

FIRST AMENDMENT TO AGREEMENT

Tulare County Agreement Number 23424 is amended on _____, between the **COUNTY OF TULARE**, hereinafter referred to as "COUNTY" and **FAMILIES FIRST INC.**, hereinafter referred to as "CONTRACTOR" with reference to the following:

A. The COUNTY and CONTRACTOR entered Agreement No. 23424 to provide wraparound services for families with multiple, complex needs that may threaten the families' stability and well-being, and ability to keep their children safely at home.

B. The COUNTY and CONTRACTOR agree to amend Agreement No. 23424 to extend the termination of Agreement to June 30, 2009, updating Exhibit "A," "B," "B-1," "B-2," and add Exhibit "B-3."

C. This amendment shall become effective July 1, 2008.

ACCORDINGLY, IT IS AGREED:

I. Effective July 1, 2008 paragraph 1 entitled Term in the original Agreement is hereby revised to identify the new termination date of June 30, 2009.

II. Effective July 1, 2008 Exhibit "A" is substituted in its entirety with the attached Exhibit "A," which Exhibit is made a part of this Agreement by reference.

III. Effective July 1, 2008 Exhibit "B" is substituted in its entirety with the attached Exhibit "B," which Exhibit is made a part of this Agreement by reference.

IV. Effective July 1, 2008 Exhibit "B-1" is substituted in its entirety with the attached Exhibit "B-1," which Exhibit is made a part of this Agreement by reference.

V. Effective July 1, 2008 Exhibit "B-2" is substituted in its entirety with the attached Exhibit "B-2," which Exhibit is made a part of this Agreement by reference.

VI. Effective July 1, 2008 Exhibit "B-3" is added in its entirety with the attached Exhibit "B-3," which Exhibit is made a part of this Agreement by reference.

VII. Except as provided above, all other terms and conditions of Agreement No. 23424 shall remain in full force and effect.

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

COUNTY OF TULARE

By _____
Chairman, Board Of Supervisors

ATTEST: JEAN ROUSSEAU
County Administrative Officer/Clerk of the Board
Of Supervisors of the County Of Tulare

By _____
Deputy Clerk

FAMILIES FIRST INC.

Date: 8/25/08

By [Signature]
Title PRESIDENT & CEO

Date: 8/25/08

By [Signature]
Title CEO

Corporations Code section 313 requires that contracts with a corporation shall be signed by the (1) chairman of the Board, the president or any vice-president and (2) the secretary, any assistant, the chief financial officer, or any assistant treasurer; unless the contract is also accompanied by a certified copy of the Board of Directors resolution authorizing the execution of the contract.

Approved as to Form
County Counsel

By Barbara Booth Drummond Dated 8-15-08
Deputy

2008841



FamiliesFirst, Inc
2100 5th St.
Davis, CA 95618
(530) 753-0220
(530) 753-3390 (fax)

Exhibit A

I. PURPOSE

Tulare COUNTY Wraparound is designed to serve families with multiple, complex needs that may threaten the families' stability and well-being, and ability to keep their child safely at home. CONTRACTOR will provide a strength-based, needs-driven, family-centered, flexible, and cost effective program that helps children and families build life skills, and strengthen individual and family supports so that family functioning is improved, barriers to meeting basic life needs are overcome, and out-of-home placements are prevented. The subsequent decreases in placement and community costs and increases in families' ability to care for their children result in fiscal and human resource savings that can be reinvested toward future placement prevention services.

II. CONTRACTOR Service Responsibilities

As the contracted provider for Wraparound Tulare, CONTRACTOR will:

- A. CONTRACTOR shall be available to provide Wraparound services to clients 24 hours per day, 7 days per week based on need and as defined in each client's individualized plan.
- B. CONTRACTOR shall transport clients for appointments or to access services as needed.
- C. CONTRACTOR shall be responsible for coordinating, selecting and convening the Child and family Teams.
- D. CONTRACTOR shall facilitate the Wraparound Services Planning Process (individualized, family-centered, strength-based, and needs driven).
- E. CONTRACTOR shall provide or coordinate the full array of mental health services including individual, group and family therapy; intensive case management; crisis services; psychiatric services and medication management leading the family to self-sufficiency.
- F. CONTRACTOR shall coordinate the planning and delivery of services with COUNTY Agency staff, community members, and families and schools.

