

AGREEMENT FOR SERVICES
592-PHD0407

ALCOHOL/DRUG TREATMENT SERVICES
PROGRESS HOUSE, INC.

Table of Contents

| | <u>Page</u> |
|--|-------------|
| Title Page | |
| Table of Contents | 2 |
| Recitals | 4 |
| Section 1. Definitions | 5 |
| Section 2. General Contract Provisions | 8 |
| Article 2.1 Administrator | 8 |
| Article 2.2 Notices | 8 |
| Article 2.3 Term | 8 |
| Article 2.4 Authorized Signatures | 8 |
| Article 2.5 Entire Agreement | 8 |
| Section 3. Fiscal Provisions | 9 |
| Article 3.1 Funding Types | 9 |
| Article 3.2 Amount of Funding | 10 |
| Article 3.3 Provisional Payment Rates | 11 |
| Article 3.4 Compensation Method | 11 |
| Article 3.5 Invoicing | 12 |
| Article 3.6 Payment Withholding | 13 |
| Article 3.7 Administrative Fee Reimbursement (Drug Medi-Cal) | 13 |
| Article 3.8 Availability of Funds | 13 |
| Article 3.9 Cost Report | 14 |
| Article 3.10 Financial Statements | 15 |
| Section 4. Scope of Work | 16 |
| Article 4.1 Alcohol and Drug Treatment Services | 16 |
| Article 4.2 Support Tasks and Activities | 17 |
| Section 5. Performance Requirements | 23 |
| Article 5.1 Code of Conduct | 23 |
| Article 5.2 Cultural Competence | 23 |
| Article 5.3 Confidentiality | 23 |

| | | |
|-----------------------------|--|-----------|
| Article 5.4 | Employee Qualifications | 23 |
| Article 5.5 | HIPAA | 24 |
| Article 5.6 | Continuous Operation | 24 |
| Article 5.7 | Inspections and Audits | 24 |
| Article 5.8 | Record Retention | 26 |
| Article 5.9 | Report and Other Document Submission Timeframes | 26 |
| Article 5.10 | Use of Funds | 27 |
| Article 5.11 | Religious Activity | 28 |
| Article 5.12 | Smoking Prohibitions | 28 |
| Article 5.13 | Drug-Free Workplace | 29 |
| Article 5.14 | Debarment and Suspension Certification..... | 29 |
| Section 6. | Contract Terms and Conditions | 31 |
| Article 6.1 | Assignment and Delegation | 31 |
| Article 6.2 | California Forum and Law | 31 |
| Article 6.3 | Conflict of Interest | 31 |
| Article 6.4 | Contract Modifications | 31 |
| Article 6.5 | California Residency (Form 590) | 32 |
| Article 6.6 | Contractor to County | 32 |
| Article 6.7 | Default, Termination, or Cancellation | 32 |
| Article 6.8 | Failure to Meet Performance Requirements | 34 |
| Article 6.9 | Indemnity | 34 |
| Article 6.10 | Independent Contractor/Liability | 35 |
| Article 6.11 | Insurance | 35 |
| Article 6.12 | Laws and Rules | 37 |
| Article 6.13 | Licenses | 38 |
| Article 6.14 | Literature | 38 |
| Article 6.15 | Unlawful Use Messages | 38 |
| Article 6.16 | Nondiscrimination In Employment | 38 |
| Article 6.17 | Nondiscrimination In Services, Benefits and Facilities | 39 |
| Article 6.18 | Partial Invalidity | 40 |
| Article 6.19 | Taxpayer Identification / Form W9 | 40 |
| Article 6.20 | Third Party Benefits | 40 |
| Article 6.21 | Waiver of Default or Breach | 41 |
| Signature Page | | 42 |

THIS AGREEMENT made and entered by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "COUNTY") and Progress House, Inc., a California Nonprofit Public Benefit Corporation qualified as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, whose principal place of business is 2914 "B" Cold Springs Road (hereinafter referred to as "CONTRACTOR");

WITNESSETH

WHEREAS, COUNTY desires to obtain the services of a CONTRACTOR for the provision of alcohol and other drug treatment services described herein; and

WHEREAS, CONTRACTOR has represented to COUNTY that it is specially trained, experienced, expert and competent to perform the special services required herein and COUNTY has determined to rely upon such representations; and

WHEREAS, it is the intent of the parties hereto that such services be in conformity with all applicable federal, state and local laws; and

WHEREAS, COUNTY has determined that the provision of such services provided by CONTRACTOR are in the public's best interest, are more economically and feasibly performed by outside independent contractors as well as authorized by El Dorado County Charter, Section 210 (b) (6) and/or Government Code 31000; and

WHEREAS, CONTRACTOR is agreeable to the rendering of such services on the terms and conditions hereinafter set forth;

NOW, THEREFORE, it is mutually agreed as follows:

SECTION 1: DEFINITIONS

The words and terms of this contract are intended to have their usual meaning unless a specific or more limited meaning is associated with their usage pursuant to HSC, Division 10.5, Title 9, California Code of Regulations (CCR) Division 4, and Title 22.

