

**NAPA COUNTY AGREEMENT NO. 220003B
AMENDMENT NO. 1**

THIS AMENDMENT NO. 1 TO AGREEMENT NO. 220003B is effective as of the _____ day of _____ 2022, by and between NAPA COUNTY, a political subdivision of the State of California, hereinafter referred to as "COUNTY" and **PROGRESS FOUNDATION, INC.**, hereinafter referred to as "CONTRACTOR." COUNTY and CONTRACTOR may be referred to below collectively as "Parties" and individually as "Party."

RECITALS

WHEREAS, on or about July 1, 2021, COUNTY and CONTRACTOR entered into Napa County Agreement No. 220003B (hereinafter referred to as "Agreement") for CONTRACTOR to provide mental health services to clients of its Health and Human Services Agency; and

WHEREAS, the Parties wish to amend the Agreement to increase the contract maximum on page 1 of the Agreement commencing in Fiscal Year 2022-2023 and each automatic renewal thereof, and replace Exhibit A with Exhibit A-1 (Scope of Work) and Exhibit B with Exhibit B-1 (Compensation and Financial Reporting).

TERMS

NOW, THEREFORE, for good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the Parties amend the Agreement as follows:

1. The maximum amount of payment on Page 1 of the Agreement shall be **EIGHT HUNDRED FORTY-ONE THOUSAND ONE HUNDRED EIGHTY DOLLARS (\$841,180.00)**, reflecting an increase of **Sixty Thousand Dollars (\$60,000.00)**; provided however, that such amounts shall not be construed as guaranteed sums, and compensation shall be based upon services actually rendered and expenses actually incurred.
2. Exhibit A is hereby replaced with "Exhibit A-1" attached hereto and incorporated by reference as set forth herein, and all references in the Agreement to Exhibit "A" shall refer to "Exhibit A-1" commencing as of the effective date of this Amendment No. 1.
3. Exhibit B is hereby replaced with "Exhibit B-1" attached hereto and incorporated by reference as set forth herein, and all references in the Agreement to Exhibit "B" shall refer to "Exhibit B-1" commencing as of the effective date of this Amendment No. 1.
4. Except as provided above, the terms and conditions of the Agreement shall remain in full force and effect as originally approved and last amended.

EXHIBIT A-1
SCOPE OF WORK

PROGRESS FOUNDATION
Bella House Transitional Residential Treatment Program
From Board Approval Date through June 30, 2023
(and each subsequent automatic renewal thereof)

General Description

CONTRACTOR will provide Bella House, a 12-bed mental health transitional residential treatment program for the COUNTY's Health and Human Services Agency (HHS). The program, shall serve adults with a history of serious and persistent mental health problems and provide services targeted toward the development of more independent living skills, the building of a community support system, and appropriate use of services and support designed to assist individuals' efforts to achieve self-sufficiency. CONTRACTOR shall utilize a full range of community treatment and social service resources as part of the overall treatment approach.

CONTRACTOR shall ensure that the facility maintains certification and provides COUNTY with evidence of (re)certification by the California Department of Healthcare Services as a "Transitional Residential Treatment Service" and licensure by the State Department of Social Services as a "Social Rehabilitation Facility" at required intervals.

The maximum length of stay shall conform to licensing and certification standards and may range from approximately three (3) months to a maximum of 18 months.

Target Population

- a. Age 18 and above without severe organic impairment and without physical disability requiring hospital or nursing care.
- b. Voluntary or, if conserved, willing to participate in programming.
- c. Ambulatory.
- d. Lacking those support systems which could counter institutionalization or other more restrictive levels of care.
- e. Has a primary mental health diagnosis.

Individuals admitted to program must be capable of participating in Bella House transitional residential treatment program services.

