. BUDGET CONTROL:**

CONTRACTOR may transfer up to 5% of total contract budget covered by this Agreement between budget categories or types of service. Transfers of greater amounts shall only be made with the advanced written permission of COUNTY'S Administrator.

**11. COST REPORT:**

CONTRACTOR agrees to submit a detailed cost report in the format prescribed by the State Department of Mental Health **no later than 60 days after the end of the contract period**. The CONTRACTOR shall also submit a copy of the CONTRACTOR'S trial balance (statement of revenue and expenses) with the cost report. As a part of the cost report, CONTRACTOR will reconcile in writing the total units of service delivered under this Agreement to the units of service reported by CONTRACTOR to COUNTY'S data system. CONTRACTOR shall remit any unearned funds to the COUNTY at the time CONTRACTOR submits cost report. In the event that the reconciliation indicates that CONTRACTOR delivered more units of service than had been reported previously, and total payments made to CONTRACTOR by COUNTY is less than the contract maximum amount, CONTRACTOR may submit an invoice to COUNTY for any additional amounts owed, up to the contract maximum amount.

**12. PRODUCTIVITY:**

CONTRACTOR shall develop and monitor individual written staff productivity standards which maximize direct services to clients. Monthly or quarterly reports of staff productivity will be submitted by the CONTRACTOR to the COUNTY. CONTRACTOR shall provide written productivity standards and a method of monitoring those standards to the COUNTY Administrator.

**13. QUALITY IMPROVEMENT PARTICIPATION:**

All CONTRACTORS who provide direct services to clients in the county shall participate in the Quality Improvement program. This includes weekly meetings providing review of clinical records, peer review, difficult case conferences, utilization review appeals, and client outcomes development and review.

**14. COUNTY INVOLVEMENT REGARDING HIRING:**

CONTRACTOR shall allow COUNTY to comment on the CONTRACTORS selection of an Executive Director, Program Administrator or Program Manager whose primary responsibility entails the operation of program(s) funded by this Agreement.

**15. REPORTABLE INCIDENTS:**

CONTRACTOR 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.

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

- 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 CONTRACTOR'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 CONTRACTOR 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 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).
5. **ASSIGNABILITY.** The CONTRACTOR 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 CONTRACTOR 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.** CONTRACTOR 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. CONTRACTOR 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 CONTRACTOR for provision of services under this Agreement shall be notified of CONTRACTOR'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. CONTRACTOR shall provide, upon request of COUNTY, copies of all subcontracts relating to this Agreement entered into by CONTRACTOR. CONTRACTOR 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.** CONTRACTOR 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.

## COUNTY OF SANTA CRUZ

## EXHIBIT B - STANDARD COUNTY/AGENCY PROVISIONS

1. **INDEPENDENT CONTRACTOR.** It is agreed that CONTRACTOR shall perform as an independent contractor under this Agreement. CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR engaged under this Contract is in fact an independent contractor.

2. **CONTRACTOR'S EMPLOYEES AND EQUIPMENT.** CONTRACTOR 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 CONTRACTOR or under CONTRACTOR'S supervision, by persons authorized by law to perform such services. If any arrangement is made whereby employees of COUNTY are used by CONTRACTOR, they shall, while engaged in such work be considered for all purposes, as employees, servants, or agents of the CONTRACTOR 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. CONTRACTOR 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. CONTRACTOR 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 CONTRACTOR'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. 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.

4. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** CONTRACTOR 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:

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. CONTRACTOR 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, 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, disability, medical condition (cancer related and genetic characteristics), marital status, sex, , sexual orientation, age (over 18), veteran status, gender, pregnancy, 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 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 Agreement provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:
    - (1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, national origin, ancestry, disability,

medical condition (cancer related and genetic characteristics), marital status, sex, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. In addition, the 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 Owned Business Enterprises are available from the COUNTY General Services Purchasing Division.

(2) The CONTRACTOR shall furnish COUNTY Equal Employment Opportunity Office information and reports in the prescribed reporting format (PER 4012) identifying the sex, race, physical or mental 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 CONTRACTOR'S non-compliance with the non-discrimination clauses of this Agreement or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further agreements with the COUNTY.

