

CONTRACTOR shall provide quality care in a manner consistent with efficient, cost effective delivery of covered services.

CONTRACTOR shall provide covered services to a Beneficiary in the same manner in which it provides said services to all other individuals receiving services from CONTRACTOR subject to any limitations contained in Beneficiaries' treatment plans.

While COUNTY Beneficiaries may be placed by the COUNTY in CONTRACTOR'S facility, CONTRACTOR recognizes that COUNTY is under no obligation to place any Beneficiary in CONTRACTOR'S facility.

CONTRACTOR agrees to provide documentation or reports to COUNTY when requested to assure CONTRACTOR'S compliance with contract terms.

Services shall include, but not be limited to, those set forth in Exhibit "A", incorporated herein and made by reference a part hereof.

ARTICLE II

Term: This Agreement shall become effective upon execution by both parties hereto and shall expire December 31, 2007.



ARTICLE III

Compensation for Services: COUNTY shall pay CONTRACTOR for services as set forth below. CONTRACTOR shall provide invoices to the COUNTY on a monthly basis in arrears, within 30 calendar days following the end of the month. Payments will be made for actual services rendered and will not be made for service units the beneficiary did not attend or receive. Each claim shall describe: a) units of service by individual beneficiary served, and b) dates of service detail for each beneficiary. COUNTY shall review, approve and pay all complete and valid invoices within 30 days of receipt.

CONTRACTOR reserves the right to increase provisional rates over those listed below to reflect cost increases by giving the COUNTY 30 days written notice of such change. Rate increases will only become effective upon written acceptance of the Mental Health Director or his/her designee.

PROVISIONAL RATES:

Specialty Mental Health Services:

Mental Health Assessment	\$1.54 per minute
Mental Health Individual Services	\$1.54 per minute
Mental Health Collateral Services	\$1.54 per minute
Mental Health Group Services	\$1.54 per minute
Mental Health Case Management	\$1.54 per minute
Therapeutic Behavioral Services	\$1.54 per minute
Crisis Intervention	\$1.54 per minute

Net to New Morning Youth & Family Services, Inc.
for Mental Health Services provided

\$285,000



Non-Medi-Cal Reimbursable SB 163 Services	\$1.00 per minute	
Family Partnership Services (Parent Partner)	\$0.50 per minute	
Non-Medi-Cal Reimbursable SB 163 Services Not to exceed	\$10,000	
Administrative Fee for Stabilization Funds Processing: (For SB 163 reinvestment Service Program)	\$25.00 per check	(AC)
*SB 163 Stabilization Funds – not to exceed	\$10,000	(AC)

***SB 163 Stabilization Funds** – Purchase of goods and services for SB 163 clients – purchases up to \$500 must be approved by Mental Health Program Coordinator and Department of Human Services Administrative Services Officer; purchases over \$500 must also be approved by Deputy Director or Director of the Department of Human Services. Stabilization Funds must be shown separately on invoices and CONTRACTOR must provide supporting documentation.

Cost Limitations: The total amount of this Agreement shall not exceed \$305,000.00 for the contract period. (AC)

ARTICLE IV

Cost Report: It is agreed between COUNTY and CONTRACTOR that the rates stated are intended to represent the CONTRACTOR’S actual cost as presented in the required Annual Cost Report. Should the Annual Cost Report reflect a rate that is less than that stated herein, CONTRACTOR agrees to reimburse COUNTY for all amounts paid in excess of the Annual Cost Report rate. Reimbursement shall be remitted to COUNTY not later than December 31st for the preceding fiscal/contractual year. If the Annual Cost Report reflects a rate that is more than that stated herein, COUNTY agrees to reimburse CONTRACTOR for all amounts paid less than the Annual Cost Report rate.

CONTRACTOR shall submit the Annual Cost Report to COUNTY on or before October 31 of each year. CONTRACTOR shall prepare the Cost Report in accordance with all Federal, State, and COUNTY requirements and generally accepted accounting principles. CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in accordance with such requirements and consistent with prudent business practice. Such costs and allocations shall be supported by source documentation maintained by CONTRACTOR, and available at any time to Administrator upon reasonable notice.

Services provided that are Non-Medi-Cal Reimbursable SB 163 Services and Reimbursement for Stabilization Funds will not be included in Cost Report.

CONTRACTOR shall document that costs are reasonable and allowable and directly or indirectly related to the services provided hereunder. The Cost Report shall be the final financial record of services rendered under this Agreement for subsequent audits, if any.

Final settlement will not exceed the Statewide Maximum Allowable (SMA) rate for each type of service, and will be based upon the actual and reimbursable costs for services hereunder, less

applicable revenues, not to exceed COUNTY's total maximum obligation for Mental Health Services of \$285,000.00. If the SMA rate is adjusted during the contract term, the final settlement must not exceed the adjusted SMA rate. CONTRACTOR shall not claim expenditures to COUNTY which are not reimbursable pursuant to applicable federal, State, and COUNTY laws, regulations and requirements.

Any payment made by COUNTY to CONTRACTOR which is subsequently determined to have been for a non-reimbursable expenditure or service, shall be repaid by CONTRACTOR to COUNTY in cash within forty-five (45) days of submittal of the Cost Report or COUNTY may elect to reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

If at any time during the term of the contract the Statewide Maximum Allowable (SMA) rate is lowered to an amount below the provisional rate, the provisional rate must immediately be reduced to the new SMA rate.

ARTICLE V

Limitation of County Liability for Disallowances: Notwithstanding any other provision of the Agreement, COUNTY shall be held harmless from any Federal or State audit disallowance resulting from payments made to CONTRACTOR pursuant to this Agreement, less the amounts already submitted to the State for the disallowed claim.

To the extent that a Federal or State audit disallowance results from a claim or claims for which CONTRACTOR has received reimbursement for services provided, COUNTY shall recoup within 30 days from CONTRACTOR through offsets to pending and future claims or by direct billing, amounts equal to the amount of the disallowance in that fiscal year, less the amounts already remitted to the State for the disallowed claim. All subsequent claims submitted to COUNTY applicable to any previously disallowed claim may be held in abeyance, with no payment made, until the federal or state disallowance issue is resolved.

CONTRACTOR shall reply in a timely manner to any request for information or to audit exceptions by County, State and Federal audit agencies that directly relate to the services to be performed under this Agreement.

ARTICLE VI

Certification of Program Integrity: CONTRACTOR shall with all State and Federal statutory and regulatory requirements for certification of claims including Title 42, Code of Federal Regulations (CFR) Part 438.

CONTRACTOR shall ensure that each Medi-Cal beneficiary for whom the CONTRACTOR is submitting a claim for reimbursement has met the following criteria:

An assessment of the Medi-Cal beneficiary was conducted in compliance with the requirements established in the Mental Health Plan (MHP) contract between El Dorado County and the State Department of Mental Health, a copy of which will be provided to CONTRACTOR by COUNTY under separate cover.