Description of Program Requirements

Certification as an Organizational Provider: CONTRACTOR shall operate as, and meet all standards required of, an organizational provider defined and regulated in Title 9, Division 1, Chapter 11, CCR. CONTRACTOR shall meet the Department of Health Care Services (DHCS) certification process. DHCS will State-certify CONTRACTOR. CONTRACTOR must also meet the COUNTY Mental Health Plan (MHP)'s certification process to include an onsite review in addition to a review of relevant documentation. At minimum, COUNTY certification requires that CONTRACTOR meets the following standards:

- a. Staff providing Specialty Mental Health Transitional Residential services shall possess the necessary license or certification to provide those services. CONTRACTOR certifies that all staff providing services hereunder are qualified to provide the service for which reimbursement is claimed, based upon education, experience and licensure. CONTRACTOR shall maintain records verifying said qualifications for each service provider providing services under this agreement, and documenting the provision of supervised hours as required by the Board of Behavioral Sciences for Marriage and Family Counselor- Interns, (LMFT-I/MFTi), or an Associate Clinical Social Workers (RASW/ASW). CONTRACTOR shall provide evidence of said records as requested by COUNTY.
- b. Maintain a safe facility.
- c. Maintain client records in a manner that meets state and federal standards. All medical record requirements for Specialty Mental Health Transitional Residential services shall be met and/or exceeded.
- d. Store and monitor medications in compliance with all applicable state and federal laws and regulations.
- e. Meet any additional requirements established by the MHP as part of a credentialing or other evaluation process.
- f. Provide for appropriate supervision of staff.
- g. Have as head of service a licensed mental health professional or other appropriate individual as described in Sections 622 through 630 of Title 9, Division 1, Chapter 3, Article 8 of the California Code of Regulations.
- h. Possess appropriate liability insurance.
- i. Have accounting and fiscal practices that are sufficient to comply with its obligations pursuant to CCR Title 9, Division 1, Chapter 11, Section 1840.105.
- j. As a condition for reimbursement, CONTRACTOR shall ensure beneficiaries shall receive the same level of services as provided all other clients served.
- k. Inform the MHP of any sentinel event or occurrence in which COUNTY'S client receiving services covered under this contract suffers physical injury, emotional trauma, death or serious side-effect which could be attributed as caused in any way by CONTRACTOR. Such events shall be immediately reported to the Napa County Mental Health Director and/or his/her designee.
- l. CONTRACTOR shall provide culturally and linguistically appropriate services to clients as defined in the Napa County Specialty Mental Health Plan.

Contract Monitoring

COUNTY shall monitor CONTRACTOR's performance under this agreement to ensure the safety of individuals served, the appropriateness of services provided, their efficacy and effectiveness, and to protect against fiscal disallowances.

COUNTY shall designate a contract monitor who shall monitor CONTRACTOR's performance under this agreement and serve as the primary point of contact regarding this agreement.

Monitoring Site Visits

This agreement contains provisions related to require objective service documentation standards, adherence to clinical standards of care, served individuals' satisfaction levels, treatment outcomes, authorization processes and invoicing. Without limiting those provisions, COUNTY shall have the right to conduct one (1) or more site visits to the CONTRACTOR's place of business to monitor performance under this agreement. COUNTY will normally provide CONTRACTOR with 30 days or more prior written notice of such site visits. This notice shall include:

- a. Specific monitoring tool(s) that will be utilized;
- b. The preparation required of the CONTRACTOR prior to the monitoring visit. COUNTY may require the provision of specific information in writing prior to the site visit to expedite the monitoring activities; and,
- c. Information to be available for review at the time of the visit, which may include, among other things, client service records, program policies and procedures, proof of licensure or certification, and documentation substantiating staff hours or other costs incurred by CONTRACTOR in providing the services being purchased. COUNTY may require the provision of specific information in writing prior to the site visit to expedite monitoring activities.

As an outcome of the site visit, COUNTY shall provide CONTRACTOR with a preliminary monitoring report for review before it is finalized. This report shall contain a summary of information collected or reviewed; the evaluator's assessment, conclusions, and recommendations; and, any requirements or sanctions to be imposed on the CONTRACTOR, such as disallowances, recoupments, or requests for plans of action.

CONTRACTOR will have two (2) weeks to give notice of any disagreement with any of the findings and to present information supporting the provider's position. If appropriate, COUNTY may conduct additional monitoring activities to evaluate the CONTRACTOR's position.

COUNTY shall then finalize and issue its report. If the final report identifies material variations between CONTRACTOR's service activities and the standards required under this agreement, COUNTY may require CONTRACTOR to prepare a written plan of action to address those variations. COUNTY will also have such other remedies as are provided under this agreement.