(4) The CONTRACTOR 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.** CONTRACTOR 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. CONTRACTOR 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 CONTRACTOR'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.** CONTRACTOR 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. CONTRACTOR 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.** 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.
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 CONTRACTOR 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 CONTRACTOR in the United States or in any other country without the express written consent of the 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 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 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 Agreement.
19. **ACKNOWLEDGMENT.** CONTRACTOR shall acknowledge in all reports and literature that the Santa Cruz County Board of Supervisors has provided funding to the CONTRACTOR.
20. **VOLUNTEERS.** CONTRACTOR agrees not to fill budgeted positions with volunteer workers.
21. **TRAVELING EXPENSES, FOOD AND LODGING.**
  - a. CONTRACTOR'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 CONTRACTORS 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 CONTRACTOR shall determine that all staff providing services under this Agreement shall be personally and professionally qualified to perform the job requirements under this Agreement, CONTRACTOR 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 CONTRACTOR'S employees to determine that CONTRACTOR 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 CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of CONTRACTOR'S compensation, which are mutually agreed upon by and between COUNTY and CONTRACTOR, 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 CONTRACTOR 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 CONTRACTOR under this Agreement shall become the property of COUNTY. CONTRACTOR 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. TERMINATION OF AGREEMENT WITHOUT CAUSE.** This Agreement may be terminated without cause by COUNTY or the CONTRACTOR with thirty (30) days written notice.

**27. TERMINATION DUE TO CESSATION OF FUNDING.** COUNTY shall have the right to terminate this Agreement without prior notice to CONTRACTOR 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 CONTRACTOR'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 CONTRACTOR. Both parties agree that such extension of time does not alter the amount of compensation due CONTRACTOR.

**29. RETENTION AND AUDIT OF RECORDS.** CONTRACTOR 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. CONTRACTOR 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.

CONTRACTOR 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.** 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 Agreement. In the event CONTRACTOR 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, 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 Agreement. CONTRACTOR 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. CONTRACTOR, 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 CONTRACTOR'S insurance coverage and shall not contribute to it.

b. If CONTRACTOR utilizes subcontractors in the performance of this Agreement, CONTRACTOR shall obtain and maintain Independent CONTRACTOR'S Insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of CONTRACTOR 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 CONTRACTOR has no employees.

(b) Automobile Liability Insurance for each of CONTRACTORS vehicles used in the performance of this Agreement, 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.

(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) CONTRACTOR 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 CONTRACTOR. 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, CONTRACTOR 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. CONTRACTOR 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 962, Santa Cruz, CA 95061.**

(d) 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 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. 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.

b. CONTRACTOR 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. CONTRACTOR agrees to furnish COUNTY, upon request, a copy of CONTRACTORS Safety and Infection Control Policy.

#### **35. 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. CONTRACTOR shall provide or make available to staff cultural competency training. CONTRACTOR'S clients whose sole language is the COUNTY'S threshold language (i.e., Spanish) shall be provided information, access and direct services in that language

Master Exhibit B for 2000-01  
Revised 8/28/00

**EXHIBIT C . - Scope of Service and Budget**

FRONT STREET, INC.

**Part A**

Provider: Front Street, Inc.  
Provider No.: 4476  
Program: **Opal Cliff Rehabilitation Center**  
Program Address: 4795 Opal Cliff Drive, Santa Cruz CA 95062  
Provider Telephone: (831) 420-0120  
Program Telephone: (831) 464-8694

Provider: Front Street, Inc.  
Provider No.: 44AU  
Program: **Darwin House**  
Program Address: 707 Darwin Street, Santa Cruz, CA 95062  
Provider Telephone: (831) 420-0120  
Program Telephone: (831) 457-9091

**1. PROGRAM INTENT**

- 1.1 Primary Task:** Front Street, Inc. operates two Social Rehabilitation Programs which are reimbursed by this Agreement, Opal Cliff Rehabilitation Center provides room, board, **24-hour** care and supervision for 15 residents plus an intensive program. Opal Cliff is a long-term social rehabilitation program which allows stays of up to 18 months. Darwin House is a Transitional Social Rehabilitation Program which provides room, board, **24-hour** care and supervision for 15 residents with stays of up to 12 months with an optional extension of six months. Both programs are licensed by the State Department of Social Services and are certified by the State Department of Mental Health.

**1.2 Description of Services and Staffing:**

**Opal Cliff Rehabilitation Center** is a State licensed and State certified Long-Term Social Rehabilitation program designed to promote and support residents for independent living and a successful return to the community and is an alternative to institutionalization. This program goes beyond maintenance and includes mental health services, prevocational and vocational programs. It is tailored to the needs and goals of individual residents through consultation, training, education, and collaborative treatment planning. Each resident will be a full partner in establishing goals and program services required to develop self-esteem, self-determination and dignity. This program is highly

## Exhibit C, 2000-2001

County of Santa **Cruz** Community Mental Health, Community Connection, Community Support<sup>0251</sup> Services, etc.