Definitions of Drug Medi-Cal covered treatment modalities and services are found in Title 22. Standards for all treatment modalities are found in the American Society of Addiction Medicine-Patient Placement Criteria for the Treatment of Substance-Related Disorders, Second Edition, 1996.

In addition to the above, the following definitions shall apply to this Agreement:

- 1.1 “ADP” refers to the California State Department of Alcohol and Drug Programs.
- 1.2 “ASAM PPC-2” means the American Society of Addiction Medicine Patient Placement Criteria for the Treatment of Substance-Related Disorders, Second Edition, as published by the American Society of Addiction Medicine, Inc. 1996.
- 1.3 “ASI” means the Addiction Severity Index, which is a semi-structured interview designed to address seven potential problem areas in substance abusing patients: medical status, employment and support, drug use, alcohol use, legal status, family/social status, and psychiatric status.
- 1.4 "Client" means a person seeking services or one for whom a defined service has been provided. Client is an all-inclusive term that may refer to both Drug Medi-Cal and non-Drug Medi-Cal eligible individuals.
- 1.5 “Day Care Habilitative” means substance abuse counseling and rehabilitation services lasting three or more hours, but less than 24 hours, per day, for three or more days per week.
- 1.6 "Drug Medi-Cal (DMC) statewide maximum allowance" means the current reimbursement rate for California Drug Medi-Cal services, as set by the State.
- 1.7 "Early Intervention" means activities designed to modify a substance abuser's behavior and can include but is not limited to: education, information, and referral to treatment/recovery services. Medical necessity for these activities need not be established.
- 1.8 “Group Health/Addiction Education” means activities conducted in a group or classroom setting that are designed to affect critical life and social skills, including decision-making, refusal skills, critical analysis (e.g., of media messages) and systematic judgment abilities. Educational services typically include interaction between the educator/facilitator and the group participants.

- 1.9 "HEARTS Jail Services" means eight (8) hours per week of classroom education on substance abuse for HEARTS participants and associated support tasks such as class preparation, grading homework, and follow-up, for a total of seventy-two (72) hours per month.
- 1.10 "HIV Set-Aside" means funding for activities involved in the prevention and delay of the progression of HIV and Tuberculosis by encouraging counseling, assessment and testing. The HIV unit of service consists of three (3) components: (1) pre- and (2) post-counseling services, and (3) administration of an HIV test.
- 1.11 "Lifeskills" means services that address substance abuse issues through support and enhancement of a client's ability to manage activities of daily living. Medical necessity for these activities need not be established; however, only those treatment services which satisfy all Drug Medi-Cal criteria for medical necessity are reimbursable under Minor Consent Drug Medi-Cal.
- 1.12 "Medical Necessity" means substance abuse treatment services, or in the case of EPSDT, services that meet the criteria specified in Title 22, Section 51431, which are reasonable and necessary to protect life, prevent significant illness or disability, or alleviate severe pain through the diagnosis and treatment of a disease, illness or injury.
- 1.13 "Minor Consent Drug Medi-Cal Services" means drug and alcohol abuse treatment and counseling services rendered to a person age 12 through 21 who, without parental consent, may receive medically necessary services related to drug and alcohol abuse or dependence. Except for full-scope Medi-Cal beneficiaries age 12 through 21 who have a zero share of cost Medi-Cal card, and who are only using the confidentiality provisions of the minor consent regulations, reimbursement for minor consent services are 100 percent State General Fund Drug Medi-Cal. There is no federal financial participation.
- 1.14 "Outpatient Drug Free" means treatment, recovery, or rehabilitation services, with or without medication, including counseling and supportive services, for clients who do not reside in a treatment facility (also known as non-residential services). These services may be provided in an individual or group setting.
- 1.15 "Outreach/Intervention" means activities designed to encourage individuals in need of treatment/recovery services to undergo such treatment. Medical necessity for these activities need not be established.
- 1.16 "Parenting Woman" means a female who is in one or more of the following categories:
- 1.16.1 Has custody of a dependent child 0-17.
 - 1.16.2 Is attempting to regain legal custody of a child 0-17.
 - 1.16.3 Has voluntarily placed a child 0-17 with a care giver and is attempting to parenting.

