

**FIRST AMENDMENT TO  
TULARE COUNTY AGREEMENT NO. 29169**

---

**THIS FIRST AMENDMENT** (“Amendment”) to Tulare County Agreement Number 29169 (the “Agreement”) is entered into by and between the **COUNTY OF TULARE** (“COUNTY”) and **TULARE COUNTY SUPERINTENDENT OF SCHOOLS**, (“CONTRACTOR”) as of July 1, 2019, with reference to the following:

A. The COUNTY and CONTRACTOR entered into the Agreement on June 4, 2019, for the purpose of providing mental health rehabilitations services.

B. COUNTY and CONTRACTOR now wish to amend the Agreement in order to modify Exhibit B, Compensation for Fiscal Year 2019-2020, to include language that CONTRACTOR agrees to pay Three Million Dollars (\$3,000,000) in match funds to the COUNTY.

**ACCORDINGLY, COUNTY and CONTRACTOR** agree as follows:

1. This First Amendment is effective as of July 1, 2019.

2. Exhibit B to the Agreement is hereby replaced with the attached Exhibit B, Compensation for Fiscal Year 2019-2020.

3. Except as provided above, all other terms and conditions of the Agreement shall remain in full force and effect.

///

///

///

///

///

///

///

///

[FIRST] AMENDMENT TO  
TULARE COUNTY AGREEMENT NO. 29169

THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

TULARE COUNTY SUPERINTENDENT OF  
SCHOOLS



Date 4/8/2020

By \_\_\_\_\_

Print Name Tim A. Hire

Title Tulare County Superintendent of Schools

Date \_\_\_\_\_

By \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

[Pursuant to Corporations Code section 313, County policy requires that contracts with a Corporation be signed by both (1) the chairman of the Board of Directors, the president or any vice-president (or another officer having general, operational responsibilities), and (2) the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer (or another officer having recordkeeping or financial responsibilities), unless the contract is accompanied by a certified copy of a resolution of the corporation's Board of Directors authorizing the execution of the contract. Similarly, pursuant to California Corporations Code section 17703.01, County policy requires that contracts with a Limited Liability Company be signed by at least two managers, unless the contract is accompanied by a certified copy of the articles of organization stating that the LLC is managed by only one manager.]

COUNTY OF TULARE

Date \_\_\_\_\_

By \_\_\_\_\_

Chairman, Board of Supervisors

ATTEST: JASON T. BRITT  
County Administrative Officer/Clerk of the Board  
of Supervisors of the County of Tulare

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

Approved as to Form:  
County Counsel

By Ameet K. Nagra April 10, 2020  
Deputy

Matter # 2020290

**Exhibit B**  
**Compensation**  
**Fiscal Year 2019-2020**

**1. COMPENSATION**

- a. COUNTY agrees to compensate CONTRACTOR for allowed cost incurred as detailed in **Exhibit A**, subject to any maximums and annual cost report reconciliation.
- b. The maximum contract amount shall not exceed Six Million Dollars (\$6,000,000.00) (Maximum Contract Amount) which includes the CONTRACTOR'S Three Million Dollars (\$3,000,000) of match funds, to be paid by CONTRACTOR to the COUNTY until the full match has been received.
- c. This agreement provides CONTRACTOR with access to Federal Financial Participation (FFP) funds, which enables CONTRACTOR to provide more services at the school sites. CONTRACTOR will provide the match dollars in advance to the County of Tulare; each month COUNTY will pay CONTRACTOR 100% of the cost of the services to be billed (half from the match funds provided by the CONTRACTOR). This results in a zero net cost to the County of Tulare.
- d. CONTRACTOR is prohibited from using Federal dollars as match funds.
- e. Notwithstanding any other provision of this Agreement, in no event shall COUNTY pay CONTRACTOR more than this Maximum Contract Amount for CONTRACTOR'S performance hereunder without a properly executed amendment. Notwithstanding any other provisions of this Agreement, in no event may CONTRACTOR request a rate that exceeds the County Maximum Allowance (CMA) or request a rate that exceeds CONTRACTOR'S published charge(s) to the general public except if the CONTRACTOR is a Nominal Charge Provider.
- f. If the CONTRACTOR is going to exceed the Maximum Contract Amount due to additional expenses or services, it is the responsibility of the CONTRACTOR to request the amendment and provide all supporting documentation that substantiates the increase. No amendments can be requested after April 1, 2020.
- g. CONTRACTOR agrees to comply with Medi-Cal requirements and be approved to provide Medi-Cal services based on Medi-Cal site certification.
- h. CONTRACTOR shall be responsible for verifying the Consumer's Medi-Cal eligibility status and will take steps to reactivate or establish eligibility where none exists.
- i. CONTRACTOR shall certify that all Units of Service (UOS) listed on the invoice submitted by the CONTRACTOR for any payor sources covered by this Agreement are true and accurate to the best of the CONTRACTOR'S knowledge.
- j. CONTRACTOR shall use funds provided by COUNTY exclusively for the purposes of performing the services described in the **Exhibit A** of this Agreement.
- k. CONTRACTOR shall permit authorized COUNTY, State and/or Federal agency (ies), through any authorized representative, the right to inspect or otherwise evaluate the work performed hereunder including subcontract support activities and the premises, which it is being performed. The CONTRACTOR shall provide all reasonable assistance for the safety and convenience of the authorized representative in the performance of their duties. All inspections and evaluations shall be made in a manner that will not unduly delay the work.
- l. In the event the state or federal government denies any or all claims submitted by COUNTY on behalf of the CONTRACTOR, COUNTY will not be responsible for any payment obligation and, accordingly, CONTRACTOR shall not seek payment from COUNTY and shall indemnify

and hold harmless COUNTY from any and all liabilities for payment of any or all denied claims, including those claims that were submitted outside the period of time specified in this Agreement.

## **2. Contract Renewal**

- a. If applicable, should both parties exercise the right to renew this Contract, the maximum fund amount for this Contract/these Contracts in total per renewal term is identical to the maximum fund amount within the current executed contract unless the Parties agree otherwise.
- b. This contract may be renewed if the CONTRACTOR continues to meet the statutory and regulatory requirements governing this contract, as well as the terms and conditions of this contract. Failure to meet these requirements shall be cause for nonrenewal of the contract. The County may base the decision to renew on timely completion of a mutually agreed-upon plan of correction of any deficiencies, submissions of required information in a timely manner, and/or other conditions of the contract.

## **3. ACCOUNTING FOR REVENUES**

- a. CONTRACTOR shall comply with all County, State, and Federal requirements and procedures, as described in Welfare and Institution Code sections 5709, 5710 and 14710, relating to: (1) the determination and collection of patient/client fees for services hereunder based on Uniform Method for Determining Ability to Pay (UMDAP) (2) the eligibility of patients/clients for Medi-Cal, Medicare, private insurance, or other third party revenue, and (3) the collection, reporting, and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. Grants and other revenue, interest, and return resulting from services/activities and/or funds paid by COUNTY to CONTRACTOR shall also be accounted for in the Operating Budget.
- b. CONTRACTOR shall maintain internal financial controls, which adequately ensure proper billing and collection procedures. CONTRACTOR shall pursue payment from all potential sources in sequential order, with Medi-Cal as payor of last resort. All fees paid by or on behalf of the consumer receiving services under this Agreement shall be utilized by CONTRACTOR only for the delivery of mental health service units as specified in this Agreement.

## **4. INVOICING**

- a. CONTRACTOR shall submit monthly invoices to Tulare County Mental Health Department, Managed Care, 5957 S. Mooney Blvd, Visalia, CA 93277, no later than fifteen (15) days after the end of the month in which those expenditures were incurred. The invoice must be supported by a system generated a report that validates services indicated on the invoice.
- b. Invoices shall be in the format approved by the Tulare County Health & Human Services Agency. All payments made under this Agreement shall be made within thirty (30) days of submission of all required documentation and in accordance with the COUNTY'S payment cycle.
- c. 12-month billing limit: Unless otherwise determined by State or Federal regulations (e.g. medi-medi cross-over) all original (or initial) claims for eligible individual persons under this Agreement must be received by COUNTY within twelve (12) months from the month of service to avoid denial for late billing.

## **5. COST REPORT:**

- a. Within sixty (60) days after the close of the fiscal year covered by this Agreement, CONTRACTOR shall provide COUNTY with an accurate and complete Annual Cost Report with a statement of expenses and revenue for the prior fiscal year. The Annual Cost Report shall be prepared by the CONTRACTOR in accordance with all applicable 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. All revenues received by CONTRACTOR shall be reported in its Annual Cost Report and shall be used to offset gross cost. CONTRACTOR shall maintain source documentation to support the claimed costs, revenues, and allocations, which shall be available at any time to Designee upon reasonable notice. CONTRACTOR shall be responsible for reimbursement to the County upon final settlement.
- b. The Cost Report shall be the final financial and statistical report submitted by CONTRACTOR to COUNTY and shall serve as the basis for a final settlement to the CONTRACTOR. CONTRACTOR shall document that costs are reasonable, allowable, and directly or indirectly related to the services to be provided hereunder.
- c. CONTRACTOR must keep records of services rendered to Medi-Cal beneficiaries for ten years or until final cost report settlement, per Welfare and Institutions Code section 14124.1.

## **6. RECONCILIATION AND SETTLEMENT:**

- a. COUNTY will reconcile the Annual Cost Report and settlement based on the lower of cost or County Maximum Allowance (CMA). Upon initiation and instruction by the State, COUNTY will perform the Short-Doyle/Medi-Cal Reconciliation with CONTRACTOR.
- b. COUNTY will perform settlement upon receipt of State Reconciliation Settlement to the COUNTY. Such reconciliation and settlement will be subject to the terms and conditions of this Agreement and any other applicable State and/or federal statutes, regulations, policies, procedures and/or other requirements pertaining to cost reporting and settlements for Title XIX Short-Doyle/Medi-Cal.

## **7. REPAYMENT OR REIMBURSEMENT TO STATE OR OTHERS:**

- a. CONTRACTOR agrees that any repayment or reimbursement that must be made by COUNTY to the State of California or others as a result of an audit or conduct by CONTRACTOR, its agents, officers or employees of the programs or services provided under this Agreement shall be paid by CONTRACTOR, out of its own funds, within thirty (30) days after the parties are notified that repayment or reimbursement is due. For purposes of this provision, it is agreed that offsets made by the state are included within the phrase "repayment or reimbursement."
- b. It is understood that if the State Department of Health Care Services disallows Medi-Cal claims, CONTRACTOR shall reimburse COUNTY for any and all State and Federal Medi-Cal funds for those disallowed claims, regardless of the fiscal year of the disallowance within sixty (60) days of the State disallowing claims.

## **8. Overpayments and Prohibited Payments:**

- a. The COUNTY may offset the amount of any state disallowance, audit exception, or overpayment for any fiscal year against subsequent claims from the CONTRACTOR.

- b. Offsets may be done at any time after the county has invoiced or otherwise notified the CONTRACTOR about the audit exception, disallowance, or overpayment. The COUNTY shall determine the amount that may be withheld from each payment to the CONTRACTOR.
- c. CONTRACTOR shall report to the COUNTY within sixty (60) calendar days of payments in excess of amounts specified by contract standards.
- d. CONTRACTOR shall retain documentation, policies, and treatment of recoveries of overpayments due to fraud, waste, or abuse. Such documentation should include timeframes, processes, documentation, and reporting.
- e. CONTRACTOR shall provide an annual report of such overpayments to the County.
- f. The COUNTY shall not furnish any payments to the CONTRACTOR if that individual/entity is under investigation for any fraudulent activity. Payments of this manner will be prohibited until such investigations are complete by the COUNTY or State.

## **9. Audit Requirements**

- a. The CONTRACTOR shall submit any documentation requested by the COUNTY or State in accordance to audit requirements and needs. Documentation can be requested any time and must be supplied within a reasonable amount of time.
- b. The audit shall be conducted by utilizing generally accepted accounting principles and generally accepted auditing standards.
- c. The COUNTY will involve the CONTRACTOR in developing responses to any draft federal or State audit reports that directly impact the CONTRACTOR.

## **10. Beneficiary Liability**

- a. Pursuant to Cal. Code Regs., tit. 9, § 1810.365, the CONTRACTOR or an affiliate, vendor, or sub-subcontractor of the CONTRACTOR shall not submit a claim to, or 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.
- b. Consistent with 42 C.F.R. § 438.106, the CONTRACTOR or an affiliate, vendor, contractor, or sub-subcontractor of the CONTRACTOR shall not hold beneficiaries liable for debts in the event that the CONTRACTOR becomes insolvent, for costs of covered services for which the State does not pay the CONTRACTOR, for costs of covered services for which the State or the CONTRACTOR does not pay the CONTRACTOR's providers, for costs of covered services provided under a contract, referral or other arrangement rather than from the CONTRACTOR, or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary with an emergency psychiatric condition.