- 2.5 External System Affiliations: Santa Cruz City Schools, various residential care facilities, State Licensing and State Department of Mental Health.
- 2.6 Fair Hearing Practice: In-house Residential Council, conflict resolution with staff and CMH, House Policy Grievance Procedure; Community Care Licensing.
- 2.7 Community Care License: Shall be maintained at all times with all deficiencies corrected as required by the State Department of Community Care Licensing or State Department of Mental Health.

### 3.0 METHOD OF PAYMENT

- a. CONTRACTOR assures COUNTY that an advance payment is necessary in order to maintain program integrity. 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.
- b. For the new fiscal year, COUNTY agrees to provide CONTRACTOR with monthly advances for July and August equal to  $\frac{1}{12}$ <sup>th</sup> per month of the prior year contract amount or  $\frac{1}{12}$ <sup>th</sup> of the new year amount whichever is less. For the month of September, COUNTY agrees to provide CONTRACTOR with an advance equal to  $\frac{1}{12}$ <sup>th</sup> of the new year amount plus, if appropriate, an adjustment for the months of July and August. For the remainder of the fiscal year, COUNTY agrees to provide CONTRACTOR with a monthly advance equal to  $\frac{1}{12}$ <sup>th</sup> of the new year contract amount.

At the end of each quarter, COUNTY will review service data submitted by CONTRACTOR. If CONTRACTOR has provided 95% or more of the quarterly units budgeted in Exhibit C, COUNTY will make full payments on the next  $\frac{1}{12}$ <sup>th</sup> claim submitted by CONTRACTOR; if CONTRACTOR falls short in providing 95% of budgeted quarterly units, COUNTY will reduce CONTRACTORS next claim by at least the number of units short times the negotiated rate for those particular units as specified in Exhibit C. COUNTY will compute these adjustments based on service data submitted by CONTRACTOR and entered into COUNTY'S data system.

If, in subsequent quarters of the fiscal year, CONTRACTOR provides total year-to-date units in excess of 95% of year-to-date budgeted units, COUNTY will restore previously subtracted amounts on the next claim.

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LEGAL ENTITY: Front Street, Inc.  
 PROGRAM NAME: Front St., Opal Cliffs & Darwin  
 INDEX NUMBER: 363149

FISCAL YEAR: 2000101  
 CONTRACT #: CO00539-01  
 DATE: 12/20/00

SANTA CRUZ COUNTY  
 COMMUNITY MENTAL HEALTH  
 SERVICE AGREEMENT BUDGET  
 EXHIBIT C

CONTRACT TOTAL							
PROGRAMCOMPONENT		Front St.	Opal Cliffs	Darwin	Front St.	Darwin	
PROVIDER #		4439	4476	44AU	4439	44AU	
MODE		05	05	05			
SERVICE FUNCTION		80	65	65	CAPITAL	CAPITAL	
CONTRACTOR'S COSTS	1,785,038	411,875	627,992	627,171	75,000	43,000	
REVENUES							
GRANTS							
PATIENT FEES	668,033	411,875	128,079	128,079			
PATIENT INSURANCE							
OTHER							
TOTAL REVENUES	668,033	411,875	128,079	128,079			
NET CONTRACT AMOUNT	1,117,005		499,913	499,092	75,000	43,000	
FUNDING SOURCES							
MEDI-CAL (FFP & MATCH)	1,117,005		499,913	499,092	75,000	43,000	
MAC (FFP & MATCH)							
MEDICARE							
REALIGNMENT/COUNTY							
OTHER							
TOTAL FUNDING SOURCES	1,117,005		499,913	499,092	75,000	43,000	
UNIT COST CALCULATION							
CONTRACTORS COSTS	1,117,005		499,913	499,092	75,000	43,000	
COUNTY'S DIRECT COSTS	86,112		43,056	43,056			
TOTAL DIRECT COSTS	1,203,117		542,969	542,148	75,000	43,000	
UNITS OF SERVICE		16,297	5,292	5,292			
COST PER UNIT - TOTAL			102.60	102.45			
CONTRACT COST PER UNIT			94.47	94.31			
COUNTY COST PER UNIT			8.14	8.14			
REIMBURSEMENT TYPE		COST	RATE	RATE	COST	COST	

The COUNTY agrees to purchase the number of Contract Units specified below at the Contract Cost Per Unit calculated above, up to the maximum shown in Net Contract Amount by type of service for all services with Reimbursement Type=RATE.