- G. CONTRACTOR shall develop, coordinate, and/or provide formal and informal support and services (home-based and community-based, provided by professionals & non-professionals).
- H. CONTRACTOR shall develop, implement, and monitor individual service plans as approved by the Child and Family Team and the RISC and/or the Wraparound Community Team.
- I. CONTRACTOR shall employ and train an adequate number of staff, as described in Exhibit B-Addendum B1, to achieve the Wraparound objectives.
- J. CONTRACTOR shall assess and monitor child, family, and placement safety.
- K. CONTRACTOR shall provide all of the outcome-based measures consistent with SB 163 requirements as stated in Section IV. CONTRACTOR shall meet with the Wraparound Community Team at least quarterly and provide outcome reports at least twice each calendar year.
- L. CONTRACTOR will remain a Medi-Cal certified agent in order to be able to bill for eligible services provided to Medi-Cal eligible children.
- M. CONTRACTOR agrees to follow Best Practice Principles.
- N. CONTRACTOR agrees to conduct ongoing training to facilitate the COUNTY's philosophical shift to support the Wraparound Program as determined in consultation with the Wraparound Community Team.
- O. CONTRACTOR is required to maintain a spreadsheet noting placement changes and the date each placement change occurs including but not limited to the Wraparound acceptance, discharge and graduation dates for each Wraparound child in a format acceptable to the COUNTY. The COUNTY retains the right to require that the spreadsheet be submitted with the invoice. CONTRACTOR shall also submit all reasonable and customary fiscal and program reports and records as agreed upon by the CONTRACTOR and the COUNTY by the 10th working day of the month following the month of service.
- P. Enrollment – CONTRACTOR agrees to enroll and accept referrals from the COUNTY as follows:
 - 10 children within the first six (6) months of implementation
 - Additional 10 children with the second six (6) months, for a total of 20 children being served within the first year.
 - Thirty (30) additional children to be served by the end of the second (2nd) year.
 - The number of referrals and the foregoing is an estimate only.

- Q. CONTRACTOR shall make every effort to hire bi-lingual Spanish-speaking staff and ensure that translation services are available to meet the culturally relevant needs of the Client.
- R. CONTRACTOR agrees that the criteria for determining continued Wraparound eligibility for children/youth placed in a RCL 10-14 group home shall be as follows:
1. Crisis stabilization shall not exceed thirty (30) days, unless determined to be appropriate by the Wraparound Community Team, who will be made from active members from the Children's Steering Committee.
 2. The Wraparound Community Team shall review cases within twenty-five (25) days of admission to a crisis stabilization or placement facility.
 3. Children who remain in a RCL 12-14 placement for longer than thirty (30) days past their Wraparound referral start date will be reviewed by the Wraparound Community Team to determine continued eligibility for a Wraparound Slot.
 4. CONTRACTOR will continue to provide Wraparound services through eligible Medi-cal funding or RCL funds when a Wraparound participant is placed in a crisis stabilization facility longer than thirty (30) days when assessed and determined to be appropriate by the Wraparound Community Team.
- S. CONTRACTOR shall report all critical/special incidents and submit to the COUNTY

III. Target Population

Children considered eligible for Wraparound will meet all of the following criteria:

- Be a Dependent or Ward of Juvenile Court or eligible for AB 3632 or Adoption Assistance Program services within Tulare COUNTY.
- Be placed in or at-risk of placement in a Rate Classification Level (RCL) 12-14 group home.
- Have an approved or potential place to reside in the community with a parent/guardian, relative caregiver, non-related extended family member, or foster parent who has agreed to participate in Wraparound and have signed a Release of Information form so that the Community Team members may fully disclose information necessary to determine the appropriateness for Wraparound.
- Willing to participate in Wraparound.
- Exhibit one or more of the following, but not limited to:

- | | |
|---|---|
| ✓ Frequent running away | ✓ Substance use disorder |
| ✓ Sexualized behavior | ✓ Fire starter |
| ✓ Posttraumatic stress disorder | Minor criminal behavior |
| ✓ Aggressive/assaultive behavior | ✓ School behavior/truancy problems |
| ✓ Oppositional/defiant behavior | ✓ Beyond control of parents and/or primary care adults |
| ✓ Self-injurious behavior | ✓ Intensified services have been provided |
| ✓ Multiple placements | ✓ Mild Developmental disorder not recognized by a Regional Center |
| ✓ One or more hospitalizations in a Mental Health facility | |
| ✓ Previously certified and approved for RCL 13-14 placement | |

Severely Emotionally Disturbed children may not be excluded due to medical disorder/treatment needs (per WIC 5600) which complicate placement at lowest level of care.

IV. Quality and Program Evaluation, Client Satisfaction & Engagement Outcomes

CONTRACTOR will utilize Child Behavior Checklist (CLEP), completed by both children and parents, Social Skills Questionnaire (SARES), completed by parents, teachers, and children, Youth Self Report (YSR), Youth Service Survey for Family (YSSF), and CSQ 8, a child and caregiver satisfaction survey. In addition, CONTRACTOR will utilize the Child and Adolescent Functioning Assessment Scale (CAFAS) and the North Carolina Family Assessment Scale (NCFAS) to collect outcome data.

Outcomes to be monitored include but are not limited to:

1. **Parent/caregiver satisfaction:** A satisfaction questionnaire will be sent to families twice per year and at the completion of Wraparound. This tool will also be utilized to help monitor the families' perspective of improved family involvement in service planning. Results will be reported quarterly.
2. **Improvement in family involvement:** The percentage of "agreed-upon" goals and objectives that are attained by Wraparound children and families will be tracked and monitored.
3. **Family functioning:** Over the next six months, COUNTY will continue to assess tools to evaluate family functioning.
4. **Improved school attendance, academic performance, emotional and behavioral adjustment:** These indicators will be monitored and reported in a monthly program report that will report data and rate performance as indicated by the parent, Contracted Lead Agency's, and agency representatives.
5. **Prevention of placement into more restrictive environments:** Data regarding the number of children who are able to remain in out-of-group home care or

returned to lower level of group home care will be tracked and reported bi-annually.

6. Cost effectiveness: Over the next six months, COUNTY will continue to assess tools to evaluate cost effectiveness.

V. COUNTY Responsibilities

- A. COUNTY has established the Resource Intensive Services Committee (RISC) to screen and refer eligible children for Wraparound enrollment.
- B. Referrals for Wraparound shall be made to Resource Intensive Services Committee (RISC) by Tulare County Probation Department, Child Welfare Services, and Mental Health. Wraparound will serve all youth who are in RCL 10-14, however youth who are currently in RCL 12-14 placement, awaiting placement in a higher level or in Juvenile Hall will be given priority for Wraparound. Prior to referral for Wraparound, youth and family members/potential caretakers must be consulted, informed about the possibility of participating in services, and committed to fully participating in Wraparound should they be selected.
- C. It is anticipated that the COUNTY will be referring 10 children within the first six month of Wraparound implementation, 10 within the second six months and an additional 30 by the end of the second year. The COUNTY makes no guarantee as to the number of referrals and the foregoing is an estimate only.
- D. COUNTY agrees that the criteria for determining continued Wraparound eligibility for children/youth placed in a RCL 10-14 group home shall be as follows:
 1. Crisis stabilization shall not exceed thirty (30) days, unless determined to be appropriate by the Wraparound Community Team, who will be made from active members from the Children's Steering Committee.
 2. The Wraparound Community Team shall review cases within twenty-five (25) days of admission to a crisis stabilization or placement facility.
 3. Children who remain in a RCL 12-14 placement for longer than thirty (30) days past their Wraparound referral start date will be reviewed by the Wraparound Community Team to determine continued eligibility for a Wraparound Slot.
 4. CONTRACTOR will continue to provide Wraparound services through eligible Medi-cal funding, or RCL funds when Wraparound participant is placed in a crisis stabilization facility longer than thirty (30) days when assessed and determined to be appropriate by the Wraparound Community Team.

VI. Funding Formula

The funding amount available to the CONTRACTOR will vary based on the child being federally or non-federally eligible and the child's level of placement. This contract is for a six month period beginning February 2008 through June 30, 2008. Contract may be extended and funds will be available for three years, subject to the continued availability of funds and satisfactory performance by CONTRACTOR.

Primary and ongoing funds for Wraparound that will make up the provider agency budget are based on SB 163 and come from Foster Care funding, Adoption Assistance Payments, AB3632 and Special Education funding, Kin-gap funds, Foster Parent Training funds, Medi-cal funding, and Periodic Screening, Diagnosis and Treatment (EPSDT) funding. Funds from these sources will be determined based on the appropriate RCL, as determined by a screening instrument; such as Child and Adolescent Screening Inventory (CASI) and/or a review/approval of the RISC committee.

For a child federally and non-federally eligible to receive foster care funding the following formula will apply:

	Total RCL Payment	Federal Deduction from TOTAL RCL Payment*	Contract Agency Receives	State's Portion of Payment	COUNTY's Portion of Payment
RCL 10.5					
Federally Eligible	\$5,291	\$2,646*	\$2,646	\$1,058	\$1,587
Non-Federally Eligible	\$5,291	\$0*	\$5,046	\$2,116	\$3,175
RCL 13					
Federally Eligible	\$6,294	\$3,147*	\$3,147	\$1,259	\$1,888
Non-Federally Eligible	\$6,294	\$0*	\$5,994	\$2,518	\$3,776

* SB 163 is a State project that the Federal government is not participating in. Federal funds cannot be used for Wraparound services, therefore only the State and COUNTY portions of those payments will be available to the contract agency. The ratio of federally eligible versus non-federally eligible children referred for services shall be negotiated between the COUNTY and CONTRACTOR.

So that SB 163 funds can be maximized, Wraparound services should fully utilize the continuum of services within the existing service delivery system. These services are widely available and supported by funding streams that include, but are not limited to the following: Adoptions Assistance Program, Medi-Cal, Early and Periodic Screening, Diagnosis and Treatment (EPSDT), Kinship Support Services, Tobacco Settlement funds, Child Abuse Prevention, and Promoting Safe and Stable Families (PSSF) funding.