- 1.17 "Perinatal Drug Medi-Cal" means Drug Medi-Cal substance abuse services that are provided to pregnant or postpartum women. The Drug Medi-Cal defined postpartum period is 60 days from the date pregnancy terminated plus the days remaining until the end of the month in which the pregnancy terminated.
- 1.18 "Perinatal Outreach/Publicity" means services that identify and encourage eligible pregnant and parenting women in need of alcohol/drug treatment services to take advantage of these services or to inform members of the professional community about treatment services so that they may become referral sources.
- 1.19 "Provisional Rate" means the projected cost of services less projected revenues. This rate shall be based upon historical cost and actual cost data provided by CONTRACTOR to COUNTY. Provisional rates shall represent CONTRACTOR'S best approximation of actual costs. Provisional rates are the amounts payable to the CONTRACTOR pending settlement of the Cost Report.
- 1.20 "Projected Revenues" means an estimation of client fee collections, insurance collections, and other third party payments.
- 1.21 "Service documentation" means verification that a reimbursable unit of service has been rendered to a client. Service documentation shall include the following:
- 1.21.1 Dated progress notes with sufficient detail to make possible an evaluation of services.
 - 1.21.2 An original signature of the counselor rendering service unit on each progress note.
 - 1.21.3 Recorded clock hours for both group and individual services.
 - 1.21.4 Original client signature on dated attendance rosters for group services.
 - 1.21.5 Original client signature on all treatment plans.
- 1.22 "Unit of Service" means face-to-face contact on a calendar day. For outpatient drug free and day care habilitative the face-to-face unit is a client visit. For male, female or perinatal residential detoxification or treatment services the unit of service is a resident day. Only one face-to-face service contact per day is covered by Drug Medi-Cal, except for emergencies when an additional face-to-face contact may be covered for crisis intervention, or when a return visit is made to receive collateral services. To count as a unit of service, the second contact shall not duplicate the service provided on the first contact, and each contact shall be clearly documented in the client's record. The day of admission is a billable resident day. The day of discharge is not a billable resident day. If the day of admission and discharge are the same day it is a billable resident day.
- 1.23 "Youth Treatment Services" means alcohol and drug treatment services for individuals ages 12 through 17 (inclusive). It is strongly recommended that CONTRACTOR adhere to the California State Department of Alcohol and Drug Programs' "Youth Treatment Guidelines" (August 2002).

SECTION 2. GENERAL CONTRACT PROVISIONS

Article 2.1 Administrator

The COUNTY Officer or employee with responsibility for administering this Agreement is Gayle Erbe-Hamlin, Alcohol and Drug Programs Administrator, or successor, hereinafter referred to as ADMINISTRATOR.

Article 2.2 Notices

All notices given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. For purposes of this Agreement, any notice provided by COUNTY shall be given by ADMINISTRATOR. Notices to COUNTY from CONTRACTOR, and to CONTRACTOR from COUNTY shall be in duplicate and addressed as follows:

To COUNTY: Gayle Erbe-Hamlin, Alcohol and Drug Programs Administrator
 County of El Dorado
 931 Spring Street
 Placerville, CA 95667

To CONTRACTOR: Tom Avey, Executive Director
 Progress House, Inc.
 2914 "B" Cold Springs Road
 Placerville, CA 95667

Article 2.3 Term

The term of this Agreement is July 1, 2007 through December 31, 2007. Further, CONTRACTOR shall be obligated to perform such duties as would normally extend beyond this term, including but not limited to, obligations with respect to confidentiality, indemnification, audits, reporting and accounting.

Article 2.4 Authorized Signatures

The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

Article 2.5 Entire Agreement

This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.

SECTION 3. FISCAL PROVISIONS

Article 3.1 Funding Types

CONTRACTOR shall maintain familiarity with federal and State laws, rules, and regulations (as cited in Article 6.12) so that it can correctly charge services described in the Scope of Work to funding types that allow payment for those services. This Agreement, which is for fiscal year 2007-2008, includes funds from federal fiscal years (FFY) 2007 and 2008 SAPT awards. SAPT funds from the FFY 2007 award are available for expenditure beginning July 1, 2007; they must be expended by December 31, 2007. SAPT funds from the FFY 2008 award become available October 1, 2007; they must be expended by December 31, 2007. This Agreement provides the following types of funding to CONTRACTOR:

- 3.1.1 *Substance Abuse Prevention and Treatment (SAPT) Discretionary*: These are federal block grant funds, which are to be used in a discretionary manner for substance abuse treatment, prevention, and recovery services.
- 3.1.2 *SAPT Federal Block Grant HIV Set Aside*: Federal law requires that five percent of the State's total SAPT block grant award be expended on HIV early intervention. These funds are for HIV prevention, testing, and counseling services for clients in treatment programs.
- 3.1.3 *SAPT Federal Block Grant Adolescent and Youth Treatment Programs*: These funds are for substance abuse services to youth age 12 through 17 (inclusive), as described in ADP's Youth Treatment Guidelines (2002).
- 3.1.4 *State General Fund Discretionary*: These are State funds, which are to be used in a discretionary manner to fund alcohol and other drug treatment services.
- 3.1.5 *General Fund (SGF) Drug Medi-Cal*: These are State funds, which are to be used for providing DMC services to Medi-Cal clients. DMC services are defined in California Code of Regulations, Title 22. This also includes payment for Minor Consent Services.
- 3.1.6 *Federal Financial Participation (FFP) or Federal Match on SGF DMC*: This funding is the federal share of the Medi-Cal (Medicaid) Program. The match, which varies by year, is usually at or near 50 percent.

Article 3.2 Amount of Funding

The total maximum obligation of COUNTY for services provided under this Agreement is set forth below, by funding type.

Maximum FFY 06/07 Block Grant Obligation to be expended by December 31, 2007

| | | |
|---|-----------|-------------------|
| SAPT Federal Block Grant Discretionary (includes HEARTS) | FFY 06/07 | \$25,335.00 |
| SAPT Federal Block Grant HIV Set Aside | FFY 06/07 | \$1,000.00 |
| SAPT Federal Block Grant Perinatal Set Aside | FFY 06/07 | <u>\$8,466.00</u> |
| <i>Total Maximum FFY 06/07 Block Grant Obligation of This Agreement</i> | | \$34,801.00 |

Maximum FFY 07/08 Block Grant Obligation to be expended by December 31, 2007

| | | |
|---|----------|-----------------|
| SAPT Federal Block Grant Discretionary (includes HEARTS) | FY 07/08 | \$27,130.00 |
| SAPT Federal Block Grant HIV Set Aside | FY 07/08 | \$0.00 |
| SAPT Federal Block Grant Perinatal Set Aside | FY 07/08 | <u>8,350.00</u> |
| <i>Total Maximum FFY 07/08 Block Grant Obligation of This Agreement</i> | | \$35,480.00 |

Total Maximum SAPT Block Grant Obligation of This Agreement \$70,281.00

Maximum State General Fund Obligation

| | | |
|--|----------|-------------------|
| State General Fund Discretionary | FY 07/08 | \$0.00 |
| Perinatal State General Fund Discretionary | FY 07/08 | <u>\$9,900.00</u> |
| <i>Total Maximum State General Fund Obligation Of This Agreement</i> | | \$9,900.00 |

Maximum Drug Medi-Cal Obligation

Total Maximum Combined SGF & FFP Drug Medi-Cal Obligation Of This Agreement \$34,350.00

Maximum Perinatal Drug Medi-Cal Obligation

Total Maximum Combined SGF & FFP Drug Medi-Cal Obligation Of This Agreement \$116,595.00

TOTAL FY 2007 CONTRACT AMOUNT **\$231,126.00**

At COUNTY'S discretion, additional Drug Medi-Cal funds may be paid to CONTRACTOR as reimbursement for allowable Drug Medi-Cal services if CONTRACTOR'S maximum funding amount under this Agreement has been exhausted but sufficient Drug Medi-Cal funds remain in COUNTY'S Drug Medi-Cal allocation.

Regular Drug Medi-cal services rendered will be paid at approximately 50% for the State portion and 50% for the federal match portion. If services rendered fall under the category of Minor Consent, then reimbursement will be 100% SGF Drug Medi-Cal funding. In any event, payment will be made up to the total combined Drug Medi-Cal Obligation.

Drug Medi-Cal is an entitlement program. This type of program allows the County to provide necessary Drug Medi-Cal services in excess of the original contracted Drug Medi-Cal funding

allocated in the State of California, Department of Alcohol & Drug Program Funding Agreement.

Article 3.3 Provisional Payment Rates

Following are the maximum payment rates for services included in Section 4, Scope of Work:

| | |
|---|---------|
| Intake (1 hour) | \$66.00 |
| Assessments (1.5 hours) | \$99.00 |
| Case Management (1 hour) | \$66.00 |
| Group Health/Addiction Education (1.5 hours) | \$35.00 |
| Outpatient Drug Free Client Visits: | |
| Group Session (Individual within a Group – 1.5 hours) | \$35.00 |
| Individual Session (per hour) | \$66.00 |
| Individual Treatment Planning (1 hour) | \$66.00 |
| Individual Discharge Planning (1 hour) | \$66.00 |
| Collateral/Family Visit (per hour) | \$66.00 |
| Crisis Intervention Visit (per hour) | \$66.00 |

Residential:

| | |
|---|-----------|
| Men's Resident Day (all inclusive) | \$60.00 |
| Women's Resident Day (all inclusive, with Room & Board) | \$78.00 |
| Perinatal Resident Day (all inclusive, with Room & Board) | \$93.00 |
| Drug Medi-Cal Perinatal Residential Day (excludes room & board) | \$78.00* |
| *Or current Drug/Medi-Cal statewide maximum allowance | |
| Drug Medi-Cal Perinatal Residential Day Room and Board Portion | \$15.00** |
| **Rate is calculated as follows: Perinatal Resident Day rate minus Drug Medi-Cal Perinatal Residential Day rate equals Room & Board to be billed to other funding source for Drug Medi-Cal clients. | |
| Transitional Housing (per day, all inclusive) | \$15.00 |

HEARTS Program Jail Services: (per hour) \$26.00

HIV Test (includes pre and post test counseling) \$40.00

Article 3.4 Compensation Method

3.4.1 COUNTY shall pay CONTRACTOR for the actual costs of providing service, less any revenues actually received from client fees, insurance, and/or other third party payers, provided that:

- 3.4.1.1 Non- Drug Medi-Cal services are billed to COUNTY by unit of service at an amount not exceeding the provisional rates specified in Article 3.3 of this Agreement.
 - 3.4.1.2 Drug Medi-Cal services (if provided) shall be billed at the lower of allowable costs, usual and customary charges, or the Drug Medi-Cal statewide maximum allowance. If the State adjusts the Drug Medi-Cal statewide maximum allowance rates during the term of this Agreement, the new rate shall supersede any Drug Medi-Cal rate stated in this Agreement.
 - 3.4.1.3 The total payments shall not exceed the COUNTY'S Total Maximum Obligation, by funding type, as set forth in Article 3.2 of this Agreement.
 - 3.4.1.4 All CONTRACTOR costs must be allowable pursuant to applicable State and Federal laws, regulations, policies and procedures, as set forth in Article 6.12.
 - 3.4.1.5 Costs shall be reconciled annually in the cost report, as detailed in Article 3.9 of this Agreement. The cost report settlement is the process that determines whether provisional rates were an accurate representation of actual costs.
- 3.4.2 COUNTY shall pay CONTRACTOR monthly in arrears. Monthly payments are provisional payments only, and subject to final settlement in accordance with Article 3.9 of this Agreement.

Article 3.5 Invoicing

- 3.5.1 CONTRACTOR invoices shall be on forms approved, or provided by, ADMINISTRATOR and shall include all data required on such forms. All charges claimed on invoices shall identify the individual client who received the service being charged.
- 3.5.2 Invoices are due by the tenth (10th) day of the month following the month in which services were delivered. Payments to CONTRACTOR shall be released by COUNTY no later than forty-five (45) days after receipt of the correctly completed invoice and back-up forms.
- 3.5.3 Invoices submitted later than the last day of the month following the month in which services were delivered will be considered retroactive. Retroactive invoices shall be ineligible for payment unless there are extenuating circumstances that justify submission of such invoices, and the COUNTY has authorized retroactive billing in advance of the invoice submission date.
- 3.5.4 Invoices shall be submitted to COUNTY at the Public Health Department, Alcohol and Drug Programs Division, 415 Placerville Drive, Suite R, Placerville, CA 95667.

- 3.5.5 All billings to COUNTY shall be supported, at CONTRACTOR'S facility, by source documentation including, but not limited to, ledgers, books, vouchers, journals, time sheets, payrolls, signed attendance rosters, appointment schedules, client data cards, client charts, schedules for allocating costs, invoices, bank statements, canceled checks, receipts, receiving records, and records of services provided. ADMINISTRATOR may require CONTRACTOR to submit documentation in support of the monthly billing and reserves the right to determine the type and amount of such documentation. Patient demographic and identifying information, including social security numbers, may be required.
- 3.5.6 CONTRACTOR may not invoice for, and will not be reimbursed for, services provided beyond the expiration and/or termination of this Agreement, unless COUNTY has notified CONTRACTOR in writing of its intent to extend the Agreement pursuant to Article 2.4.

Article 3.6 Payment Withholding

ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply with any provisions of this Agreement. In addition, as a means to ensure continuous operation of CONTRACTOR'S facility, COUNTY may defer payments as described in Article 5.5 of this Agreement.

Article 3.7 Administrative Fee Reimbursement (Drug Medi-Cal)

If CONTRACTOR receives Drug Medi-Cal funding under this Agreement, COUNTY shall realize 10% of the Drug Medi-Cal reimbursement for administrative fees. This amount shall be assessed upon CONTRACTOR'S monthly invoices.

Article 3.8 Availability of Funds

The parties to this Agreement recognize and acknowledge that COUNTY is a political subdivision of the State of California. As such, El Dorado County is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of COUNTY business, COUNTY will adopt a proposed budget prior to a given fiscal year, but that the final adoption of a budget does not occur until after the beginning of the fiscal year.

Notwithstanding any other provision of this Agreement to the contrary, COUNTY shall give notice of cancellation of this Agreement in the event of adoption of a proposed budget that does not provide for funds for the services, products or equipment subject herein. Such notice shall become effective upon the adoption of a final budget which does not provide funding for this Agreement. Upon the effective date of such notice, this Agreement shall be automatically terminated and COUNTY released from any further liability hereunder.

In addition to the above, should the Board of Supervisors during the course of a given year for financial reasons reduce, or order a reduction, in the budget for any County department for which services were contracted to be performed, pursuant to this paragraph in the sole discretion of the COUNTY, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

In the event the State or federal government reduces, delays, or eliminates funding needed to carry out activities under this Agreement, in the sole discretion of the COUNTY this Agreement may be modified or cancelled in its entirety. Notice of intent to modify or cancel the Agreement pursuant to this paragraph shall be in writing and shall be delivered to CONTRACTOR as stated in Article 2.2. Such notice shall be sent to CONTRACTOR not later than three work days from the COUNTY'S receipt of notification of the funding reduction, delay, or termination. Contract modification or cancellation pursuant to this paragraph shall become effective on the date the reduction, delay, or elimination of funds is imposed upon the COUNTY, or on a later date determined by the COUNTY and at the sole discretion of the COUNTY.