The COUNTY agrees to reimburse CONTRACTOR actual costs up to the maximum shown by type of service for all services with Reimbursement Type=COST for expenditures approved in advance, in writing, by the COUNTY.

CONTRACT UNITS	16,297	5,292	5,292	0	0		
CONTRACT MEDI-CAL UNITS	0	5,239	5,239	0	0		
CONTRACT INDIGENT UNITS	0	0	0	0	0		
CONTRACT OTHER UNITS	16,297	53	53	0	0		

COUNTY OF SANTA CRUZ

EXHIBIT C -- Scope of Service and Budget

FRONT STREET INC.

Part B

Provider: Front Street, Inc.  
Provider No.: 44AZ  
Program: **Willowbrook Adult Day Care**  
Program Address: 176 "A" Willowbrook Drive, Ben Lomond, CA 95005  
Provider Telephone: (831) 420-0120  
Program Telephone: (831) 336-5199

Provider: Front Street., Inc.  
Provider No.: N/A  
Program: **Willowbrook Residential Care**  
Program Address: 180 Willowbrook Drive, Ben Lomond, CA 95005  
Provider Telephone: (831) 420-0120  
Program Telephone: (831) 336-5196

Provider: Front Street, Inc.  
Provider No.: 44AV  
Program: **Front Street Day Program**  
Program Address: 126 "A" Front Street, Santa Cruz, CA 95060  
Provider Telephone: (831) 420-0120  
Program Telephone: (831) 427-9343

1. PROGRAM INTENT

1.1 Primary Task: Willowbrook Adult Day Care is a Day Treatment Intensive program for adult and older adult clients who are, or who have been, users of mental health services and have ongoing treatment needs.

Willowbrook Residential Care provides room, board, 24-hour care and supervision 7 days a week for up to 40 seriously mentally ill adults and older adults. The number of persons able to participate is conditional on the state license and the county use permit.



Front Street Day Program is a Day Rehabilitation program (full-day) for clients who are or have been frequent **users** of mental health services and psychiatric hospitalization

## 1.2 Description of Services and Staffing:

**Willowbrook Adult Day Care** is a State certified Day Treatment Intensive program - **full** day, Willowbrook will provide an organized and structured multi-disciplinary treatment and other clinical care to maximize the functioning of the clients who participate. The program will assist clients in decreasing symptoms or behaviors that can result in higher levels of care. Services will include, but are not limited to, assessment, evaluation, plan development, therapy, OT services, rehabilitation and collateral. The multi-disciplinary team includes a licensed social worker, occupational therapist, registered nurse, mental health rehabilitation specialists and aides. The team will work closely with County CMH Coordinators to achieve individual and program goals. Staff ratio is one QMHP to eight clients (**1:8**). Program is open 360 days per year. Program hours are: Monday-Friday 9:00 AM - 6:00 PM and Saturday and Sunday: **10:00** AM - 6:00 PM.

**Willowbrook Residential Care** includes a State licensed **6-bed** Residential Care Facility for the Elderly (RCFE) and a State licensed 34-bed Adult Residential Facility (ARF). While these are the primary license designations, it is understood that persons over 60 can live in the 34 bed facility with Licensing approval that the program meets the needs of residents. The residential care program assists residents to improve a variety of skills such as maintaining good grooming and appearance, housekeeping, constructive use of leisure time, medical appointments and medication compliance. Willowbrook Residential Care includes weekly Resident Council meetings, house meetings, staff meetings, money management and structured activities. The goal is to assist those who wish to do so to move onto an increased level of independence. This facility is licensed for ambulatory and **non-**ambulatory persons.

**Front Street Day Program** is a State Department of Mental Health certified Day Rehabilitation program - full day (**i.e.**, over 4 hours). Front Street will provide an organized and structured multidisciplinary treatment program as an alternative to hospitalization, avoiding placement in a more restrictive setting, or maintaining the client in a community setting. The program will assist clients in decreasing "at risk" behaviors that can result in higher levels of care. Services will include, but are not limited to, assessment, evaluation, plan development, therapy, rehabilitation and collateral. The multi-disciplinary team includes a licensed social worker, occupational therapist, registered nurse, mental health rehabilitation specialists and aides. The team will work closely with County Coordinators to achieve individual and program goals. Staff ratio is one QMHP to ten clients (**1:10**). Program is open 7 days per week (closed certain holidays).