VII. Fiscal Provisions for Foster Care Funding

- A. For children participating in the Wraparound Program identified at the rate classification level 12-14, the COUNTY will reimburse the CONTRACTOR the RCL 13 payment, minus the cost, if any, of concurrent out-of-home placement for those children. For children participating in the Wraparound Program identified at the rate classification level 10 or 11, the COUNTY will pay the CONTRACTOR the average of the RCL 10 and 11 payment, minus the cost, if any, of concurrent out-of-home placement for those children. RCL payments shall be based on the State's most recent published rates. The federal deduction will be applied to federally eligible children.
- B. Amounts paid to the CONTRACTOR and amounts deducted for concurrent out-of-home placement will be prorated to correspond with a child's entrance or exit from the Wraparound Program and entrance and exit from concurrent out-of-home placements.
- C. CONTRACTOR is to provide COUNTY with information for all expenditures paid for with the CONTRACTOR's State Foster Care payments each month by the 10th working day of the following month in a spreadsheet format acceptable to the COUNTY.
- D. The COUNTY retains the right to withhold State Foster Care dollars from the CONTRACTOR's payment if required program and fiscal reports are not received by the COUNTY on a timely basis.
- E. Payment covers one month of service. Payments will be made to the CONTRACTOR within 60 days after the invoice is received. The invoice (Exhibit E) along with back-up documentation will be in a format specified by the COUNTY. Invoices are to be completed after services are rendered and sent to the following address within 30 days after month end. CONTRACTOR will deliver one invoice monthly to:

Tulare County Child Welfare Services
Attention: Wraparound Project Analyst
5957 S. Mooney Blvd
Visalia, Ca 93277

***If the child/family is eligible for EPSDT/Medi-cal funding please see Exhibit B-2**

- F. CONTRACTOR may make changes in any individual line item in the budgets attached to Exhibit A. All line item shifts, however, must be accompanied by a justification, and a statement of any changes of program participants or clients to be served as a result of the line item shift. All line item adjustments must be approved in writing by Tulare COUNTY Health and Human Services prior to implementation.

EXHIBIT ADDENDUM – B

**PROPOSED BUDGET SUMMARY FORM
TULARE COUNTY WRAPAROUND PROGRAM
July 1, 2008 - June 30, 2009**

Provider: **FamiliesFirst, Inc**

REVENUE

SB 163	\$ 584,298
EPSDT	445,016

TOTAL REVENUE 1,029,314

SALARIES & BENEFITS

A. Direct Personnel Costs

(Program & Service Personnel)

Salary	362,105
Benefits	42,909
Taxes	43,996
Total Direct Personnel Costs	<u>449,010</u>

A. Indirect Personnel Costs

(Administrative and Clerical Personnel)

Salary	58,915
Benefits	6,981
Taxes	7,158
Total Indirect Personnel Costs	<u>73,054</u>

TOTAL PERSONNEL COSTS 522,065

SERVICE AND SUPPLIES

Staff Mileage	65,443
Staff Travel and Training	5,741
Telephone	12,525
Advertising and Recruiting	2,221
Office Space	37,584
Maintenance	3,888
Insurance	7,459
Utilities	2,592
Program Consultants	4,000
Interpreters	2,000
Equipment Lease & Maintenance	17,340
Depreciation	5,100
Therapeutic Supplies	1,879
Office Supplies & Expendable Equipment	7,515
Emergency Fund (Flex)	76,800

TOTAL SERVICE & SUPPLIES 252,087

TOTAL DIRECT PROGRAM COST 774,151

Indirect (Administrative) Cost 96,835

TOTAL EXPENSES 870,986

ADDITION TO TRUST FUND \$ 158,328

**EXHIBIT ADDENDUM – B1
BUDGET NARRATIVE
TULARE COUNTY WRAPAROUND PROGRAM
JULY 1, 2008 TO JUNE 30, 2009**

REVENUE

SB 163 Revenue

Total SB 163 revenue is projected to be \$584,298. For budgetary purposes it was assumed that all clients were level 13-14. It was further assumed that 75% were federally eligible at a rate of \$2,996 per month and 25% non-federally eligible at a rate of \$5,994. Given that intakes occur as projected at a rate of 2 per month starting 7/1/08, 156 months of service will be provided in the year. (117 months x \$2,996 = \$350,532; 39 months x \$5,994 = \$233,766; \$350,532 + \$233,766 = \$584,298)

EPSDT Revenue

EPSDT revenue is projected to be \$445,016. This assumes the delivery of 266,760 minutes of service at present SMA. This assumes delivery of 20 hours of services per month to each participating family. This is based on actual averages for the agency's other WRAP programs. For budgetary purposes, it was assumed that 40.1% of the service minutes would be for case management, 59.6% for mental health and .3% for crisis intervention. This blend of service functions was derived from the operation of FamiliesFirst's Fresno Wrap program. Family/Child Therapists, Children and Family Team Facilitators and Skills Coaches are billable positions.

Projected Additions to Trust Fund

The projected addition to the Trust Fund at June 30, 2008 is \$160,401. For budgetary purposes, this assumes post cost settlement Medi-Cal costs are at 2006 – 2007 (present) SMA.

PERSONNEL

Taxes and benefits were calculated at 24% of salaries. The breakdown is as follows:

Payroll Taxes (Calculated at 12.15%):

OASDI withholdings were calculated at 6.2% of salaries.

Medicare withholdings were calculated at 1.45% of salaries.

Unemployment Insurance was calculated at .96% of salaries.

Workers' Compensation was calculated at 3.54% of salaries.

Employee Benefits (Calculated at 11.85%):

Retirement benefits were calculated at .64% of salaries.

Health Insurance benefits were calculated at 10.98% of salaries.

Life Insurance benefits were calculated at .23% of salaries.

Direct Care Salaries

Program Manager

The total cost for .50 FTE (20 hours per week) Program Manager is \$39,680. Taxes/benefits at 24% equal \$7,680. \$32,000 + \$7,680 = \$39,680. The base annual salary is \$64,000 per year.

Licensed Team Supervisor III

The total cost for 1.00 FTE (40 hours per week) Licensed Team Supervisor III is \$50,220. The hire date will be 10/1/08 (3 months after the beginning of the year). The salary for the year is \$40,500. Taxes/benefits at 24% equal \$9,720. $\$40,500 + \$9,720 = \$50,220$. The base annual salary is \$54,000 per year.

Family/Child Therapist (Mental Health Clinician)

The total cost for 1.00 FTE (40 hours per week) Family/Child Therapist \$39,060. The hire date will be 10/1/08 (3 months after the beginning of the year). The salary for the year is \$31,500. Taxes/benefits at 24% equal \$7,560. $\$31,500 + \$7,560 = \$39,060$. The base annual salary is 42,000 per year.

Family/Child Team Facilitator (Mental Health Rehabilitation Specialist)

The total cost for 4.00 FTE (160 hours per week) Family/Child Team Facilitators for the year is \$111,600. The hire dates will be 7/1/08, 10/1/08 and 1/1/09 and 4/1/09. The salaries are \$90,000. Taxes/benefits at 24% are \$21,600. $\$90,000 + \$21,600 = \$111,600$. The base annual salary is \$36,000 per year.

Skills Coach (Family Skills Trainer)

The total cost for 6.75 FTE (270 hours per week) Skills Coaches is \$154,510. The salaries for the year equal \$124,605. Taxes/benefits at 24% are \$29,905. $\$124,605 + \$29,905 = \$154,510$. Skills coaches are expected to be hired at an approximate rate of one per month. Two will be on staff as of 7/1/08. Additional Skills Coaches will be added at one per month for August and September, one per month for November and December, one per month for February and March of 2009 and one more in May of 2009. A total of 9 at .75 FTE will be on staff by June of 2009 for a total of 6.75 for the year. The base annual salary is \$28,080 per year.

Parent Partner

The total cost for 1.00 FTE (40 hours per week) Parent Partner is \$34,720. The salary is \$28,000. Taxes/benefits at 24% equal \$6,720. $\$28,000 + \$6,720 = \$34,720$. The hire date is 7/1/08. The base annual salary is \$28,000 per year.

Community Resource Specialist

The total cost for 1.00 FTE (40 hours per week) Community Resource Specialist is \$19,220. The salary is \$15,500. Taxes/benefits at 24% are \$3,720. $\$15,500 + 3,720 = \$19,220$. The hire date is 1/1/09. The base annual salary is \$31,000 per year.

Total Direct Personnel Costs

The total cost for personnel delivering services is \$449,010. Salaries are \$362,105 ($\$32,000 + \$40,500 + \$31,500 + \$90,000 + \$124,605 + \$28,000 + \$15,500$). Taxes and benefits are \$86,905 ($\$7,680 + \$9,720 + \$7,560 + \$21,600 + \$29,905 + \$6,720 + \$3,720$).

Indirect Care Salaries

Regional Program Director

The total cost for 0.15 FTE (6 hours per week) Regional Director is \$17,670. The salary is \$14,250. Taxes/benefits at 24% are \$3,420. $\$14,250 + \$3,420 = \$17,670$. The base annual salary is \$95,000 per year.

Quality Assurance/Outcomes Staff

The total cost for 0.15 FTE (6 hours per week) Quality Assurance/Outcomes Staff is \$10,896. Salary is \$8,787 with taxes/benefits at 24% or \$2,109. $\$8,787 + \$2,109 = \$10,896$. The base annual salary is \$58,581 per year.

Administrative Support Staff

The total cost for 1.0 FTE (40 hours per week) Administrative Support Staff Person is \$36,580. The salary is \$29,500 with taxes/benefits at 24% or \$7,080. $\$29,500 + \$7,080 = \$36,580$. The base annual salary is \$29,500 per year.

Business Service Manager

The total cost for 0.15 FTE (6 hours per week) Business Service Manager is \$7,908. Salary is \$6,378 with taxes/benefits at 24% or \$1,531. $\$6,378 + \$1,531 = \$7,908$. The base annual salary is \$42,518 per year.

Total Indirect Personnel Costs

The total for indirect personnel costs is \$73,054. Salaries total \$58,915 ($\$14,250 + \$8,787 + \$29,500 + \$6,378$) Taxes and benefits total \$14,140 ($\$3,420 + \$2,109 + 7,080 + \$1,531$).

OPERATING EXPENSES

Note: Many expense calculations are FTE based. For most budgetary purposes, the average FTE's of 10.44 are used. For occupancy related expenses, the number of staff, projected to be 18, is used.

Staff Training and Travel**Mileage**

It is anticipated that direct care staff will work 220 days during the year (after vacations, holidays, sick time and trainings) and average 60 miles per day in reimbursable mileage. The budgeted cost is \$65,443. It is expected that services will be required in some of the more rural areas of Tulare County, so allowance has been made for adequate mileage to deliver services to these communities. The reimbursement rate is presently \$0.475 per mile.

Training and Conferences

It is anticipated Training and Conferences will cost \$550 per year for each direct care FTE for a total of \$5,741. ($10.44 \text{ average FTE} \times \$550 = \$5,741$) This amount is based on the operation of similar community based programs and includes attendance at the annual statewide Wraparound conference.

Telephone/Telecommunication

It is anticipated Telephone/Telecommunication costs will average \$100 per month per direct care FTE for a total of \$12,525 for year one. ($10.44 \text{ average FTE} \times \$100 = \$12,525$). This includes land lines (\$10 per FTE), cell phones (\$37 per FTE) and wireless cards for laptop computers (\$53 per FTE). Cell phones and wireless laptop computers allow FamiliesFirst to maintain a fully functional mobile work force able to deliver in-home services.

Advertising (Staff Recruitment)

It is anticipated that advertising for staff recruitment costs will average \$300 per new hire FTE and \$45 each for clearance fees for a total of \$2,221 ($6.44 \text{ new hire FTE} \times (\$300 + \$45) = \$2,221$).

Office Space

Office Lease was calculated at \$1.45 per square foot with a 120 square foot allocation for each direct care staff person for a period of 12 months. Total costs of lease for year one is \$37,584 (18 staff x 120 sq. ft. x \$1.45 x 12 months = \$37,584).

Maintenance

Maintenance was calculated at \$0.15 per square foot with a 120 square foot allocation for each direct care staff person for a period of 12 months. (18 staff x 120 sq. ft. x \$0.15 x 12 months = \$3,888).

Insurance

Commercial Insurance

This expense category includes all insurance coverage except professional liability insurance and was calculated at \$0.08 per square foot per month with a 120 square foot allocation for each direct care staff. Total cost for year one is projected at \$2,074 (18 staff x 120 x \$0.08 x 12 months = \$2,074). Cost estimates are based on historical data derived from the operation of similar sized FamiliesFirst facilities.

Professional Liability Insurance

It is anticipated Professional Liability Insurance costs will average \$43 per month per direct care FTE for a total of \$5,386 for year one (10.44 average FTE x \$43 x 12 months = \$5,386).
($\$2,074 + \$5,386 = \$7,459$)

Utilities

Utilities were calculated at \$0.10 per square foot per month with a 120 square foot allocation for each direct care FTE. Total cost for year one is \$2,592 (18 staff x 120 x \$0.10 x 12 months = \$2,592). Cost estimates are based on historical data derived from the operation of similar sized FamiliesFirst facilities.

Program Consultants

It is estimated the cost of Consultants will be \$4,000 in year one. This expense item includes staff training and consultancy by Wraparound experts and the implementation of Wraparound fidelity evaluation tools.

Interpreters

It is expected that not all individuals needing service in Tulare County will be fluent in English. It is further expected that FamiliesFirst may not be able to hire staff fluent in all languages spoken in Tulare County. Provision has therefore been made for 40 hours of interpreter services at an estimated hourly rate of \$50. (40 hrs x \$50 = \$2,000)

Equipment Lease and Maintenance

Equipment Leases include the cost of a copier/printer (\$850 per month x 12 months = \$10,200), the telephone system (\$500 per month x 12 months = \$6,000) and a fax machine (\$95 per month x 12 months = \$1,140). Total cost for year one is \$17,340 (\$10,200+ \$6,000 + \$1,140 = \$17,340).

Depreciation

Building and product depreciation includes office furniture & fixtures and necessary office leasehold improvements including, but not limited to, telecommunication wiring and cabling. Based on historical averages from other similar sized FamiliesFirst facilities, depreciation is estimated at \$425 per month for 12 months = \$5,100. With some exceptions, furniture & fixtures are typically amortized over seven (7) years and leasehold improvements are amortized

over the life of the lease. This expense category also includes the amortization of wireless laptop computers (for mobile work force) and desktop computer systems. These are amortized over a 3 year period.

Program Supplies (Therapeutic Supplies and Services)

It is anticipated Therapeutic Supplies and Services will cost an average of \$15 per month per direct care FTE for a total of \$1,879 for the year. This includes those supplies utilized in the direct delivery of therapeutic services to clients. ($10.44 \text{ average FTE} \times \$15 \times 12 \text{ months} = \$1,879$)

Office Supplies and Expendable Equipment

Office Supplies and Expendable Equipment includes, but is not limited to, postage, printing, publications, testing supplies, desk organizers, pens, paper, computer cartridges, etc. It is anticipated Office Supplies and Expendable Equipment will cost \$60 per month per direct care FTE for year one. ($5.71 \text{ average FTE} \times \$60 \times 6 \text{ months} = \$2,055$).

Emergency Funds (Flex)

Based on the operation of FamiliesFirst's Fresno WRAP program, it is estimated Emergency Funds expenditures will average \$3,200 per year per client family. Given intake estimates, 24 families are expected to be served. It is therefore estimated that Emergency fund expenditure will amount to approximately \$76,800 ($\$3,200 \times 24 = 76,800$).

INDIRECT (ADMINISTRATIVE) COSTS

it is estimated administrative costs will be 12.5% of direct costs. ($\$96,835 \text{ administrative cost} / \$774,151 \text{ direct program cost} = 12.5\%$) Indirect costs are allocated on the basis of a program's total payroll costs prior to the addition of taxes and benefits and may fluctuate slightly from month to month. FamiliesFirst has a strong administrative infrastructure that provides agency-wide support and resources for all programs and services. These include: accounting/fiscal, administrative services, facilities, executive office, human resources and information technology. All allocations are in accordance with OMB A-122 and generally accepted accounting principles.

CAPACITY FOR FINANCIAL MANAGEMENT

The accounting procedures used by FamiliesFirst conform to generally accepted accounting principles. FamiliesFirst utilizes the accrual method of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. Annual program budgets are developed and actual results of operations are compared with budget, including variances, on a monthly basis. All staff prepares a semimonthly time sheet containing hours and program codes. Time sheets serve as the basis for payment of the payroll and for charging expenses to programs. All time sheets are reviewed and signed by a supervisor. All staff is paid semimonthly, based on submitted timesheets. A separate cost center is maintained for each program or contract. Direct costs are coded in payroll or accounts payable, and are charged directly to the program. Indirect or shared costs are allocated to programs based on staffing ratios or occupancy ratios, depending on the type of expense. Allocations of common costs are computed in accordance with governmental accounting standards and recorded in the general ledger. All accounting functions are performed in a multi-use MAS 200 accounting information system. MAS 200 allows for subsidiary ledgers for payroll, accounts receivable, accounts payable, and petty cash. Receivables and payables are processed daily. Financial statement preparation is done monthly. An external audit is performed annually by an independent accounting firm in accordance with *Government Auditing Standards* and satisfying all state and federal requirements. Internal audit is ongoing. The FamiliesFirst fiscal system is

administered by the Chief Financial Officer (CFO), John Kniep. The staff includes supervisors of Accounts Payable, Accounts Receivable, Payroll, General Ledger, a Financial Analyst, and a Finance Director. All finance staff have Bachelors degree level of education and/or equivalent experience in accounting procedures and oversight. The Chief Financial Officer, Finance Director and Financial Analyst are Certified Public Accountants.

EXHIBIT ADDENDUM – B2
Cost Report, Reconciliation, and Settlement
Fiscal Year 2008-2009

FAMILIESFIRST, INC.

A. ANNUAL COST REPORT

CONTRACTOR shall submit an annual Mental Health Cost Report on or before the last day of the fourth month following the close of each COUNTY fiscal year, or on or before the last day of the fourth month following the termination of this Agreement. Extensions of time to file the cost report at any later date must be approved in writing by the Assistant Agency Director-Mental Health Services, the Deputy Director- Clinical Services, or the Assistant Director of Administration. Such cost report shall be prepared in accordance with the requirements set forth in the California Department of Mental Health's Cost Reporting/Date Collection Manual and must be submitted on appropriate California Department of Mental Health fiscal year forms.

B. RECONCILIATION/INTERIM RATE ADJUSTMENT

COUNTY will reconcile the Annual Cost Report and settlement will be based on the lower of cost or Standard Maximum Allowance (SMA) rate, and shall be considered payment in full. SMA rates are updated annually in November. Within ninety (90) days thereafter, COUNTY will make payment, or receive reimbursement from CONTRACTOR, as appropriate. If the Annual Cost Report is submitted late, the CONTRACTOR understands and agrees that COUNTY may not make further payments to CONTRACTOR until Annual Cost Report is submitted.

C. REPAYMENT OR REIMBURSEMENT TO STATE OR OTHERS

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".

D. EXCEPTIONS RE: REPAYMENT OR REIMBURSEMENT

The reimbursement provisions set forth above will not be applicable if any action or direction by COUNTY with regard to the program is the principal reason for repayment or reimbursement being required. The reimbursement provisions shall also not be applicable if COUNTY fails to give timely notice of any appeal, which results in the termination or barring of any appeal and thereby causes prejudice to CONTRACTOR. COUNTY shall have no obligation to appeal or financially undertake the cost of any appeal, but it shall be able to participate in

EXHIBIT ADDENDUM – B2
Cost Report, Reconciliation, and Settlement
Fiscal Year 2007-2008

FAMILIESFIRST, INC.

every stage of any appeal if it desires to do so. Any action or failure to act by CONTRACTOR or its officers, employees and subcontractors, past or present, including a failure to make a diligent effort to resolve an audit exception with the state, which has resulted in a required repayment or reimbursement to the state or to others shall be paid by CONTRACTOR in accordance with this Exhibit.

**EXHIBIT ADDENDUM – B3
 COMPENSATION
 MEDI-CAL MENTAL HEALTH SERVICES
 FISCAL YEAR 2008-2009**

A. RATES

Specialty Mental Health Services (with prior approval from County)

Service Function	Mode of Service Service Code	Service Function Code	Time Basis	Short-Doyle Medi-Cal Maximum Allowance Rates FY 2007-2008 Published
OUTPATIENT SERVICES	15			
Case Management		01-09	Staff Minute	\$ 2.02
Mental Health Services - Collateral		10-19	Staff Minute	\$ 2.61
Mental Health Services		30-59	Staff Minute	\$ 2.61
Medication Support		60-69	Staff Minute	\$ 4.82
Crisis Intervention		70-79	Staff Minute	\$ 3.88

COUNTY WILL NOT PAY MORE THAN THE STATE MAXIMUM ALLOWANCE (S.M.A.) RATES. Any other provision of this Agreement notwithstanding, in no event shall the compensation to the CONTRACTOR exceed the State maximum allowance as reimbursement rates received by the County.

B. REQUIRED REPORTS: PAYMENT WITHHOLDINGS

1. Any other provision of this Agreement notwithstanding, should CONTRACTOR fail to provide any report by this Agreement in a timely manner and as otherwise set forth in this Agreement, COUNTY may withhold any payments otherwise due CONTRACTOR pursuant to this Agreement, and any other agreement between CONTRACTOR and COUNTY, until such report is properly submitted as determined by the Director.

C. INVOICING

1. COUNTY will pay CONTRACTOR only for services actually rendered on a monthly basis. COUNTY will not make payment until all services are actually rendered and an invoice is submitted in accordance with the invoicing requirements of this Agreement.
2. Invoices (see example attached to Exhibit B2) shall be in the format approved by the Tulare County Health & Human Services Agency, Director of Mental Health. 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. Neither COUNTY nor the patient shall be responsible for billings which represent services rendered, if billings are presented more than sixty (60) days after the patient discharge date.
3. CONTRACTOR will submit a claim for actual services rendered and authorized by COUNTY within ten (10) working days from the end of the previous month. Invoices shall be submitted to:

Tulare County Health & Human Services Agency
Department of Mental Health
Attn: Managed Care, Authorization Unit
5957 S. Mooney Blvd.
Visalia, CA 93277

4. Invoices will include the following information
 - a. Child Service Breakdown (see example attached to Exhibit B2)
 - b. Mental Health Progress Notes to include the following criteria:
 - i. Date of Service
 - ii. Mental Health service provided
 - iii. Name of service provider
 - iv. Legible Signature; signed and printed, by person providing the service; professional degree, licensure, and job title.
 - v. Time of day service was provided
 - vi. Duration of service
 - c. Group Notes: To include the following criteria
 - i. Date of Service
 - ii. Number of group participants
 - iii. Type of group
 - iv. Time of day service was provided
 - v. Duration of Service: Total number of group minutes
 - vi. Individual service time (calculated by dividing the total number of group participants into the total group time). In the event the minutes are not an equal number, the time should be rounded down.

EXAMPLE

Invoice

Amount Due by	Bill Date	Invoice #

Bill To

Region
FY

Units	Description	Rate	Amount
527	Mode 15 - Service Function MANAGEMENT/BROKERAGE FY06 SMA = \$1.95.min	CASE 1.95	1,027.65
25	Mode 15 - Service Function 10-19, 30-59. COLLATERAL FY06 SMA = \$2.52	2.52	63.00
2,636	Mode 15 - Service Function 10-19, 30-59. GROUP TREATMENT FY06 SMA = \$2.52	2.52	6,642.72
2,100	Mode 15 - Service Function 10-19, 30-59. INDIVIDUAL TREATMENT FY06 SMA = \$2.52	2.52	5,292.00
90	Mode 15 - Service Function 10-19, 30-59. INITIAL ASSESSMENT FY06 SMA = \$2.52	2.52	226.80
2,916	Mode 15 - Service Function 10-19, 30-59. REHABILITATION FY06 SMA = \$2.52	2.52	7,348.32
0	Mode 15 - Service Function 10-19, 30-59. TREATMENT PLANNING/DEVELOPMENT FY06 SMA = \$2.52	2.52	0.00
830	Mode 15 - Service Function 60-69. MEDICATION MANAGEMENT FY06 SMA = \$4.66	4.66	3,867.80
170	Mode 15 - Service Function 60-69 MEDICATION SUPPORT NON-MD FY06 SMA = \$4.66 to \$ 4.82	4.66	792.20
90	Mode 15 - Service Function 60-69. ASSESSMENT FY06 SMA = \$4.66	MD 4.66	419.40
We appreciate your prompt payment.		Total	