Article 3.9 Cost Report

3.9.1 CONTRACTOR shall submit a Cost Report to COUNTY on or before September 15th in the year in which this Agreement is terminated. 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.

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 shall be based upon the actual and reimbursable costs for services hereunder, less applicable revenues, not to exceed COUNTY'S Total Maximum Obligations as set forth in Article 3.2 of this Agreement. 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 submission 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 the Cost Report shows the actual and reimbursable cost of services provided pursuant to this Agreement, less applicable revenues, is lower than the aggregate of monthly provisional rate payments to CONTRACTOR, CONTRACTOR shall remit the difference

to COUNTY. Such reimbursement shall be made, in cash, with the submission of the Cost Report. If such reimbursement is not made by CONTRACTOR within forty-five (45) days after submission of the Cost Report, COUNTY may, in addition to any other remedies, reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

When the State reconciliation of Drug/Medi-Cal costs occurs, if the State settlement shows that the aggregate of monthly payments to CONTRACTOR for covered Drug/Medi-Cal services provided under this agreement exceeds the lower of CONTRACTOR'S allowable cost, the usual and customary charge, or the maximum allowance, in accordance with Title 22, Section 51516.1, CONTRACTOR shall remit the difference to COUNTY. CONTRACTOR shall pay COUNTY the difference within forty-five (45) days after verification of amount owed or the completion of an Appeal Process through County, whichever comes first. In the event of a State Alcohol and Drug cost report audit and/or program audit, both State General Fund and Federal Medicaid portions of all CONTRACTOR disallowances shall be reimbursed to COUNTY within forty-five (45) days of completion of an appeal process following receipt of a final Audit Report or the completion of an Appeal Process through County, whichever comes first.

When the State reconciliation of Drug/Medi-Cal costs occurs, if the State settlement shows that the aggregate of monthly payments to CONTRACTOR for covered Drug/Medi-Cal services provided under this agreement is lower than CONTRACTOR'S allowable cost, the usual and customary charge, or the maximum allowance, in accordance with Title 22, Section 51516.1, COUNTY shall remit to CONTRACTOR the amount underpaid, not to exceed the Total Maximum Drug/Medi-Cal Obligation for the specific contract year's agreement. This amount shall be processed to CONTRACTOR within sixty (60) days of completion of an appeal in accordance with the Audit Appeal Process described in the FY 07/08 Combined NNA/Drug/Medi-Cal State/County Contract.

Article 3.10 Financial Statements

CONTRACTOR shall obtain an annual financial statement audit in accordance with Government Auditing Standards. If CONTRACTOR'S total federal expenditures, excluding Federal Medi-Cal/Medicaid, are \$300,000 or more, CONTRACTOR must obtain an audit in accordance with OMB Circular A-133.

SECTION 4. Scope of Work

Article 4.1 Alcohol and Drug Treatment Services

CONTRACTOR shall maintain familiarity with federal and State laws, rules, and regulations (as cited in Article 6.12) so that it can correctly charge services described in this Scope of Work to funding types that allow payment for these services. CONTRACTOR agrees to provide the substance abuse services listed below.

- 4.1.1 *Intake:* Demographic, financial, health, family, living situation and other pertinent information shall be collected as necessary to establish client records and support reporting requirements. Intake also includes dissemination of required information to clients including but not limited to CONTRACTOR confidentiality policies, complaint procedures, and admission procedures.
- 4.1.2 *Assessments:* Initial assessments of clients shall be developed using appropriate assessment and screening tools, as identified in 4.2.1 below.
- 4.1.3 *Treatment Plans:* An individualized treatment plan shall be developed for each client using information obtained in the intake and assessment process. The treatment plan must be completed within thirty (30) days of the date the client is admitted to treatment. The treatment plan shall identify problems to be addressed, goals to be reached, action steps, target dates, type and frequency of services to be provided, and the assigned counselor. Treatment plans must be maintained in client records, and kept current as treatment progresses.
- 4.1.4 *Case Management:* This function shall be performed to integrate and coordinate all necessary services and to help ensure successful treatment and recovery. Case management may include evaluating payment resources, determining the nature of services to be provided, planning the delivery of treatment services, identifying appropriate treatment resources, referring clients to other resources as appropriate, monitoring client progress, documenting treatment, participating in case conferences, and other similar types of activities.
- 4.1.5 *Client treatment:* Treatment shall be delivered through a program that offers services at different levels of intensity depending on individual client needs. Treatment shall be consistent with findings that result from administration of the ASAM PPC-2. Clients admitted to treatment may be tested for drug usage; however, the cost of drug testing shall be included within Contractor's rate for service and shall not be billed separately. Following is a description of the required services:
 - 4.1.5.1 *Low intensity outpatient education and treatment services* are those services or activities provided to clients who are willing to cooperate in their own treatment but who need motivating and monitoring to sustain the recovery process. These services are appropriate for individuals who are able to maintain abstinence or control their substance use and to pursue recovery

goals with minimal support. Participants served at this level are in a supportive recovery environment or have the necessary coping skills to deal with a non-supportive recovery environment. Outpatient drug free (individual and/or group), health/addiction education, crisis intervention, and/or collateral visits may be provided at this level.

- 4.1.5.2 *High intensity outpatient education and treatment services* are those services provided to clients whose resistance to treatment is high enough to require a structured program, but not so high as to render outpatient treatment ineffective. These services may also be indicated for individuals whose addiction symptoms intensify while participating in low intensity outpatient services. Outpatient drug free (individual and/or group), day care habilitative, health/addiction education, crisis intervention, and/or collateral visits may be provided at this level.

Article 4.2 Support Tasks and Activities

4.2.1 Assessment Tools

CONTRACTOR shall maintain the capability to administer the ASI-Lite, Adolescent ASI assessment instrument, ASAM PPC-2 Patient Placement Criteria, and an appropriate screening instrument such as the Substance Abuse Subtle Severity Index (S.A.S.S.I.).

4.2.2 Client Admission to Treatment

- 4.2.2.1 CONTRACTOR shall receive requests for service directly from clients. When a request for service is made by any eligible client, CONTRACTOR shall ensure that services are initiated with reasonable promptness. Waiting lists of more than 30 days for services subsidized under this Agreement shall be reported in writing to the ADMINISTRATOR no later than the 15th day of each month.
- 4.2.2.2 CONTRACTOR agrees to admit on a priority basis pregnant women and/or HIV-positive individuals, and to advise individuals seeking treatment of these priority admission provisions. CONTRACTOR may not require clients to disclose HIV status; however, clients may volunteer this information.
- 4.2.2.3 CONTRACTOR shall develop and make available to the public a written copy of its admission policy and procedure and must ensure that said policy complies with all applicable State and federal requirements concerning admission of clients into treatment.
- 4.2.2.4 CONTRACTOR shall establish written procedures informing clients of their rights, including the right to file a complaint alleging discrimination, violation of civil rights, or any type of inappropriate or offensive treatment by Contractor staff. Contractor shall provide a copy of its complaint procedures to all clients upon their admission to treatment. These procedures shall describe the specific

steps clients are to follow when filing complaints and the action that Contractor will take to resolve client complaints.

4.2.3 Revenue Collection

- 4.2.3.1 *Client Fees:* CONTRACTOR shall charge a fee to clients for whom services are provided pursuant to this Agreement, assessing ability to pay on the basis of individual expenses in relation to income, assets, estates, and responsible relatives. Determination of fees shall be performed in accordance with a fee scale developed by CONTRACTOR and approved by the ADMINISTRATOR. Client fees shall be based upon the person's ability to pay for services, but shall not exceed the actual cost of service provided. No person shall be denied services because of an inability to pay.
- 4.2.3.2 *Client Financial Assessment:* All clients whose alcohol and drug treatment services are subsidized under this Agreement shall be certified by CONTRACTOR as unable to pay the amount charged to this Agreement. The certification of each client who is unable to pay shall be documented in writing on a Client Financial Assessment Form, which is developed by CONTRACTOR and approved by the ADMINISTRATOR. This form shall be maintained by CONTRACTOR in the client's record.
- 4.2.3.3 *Payment of Last Resort:* In compliance with Federal Grants Management Guidelines, CONTRACTOR must ensure that federal block grant funds are the "payment of last resort" for alcohol and drug treatment services subsidized under this Agreement. CONTRACTOR shall make every reasonable effort, including the establishment of systems for eligibility determination, billing and collection, to collect reimbursement for the costs of providing services to persons who are entitled to benefits under the Social Security Act, including Title XVIII and Title XIX programs, any State compensation program, any other public assistance program for medical expenses, any grant program, any private health insurance or any other benefit program.
- 4.2.3.4 *Third-Party Revenue:* CONTRACTOR shall make every reasonable effort to obtain all available third-party reimbursement for which persons served hereunder may be eligible. Charges to insurance carriers shall be on the basis of CONTRACTOR'S usual and customary charges.
- 4.2.3.5 *Other Revenues:* CONTRACTOR shall charge for services and supplies used by persons other than individuals or groups eligible for services pursuant to this Agreement.

- 4.2.3.6 *Screening and Referral*: CONTRACTOR shall screen clients to determine their potential eligibility for Veterans Health Care Services and refer them to a Veterans Administration (VA) facility if it appears eligibility may exist. The nearest VA facility is:

Sacramento VA Medical Center
10535 Hospital Way
Mather, CA 95655
(916) 366-5366

4.2.4 Communicable Diseases

- 4.2.4.1 CONTRACTOR shall provide tuberculosis (TB) services, directly or by referral to the El Dorado County Public Health Department or another appropriate provider. These TB services shall consist of the following:
- 4.2.4.1.1 Counseling with respect to tuberculosis.
 - 4.2.4.1.2 Testing to determine whether the individual has been infected and to determine the appropriate form of treatment.
 - 4.2.4.1.3 Provision for, or referral of, infected clients for medical examination and treatment.
- 4.2.4.2 A Health Questionnaire shall be completed for all clients admitted for residential or nonresidential alcohol an/or other drug services. CONTRACTOR shall use either form ADP 10100-A-E for its health questionnaire or it may develop one which contains at a minimum, the information requested in ADP 10100-A-E. CONTRACTOR staff shall review each completed questionnaire. When appropriate, the client shall be referred to licensed medical professionals for physical and laboratory examinations. A medical clearance or release shall be obtained prior to admission whenever a client is referred to a licensed medical professional for such examinations.
- 4.2.4.3 Prior to obtaining a medical clearance, CONTRACTOR shall not accept persons who have communicable diseases, with the exception of persons with asymptomatic HIV (Human Immunodeficiency Virus) disease, symptomatic HIV disease and AIDS (Acquired Immunodeficiency Syndrome) Indicator Conditions.
- 4.2.4.4 CONTRACTOR shall perform activities that help prevent and delay the progression of HIV infection. This includes encouraging clients to receive testing, collecting test samples (which are then sent to a lab for processing), and providing both pre and post test counseling.

4.2.5 Interim Services

All persons who are not admitted into treatment within fourteen (14) days due to lack of capacity, and who place their names on the waiting list for admission, shall be provided interim services. Interim services shall consist of tuberculosis (TB) counseling, voluntary testing, referral for medical evaluation, if appropriate, and voluntary and confidential HIV testing, pre- and post-test counseling. For pregnant women, interim services shall also include counseling on the effects of alcohol and drugs on the developing fetus; and referral to prenatal medical care services. Interim services may be provided directly or by referral to the El Dorado County Public Health Department or another appropriate provider. Provision of interim services shall be documented on the Drug Abuse Treatment Access Report (DATAR) and reported monthly to the State Department of Alcohol and Drug Programs.

4.2.6 Participation in Meetings

CONTRACTOR shall participate in individual and/or group provider meetings as requested by the COUNTY.

4.2.7 Participation in Training

CONTRACTOR shall attend relevant substance abuse training programs and/or conferences as requested by the COUNTY.

4.2.8 Record Keeping

4.2.8.1 *Clinical Records*: CONTRACTOR shall preserve and make available its clinical records for services rendered under this Agreement for a period of five (5) years from the date of final payment under this Agreement, and for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by either of the following:

4.2.8.1.1. If this Agreement is terminated or partially terminated, all of the records relating to work terminated shall: a) be preserved and made available for a period of five (5) years from the date of termination; or b) at the sole option of the COUNTY, immediately become the property of the COUNTY and shall be delivered by CONTRACTOR to the COUNTY.

4.2.8.1.2. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the five (5) year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five (5) year period, whichever is later.

4.2.8.2 *Statistical Records*: CONTRACTOR shall keep all statistical data and records required by the ADMINISTRATOR on forms and/or disks provided by the

ADMINISTRATOR. These records shall be available for inspection as required by the ADMINISTRATOR.

- 4.2.8.3 *Subcontractor Records*: CONTRACTOR shall include in all subcontracts entered into with third parties to facilitate the provision of Services hereunder, the following clause:

"(Name of vendor or subcontractor) agrees to maintain and preserve, until five (5) years after termination of CONTRACTOR'S agreement with the County of El Dorado, pertinent books, documents, papers and records of (name of vendor or subcontractor) related to this (purchase order or subcontract) and to permit the County to have access to, to examine and to audit any of such pertinent records."

- 4.2.8.4 *Financial Records*: CONTRACTOR shall prepare and maintain accurate and complete financial records of its costs and operating expenses. Such records shall reflect the actual costs of the service for which payment is claimed in accordance with generally accepted principles of accounting. Eligibility determination results and fees charged to and collected from persons receiving services, together with a record of all billings sent and revenues received from any source, on behalf of persons treated pursuant to this Agreement, must be reflected in CONTRACTOR'S financial records. Any apportionment of or distribution of costs, including direct costs, to or between programs or cost centers of CONTRACTOR shall be made in accordance with generally accepted accounting principles.

4.2.9 Reporting

- 4.2.9.1 *State Data Submission*: CONTRACTOR shall submit to ADP in accordance with Health and Safety Code Section 11758.12 (d), that information required by the State in a manner identified by, or on forms provided by, ADP. The data shall include, but is not limited to: Drug and Alcohol Treatment Access Report (DATAR), California Outcomes Measurement Systems (CalOMS) Participant Records, California Outcomes Measurement Systems (CalOMS) Provider Summary; and Drug and Alcohol Services Information System (DASIS) Uniform Facilities Data Set (UFDS).

- 4.2.9.2 *County Data Submission*: CONTRACTOR shall report to the COUNTY any problems in implementing the provisions of this Agreement, staff changes, status of licenses and/or certifications, changes in modalities and/or populations served, and reasons for any such changes. Further, when requested to do so by the COUNTY, CONTRACTOR shall submit documents related to client services, administrative activities, or other program operation functions.