In addition to the services described above, CONTRACTOR service provision shall include, but not be limited to, some or all of the following Medi-Cal Administrative Activities related to indirect patient care (as referenced in the County's Mental Health **MAA** Plan): Utilization Review/Quality Improvement

## Exhibit C, 2000-2001

integrated with other COUNTY services necessary to provide supports **and** treatment to promote<sup>250</sup> stable community living. In addition, Opal Cliff provides and maintains eleven (11) supported housing units.

**Darwin House** is a State licensed and State certified Transitional Social Rehabilitation program designed to provide residents independent living skills with a focus on community integration. The Program Director is a registered Occupational Therapist with strong assessment skills, Program staff will work with COUNTY Coordinators on specific treatment plans and goals. The program goes beyond maintenance and includes the active participation of residents in the operation of the facility. Residents will be involved with shopping, cooking, budgeting, cleaning, gardening, and other household chores/skills. Education will be provided around medication issues and personal hygiene, Emphasis will be placed on skills needed to obtain goals. Darwin House is highly integrated with other COUNTY services necessary to provide supports and treatment to promote stable community living.

CONTRACTOR will provide COUNTY with quarterly reports detailing number of residents discharged or transferred to higher levels of care.

In addition, to the services described **above**, CONTRACTOR service provision shall include, but not be limited to, some or all of the following Medi-Cal Administrative Activities related to indirect patient care (as referenced in the County's Mental Health MAA Plan): Utilization Review/Quality Improvement (711), **Medi-Cal** Eligibility Intake/Benefit Assistance (715), Medi-Cal Outreach (717), Referral in Crisis Situations (713), Case Management of **Non-Open Cases** (718), General Administration (721), Day Program Support (741), Residential Support (751), Clinical Availability (761), Medi-Cal Contract Administration (724), MAA Related Training (719) General Mental Health Outreach (716) and Paid Time Off (731).

- 1.3 Description of Client Population: Seriously mentally ill adults who are residents of Santa Cruz County. The specific target population are adults who have required long-term institutional psychiatric care in the past, or are at risk of requiring long-term care without appropriate treatment supports.

- 1.4 Staffing: a c t f i l e .

## 2.0 SYSTEM INTENT

- 2.1 Geographic area serviced: County of Santa Cruz.
- 2.2 Quality Assurance Program: Community Care Licensing; State Department of Mental Health; Community Residential Treatment System Certification; COUNTY Quality Improvement Committee.
- 2.3 Organization and Administrative Structure: Contract file.
- 2.4 Internal System Affiliations: Agencies, programs within **Bronzan-McCorquodale** system, i.e.,

(71 I), Medi-Cal Eligibility Intake/Benefit Assistance (715), Medi-Cal Outreach (717), Referral in Crisis Situations (713), Case Management of Non-Open Cases (718), General Administration (721), Day Program Support (741), Residential Support (751), and transportation.

1.3 Description of Client Population: Adults and older adults with dementia or psychiatric disabilities who are residents of Santa **Cruz** County. The facility is not a crisis facility or a drug abuse treatment program and residents must be screened to insure compatibility with the program and services. The program is not available to patients who are not capable of participating in the program or in a community setting in a safe and responsible manner.

1.4 Staffing: contract file.

## 2.0 SYSTEM INTENT

2.1 Geographic area serviced: County of Santa Cruz.

2.2 Quality Assurance Program: Community Care Licensing, State Department of Mental Health, and Santa Cruz County CMHS Coordinator reviews.

2.3 Organization and Administrative Structure: Contract file.

2.4 Internal System Affiliations: Agencies which are part of the Mental Health system of care, Public Guardian's Office, and other County agencies and programs.

2.5 External System Affiliations: Santa Cruz City Schools, various residential care facilities, State Licensing and State Department of Mental Health. All conditions of the COUNTY Use Permit and Environmental Health will be met by the CONTRACTOR.

2.6 Fair Hearing Practice: In-house Residential Council, conflict resolution with staff and CMH, House Policy Grievance Procedure; Community Care Licensing.

2.7 Community Care License: Shall be maintained at all times with all deficiencies corrected as required by the State Community Care Licensing or State Department of Mental Health.

## 3.0 METHOD OF PAYMENT

- a. CONTRACTOR assures COUNTY that an advance payment is necessary in order to maintain program integrity. 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.