Referral and Admission

Referrals may originate from COUNTY's Mental Health Division, and may also originate with CONTRACTOR's Progress Place Crisis Residential Program. Bella House will serve an agreed upon number of County clients on conservatorship "stepping down" from IMD facilities. Clients will be selected for referral from IMDs through a process of agreement between CONTRACTOR and COUNTY Mental Health staff.

Request for Service and Authorization Requirements

CONTRACTOR staff shall interview and assess all Bella House candidates and shall obtain authorization from COUNTY prior to accepting individuals into the program as described herein.

Medical Necessity in the Referral and Admission Process

The Residential Utilization Review Committee or equivalent body will ensure that referrals made to Bella House meet Medical Necessity Criteria for Transitional Residential mental health services at the time of the referral. The close working relationship with the COUNTY generally results in agreement on which clients to serve. When it does not, and CONTRACTOR wishes to decline an admission or to discharge of an individual being served a review by COUNTY's Clinical Program Director (or designee) shall be requested and completed prior to finalizing this decision. Any denials shall include a review by the COUNTY to determine the reason for the denial and to ensure that Medi-Cal eligible individuals who are denied services will receive Notices of Action as required.

Medical Necessity Criteria for Adult Services

CONTRACTOR shall only seek Medi-Cal reimbursement for mental health services when the beneficiary being served meets the medical necessity requirements described herein, pursuant to Welfare and Institutions Code section 14184.402(a). For individuals 21 years of age or older, a service is "medically necessary" or a "medical necessity" when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain as set forth in Welfare and Institutions Code section 14059.5.

Services provided to a beneficiary must be medically necessary and clinically appropriate to address the beneficiary's presenting condition.

PROCEDURES:

A. Criteria for Adult Beneficiaries to Access the Specialty Mental Health Services Delivery System

For beneficiaries 21 years of age or older, CONTRACTOR shall provide covered specialty mental health services (SMHS) for beneficiaries who meet **both of the following** criteria, (1) and (2) below:

1. The beneficiary has **one or both** of the following:
 - a. Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities; and/or,
 - b. A reasonable probability of significant deterioration in an important area of life functioning;

AND

2. The beneficiary's condition as described in paragraph (2) of the policy statement is due to **either of the following**:
 - a. A diagnosed mental health disorder, according to the criteria of the current edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) and the International Statistical Classification of Diseases and Related Health Problems (ICD); or,
 - b. A suspected mental disorder that has not yet been diagnosed.

B. Additional Coverage Requirements and Clarifications

This criteria for a beneficiary to access the SMHS delivery system (except for psychiatric inpatient hospital and psychiatric health facility services) set forth above shall not be construed to exclude coverage for, or reimbursement of, a clinically appropriate and covered mental health prevention, screening, assessment, treatment, or recovery service under any of the following circumstances:

1. Services were provided prior to determining a diagnosis, including clinically appropriate and covered services provided during the assessment process.
2. The prevention, screening, assessment, treatment, or recovery service was not included in an individual treatment plan.
3. The beneficiary has a co-occurring substance use disorder.

Per Welfare and Institutions Code section 14184.402(f)(1)(A), a mental health diagnosis is not a prerequisite for access to covered SMHS. This does not eliminate the requirement that all Medical claims, including SMHS claims, include a CMS approved ICD-10 diagnosis code.

CONTRACTOR shall participate in the Residential Utilization Review Committee or equivalent authorization committee made up of its own staff and HHS staff to ensure that program participants continue to meet medical necessity criteria for on-going transitional services throughout their length of stay, and that this is clearly documented in the individual medical record.

Intake Process

Individuals referred to CONTRACTOR's Bella House program are interviewed by CONTRACTOR staff. Assessment information regarding the individual's personal, social, medical and psychiatric history is gathered at this time. CONTRACTOR will provide licensed staff for the purpose of determining the individual's diagnosis. If it is determined that the referral meets program criteria and is appropriate for admission, then the individual is accepted into the program.

Within one (1) business day of the date of admission, CONTRACTOR will complete and submit intake forms to COUNTY.

An initial treatment plan is developed and the individual then enters into an admission agreement with the program. The agreement outlines such things as: tentative discharge date; agreeing to abide by program rules; paying the amount determined for room, board, and services; and authorizing transmission of information concerning history, care, and treatment to other providers for coordination of care purposes.

All relevant information is entered into a medical record, which conforms to state and federal medical records standards and is the responsibility of CONTRACTOR.

CONTRACTOR's Bella House staff will continue to work closely with COUNTY's HHSA staff, including Case Managers and others in the COUNTY's mental health service network, to assure successful resolution of program participant's issues.

Information Requirements

All individuals seen under this agreement shall be provided with informing materials as required by State and Federal Health Care regulations. CONTRACTOR shall coordinate with COUNTY staff to ensure that each individual being provided specialty mental health services shall receive the materials listed below. CONTRACTOR assumes responsibility for completion of required Medi-Cal beneficiary informing materials when CONTRACTOR receives authorization from COUNTY to enroll a beneficiary into Napa County Mental Health if the beneficiary is not receiving services from another Napa County Mental Health service provider at the time the CONTRACTOR starts services. When CONTRACTOR is responsible for distribution of informing materials, CONTRACTOR shall maintain written verification that materials were distributed and/or completed for each individual receiving services. Materials shall be provided at the intervals specified below and documentation shall include at minimum: the exact materials provided, the name of the individual receiving the materials, the date the materials were provided, and the name of the staff member providing these materials.

Informing Materials to Be Provided At Intake

- a. The Napa County Guide to Medi-Cal Mental Health Services (MHP Beneficiary Brochure)
- b. The Napa County Provider Directory
- c. Information Sheet on TBS Services
- d. Napa County Notice of Privacy Practices
- e. Authorization for Release of Information to appropriate parties.

Informing Materials To Be Provided Annually, At Time Of Service Plan Renewal

- a. The Napa County Guide to Medi-Cal Services (MHP Beneficiary Brochure)
- b. The Napa County Provider Directory
- c. Authorization for Release of Information to appropriate parties (as necessary)

In addition to the Informing Materials listed above, CONTRACTOR shall provide COUNTY with verification as requested that the following administrative paperwork has been provided to CONTRACTOR's clients on the schedule listed below:

- a. Napa County Mental Health Demographic form – At Intake, Annually
- b. A five Axis Diagnosis – if not provided by COUNTY at intake
- c. Acknowledgement of Receipt of Notice of Privacy Practices– At Intake
- d. Client Financial Review form – At Intake, Annually

Discharge Planning

Discharge planning begins shortly after admission. The reintegration of the program participant with family, close friends, and community supports is a major focus of this effort. Although it is primarily the responsibility of the CONTRACTOR, COUNTY's staff is expected to take an active role in discharge planning for Bella House clients who are case managed by COUNTY.

Client discharge planning from Bella House into the community who are transitioning from IMDs will be actively case managed by County Behavioral Health staff and coordination with Bella House staff.

CONTRACTOR will complete and submit a discharge/notification of termination form to COUNTY for each discharge within one (1) business day of date of discharge.

Medi-Cal Service Documentation Requirements

Effective July 1, 2022 CONTRACTOR shall comply with the most current DHCS CalAIM documentation requirements. CONTRACTOR shall also comply with elements outlined in both COUNTY Mental Health Documentation Manual and COUNTY Mental Health policy and procedures related to CalAIM documentation and best practice protocols.

CONTRACTOR shall provide COUNTY with access to all documentation of services provided under this agreement for COUNTY'S use in administering this agreement. Without limitation, COUNTY shall have access to such documentation for quality assurance and for audit or substantiation of claims for payment of services.

Grievance Requirements

CONTRACTOR shall comply with COUNTY's grievance policy and procedure to address any concern or problem voiced by the individual, and to provide individuals with a means to register, and to resolve grievances and appeals. CONTRACTOR shall ensure that the following procedures are followed:

- A. When an individual expresses a concern regarding CONTRACTOR'S services, CONTRACTOR shall determine the nature of the concern and, if the concern is easily fixed or poses a risk to others, it should be immediately resolved.
- B. For all grievances, provide the individual with the Mental Health Grievance Form for Medi-Cal Eligible Beneficiaries (Grievance Form) and direct them to fill it out and return it to COUNTY's Mental Health Quality Coordinator in the postage paid envelope. CONTRACTOR is responsible for completing the Grievance form for oral grievances received.
- C. Provide beneficiaries with reasonable assistance in completing forms and taking procedural steps including, but not limited to, providing interpreter services and toll-free numbers that have adequate TTY/TTD and interpreter capability.
- D. Notify COUNTY's Mental Health Quality Coordinator within 24 hours of the next business day via fax or phone that a grievance has been made and provide the details of the grievance. Provide the individual's name, the date and time that the grievance was made, CONTRACTOR's name, a brief description of the concern, and any steps taken to resolve the matter.

Orientation, Training and Technical Assistance

COUNTY will endeavor to provide CONTRACTOR with training and support in the skills and competencies to (a) conduct, participate in, and sustain the performance levels called for in the contract, and (b) conduct the quality management activities called for by the contract.

COUNTY shall provide CONTRACTOR with all applicable standards for the delivery and accurate documentation of services. COUNTY shall make ongoing technical assistance available in the form of direct consultation to the CONTRACTOR upon CONTRACTOR's request to the extent that COUNTY has capacity and capability to provide this assistance. In so doing, COUNTY is not relieving CONTRACTOR of its duty to provide training and supervision to its staff or to ensure that its activities comply with applicable regulations and other requirements included in the terms and conditions of this agreement. Any requests for technical assistance by CONTRACTOR regarding any part of this agreement shall be directed to the COUNTY's designated contract monitor.

Performance Standards

CONTRACTOR shall institute and conduct a Quality Assurance Process for all services provided hereunder. Said process shall include as a minimum, a system for verifying that all services provided and claimed for reimbursement shall meet specialty mental health service definitions and be documented accurately.

In evaluating the records of individuals served under this agreement, COUNTY will evaluate services with reference to applicable contract, state, and federal standards for service delivery and documentation to determine whether they qualify for payment under this agreement.

In the event COUNTY revises any required standards in the course of the contract year, the revised audit tool shall be provided to the CONTRACTOR, along with an explanation of the impact of any changes on the contractor.

COUNTY and CONTRACTOR agree to work collaboratively to develop key service quality indicators and outcomes and identify sources of reliable data to measure them. In addition, attributes and characteristics of persons served and other information needed shall be identified.

CONTRACTOR shall provide COUNTY upon request, with documentation of CONTRACTOR's organizational capacity to conduct internal quality management activities, including chart audits. CONTRACTOR shall provide documentation of the measures in place to assess key quality factors (including appropriateness, efficacy, and effectiveness) and key risks (including client safety and adherence to funding standards). At minimum, CONTRACTOR shall be required to conduct internal case record reviews at least quarterly. CONTRACTOR shall submit timely reports of these internal monitoring activities, as well as quarterly reports on incidents, accidents, and client complaints.

CONTRACTOR will provide COUNTY with notification and a summary of any internal audit exceptions and the specific corrective actions taken to sufficiently reduce the errors that are discovered through CONTRACTOR'S internal audit process. CONTRACTOR shall provide this notification and summary to COUNTY in a timely manner.

Program Goal and Objective

Goal: Of those individuals admitted to the program, 85% will move to a less structured setting within 18 months of admission

Objective: Program participants will demonstrate an increase in their ability to function independently as indicated on the Independent Living Skills Survey (I.L.L.S.), which is administered monthly.

Program Reporting

CONTRACTOR will provide data to COUNTY on a quarterly basis to describe achievement or lack of achievement of this objective. Summaries of the I.L.L.S measure will be sent to COUNTY Adult Services Supervisor for review.

If Performance Objective is not achieved, CONTRACTOR will include a brief explanation of the obstacles that prevented this along with the CONTRACTOR's plan for addressing the obstacles.

EXHIBIT B-1
COMPENSATION AND FINANCIAL REPORTING

PROGRESS FOUNDATION
Bella House Transitional Living Program
From Board Approval Date through June 30, 2023
(and each subsequent automatic renewal thereof)

I. COMPENSATION

COUNTY shall provide CONTRACTOR up to the total contract maximum amount of \$841,180.

To request reimbursement for deliverables defined in Exhibit A, Scope of Work, the CONTRACTOR must submit an invoice or claim form to the County Mental Health Fiscal Analyst. COUNTY shall make monthly advance payments based on one-twelfth (1/12) of the total annual compensation amount of \$841,180.

II. FINANCIAL REPORTING

Payment for program services is dependent upon provision of services and ongoing documentation of Medical Necessity standards for this level of care.

CONTRACTOR shall submit an annual cost report due by August 31st following the end of the fiscal year. Failure to submit the cost report timely may result in the suspension of payments until the cost report is received by the COUNTY. Any funds received in excess of actual costs shall be refunded to the county.

COUNTY shall withhold any payments for mental health services for which documentation of Medical Necessity by CONTRACTOR's Residential staff is not sufficient to claim the Federal Financial share of Medi-Cal.

CONTRACTOR shall reimburse COUNTY for all overpayments identified by CONTRACTOR COUNTY, and/or State or Federal oversight agencies as an audit exception. CONTRACTOR shall make any repayment based on audit exception(s) upon discovery of said exception(s). If reimbursement is required, CONTRACTOR shall reimburse COUNTY within 60 days of identification.

HSA Billing for Mental Health Services

A billing unit is defined as one (1) day of service. CONTRACTOR will submit a claim for each day of service by means of an invoice form and an itemized "Residential Mental Health Attendance" form which clearly identifies the dates in which the client was present in the program, received services, and met medical necessity criteria for billing Transitional Residential Mental Health Services.

COUNTY will bill the services performed by CONTRACTOR and provided by CONTRACTOR to HSA to various private or governmental third party payors. COUNTY is the only party who may bill and seek reimbursement for the services performed by CONTRACTOR to COUNTY. CONTRACTOR is prohibited from seeking any reimbursement, including but not limited to various private or governmental third party payors (e.g., Medicare, Medi-Cal, TRICARE,

Champus) or other individuals, for any of the services performed by CONTRACTOR. CONTRACTOR will cooperate with COUNTY to facilitate COUNTY in obtaining the maximum legal reimbursement for the services provided. CONTRACTOR is responsible for ensuring that the CONTRACTOR adhere to this provision.

Electronic Medical Record and Billing Provision

As specified by COUNTY, Contractor shall update its clinical and fiscal practices at the COUNTY's request where change is necessary to ensure the following:

- a. Correct billing of Medi-Cal services by COUNTY to Short-Doyle/Medi-Cal (SD/MC);
- b. Congruence with COUNTY requirements for documentation, clinical or fiscal; and,
- c. Seamless integration with and use of electronic medical record, the electronic billing system, and other relevant aspects of the COUNTY's electronic software system.

Additional costs incurred by CONTRACTOR shall be solely borne by CONTRACTOR except as otherwise specified in subsequent amendments to this contract.

III. LIMITATIONS AFFECTING PAYMENT

CONTRACTOR shall perform services and provide such documentation as required by all applicable State and Federal laws, rules, and regulations, and as described in Exhibit A of this agreement. Other limitations affecting contract payments may include, but are not limited to:

CONTRACTOR shall provide such documentation as required by COUNTY at any time in order to substantiate its claims for payment. COUNTY may elect to withhold payment for failure by CONTRACTOR to provide such documentation required by COUNTY.

CONTRACTOR's services and claims are subject to any audits conducted by COUNTY, the State of California or federal government, or other auditors. Any resulting audit exemption shall be repaid to COUNTY.

To the extent CONTRACTOR is required to make COUNTY whole under this Paragraph, COUNTY may elect to withhold any payments for past services, offset against any payments for future services for which CONTRACTOR provides, or demand reimbursement without offset.

CONTRACTOR shall pay any penalty or fine assessed against COUNTY arising from CONTRACTOR's failure to comply with all applicable Federal or State Health Care Program Requirements, including, but not limited to any penalties and fines which may be assessed under a Federal or State False Claims Act provision.

Non-compliance with the provisions of this Exhibit B may lead at any time to withholding of payments and/or a termination of the Agreement based on breach of contract.