

**FIRST AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND CIELO HOUSE**

THIS FIRST AMENDMENT TO THE AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and Cielo House, 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 on July 26, 2018 for comprehensive treatment for clients diagnosed with eating disorders; and

WHEREAS, the parties wish to amend the Agreement to extend the term through June 30, 2020, and increase the maximum amount by \$200,000 for a total amount not to exceed \$300,000.

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

1. Section 3. Payments of the agreement is amended to read as follows:

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A-1, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B-1. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement exceed THREE HUNDRED THOUSAND DOLLARS (\$300,000). In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this agreement.

2. Section 4. Term of the agreement is amended to read as follows:

Subject to compliance with all terms and conditions, the term of this Agreement shall be from July 26, 2018 through June 30, 2020.

3. Exhibit A is hereby deleted and replaced with Exhibit A-1 attached hereto.
4. Exhibit B is hereby deleted and replaced with Exhibit B-1 attached hereto.
5. All other terms and conditions of the agreement dated July 26, 2018, between the County and Contractor shall remain in full force and effect.

Signature page follows

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

CIELO HOUSE

  
\_\_\_\_\_  
Contractor's Signature

Date: 2/12/19

**Exhibit A-1**  
Cielo House  
FY 2018-2020

In consideration of the payments set forth in Exhibit B-1, Contractor shall provide the following services:

I. Description of Services to be Performed by Contractor

This contract is needed due to the lack of existing capacity within our system to effectively treat adults with moderate to severe eating disorders that require more intensive level of services. Currently, none of Behavioral Health and Recovery Services (BHRS) clinics or programs can effectively address the comprehensive behavioral, dietary and medical needs associated with moderate/severe eating disorders. Treatment for eating disorders, including anorexia, bulimia and purging disorders that can adequately address various levels of acuity and stages of illness is an important component of a continuum of care for adults.

A. Services

1. Targeted Population

The target population for all services described in this Agreement are adult clients who in addition to suffering from any other co-morbid mental health conditions that may be present, shall meet criteria for and be diagnosed with an eating disorder, as defined in the DSM-5. Furthermore, with the exception of newly presenting cases which are already at the moderate/severe level, targeted adults shall be those with whom outpatient treatment has been attempted without any progress being achieved.

2. Referral Process

Contractor shall receive an authorization for a particular level of care for no more than 3 months at a time. Should additional services be required, Contractor will document status/progress and provide a basis for remaining at the current level of care for up to another 3 months. Once a client has been at any particular level of care for 6 months, the case shall be reviewed by the Contractor's team and the BHRS Contract monitor or designee assigned to the client at monthly intervals until step down to a lower level of care is achieved. At which time the 3-month progress reporting schedule applies again.

The referral process will take one of the following pathways:

#### Pathway 1

With respect to clients already in treatment with BHRS but who are not making progress, the assigned BHRS clinician will update the current diagnosis and treatment plan, as appropriate, and consult with the client's PCP and psychiatrist (or arrange for a psychiatrist to evaluate the client). The BHRS clinician will request endorsement of the referral as medically necessary at this time. Upon receiving those endorsements, the BHRS clinician will then forward the documentation to the Clinical Services Manager (CSM), the Deputy Director of Adult Services and Medical Director for approval to proceed with intake to Cielo House (CH).

#### Pathway 2

In the situation where a BHRS client, previously in treatment at CH for an eating disorder, but now is experiencing relapse; the case shall be screened by BHRS Adult Resource Management and the CSM. A referral to CH for intake assessment will be coordinated by BHRS Adult Resource Management.

#### Pathway 3

In a situation where the client is in crisis and is seen at Psychiatric Emergency Services (PES), who is medically and/or psychiatrically unstable and cannot benefit from the care of their family/support system, and endorses current symptoms of eating disorder, such as food refusal or bingeing and purging. BHRS Adult Case Management will track initial inpatient stay and compile referral documentation to facilitate referral to CH for intake assessment immediately upon discharge from inpatient setting.

### 3. Residential Treatment

- Transitional housing
- Twenty-four (24) hour, seven (7) days a week staff availability;
- Eating disorder-specific nutritional intake assessment
- Ongoing weekly assessment
- Comprehensive treatment plan designed for each individual
- Specialized meal plan for all meals monitored by dietician and/or dietician technician;
- Close supervision
- Registered dietitian counseling
- Individualized nutritional guidance for client and family support
- Individual therapy
- Family based therapy

- Structured group therapy
- Mealtime support and processing
- Twice weekly medical evaluations and daily weights and vital signs
- Physician services: face-to-face meeting with primary care doctor and psychiatrist at least once a week;
- Medication support services when prescribed by a physician.
- Dialectical Behavior Therapy modalities
- Cognitive Behavioral Therapy
- Equine Therapy
- Internal Family Systems (IFS) models
- Eye Movement Desensitization and Reprocessing (EMDR) treatment approach
- Acceptance and Commitment Therapy
- Expressive therapies including yoga, art and music
- Exposure therapy (restaurant outings, challenge foods)
- Psycho-education groups including body image, self-esteem and assertiveness
- Coordination of care with outside treatment providers
- Detailed discharge planning for relapse prevention
- Post program support (recovery alumni group)
- Other related activities as needed
- Treatment environment management, provided by paraprofessional staff

4. Partial Hospitalization Program (PHP/Day Treatment)  
 Partial Hospitalization shall include, but not be limited to, the following:

- Six (6) – eight (8) hours of treatment daily, up to seven (7) days a week.
- Eating disorder-specific nutritional intake assessment
- Ongoing weekly assessment
- Individualized treatment plan
- One (1) – two (2) structured meals and one (1) – two (2) snacks per day
- Close supervision
- Registered dietitian counseling
- Individualized nutritional guidance for client and family support
- Individual therapy
- Family based therapy
- Structured group therapy
- Mealtime support and processing
- Twice weekly medical evaluations and daily weights and vital signs

- Dialectical Behavior Therapy modalities
- Cognitive Behavioral Therapy
- Equine Therapy
- Internal Family Systems (IFS) models
- Eye Movement Desensitization and Reprocessing (EMDR) treatment approach
- Acceptance and Commitment Therapy
- Expressive therapies including yoga, art and music
- Exposure therapy (restaurant outings, challenge foods)
- Psycho-education groups including body image, self-esteem and assertiveness
- Coordination of care with outside treatment providers
- Detailed discharge planning for relapse prevention
- Post program support (recovery alumni group)
- Other related activities as needed

5. Initial Assessment

Contractor will complete an initial assessment within five (5) business days of client's admission to the program. The initial assessment may include, but not be limited to: a medical assessment, family history, eating disorder behaviors, co-morbid mental illness, and motivation to recovery from the eating disorder. The treatment plan will be tailored to fit the client's diagnosis and treatment needs. The treatment plan will include measurable and time bound goals, objectives, and an intervention plan. The treatment plan will be completed within seven (7) days of admission to the program and submitted to Talisha Racy at [tracy@smcgov.org](mailto:tracy@smcgov.org).

The treatment plan will be reviewed and assigned to a BHRS case manager. Contractor will collaborate with the BHRS case manager regarding treatment for clients.

6. Treatment

Contractor will follow weekly treatment schedules which include individual and family therapy sessions, psychiatric and medical consultations (which will include access to labs, frequent monitoring of vitals and medication compliance), individual nutrition sessions, daily to weekly weigh-ins, monitoring of caloric intake, and therapeutic groups.

7. Culturally Competent Services

Contractor will provide culturally competent and linguistically appropriate services to meet the needs of the target population. Specifically, Contractor will provide services in the primary language used by clients and their families.

8. Coordination of Care

Contractor shall develop a plan of coordination with the assigned BHRS case manager that will include at a minimum:

- a. Mode of communication and frequency
- b. Submission of monthly progress reports
- c. Step down and/or Discharge planning
- d. Timely notification of unplanned medical or mental health interventions

Contractor will take all reasonable measures to inform BHRS of any unplanned medical procedure or mental health intervention and in the timeliest manner. Whenever possible, such unplanned procedures/interventions will be provided by the BHRS or the Health Plan of San Mateo. In such situations, BHRS will provide medication support, facilitate medical hospitalization, and psychological evaluation.

In the event of any unplanned medical emergency or mental health intervention, Contractor will contact BHRS Clinical Services Manager Talisha Racy of the BHRS Adult Resource Management at (650) 573-3615.

9. Discharge Planning

It is the expectation of BHRS that discharge planning will be a coordinated effort between the Contractor and BHRS. All client discharges to a lower level of care, both within the CH program or to a BHRS outpatient provider, will be "planned discharges." Discharge planning occurs from the moment a client is admitted into treatment and readiness for discharge will at least be ruled out on a quarterly basis, when client progress and application for service re-authorization is reviewed.

Upon determination by the Contractor that the client is ready for discharge within 30 days, a case conference shall be held and will include the provider team, the family, and BHRS Adult Case Management present to discuss transfer of the case to a lower level of care. The Contractor is responsible to draft the discharge



summary and treatment recommendations and provide this clinical documentation to the BHRS outpatient provider no later than the date of transfer of the case.

Prior to discharge from CH, BHRS Adult Case Management shall provide CH with the date of the first outpatient appointment the name of the accepting clinician and their contact information. CH will send the clinical information to the accepting clinician by the date of transfer of the case. CH shall provide verbal or email consultation to the accepting clinician for a period of up to 30 days post-discharge.

10. Staffing

Services will be performed by staff that are experienced and/or certified in treating severe eating disorders. Clinical services shall be provided by licensed or waived clinical professionals.

Contractor shall be solely responsible for maintaining the credentials of their staff, in accordance with the stipulations in this agreement and notify BHRS as soon as is reasonably possible if they become aware of a credentialing problem with a particular staff member.

11. Performance Standards

Contractor will provide services in an efficient and timely manner to improve client's physical and mental health condition and to avoid hospitalization and further medical conditions needing a higher level of care. A successful completion of program occurs when a treatment participant completes his/her treatment plan and maintains at an outpatient level of care.

GOAL 1: Participation in treatment at Cielo House shall significantly reduce the incidence of both medical and psychiatric re-hospitalization of the clients referred.

OBJECTIVE 1: 50% of clients participating in the PHP shall require no hospitalizations and no more than one PES visit while under that level of care.

OBJECTIVE 2: 50% of clients participating in the IOP program shall require no more than one hospitalization and no more than two PES visits while under that level of care.

OBJECTIVE 3: 50% of clients who have successfully completed the program shall be able to be maintained at an outpatient level of

care and not be re-hospitalized for an eating disorder related condition during the first twelve (12) months after discharge.

GOAL 2: Clients who have successfully completed the program will demonstrate improved behavior and weight management skills.

OBJECTIVE 1: 50% of clients who have successfully completed the program shall maintain weight gain for eight (8) weeks following discharge.

## II. ADMINISTRATIVE REQUIREMENTS

### A. Quality Management and Compliance

#### 1. Quality Management Program and Quality Improvement Plan

Contractor must have a Quality Management Program and submit a Quality Improvement Plan to Behavioral Health and Recovery Services (BHRS) Quality Management (QM) annually by June 30.

#### 2. Record Retention

Paragraph 14 of the Agreement notwithstanding, Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary medical and/or clinical records for a period of ten (10) years, except the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until ten (10) years beyond the person's eighteenth (18th) birthday or b) for a period of ten (10) years beyond the date of discharge, whichever is later. This rule does not supersede professional standards. Contractor may maintain records for a longer period of time if required by other regulations or licenses.

#### 3. Documentation of Services

Contractor shall document all services in accordance with professional standards and the standards of the eating disorder program industry.

#### 4. Audits

Behavioral Health and Recovery Services may conduct regular chart audits of Contractors. Contractor is required to provide either the original or copies of charts, including all documentation upon request. Contractor is required to provide all necessary

documentation for external audits and reviews as requested and within the stated timeline.

5. Client Rights and Satisfaction Surveys

a. Administering Satisfaction Surveys

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

b. Patient's Rights

Contractor will comply with County policies and procedures relating to patient's rights and responsibilities as referenced in the Agreement.

c. Advance Directives

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

6. Licensing Reports

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

7. Compliance with HIPAA, Confidentiality Laws, and PHI Security

a. Contractor must implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Protected Health Information (PHI), including electronic PHI that it creates, receives, maintains, uses or transmits, in compliance with 45 C.F.R and to prevent use or disclosure of PHI other than as provided for by this Agreement. Contractor shall implement reasonable and appropriate policies and procedures to comply with the standards. Contractor is required to report any security incident or breach of confidential PHI to BHRS Quality Management within twenty-four (24) hours.

b. Contractor will develop and maintain a written Privacy and Security Program that includes administrative, technical and

physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities.

c. Contractor agrees to comply with the provisions of 42 C.F.R. Part 2 as described below if records contain or contract possesses any PHI covered under 42 C.F.R Part 2:

- 1) Acknowledge that in receiving, storing, processing, or otherwise using any information from BHRS about the clients in the program, it is fully bound by the provisions of the federal regulations governing Confidentiality of Behavioral Health and Recovery Services Patient Records, 42 C.F.R. Part 2;
- 2) 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
- 3) Agree to use appropriate safeguards to prevent the unauthorized use or disclosure of the protected information.

d. Confidentiality Training

Contractor is required to conduct, complete and maintain records of annual confidentiality training by all staff serving or accessing protected health information of BHRS clients and in accordance to their host county requirements. Contractor may utilize BHRS Confidentiality trainings located at <http://smchealth.org/bhrs/providers/ontrain>.

8. Critical Incident Reporting

Contractor is required to submit Critical Incident reports to BHRS Quality Management (via fax # 650-525-1762) when there are unusual events, accidents, errors, violence or significant injuries requiring medical treatment for clients, staff or members of the community. (Policy #93-11 and 45 C.F.R. § 164, subpart C, in compliance with 45 C.F.R. § 164.316.)

The incident reports are confidential however discussion may occur with the Contractor regarding future prevention efforts to reduce the likelihood of recurrence. Contractor is required to participate in all activities related to the resolution of critical incidents.

9. Ineligible Employees

Behavioral Health and Recovery Services (BHRS) requires that contractors comply with Federal requirements as outlined in 42 CFR (438.608) Managed Care Regulations. Contractors must identify the eligibility of employees, interns, or volunteers prior to hiring and on a monthly 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 following procedures included in BHRS Policy # 04-01, which can be found online at: <http://www.smchealth.org/bhrs-policies/compliance-policy-funded-services-provided-contracted-organizational-providers-04-01>.

BHRS Quality Management must be notified within twenty-four (24) hours of any violations. Contractor must notify BHRS Quality Management if an employee's license is not current or is not in good standing and must submit a plan to correct to address the matter.

a. Credentialing Check – Initial

During the initial contract process, BHRS will send a packet of contract documents that are to be completed by the Contractor and returned to BHRS. Attachment A – Agency/Group Credentialing Information will be included in the contract packet. Contractor must complete Attachment A and return it along with all other contract forms.

b. Credentialing Check – Monthly

Contractor will complete Attachment A – Agency/Group Credentialing Information each month and submit the completed form to BHRS Quality Management via email at: [HS\\_BHRS\\_QM@smcgov.org](mailto:HS_BHRS_QM@smcgov.org) or via a secure electronic format.

10. Compliance Plan and Code of Conduct

Contractor will annually read and be knowledgeable of the compliance principles contained in the BHRS Compliance Plan and Code of Conduct located at <http://smchealth.org/bhrs-documents>. In addition, Contractor will assure that Contractor's workforce is

aware of compliance mandates and informed of the existence and use of the BHRIS Compliance Improvement Hotline (650) 573-2695.

Contractor is required to conduct, complete and maintain record of annual compliance training by all staff serving or accessing PHI of BHRIS clients. Contractor may utilize BHRIS Confidentiality trainings located at <http://smchealth.org/bhrs/providers/ontrain>.

#### 11. Fingerprint Compliance

Contractor certifies that its employees, trainees, and/or its subcontractors, assignees, volunteers, and any other persons who provide services under this agreement, who have direct contact with any client will be fingerprinted in order to determine whether they have a criminal history which would compromise the safety of individuals with whom the Contractor's employees, trainees and/or its subcontractors, assignees, or volunteers have contact. Contractor shall have a screening process in place to ensure that employees who have positive fingerprints shall:

1. Adhere to CCR Title 9 Section 13060 (Code of Conduct) when providing services to individuals with whom they have contact as a part of their employment with the contractor; OR
2. Obtain an exemption from Community Care Licensing allowing the employee to provide services to individuals with whom they have contact as a part of their employment with the contractor.

A certificate of fingerprinting certification is attached hereto and incorporated by reference herein as Attachment E.

#### 12. 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.

## B. 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 [ode@smcgov.org](mailto:ode@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 Analyst/Program Manager and the Health Equity Initiatives Manager (HEIM) by September 30<sup>th</sup> 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, such as ongoing organizational assessments on disparities and needs, client's rights to receive language assistance.
  - b. Contractor forum for discussing relevant and appropriate cultural competence-related issues (such as a cultural competence committee, grievance, or conflict resolution committee).
  - c. Ongoing collection of client cultural demographic information, including race, ethnicity, primary language, gender and sexual orientation in health records to improve service provision and help in planning and implementing CLAS standards.
  - 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 in a culturally and linguistically appropriate manner.)
  - e. Contractor will ensure that all program staff receive 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 including the CLAS and use of interpreters.
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 (CCC) for the term of the

Agreement. Participation in the CCC allows for the dissemination of CLAS as well as ongoing collaborations with diverse stakeholders. Contractor shall submit to BHRS Office of Diversity and Equity (ODE) by March 31st, a list of staff who have participated in these efforts. For more information about the 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, Contractor is expected to contact Access Call Center or their BHRS Analyst/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. Should Contractor be unable to comply with the cultural competence requirements, Contractor will meet with the BHRS Analyst/Program Manager ([ode@smcgov.org](mailto:ode@smcgov.org)) to plan for appropriate technical assistance.

C. 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.

\*\*\* END OF EXHIBIT A-1 \*\*\*



**Exhibit B-1**  
Cielo House  
FY 2018-2020

In full consideration of the services provided by Contractor under this Agreement and subject to the provisions of Paragraph 3 of this Agreement, County shall pay Contractor in the manner described below:

I. PAYMENTS

A. Maximum Obligation

The 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 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.

In any event, the maximum amount County shall be obligated to pay for all services rendered under this contract shall not exceed THREE HUNDRED THOUSAND DOLLARS (\$300,000) for the two fiscal years 2018-2020. The maximum amount for each fiscal year is as follows:

FY 2018-2019	\$150,000
FY 2019-2020	<u>\$150,000</u>
Total	\$300,000

B. Rates and Method of Payment

There may be specific rate structures for various funding sources that you need to keep in the contract.

1. Residential Treatment – \$1,100 per day minus any co-payment of share of cost received from client.
2. Partial Hospitalization Program - \$650 per day minus any co-payment or share of cost received from client.

Contractor will be responsible for all expenses incurred during the performance of services rendered under this Agreement.

C. Modifications to the allocations in Paragraph A of this Exhibit B-1 may be approved by the Chief of San Mateo County Health or designee, subject to the maximum amount set forth in Paragraph 3 of this Agreement.

D. 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. In the event this Agreement is terminated prior to June 30, 2020, 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 San Mateo County Health or designee.

F. 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.

G. Monthly Invoice and Payment

1. Contractor shall bill County on or before the tenth (10th) working day of each month following the provision of services for the prior month. The invoice shall clearly summarize direct and indirect services (if applicable) for which claim is made.

a. Direct Services/Claims

Completed Service Reporting Forms or an electronic services file will accompany the invoice and provide back-up detail for the invoiced services. The Service Reporting Forms will be provided by County, or be in a County approved format, and will be completed by Contractor according to the instructions accompanying the Service Reporting Forms. County reserves the right to change the Service Report Forms, instructions, and/or require the Contractor to modify their description of services as the County deems necessary. The electronic services file shall be in the County approved Avatar record format.

b. Indirect Services/Claims (if applicable)

Indirect services (services that are not claimable on the Service Reporting Form or electronically) shall be claimed on the invoice and shall be billed according to the guidelines specified in the contract.

2. 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 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 may be sent to:

County of San Mateo  
Behavioral Health and Recovery Services  
Attn: Contract Unit  
2000 Alameda de las Pulgas, Suite 280  
San Mateo, CA 94403

H. 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.

I. 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.

J. County May Withhold Payment

Contractor shall maintain all pertinent documentation required for audit purposes. Documentation will demonstrate that clients were present in the program for a minimum of 50% of the program day. Contractor shall meet quarterly with County contract monitor, as designated by the BHRS, to review documentation and billing reports, and to take appropriate corrective action, as needed, to resolve any identified discrepancies. County may withhold payment when pertinent documentation is not provided at the time Contractor submits an invoice for payment.

K. 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 5 of this Agreement. Any unspent monies due to performance failure may reduce the following year's agreement, if any.

## L. Election of Third Party Billing Process

Contractor shall select an option for participating in serial billing of third-party payors for services provided through this Agreement through the completion of Attachment C – Election of Third Party Billing Process. The completed Attachment C shall be returned to the County with the signed Agreement. Based upon the option selected by the Contractor the appropriate following language shall be in effect for this Agreement.

### 1. Option One

- a. Contractor shall bill all eligible third-party payors financially responsible for a beneficiary's health care services that Contractor provides through this Agreement. Within ten (10) days of the end of each month, Contractor shall provide to County copies of the Explanation of Benefits or other remittance advice for every third-party payment and/or denial of such third-party payments for services provided by Contractor during such month. The amount of any such third-party payment shall be deducted from the total actual costs for all services rendered by Contractor as reflected on the Cost Report as defined in Paragraph R of this Exhibit B. County accepts no financial responsibility for services provided to beneficiaries where there is a responsible third-party payor, and to the extent that County inadvertently makes payments to Contractor for such services rendered, County shall be entitled to recoup such reimbursement, through the Cost Report reconciliation.
- b. Contractor shall provide a copy of each completed Payor Financial Form (Attachment D) and subsequent annual updates for all clients who receive services through this Agreement. For clients who begin to receive services during the term of this Agreement, completed Payor Financial Forms shall be provided to the County with client registration forms. For clients who were receiving services prior to the start date of this Agreement and who continue to receive services through this Agreement, completed Payor Financial Forms are due within ten (10) days of the end of the first month of the Agreement.

### 2. Option Two

- a. Contractor shall provide information to County so that County may bill applicable other third-parties before billing Medi-Cal for services provided by Contractor through this Agreement. The amount of any such third-party payment

shall be deducted from the total actual costs for all services rendered by Contractor as reflected on the Cost Report as defined in Paragraph R of this Exhibit B-1. County accepts no financial responsibility for services provided to beneficiaries where there is a responsible third party payor, and to the extent that County inadvertently makes payments to Contractor for such services rendered, County shall be entitled to recoup such reimbursement through the Cost Report reconciliation.

- b. Contractor shall provide a copy of the completed Payor Financial Form (Attachment D) and subsequent annual updates for all clients who receive services through this agreement. For clients who begin to receive services during the term of this Agreement, completed Payor Financial Forms shall be provided to the County with client registration forms. For clients who were receiving services prior to the start date of this Agreement and who continue to receive services through this Agreement, completed Payor Financial Forms are due within ten (10) days of the end of the first month of the Agreement.

#### M. Beneficiary Billing

Contractor shall not submit a claim to, demand or otherwise collect reimbursement from, the beneficiary or persons acting on behalf of the beneficiary for any specialty mental health or related administrative services provided under this contract except to collect other health insurance coverage, share of cost and co-payments. The Contractor shall not hold beneficiaries liable for debts in the event that the County becomes insolvent, for costs of covered services for which the State does not pay the County, for costs of covered services for which the State or the County does not pay the Contractor, for costs of covered services provided under this or other contracts, referral or other arrangement rather than from the County, or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary with an emergency psychiatric condition.

#### N. 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. Anytime Contractor submits a claim to the County for reimbursement for services provided under Exhibit A of this Agreement, 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 B-1 \*\*\*