- b. **For** the new fiscal year, COUNTY agrees to provide CONTRACTOR with monthly advances for July and August equal to **1/12<sup>th</sup>** per month of the prior year contract amount or **1/12<sup>th</sup>** of the new year amount, whichever is less. For the month of September, COUNTY agrees to provide CONTRACTOR with an advance equal to **1/12<sup>th</sup>** of the new year amount plus, if appropriate, an adjustment for the months of July and August. For the remainder of the fiscal year, COUNTY agrees to provide CONTRACTOR with a monthly advance equal to **1/12<sup>th</sup>** of the new year contract amount.
- c. At the end of each quarter, CONTRACTOR shall submit a statement of actual expenses incurred for this portion of this Agreement. If CONTRACTOR has provided 90% or more of the quarterly costs budgeted in Exhibit C for this portion, COUNTY will make full payment on the next **1/12<sup>th</sup>** claim submitted by CONTRACTOR; if CONTRACTOR does not show 90% of budgeted costs, COUNTY will reduce CONTRACTORS next claim by that amount.
- If, in subsequent quarters of the fiscal year, CONTRACTOR shows total year-to-date costs in excess of 90% of year-to-date budgeted costs, COUNTY will restore previously subtracted amounts on the next claim.
- d. CONTRACTOR will be reimbursed for capital expenditures that are approved in writing by COUNTY for the Willowbrook facility. This reimbursement is intended to provide CONTRACTOR sufficient cash flow to make needed repairs and is not considered revenue to CONTRACTOR for profit and loss purposes, but an on-going advance of funds, As recognized expenditures are accrued and reflected for these capital expenses on CONTRACTOR financial statements, COUNTY will demand in writing -repayment of the funds advanced under this provision equal to **the** amount of expenditure recognized, CONTRACTOR will submit repayment within 15 days of any such demand.

LEGAL ENTITY: Front Street, inc.  
 PROGRAM NAME: Willowbrook & Front St. Day  
 INDEX NUMBER: 363149

FISCAL YEAR: 2000/01  
 CONTRACT #: CO00539-03  
 DATE: 12/20/00

SANTA CRUZ COUNTY  
 COMMUNITY MENTAL HEALTH  
 SERVICE AGREEMENT BUDGET  
 EXHIBIT C

CONTRACT  
TOTAL

PROGRAM COMPONENT  
 PROVIDER #  
 MODE  
 SERVICE FUNCTION  
 CONTRACTOR'S COSTS

Willowbrook	Frnt. St. Day					
44AZ	44AV					
10	10					
85	95					
2,653,061	1,859,765	793,296				

REVENUES

GRANTS  
 PATIENT FEES  
 PATIENT INSURANCE  
 OTHER  
 TOTAL REVENUES  
 NET CONTRACT AMOUNT

341,544	341,544					
341,544	341,544					
2,311,517	1,518,221	793,296				

FUNDING SOURCES

MEDI-CAL (FFP & MATCH)  
 MAC (FFP & MATCH)  
 MEDICARE  
 REALIGNMENT/COUNTY  
 OTHER  
 TOTAL FUNDING SOURCES

2,311,517	1,518,221	793,296				
2,311,517	1,518,221	793,296				

UNIT COST CALCULATION

CONTRACTOR'S COSTS  
 COUNTY'S DIRECT COSTS  
 TOTAL DIRECT COSTS  
 UNITS OF SERVICE  
 COST PER UNIT-TOTAL  
 CONTRACT COST PER UNIT  
 COUNTY COST PER UNIT  
 REIMBURSEMENT TYPE

2,311,517	1,518,221	793,296				
377,552	207,945	169,607				
2,689,069	1,726,166	962,903				
	11,873	9,684				
	145.39	99.43				
	127.87	81.92				
	17.51	17.51				
	COST	RATE				

The COUNTY agrees to purchase the number of Contract Units specified below at the Contract Cost Per Unit calculated above, up to the maximum shown in Net Contract Amount by type of service for all services with Reimbursement Type=RATE.

The COUNTY agrees to reimburse CONTRACTOR actual costs up to the maximum shown by type of service for all services with Reimbursement Type=COST.

CONTRACTOR'S  
 CONTRACT MEDI-CAL UNITS  
 CONTRACT MEDICARE UNITS  
 CONTRACT OTHER UNITS

11,873	9,684					
11,873	9,684					
0	0					
0	0					

## COUNTY OF SANTA CRUZ

## EXHIBIT D -- MEDICAL &amp; MEDICARE REQUIREMENTS

## A. SHORT-DOYLE/MEDICAL SERVICES (SDMC)

If the CONTRACTOR provides services billed to SDMC, the following requirements apply:

1. **Mutual Objectives**a. Both CONTRACTOR and COUNTY Desire:

(1) To assure that all Title XIX eligible clients are informed of the Medi-Cal program, and how to access it.

