

**THIRD AMENDMENT TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND HORIZON SERVICES, INC.**

THIS THIRD AMENDMENT TO THE AGREEMENT, entered into this _____ day of _____, 20____, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and HORIZON SERVICES, INC. hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement ("Original Agreement") for professional services on July 23, 2013 for a maximum obligation of \$992,508 for the term July 1, 2013 through June 30, 2014 under Resolution Number 072701; and

WHEREAS, on April 22, 2014, your board approved a first amendment to the agreement extending the term of the agreement through June 30, 2015, and increasing the maximum obligation by \$902,508 to \$1,895,016 under Resolution Number 073113; and

WHEREAS, on May 30, 2014, the Chief of the Health System approved a second amendment to the agreement to provide a cost of living adjustment, increasing the maximum obligation by \$33,078 to \$1,928,094, with no change to the term of the agreement.

WHEREAS, it is now necessary and the mutual desire and intent of the parties hereto to amend the Agreement a third time to provide additional short term residential detoxification and stabilization services, increasing the maximum obligation of the agreement by \$124,153 to \$2,052,247.

WHEREAS, the parties wish to amend and clarify that Original Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Paragraph 3. Payments is hereby deleted and replaced with the Paragraph 3. Payments below:

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibits "A3"

County shall make payment to Contractor based on the rates and in the manner specified in Exhibits "B3." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this Agreement exceed TWO MILLION FIFTY-TWO THOUSAND TWO HUNDRED FOURTY-SEVEN DOLLARS (\$2,052,247).

2. Exhibit A2 is hereby deleted and replaced with Exhibit A3 attached hereto.
3. Exhibit B2 is hereby deleted and replaced with Exhibit B3 attached hereto.
4. All other terms and conditions of the Original Agreement between the County and Contractor shall remain in full force and effect.

*** SIGNATURE PAGE TO FOLLOW ***

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

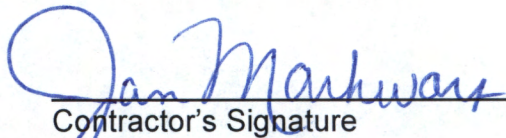
By: _____
President, Board of Supervisors
San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

HORIZON SERVICES, INC.

 _____
Contractor's Signature

Date: 2/4/2015

EXHIBIT A3 – SERVICES
HORIZON SERVICES, INC.
JANUARY 1, 2014 – JUNE 30, 2015

In an effort to meet healthcare reform guidelines, Behavioral Health and Recovery Services (BHRS) is focusing on the development and integration of services such as: primary care and behavioral health care services, system and service coordination, health promotion, prevention services, screening and early intervention, treatment services, resilience and recovery support, social integration promotion, employment services, housing and educational services, and services supporting optimal health and productivity. A full range of high quality services is necessary to meet the varied needs of County residents, including: age, gender, cultural needs, and the promotion of healthy behavior and lifestyles (a primary driver of health outcomes). BHRS anticipates that the roles and responsibilities associated with the change in structure, financing and operation of the redesign may fluctuate or be re-clarified.

In consideration of the payments set forth in Exhibit B3 , Contractor shall provide the following services:

I. DESCRIPTION OF SERVICES TO BE PERFORMED BY CONTRACTOR

In providing its services and operations, Contractor will maintain compliance with requirements listed in the Alcohol and Other Drug (AOD) Provider Handbook including additions and revisions, incorporated by reference herein. Reimbursement is contingent upon client eligibility and compliance with referral and authorization procedures as outlined in the AOD Provider Handbook located at: <http://smchealth.org/bhrs/aod/handbook>.

A. SERVICES

Behavioral Health and Recovery Services (BHRS) in partnership with community based contracted providers, maintains county-wide comprehensive, integrated, substance use disorder treatment, and recovery supports. These efforts focus on making treatment and recovery services accessible and available for San Mateo County residents in need of treatment, and to improve the core life domains of AOD clients.

1. Minimum Treatment Services

Contractor shall provide Substance Abuse Treatment and Recovery Services in an alcohol and drug free environment with structure and supervision to further a participant's ability to improve his/her level of functioning. A program providing services to San Mateo County residents must be certified and/or licensed by Department of Health Care Services (DHCS) Licensing and Certification Division.

- a. Free-Standing Non-Medical Residential Detoxification Services
Detoxification services shall be individualized based upon the severity of the participant's substance use disorder (SUD) and level of intoxication. Services shall provide a safe and supportive environment for safe withdrawal from alcohol and/or other drugs. Transition to ongoing services shall be provided to participants.

2. Treatment Planning and Documentation

Documentation of client services and progress in treatment shall be maintained in the client record. Providers shall adhere to documentation requirements for the service provided as described in the AOD Provider Handbook.

- B. Fixed Rate Services

1. County funded non-medical residential detoxification services

- C. Fee For Service

1. Criminal Justice Realignment

Contractor will provide authorized services to individuals meeting the Criminal Justice Realignment (CJR) eligibility criteria as determined by AB 109 and AB 117 and referred by the CJR program.

SUD treatment shall be provided to eligible offenders based on treatment need with available funding resources. A full continuum of SUD treatment services are available to CJR clients based on assessed treatment need.

- a. Non-medical residential detoxification services

- D. Description of Unique Services

Palm Avenue Detoxification services, a program of Horizon Services Inc., has been serving men and women of San Mateo County since 1977. Palm Avenue takes pride being a front door to San Mateo County BHRS system of care as a Social Model Free Standing Detoxification Program. A welcoming environment is established where staff respond to residents with dignity, respect and a high level of attentive compassion and care. Palm Avenue partners with ancillary services assisting residents to connect through a continuum of care including ongoing substance use disorder treatment programs, primary and psychiatric care, housing, and other health and social services. Transportation is available as needed.

E. Health Plan of San Mateo SUD Services

The San Mateo County Health System is partnering with the Health Plan of San Mateo (HPSM) to improve the health outcomes and reduce the cost of treatment for high risk, high need Medi-Cal beneficiaries with primary severe and persistent substance use disorders (SUD). The HPSM SUD services are designed to enhance access to services and improve care coordination for this population.

As part of this collaboration, Horizon Services, Inc. will provide short term residential detoxification and stabilization services, and add SUD counselor/case manager staff to expand the array of services and supports offered to high need Medi-Cal beneficiaries. Horizon staff will work closely with the San Mateo Medical Center (SMMC) Emergency Department (ED) and Psychiatric Emergency Services (PES), Primary Care Clinics, and BHRS staff. Horizon will also collaborate with other service providers as needed, and with the new Medication Assisted Treatment (MAT) Team to ensure clients are seamlessly referred to appropriate services.

1. Free-Standing Non-Medical Residential Detoxification Services

Due to the severity of an individual's substance use and related circumstances, some clients will need a short residential stay (no more than 30 days) to stabilize and develop a recovery plan. Contractor shall provide three (3) beds for Medi-Cal beneficiaries identified and referred for short term, non-medical, residential services to stabilize and manage intoxication and withdrawal symptoms.

2. Counselor/Case Manager

- a. Horizon shall provide intervention and intensive case management services for high risk Medi-Cal beneficiaries beyond which are already provided as part of the existing residential detoxification service. These new HPSM SUD services shall be delivered and documented by two (2) FTE certified SUD counselors/case managers. Services provided by staff will include the following:
 - i. Collaborate with the SMMC ED, PES and SMMC clinic staff to facilitate referrals for high-risk Medi-Cal beneficiaries in need of immediate stabilization of acute intoxication and non-medical withdrawal management;
 - ii. Assess clients' needs using: 1) the Addiction Severity Index to determine medical necessity and the identification of key clinical interventions, and 2) the American Society of Addiction Medicine guidelines for placement, and determination of stage of change;

- iii. Promote client engagement through Motivational Interviewing, and Harm Reduction practices;
 - iv. Provide intensive case management including transportation, client advocacy, client-driven care planning, and care coordination with HPSM;
 - v. Refer and connect clients to a continuum of SUD and mental health treatments, including MAT, and providing a warm hand-off;
 - vi. Link clients to primary care clinics to address medical conditions;
 - vii. Refer clients to enroll into benefits, including health coverage, for which they are eligible; and
 - viii. Provide twenty-four (24) hours a day, seven (7) days a week crisis support.
- b. To successfully provide the level of service intensity required to achieve the best outcomes, case managers will have caseloads of no more than ten (10) clients at a time for approximately sixty (60) days.
- c. Target Population/Eligibility Criteria
The target population shall meet the following criteria:
- i. HPSM members;
 - ii. Diagnosed or at risk of substance use disorder;
 - iii. Display at least two (2) of the following characteristics:
 - 1) multiple detoxification episodes with failure to connect to SUD treatment,
 - 2) multiple unsuccessful SUD treatment episodes,
 - 3) frequent user of ED services,
 - 4) serious mental illness,
 - 5) frequently hospitalized for related substance use problems,
 - 6) homeless or at risk of homelessness,
 - 7) involved or at risk of involvement with the criminal justice system.
 - iv. Any other populations subsequently determined by BHRS.
3. Horizon shall participate in all HPSM SUD service meetings related to program improvements and coordination among partners.
4. Outcomes
- Horizon shall work with BHRS, HPSM, and our Evaluation Consultant to collect and report on data needed to determine long and short term client outcomes and to evaluate the overall project.

5. Reporting

- a. Avatar/CalOMS reporting required for residential detox bed day;
- b. Schedule of program activities;
- c. Number of unduplicated Medi-Cal clients served with HPSM funding
- d. Direct Service hours (case manager for Medi-Cal clients only)
- e. Number of Medi-Cal client connected to SMC MAT Services (HR 360)
- f. Number of Medi-Cal clients connected to other SMC AOD treatment programs
- g. Number of clients linked to other ancillary services (by type)
- h. Others reporting to be determined in partnership with HPSM, BHRS Evaluator, and Horizon Services.

II. PRIORITY POPULATIONS

Contract funds must be used to serve priority population clients. Specifically, Contractor will give priority admission to:

- A. Populations required by Substance Abuse Prevention and Treatment (SAPT) Block Grant:
 1. Pregnant females who use drugs by injection
 2. Pregnant females who use substances
 3. Other persons who use drugs by injection
 4. *As Funding is Available* – all other clients with a substance use disorder, regardless of gender or route of use, without insurance or for whom coverage is terminated for short periods of time;
- B. San Mateo County residents who are referred by County BHRS;
- C. Referrals from other San Mateo County BHRS providers and Shelter referrals within San Mateo County.

III. ADMINISTRATIVE REQUIREMENTS

In providing its services and operations, Contractor will maintain compliance with requirements of the AOD Provider Handbook, including additions and revision, which is incorporated by reference herein.

A. SUD Services under the Affordable Care Act

Effective January 1, 2014, most residents will have health coverage either through Medi-Cal, or through an Other Health Care (OHC) provider. OHC coverage may be through the health care exchange marketplace or through employer based plans.

1. To maximize revenues and increase access to SUD treatment services, Contractor shall:
 - a. Screen all potential clients for health coverage;
 - b. Bill all eligible OHC payors financially responsible for a beneficiary's health care services;
 - c. Verify health coverage for all individuals seeking services. Coverage may be verified on the <https://www.medi-cal.ca.gov/Eligibility/Login.asp>.
2. Uninsured Residents seeking SUD Services
 - a. Contractor may provide and bill County or NRC funds to provide needed SUD services to low income residents who are uninsured using an approved sliding scale fee. Contractor shall make a good faith effort to facilitate client enrollment into health coverage, if client is likely eligible for coverage.
 - b. Once health coverage is obtained by the client, Contractor shall:
 - i. Medical Beneficiaries: provide and bill DMC for client services provided to Medi-Cal beneficiaries or transition client to DMC certified provider within thirty (30) days coverage; or
 - ii. OHC Beneficiaries: provide and bill OHC provider for service, or transition client to OHC provider within thirty (30) days of coverage.

B. OHC Beneficiaries Seeking SUD Services

1. SMC SUD Contractors are encouraged but not required become SUD providers under the Covered California exchange/marketplace and with the existing OHC plans.
2. Contractor shall bill all eligible OHC payors financially responsible for a beneficiary's health care services.
3. Individuals with OHC shall be referred to OHC provider network, if Contractor is not an OHC provider.
4. Anytime a client begins coverage under an OHC plan, Contractor has thirty (30) days to transition client to OHC provider and/or become an OHC provider.

5. When the client's OHC does not offer SUD Treatment Service and/or indicated level of care, Contractor may provide the service and bill County or NRC sources, if the following conditions have been met:
 - a. Prior Authorization for the service must be requested and granted by BHRS Call Center.
 - b. Contractor must follow established BHRS policies and procedures to receive County or NRC payment for services provided to OHC beneficiaries.

C. System-Wide Improvements

The County has identified a number of issues which require a collaborative and comprehensive approach in order to enhance the system-wide effectiveness and efficiency. Contractor will implement the following:

1. Community Service Areas

- a. BHRS is redesigning the service delivery system to improve quality and access of clients to services. BHRS services will be divided in to six geographic community service areas.
- b. Contractor will participate in activities to improve partnership and service delivery within the Community Service Area (CSA) that the contractor is located.

2. Standards of Care

The County has identified specific Standards of Care (SOC) for treatment services, which incorporate scientific research, and clinical practice, which has been proven effective in the provision of services to clients receiving treatment services. SOC are guidelines for providing comprehensive, client centered, culturally competent screening, assessment and treatment for clients with substance abuse and/or substance dependence/addiction or co-occurring disorders.

In providing its services and operations, Contractor will maintain full compliance with SOC requirements and have a process to evaluate compliance and quality of implementation of each standard.

3. Complex Clients and Co-occurring Disorders

- a. Contractor will participate as a Change Agent and will delegate participation in monthly activities to effect the changes necessary to maintain and enhance COD capability.

- b. Contractor shall establish a COD work plan to assess and address the needs of complex clients. This COD work plan may be a part of the Contractor's Quality Improvement program, Standards of Care implementation plan, or it may be a separate process.
- c. Contractor shall report quarterly to the assigned AOD Analyst on the progress and outcomes of the COD work plan.
- d. Contractors receiving Mental Health Services Act funding to treat clients with COD shall comply with additional reporting requirements as outlined in the online AOD Provider Handbook.

4. Quality Improvement

- a. Contractor shall have an established Quality Improvement (QI) plan and committee.
- b. The QI committee shall include staff from all levels of the Agency and will guide the development and implementation of the annual QI Plan. The QI committee shall review quarterly utilization and service quality, performance data, compliance with BHRS SOC, co-occurring and complex client capability, and client feedback.
- c. Contractor shall have established mechanisms whereby processes and practices at the organizational level which create inefficiencies and/or present barriers to client engagement, enrollment and retention in treatment will be identified and addressed. An analysis of policies and practices which create barriers for complex clients shall be included.
- d. Annual QI Plan
 - i. Contractor shall develop and implement an annual Quality Improvement Plan which addresses quality, policy, and process improvement needs identified by QI committee.
 - ii. Contractor annual QI plan is due to the assigned AOD Analyst no later than September 1 of the contract year.
 - iii. Contractor shall report quarterly to the assigned AOD Analyst on QI plan status, progress and client feedback results.

5. Client Feedback

Contractor will solicit feedback from service recipients on an annual basis, at minimum. Client feedback process may include, but is not limited to: focus groups and client satisfaction surveys. Consideration of client feedback will be incorporated into future QI plans.

D. Qualified Service Organization

As a qualified service organization, BHRS agrees to provide the following services:

1. Centralized screening, assessment, and treatment referrals;
2. Billing supports and services;
3. Data gathering and submission in compliance with Federal, State, and Local requirements;
4. Policies and procedures related to the service provision, documentation, and billing;
5. Education, training and technical assistance as needed.
6. In addition BHRS will:
 - a. Acknowledge that in receiving, storing, processing, or otherwise using any information from the alcohol/drug program about the clients in the program, it is fully bound by the provisions of the federal regulations governing Confidentiality of Alcohol and Drug Abuse Patient Records, 42 C.F.R. Part 2;
 - b. Undertake to resist in judicial proceedings any effort to obtain access to information pertaining to clients otherwise than as expressly provided for in the federal confidentiality regulations, 42 C.F.R. Part 2; and
 - c. Agree to use appropriate safeguards to prevent the unauthorized use or disclosure of the protected information.

E. AVATAR Electronic Health Record

Contractor will work collaboratively with BHRS in the use of the electronic health record system by:

1. Contractor shall enter client service data into Avatar for service being provided under County contract that includes: date of service, service type, service units and service duration.

2. Contractor will maintain compliance with all documentation, reporting, billing and all other data requirements as required in the BHRS and AOD Provider Handbook, including additions and revisions.
3. Contractor shall enter client wait list data into Avatar. This information will be used to determine unmet treatment needs and wait times to enter treatment.
4. Contractor will participate in Avatar trainings and Avatar User Group (AUG) meetings to ensure data quality and integrity and to provide input into system improvements to enhance the system.

F. Building Capacity

The County seeks to build capacity and increase access to treatment services for San Mateo County residents. Contractor will work with BHRS to maximize the revenues and increase access to care in the following ways:

1. Other Revenue Enhancement

Contractor will work in conjunction with AOD to assess whether contracted agency is ready to expand services to other Medi-Cal funded services or other new revenue opportunities.

G. Cultural Competency

Implementations of these guidelines are based on the National Culturally and Linguistically Accessible Services (CLAS) Standards issued by the Department of Health and Human Services. For more information about these standards, please contact the Health Equity Initiatives Manager (HEIM) at 650-573-2714 or jafrica@smcgov.org.

1. Contractor will submit an annual cultural competence plan that details on-going and future efforts to address the diverse needs of clients, families and the workforce. This plan will be submitted to the BHRS Program Manager and the Health Equity Initiatives Manager (HEIM) by September of the fiscal year. The annual cultural competence plan will include, but is not limited to the following:
 - a. Implementation of policies and practices that are related to promoting diversity and cultural competence;
 - b. Contractor forum for discussing relevant and appropriate cultural competence-related issues; (such as a cultural competence committee);

- c. Collection of client cultural demographic information, including race, ethnicity, primary language, gender and sexual orientation;
 - d. Staffing objectives that reflect the cultural and linguistic diversity of the clients. (Contractor will recruit, hire and retain clinical staff members who can provide services with clients in a culturally and linguistically appropriate manner);
 - e. Staff training plan related to cultural competency. Contractor will ensure that all program staff receives at least 8 hours of external training per year (i.e. sponsored by BHRS or other agencies) on how to provide culturally and linguistically appropriate services.
2. Contractor will actively participate in at least one cultural competence effort within BHRS and/or to send a representative to attend the Cultural Competence Council for the term of the Agreement. Contractor shall submit to BHRS ODE by March 31st, a list of staff who have participated in these efforts. For more information about the Cultural Competence Council (CCC), and other cultural competence efforts within BHRS, contact HEIM.
3. Contractor will establish the appropriate infrastructure to provide services in County identified threshold languages. Currently the threshold languages are: Spanish, Tagalog and Chinese (Mandarin and Cantonese). If contractor is unable to provide services in those languages, the contractor is expected to contact Access Call Center or their BHRS Program Manager for consultation. If additional language resources are needed, please contact HEIM.
4. Contractor will translate relevant and appropriate behavioral health-related materials (such as forms, signage, etc.) in County identified threshold languages in a culturally and linguistically appropriate manner. BHRS strongly encourages its contractors to use BHRS-sponsored forms in an effort to create uniformity within the system of care. Contractor shall submit to HEIM by March 31st, copies of Contractor's health-related materials in English and as translated.
5. Technical Assistance
- Should Contractor be unable to comply with the cultural competence requirements, Contractor will meet with the Program Manager and HEIM (jafrica@smcgov.org) to plan for appropriate technical assistance.

H. Certification and Licensing

A program providing services to San Mateo County residents must be certified and/or licensed by (DHCS) Licensing and Certification Division. Contractor shall maintain all applicable certifications through San Mateo County and/or DHCS to provide any of the following reimbursable services: Substance Abuse and Treatment Services, Drug Medi-Cal, Short-Doyle Medi-Cal, Medi-Cal/Medicare.

I. Ineligible Employees

BHRS requires that contractors identify the eligibility status of employees, interns or volunteers prior to hiring and on an annual basis thereafter. Results of the eligibility screenings are to be maintained in the employee files. This process is meant to ensure that any person delivering services to clients of BHRS are not currently excluded, suspended, debarred or have been convicted of a criminal offense as described below. The Contractor must notify BHRS Quality Management (by completing the BHRS Critical Incident Reporting form, Policy #93-11) should a current employee, intern or volunteer be identified as ineligible. Contractors are required to screen for ineligible employees, interns and volunteers by using the following websites:

1. Office of Inspector General

Contractor may not employ any persons deemed an Ineligible Person by the Office of the Inspector General in the provision of services for the County through this agreement. Any employee(s) of contractor determined to be an Ineligible Person will be removed from responsibility for, or involvement with County clients or operations. An "Ineligible Person" is an individual who (1) is currently excluded, suspended, debarred or otherwise ineligible to participate in Federal health care programs, or (2) has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the Federal health care programs after a period of exclusion, suspension, debarment or ineligibility. Ineligibility may be verified by checking: www.Exclusions.OIG.HHS.Gov.

2. Department of Health Care Services

Contractors providing state funded health services may not employ any persons deemed an Ineligible Person by the California DHCS in the provision of services for the County through this agreement. Any employee(s) of contractor determined to be an Ineligible Person will be removed from responsibility for, or involvement with County clients or operations. An "Ineligible Person" is an individual who has been (1) convicted of a crime involving fraud or abuse of the Medi-Cal program, or (2) suspended from the federal Medicare program for any reason. Ineligibility may be verified by checking: <http://files.medi-cal.ca.gov>, once there, type in "medi-cal suspended and ineligible provider list" in the search box.

Contractor shall submit verification of the ineligible screening process on January 2nd of each contract year.

J. Advance Directives

Contractor will comply with County policies and procedures relating to advance directives.

K. Administering Satisfaction Surveys

Contractor agrees to administer/utilize any and all survey instruments as directed by BHRS, including outcomes and satisfaction measurement instruments.

L. Client Rights

Contractor will comply with County policies and procedures relating to beneficiary/patient's rights and responsibilities as referenced in the agreement Section 10. Compliance with laws; payment of Permits/Licenses.

Contractor shall comply with the DHCS requirements relating to client rights. Contractor shall include the following in Contractor's Policy and Procedures:

1. statement of non-discrimination by race, religion, sex, ethnicity, age, disability, sexual preference, and ability to pay
2. client rights;
3. grievance procedures;
4. appeal process for discharge;
5. program rules and regulations;
6. client fees;
7. access to treatment files in accordance with DHCS Executive Order #B-22/76
8. copy of the document shall be provided to each client upon admission or posted in a prominent place, accessible to clients

M. Retention of Records

Paragraph 13 ("Retention of Records") of the Agreement notwithstanding, Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary records (including medical and/or clinical records) for a period of seven (7) years, except that the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until one (1) year beyond the person's eighteenth (18th) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.

N. Licensing and Certification Report

Contractor shall submit a copy of any licensing report issued by a licensing agency or certifying entity to BHRS Deputy Director of Youth Services, Adult and Older Adult Services, or the Manager of AOD Services or their designee, within ten (10) business days of Contractor's receipt of any such licensing report

O. Surety Bond

Retain and show proof of a bond issued by a surety company in accordance with County policy for a licensee who may be entrusted with care and/or control of client's cash resources. Contractor shall submit proof of surety bond no later than July 1, 2015.

P. Fingerprint Compliance

At County's sole discretion, Contractor certifies that its employees and/or its subcontractors, assignees, and volunteers who, during the course of performing services under this Agreement, have contact with children or any person under his or her care will be fingerprinted in order to determine whether they have a criminal history which would compromise the safety of children or individuals with whom Contractor's employees and/or its subcontractors, assignees, or volunteers have contact. If said employees and/or subcontractors, assignees, and volunteers have such a criminal history, they shall not have contact with children who receive services through this agreement. Fingerprint information received from the Department of Justice (DOJ) shall be retained or disposed of pursuant to DOJ directive.

Q. Documentation of Services

Contractor shall provide all pertinent documentation required for local, state and federal reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes). Documentation shall be completed in compliance with the BHRS Policies & Documentation Manual (as defined in Paragraph II. of this Exhibit A3) located online at: <http://smchealth.org/SOCMHContractors>, and is incorporated by reference herein.

Contractor shall provide all pertinent documentation required for Medi-Cal, Medicare, and any other federal and state regulation applicable to reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes).

R. Availability and Accessibility of Service

Contractor shall offer hours of operation that are no less than the hours of operation offered to commercial enrollees, if the Contractor also serves enrollees of a commercial plan, or that are comparable to the hours the Contractor makes available for Medi-Cal services that are not covered by the County or another Behavioral Health Plan, if the Contractor serves only Medi-Cal clients.

S. Credentialing

Contractor is responsible for implementing a process to verify, at time of employment, the credentials of its clinical and/or certified counseling staff (or obtain a waiver). All clinical and/or certified counseling personnel must comply with HIPAA regulations to obtain a National Provider Identifier (NPI) number. The license and NPI information shall be reported to the County through the completion of a County provided credentialing form and submitted to the BHRS Quality Management team. Thereafter, on a yearly basis, Contractor is responsible to conduct a re-credentialing check verifying the NPI number, and ensure that qualification standards have been met and all applicable licenses are current. Verification of credentialing shall be submitted to the BHRS AOD analyst on January 2 of each contract year and/or as requested.

T. Staff Termination

Contractor shall inform County, in a timely fashion, when staff have been terminated. BHRS requires prompt notification to be able to terminate computer access and to safeguard access to electronic medical records by completing the BHRS Credentialing form.

U. Minimum Staffing Requirements

Contractor shall have on file job descriptions (including minimum qualifications for employment and duties performed) for all personnel whose salaries, wages, and benefits are reimbursable in whole or in part under this Agreement. Contractor agrees to submit any material changes in such duties or minimum qualifications to County prior to implementing such changes or employing persons who do not meet the minimum qualifications currently on file. Contractor service personnel shall be direct employees, contractors, volunteers, or training status persons.

V. Compliance Plan and Code of Conduct

Contractor shall read and be knowledgeable of the compliance principles contained in the BHRS Compliance Plan and Code of Conduct located at : <http://smchealth.org/sites/default/files/Compliance-CodeofConductfinal.pdf>. In addition, Contractor shall assure that Contractor's workforce is aware of compliance mandates, and are informed of the existence and how to use the Compliance Improvement Hotline Telephone Number (650) 573-2695.

IV. GOAL AND OBJECTIVE

Contractor shall ensure that the following outcome objectives are pursued throughout the term of this Agreement:

GOAL: Increase the percentage of program participants with a successful treatment discharge.

OBJECTIVE: Contractor shall increase the percentage of successful treatment discharges from 94% to 95%. Successful treatment discharge occurs when a program participant completes his/her treatment/recovery plan or is transferred for continued treatment.

END OF EXHIBIT A3

EXHIBIT B3 – PAYMENTS AND RATES
HORIZON SERVICES, INC.
JANUARY 1, 2014 – JUNE 30, 2015

In full consideration of the services provided by Contractor in Exhibit "A3", County shall pay Contractor as follows:

I. PAYMENTS

A. Maximum Obligation

The combined maximum amount that County shall be obligated to pay for all services provided under this Agreement shall not exceed the amount stated in Paragraph 3 ("Payments") of this Agreement. Furthermore, County shall not pay or be obligated to pay more than the amounts listed below for each component of service required under this Agreement. Contractor shall receive monthly payments as outlined below, upon timely submission of reports as outlined in the AOD Provider Handbook located at:

<http://smchealth.org/sites/default/files/docs/BHS/AOD/PaymentandMonitoringProceduresFY13-14.pdf>

In any event, the combined maximum amount County shall be obligated to pay for all services rendered under this contract shall not exceed TWO MILLION FIFTY-TWO THOUSAND TWO HUNDRED FOURTY-SEVEN DOLLARS (\$2,052,247).

1. Fixed Rate Payments

The combined maximum fixed rate amount County shall be obligated to pay for fixed rate services rendered under this Agreement shall not exceed ONE MILLION THREE HUNDRED SIXTEEN THOUSAND THREE HUNDRED FORTY DOLLARS (\$1,316,340).

- a. Contractor shall be paid in six (6) monthly payments of FIFTY-TWO THOUSAND THREE HUNDRED SEVEN DOLLARS (\$52,307) for the term January 1, 2014 through June 30, 2014. Rates are referenced in Schedule A3 – Fixed Rate Table.
- b. Contractor shall be paid in twelve (12) monthly payments of FIFTY-FIVE THOUSAND THREE HUNDRED SEVEN DOLLARS (\$55,307) for the term July 1, 2014 through June 30, 2015. Rates are referenced in Schedule A3 – Fixed Rate Table.

2. Fee for Service Aggregate

The combined maximum payment for alcohol and drug treatment services shall not exceed an aggregate amount of FIVE HUNDRED FIFTY-SEVEN THOUSAND SEVEN HUNDRED FIFTY-FOUR DOLLARS (\$557,754). Rates are referenced in Schedule A3 – Fee for Service Aggregate Rate Table.

3. Health Plan of San Mateo SUD Services

- a. For the period of February 1, 2015 through June 30, 2015, the maximum amount that County shall be obligated to pay for HPSM SUD services rendered under this Agreement shall not exceed ONE HUNDRED TWENTY-FOUR THOUSAND ONE HUNDRED FIFTY-THREE DOLLARS (\$124,153).
 - i. Bed Rate - County shall pay Contractor at a rate of ONE HUNDRED SIXTY-ONE DOLLARS AND NINETEEN CENTS (\$161.19) per bed per day, for three (3) additional beds.
 - ii. Electronic Health Record (EHR) - Contractor shall be reimbursed a maximum of THREE THOUSAND TWO HUNDRED EIGHTY DOLLARS (\$3,280) for Electronic Health Record (EHR) costs.
 - iii. Counselors/Case Managers - Contractor shall be reimbursed a maximum of FOURTY-EIGHT THOUSAND FIVE HUNDRED SEVEN DOLLARS (\$48,507) for two (2) additional certified substance use disorder counselors/case managers.

B. Contract Amendments

The Chief of the Health System or designee is authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

C. Modifications

Modifications to the allocations in Paragraph A of this Exhibit B3 may be approved by the Chief of the Health System or designee, subject to the maximum amount set forth in Paragraph 3 of this Agreement.

D. Ongoing Services

In the event that funds provided under this Agreement are expended prior to the end of the contract period, Contractor shall provide ongoing services under the terms of this Agreement through the end of the contract period without further payment from County.

E. Disallowances

In the event Contractor claims or receives payment from County for a service, reimbursement for which is later disallowed by County or the State of California or the United States Government, then Contractor shall promptly refund the disallowed amount to County upon request, or, at its option, County may offset the amount disallowed from any payment due or become due to Contractor under this Agreement or any other agreement.

Disallowances that are attributable to an error or omission on the part of County shall be the responsibility of County. This shall include but not be limited to quality assurance (QA) audit disallowances as a result of QA Plan error or format problems with County-designed service documents.

F. Monthly Invoices and Payment

Contractor shall bill County on or before the tenth (10th) working day of each month following the provision of services for the prior month. Payment by County to Contractor shall be monthly. Claims that are received after the tenth (10th) working day of the month are considered to be late submissions and may be subject to a delay in payment. Claims that are received one hundred eighty (180) days or more after the date of service are considered to be late claims. County reserves the right to deny invoices with late claims or claims for which completed service reporting forms or electronic service files are not received. Claims and reports are to be sent to:

County of San Mateo
Behavioral Health and Recovery Services
BHRS – AOD Analyst
310 Harbor Blvd., Bldg. E
Belmont, CA 94002

G. County May Withhold Payment

Contractor shall provide all pertinent documentation required for federal Medi-Cal reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes). Documentation shall be completed in compliance with the County Documentation Manual (as defined in Paragraph I.A of Exhibit A3). The County may

withhold payment for any and all services for which the required documentation is not provided, or if the documentation provided does not meet professional standards as determined by the Quality Improvement Manager of San Mateo County BHRS. More information regarding payments can be found in the AOD Provider Handbook.

H. Inadequate Performance

If County or Contractor finds that performance is inadequate, at the County's discretion, a meeting may be called to discuss the causes for the performance problem, to review documentation, billing and/or other reports, and to take appropriate corrective action, as needed, to resolve any identified discrepancies. This Agreement may be renegotiated, allowed to continue to end of term, or terminated pursuant to Paragraph 4 of this Agreement. Any unspent monies due to performance failure may reduce the following year's agreement, if any.

I. Early Termination

In the event this Agreement is terminated prior to June 30, 2015, Contractor shall be paid on a prorated basis for only that portion of the contract term during which Contractor provided services pursuant to this Agreement. Such billing shall be subject to the approval of the Chief of the Health System or designee.

J. Anticipated Change in Revenue

County anticipates revenues from various sources to be used to fund services provided by Contractor through this Agreement. Should actual revenues be less than the amounts anticipated for any period of this Agreement, the maximum payment obligation and/or payment obligations for specific services may be reduced at the discretion of the Chief of the Health System or designee.

K. Documentation

Contractor shall provide all pertinent documentation required for MediCal, and any other federal and state regulation applicable to reimbursement including assessment and service plans, and progress notes. The County may withhold payment for any and all services for which the required documentation is disallowed by the State Department of Alcohol and Drug Programs.

L. Cost Report/Unspent Funds

1. Contractor shall submit to County a year-end cost report no later than August 15th after the end of the fiscal year. Contractor shall

submit to County a year-end single audit report no later than November 15th after the end of the fiscal year. Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report shall be submitted along with the Cost Report.

2. If the annual Cost Report provided to County shows that total payment to Contractor exceeds the total actual costs for all of the services rendered by Contractor to eligible patients during the reporting period, a single payment in the amount of the contract savings shall be made to County by Contractor, unless otherwise authorized by the BHRS Director or designee. By mutual agreement of County and Contractor, contract savings or "unspent funds" may be retained by Contractor and expended the following year, provided that these funds are expended for SUD services approved by County and are retained in accordance with Paragraph V of this Exhibit B3.

M. Claims Certification and Program Integrity

1. Contractor shall comply with all state and federal statutory and regulatory requirements for certification of claims, including Title 42, Code of Federal Regulations (CFR) Part 438, Sections 438.604, 438.606, and, as effective August 13, 2003, Section 438.608, as published in the June 14, 2002 Federal Register (Vol. 67, No. 115, Page 41112), which are hereby incorporated by reference.
2. Contractor shall certify by signature that the claim is true and accurate by stating the claim is submitted under the penalty of perjury under the laws of the State of California.

The claim must include the following language and signature line at the bottom of the form(s) and/or cover letter used to report the claim.

"Under the penalty of perjury under the laws of the State of California, I hereby certify that this claim for services complies with all terms and conditions referenced in the Agreement with San Mateo County.

Executed at _____ California, on _____, 20__

Signed _____ Title _____

Agency _____"

END OF EXHIBIT B3

SCHEDULE A3
HORIZON SERVICES, INC.
FIXED RATE TABLE

I. FIXED RATE PAYMENTS

January 1, 2014 – June 30, 2014

Services	Funding Amount	Monthly Funding Amount	Rate	Units of Service	Clients to be Served	Slots
Residential Detoxification	\$313,842	\$52,307	\$161.19	1,947	649	12
TOTAL	\$313,842	\$52,307	\$161.19	1,947	649	12

July 1, 2014 – June 30, 2015

Services	Funding Amount	Monthly Funding Amount	Rate	Units of Service	Clients to be Served	Slots
Residential Detoxification	\$663,683	\$55,307	\$161.19	4,117	1,375	12
TOTAL	\$663,683	\$55,307	\$161.19	4,117	1,375	12

SCHEDULE A3
HORIZON SERVICES, INC.
FEE FOR SERVICE AGGREGATE RATE TABLE

I. FEE FOR SERVICE AGGREGATE

January 1, 2014 – June 30, 2014

Funding Source & Services	Aggregate Maximum for all Providers	Unit Rate
AB109 Criminal Justice Realignment	\$139,439	
Non-Medical Residential		\$161.19 Per day
TOTAL	\$139,439	

July 1, 2014 – June 30, 2015

Funding Source & Services	Aggregate Maximum for all Providers	Unit Rate
Criminal Justice Realignment	\$278,877	
Realignment Drug Court		\$161.19 Per day
Unified Reentry		\$161.19 Per day
TOTAL	\$278,877	

ATTACHMENT I

Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

☐

a. Employs fewer than 15 persons.

☒

b. Employs 15 or more persons and, pursuant to section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

Jan Markwart

Name of 504 Person - Type or Print

Horizon Services, Inc.

Name of Contractor(s) - Type or Print

P. O. Box 4217

Street Address or P.O. Box

Hayward, CA 94540

City, State, Zip Code

I certify that the above information is complete and correct to the best of my knowledge.

Jan Markwart
Signature

ACTING EXECUTIVE DIRECTOR
Title of Authorized Official

2/4/2015
Date

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a disabled person seeking its services, there is no method of complying with (the facility accessibility regulations) other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."