**(2) To assure** that assistance is provided to eligible individuals **in determining** their eligibility for participation in California's Medi-Cal plan.

(3) To assure the availability of early and appropriate interventions so that diagnosis, treatment, and rehabilitation occur in a timely manner.

(4) To assure that eligible individuals are aware of and understand, in culturally competent and language specific terms, the benefits of preventive and remedial care.

(5) To assure that health-related services provided to clients served by the CONTRACTOR are **of sufficient** amount, duration, and scope to correct or ameliorate the condition for which they were determined to be medically necessary.

## 2. The CONTRACTOR Agrees:

- a. To provide a Medi-Cal cost report within 60 days after the end of the fiscal year which documents actual cost of providing Medi-Cal services. After the 60 day period, CONTRACTOR claims will be held for payment until the cost report is received.
- b. To reimburse the COUNTY 50% of FFP paid for services in excess of costs upon submission of the cost report. This will be returned to the federal government by the COUNTY. This is based on total reimbursement for all Medi-Cal services paid in aggregate as calculated within the Short-Doyle/Medi-Cal cost report. This provision does not apply if the **CONTRACTOR** exceeds the contracted units of service by 10% or more.
- c. To complete accurate CDS data forms documenting services provided by clinical staff and enter the data into the COUNTY'S management information

system within 5 days of service.

- d. To work with Mental Health Patient Accounting/Billing section to confirm current eligibility for Medi-Cal and Medicare benefits and assist clients in applying for benefits if appropriate.
- e. To document all services for a client in the medical record and to get approval for all planned services from the client's Coordinator.
- f. To provide support as requested for the Quality Improvement Committee,
- g. To reimburse the COUNTY for all audit exceptions and disallowances (which are determined by the Mental Health Director, or his/her designee, to be the responsibility of the CONTRACTOR) from either, 1) State audits (Fiscal & Quality Assurance); or 2) Quality Improvement Committee/UR denials.

This reimbursement shall be paid within thirty (30) days of the disallowance, unless the provider chooses to appeal pursuant to Short-Doyle/Medi-Cal procedures. When the outcome of appeal is determined, final settlement shall be made to the COUNTY within thirty days (30).

- h. To comply with all state requirements of Short-Doyle/Medi-Cal including Coordinated Services Quality Assurance, certification, staffing ratios, documentation requirements, service authorization, etc. These are reflected in the state manuals and implemented in the local Quality Management Plan. All providers are required to obtain, review, and remain in full compliance with the local Quality Management Plan and Utilization Review Plan.
- i. 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), and to capture information using methods developed by the State (with training in these methods provided by the COUNTY) under the direction of the COUNTY. The activities to be included are as approved by the State Department of Mental Health. It is the responsibility of CONTRACTOR to remain current on the requirements for documentation of costs and activities as defined by the State.

- j. The CONTRACTOR is responsible for providing the required Medi-Cal units of service as defined in Exhibit C of this Agreement. The COUNTY shall not reimburse CONTRACTOR for any non Medi-Cal units of service in excess of the number shown on the Budget page of Exhibit C. The COUNTY shall not cover any short-falls due to lack of productivity. The maximum amount of this Agreement may be amended per Section A.3.i of Exhibit D if actual Medi-Cal units of service delivered deviate significantly from the budgeted Medi-Cal units of service defined in Exhibit C of this Agreement,

The CONTRACTOR is responsible for monitoring services provided, the benefit status of clients, insuring the Mental Health Patient Accounting/Billing section receives current client eligibility status for billing, and working to correct any billing data errors.

**3. The COUNTY Agrees:**

- a. To provide Short-Doyle/Medi-Cal, patient accounting and billing services to all providers.
- b. To provide computer equipment for electronic mail, client data (PSP), billing and word processing. systems. When equipment utilized by CONTRACTOR is COUNTY'S, COUNTY will provide maintenance, repair, and staff training.
- c. To provide CDS services and MIS reports to facilitate assignment of Coordinators and productivity.
- d. To provide Quality Assurance Training as requested by the provider.
- e. To provide medical records and clinical forms to all providers.
- f. To provide consultation and clinical supports based on specific services,
- g. To coordinate regarding client benefit and UMDAP status.
- h. Costs for COUNTY supports of direct services shall be included in the contract+ budget exhibit.
- i. If the CONTRACTOR does not provide at least **90%** of the Medi-Cal units of service defined in Exhibit C of this Agreement, or if the CONTRACTOR provides more than 110% of the Medi-Cal units of service defined in Exhibit C of this Agreement, the COUNTY may elect to amend this Agreement in order to increase or decrease the total contract amount based on the projected **annual** FFP. The COUNTY will furnish the CONTRACTOR quarterly reports detailing the estimated Medi-Cal units of service.

Final determination of whether the CONTRACTOR meets or exceeds the



above Medi-Cal units of service standard will be made once all eligible units of service have been billed and adjudicated by the State. This will occur approximately 12 months after the end of this Agreement. However, if quarterly reports indicate that actual Medi-Cal units of service will either fail to meet the 90% standard, or exceed the 110% standard, the COUNTY reserves the right to amend this Agreement in order to increase or decrease the total contract amount based upon anticipated annual FFP before final adjudication of all units has occurred. This will not preclude subsequent amendments to this Agreement which reflect FFP and total contract amounts based upon final Medi-Cal units of service delivered

**B. MEDICARE PARTIAL HOSPITALIZATION FOR COMMUNITY MENTAL HEALTH CENTERS**

If the **CONTRACTOR** provides services billed to Medicare for partial hospitalization, the following requirements apply:

**1. The CONTRACTOR Agrees:**

- a. To document services on CDS forms in compliance with Medicare billing requirements and the Medicare Plan of Care approved by a physician within 5 days of admittance of the program.
- b. To complete the physician certification and 2 week updates to the Medicare plan.
- c. To provide an assessment documenting medical necessity and the need for services as defined by the Aetna clinical policy by of August, 1995.
- d. To provide complete clinical documentation of services in the medical record and all necessary documentation to comply with Aetna help letters and appeals.
- e. To repay the COUNTY for any federal disallowances initiated by HCFA or the fiscal intermediary for the Medicare Partial Hospitalization program.
- f. The CONTRACTOR is responsible for providing the required Medicare units of service as defined in Exhibit C of this Agreement. The COUNTY shall not cover any short-falls due to lack of productivity. The maximum amount of this Agreement may be amended per Section A.3.i of Exhibit D if actual Medicare units of service delivered deviate significantly from the budgeted Medicare units of service defined in Exhibit C of this Agreement. The CONTRACTOR is responsible for monitoring services provided, the benefit status of clients, **insuring** the Mental Health Patient Accounting/Billing section receives current client eligibility status for billing, and working to correct any billing data errors.

2. The COUNTY Agrees:

- a. To provide training on Medicare requirements, documentation needs, etc.
- b. To bill for all services and provide patient accounting and computer supports.
- c. To provide training on Medicare Partial Hospitalization requirements, etc., and provide billing, patient accounts and computer support services related to the partial hospitalization program.
- d. To ensure that partial hospital services are part of an integrated service program with the goal and intent of avoiding hospitalizations.
- e. If the CONTRACTOR does not provide at least 90% of the Medicare units of service defined in Exhibit C of this Agreement, or if the CONTRACTOR provides more than 110% of the Medicare units of service defined in Exhibit C of this Agreement, the COUNTY may elect to amend this Agreement in order to increase or decrease the total contract amount based on the projected annual FFP. The COUNTY will furnish the CONTRACTOR quarterly reports detailing the estimated Medicare units of service.

Final determination of whether the CONTRACTOR meets or exceeds the above Medicare units of service standard will be made once all eligible units of service have been billed and adjudicated by the State. This will occur approximately 12 months after the end of this Agreement. However, if quarterly reports indicate that actual Medicare units of service will either fail to meet the 90% standard, or exceed the 110% standard, the COUNTY reserves the right to amend this Agreement in order to increase or decrease the total contract amount based upon anticipated annual FFP before final adjudication of all units has occurred. This will not preclude subsequent amendments to this Agreement which reflect FFP and total contract amounts based upon final Medicare units of service delivered.

- f. Provide Quality Improvement staff support to review and send materials to Aetna for help letters and appeals. Where appropriate, legal support for Aetna appeals shall also be provided by the County.

COUNTY OF SANTA CRUZ

Exhibit E

The provisions set forth below shall supersede and take place of the paragraph it replaces. All other provisions of this Agreement shall remain the same. Check and complete the appropriate box(es).

<input checked="checked" type="checkbox"/>	There are <u>no</u> revised paragraphs in this Agreement
<input type="checkbox"/>	There <b>are</b> revised paragraphs in this Agreement
Paragraph "_____" of Exhibit "_____" is hereby revised to read <b>as</b> follows:	
<input type="checkbox"/>	An Addition to said contract shall be as follows: