

**SECOND AMENDMENT TO THE FLAT RATE AGREEMENT WITH
DAYTOP VILLAGE, INC.
FOR ALCOHOL AND DRUG TREATMENT SERVICES**

THIS SECOND AMENDMENT TO THE FLAT RATE AGREEMENT WITH DAYTOP VILLAGE, INC. FOR ALCOHOL AND DRUG TREATMENT SERVICES is entered into this ___ day of _____, 2005, by and between the COUNTY OF SAN MATEO (hereinafter called "County") and DAYTOP VILLAGE, INC. (hereinafter called "Contractor").

WITNESSETH

WHEREAS, on July 27, 2004, the parties hereto entered into a Flat Rate Agreement for the furnishing of alcohol and drug services by Contractor to County as set forth in that Agreement; and

WHEREAS, on August 26, 2004 the Agreement was amended to allow the Contractor to utilize a County–Owned facility rent-free for one year; and

WHEREAS, it is now the mutual desire and intent of the parties hereto to amend and clarify the Agreement by adding provisions whereby Contractor would provide Drug/Medi-Cal Day Care Habilitative Treatment Services as set forth in Exhibit D:

NOW, THEREFORE, the Agreement is hereby amended to read as follows:

1. Section 1: **Exhibits and Attachments** is hereby amended to read as follows:
The following Exhibits and Attachments are attached hereto and incorporated by reference herein:

Exhibit A:	State Negotiated Net Amount (NNA) and Funded Alcohol and Drug Treatment Services and Rates of Payment
Exhibit B:	County Funded Drug Treatment Services and Rates of Payment
Exhibit C:	Outcome Based Management (OMB) and Budgeting Responsibilities
Exhibit D:	Drug/Medi-Cal (D/MC) Day Care Habilitative Treatment Services
Attachment 1:	Compliance with Section 504
Attachment 2:	Fingerprinting Compliance
Attachment 3:	HIV/AIDS Services
Attachment 4:	Payment Procedures
Attachment 5:	Monitoring Procedures

Attachment 6:	Program Specific Requirements
Attachment 7:	Equal Benefits Compliance
Attachment 8:	Additional NNA Requirements
Attachment 9:	Drug/Medi-Cal Appeals Process
Attachment 10(Revision 1):	County-owned Facility Use Requirements

2. Exhibit D is attached hereto and incorporated by reference herein and is hereby added to Agreement.
3. Section 3.A. Payment is hereby amended to read as follows:

A. Maximum Amount

In full consideration of Contractor's performance of the services described in the Exhibits, the amount that County shall pay for services rendered under this Agreement shall not exceed **SEVEN HUNDRED NINETY THREE THOUSAND ONE HUNDRED DOLLARS (\$793,100)** for the contract term.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that:

1. The Agreement of July 27, 2004 and subsequent Amendments be amended as set forth herein.
2. The Amendment is hereby incorporated and made a part of the original Agreement and subject to all provisions therein.
3. All provisions of the original Agreement and subsequent Amendments, including references to audit and fiscal management requirements otherwise amended hereinabove, shall be binding on all parties hereto.
4. All provisions of the original Agreement, including all monitoring and evaluation requirements shall be applicable to all amendments herein.
5. This Second Amendment constitutes the sole Agreement of the parties hereto with respect to the subject matter herein and correctly states the rights, duties, and obligations of each party as of this document's date. With the sole exception of the Agreement and the First Amendment, any prior Agreements, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications to this Second Amendment shall not be valid unless in writing and signed by both parties.

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

By: _____
Richard S. Gordon
President, Board of Supervisors, San Mateo County

Date: _____

ATTEST:

Clerk of Said Board

Date: _____

DAYTOP VILLAGE, INC.

Name, Title – Print

EXHIBIT D (Flat Rate Agreement)
Drug/Medi-Cal (D/MC) Day Care Habilitative Treatment services
Alcohol and Drug Treatment Services and Payments
DAYTOP VILLAGE, INC.
July 1, 2004 through June 30, 2005

I. DRUG/MEDI-CAL DAY CARE HABILITATIVE TREATMENT SERVICES

Contractor represents and warrants that it is Drug/Medi-Cal (D/MC) certified to provide Day Care Habilitative (DCH) services. Contractor understands and acknowledges that all participants in the DCH program must be enrolled in the Medi-Cal program. Contractor agrees to comply with all aspects of the most current State Department of Alcohol and Drug Programs (ADP) Drug-Medi-Cal Utilization Control Plan, State of California Standards and Drug Treatment Programs, State Negotiated Net Amount (NNA) contract, and all pertinent state and federal statutes and regulations as they pertain to these services.

Contractor agrees to provide the following services:

A. D/MC Day Care Habilitative (DCH) Units of Service:

Contractor will provide Day Care Habilitative (DCH) outpatient services which are at least three (3) hours per day per client, directed at stabilization and rehabilitation of Medi-Cal beneficiaries with substance abuse impairments.

1. Admit to Contractor's DCH program a minimum of twenty eight (28) program participants per year who meet the eligibility requirements for Drug/Medi-Cal Day Care Habilitative services.
2. Provide an annual total of one thousand two hundred fifty one (1,251) visit days to be allocated by Contractor.
3. A unit of service is defined as a face-to-face visit per person, one visit per day.

B. D/MC Day Care Habilitative (DCH) Services:

Contractor will provide Day Care Habilitative (DCH) services at least three (3) hours per day per client. DCH services shall include:

1. Assessment (using the Addiction Severity Index [ASI]), including:
 - a. An assessment of each individual's physical condition shall be made within thirty (30) days of admission and

documented in the individual's record in one of the following ways:

- 1) A physical examination by a physician, registered nurse practitioner or physician's assistant according to procedures prescribed by state law; or
 - 2) Upon the review of the medical history and other appropriate material, a determination must be made by a licensed physician if it is determined that a physical examination and laboratory examination is not necessary.
3. Extensive group and individual counseling and other appropriate activities and services will include:
- a. Nine (9) hours per week of scheduled, formalized services (e.g., a work program, treatment techniques, urine surveillance, creative recreational activities, and ancillary services) shall be available for each program participant.
 - b. All DCH services provided to the individual must occur within the regularly scheduled array of activities. As such, only one (1) unit of service may be claimed per day. Exceptions may include emergency and crisis visits and must be documented as such in the individual's record.
4. Physician direction:
- a. Physician formulation of, approval of, or involvement in each D/MC individual's plan of care within thirty (30) calendar days from the date of initial service.
 - b. Evidence of physician's direction must be documented by the physician's signed and dated approval of treatment plan or signed and dated notation indicating concurrence with the plan of treatment in the individual's clinical record. This must occur:
 - 1) Within fifteen (15) days of the date the plan was developed;
 - 2) Whenever there is a significant change in the treatment plan (i.e., change in mode or modality) of service, problem identification, or focus of treatment);
or

3) At least once within every ninety (90) days (prior to the start of a new ninety [90] day period) whichever comes first. When a medication regimen is a part of the treatment plan, such plan must also be approved by the physician.

5. Urine surveillance:

For those situations where substance abuse screening by urinalysis is deemed appropriate and necessary by the program director or supervising physician, Contractor shall:

a. Establish procedures which protect against the falsification and/or contamination of any urine samples; and

b. Document urinalysis results in the program participant's file.

6. Progress notes:

Weekly individual narrative summary notes shall be recorded for each individual. Progress on individual treatment plan problems, goals, objectives and ancillary services shall be included, and client attendance shall be noted.

The beginning and ending time of each program participant's participation shall be clearly recorded. Daily program participant sign-in sheets shall be maintained to track the schedule of services delivered to each participant.

7. Follow-up requirements:

All DCH services are required to develop a follow-up procedure. The Utilization Review Committee (URC) should assure itself that an adequate follow-up procedure has been established for the program participants of a particular program. Whenever individuals discontinue treatment for any reason, a follow-up procedure should go into effect.

C. D/MC Day Care Habilitative Rates of Payment:

In full consideration of the DCH services provided by Contractor pursuant to this Agreement and subject to the provisions of Paragraph 3 of the body of this Agreement, County shall pay Contractor in the manner described below, unless otherwise specifically authorized by the Director of the Human Services Agency or her designee:

1. Contractor acknowledges that it is impossible for County to determine the actual costs until an audit of Contractor's records has been completed by federal, state, and/or County auditors, or their

designees. In order to establish interim cash flow, County shall reimburse Contractor for DCH services, during the term of this Agreement as follows:

<u>Service Function</u>	<u>Unit of Service</u>	<u>Provisional Rate</u>
DCH-visit day	Face-to-Face Contact	Maximum of \$67.93 per person/per day

2. The maximum anticipated County obligation for DCH services is EIGHTY FIVE THOUSAND DOLLARS (\$85,000) for the term of the agreement.

II. DRUG/MEDI-CAL (D/MC) FISCAL PROCEDURES

- A. Contractor shall assume all liability for any Drug/Medi-Cal disallowances and agrees to reimburse County for all claims so refused for reimbursement.
- B. The actual net reimbursement cost will be subject to the maximum allowable cost per unit (CPU) limitations existing at time of service delivery. The maximum CPU rate is established by the State Department of Alcohol and Drug Programs (ADP) and the County Alcohol and Drug Services, and is subject to revision by the State of California. Should the state CPU maximum be revised, Contractor agrees to amend the program budget to fall within the guidelines of the most currently applicable CPU maximum.

Should Contractor's actual CPU exceed the state's maximum CPU, then Contractor's reimbursement cost will be reduced to the reimbursable limits mandated by the state.

1. Contractor shall submit quarterly actual cost reports to the County Alcohol and Drug Services on or before the tenth (10) calendar day following the close of the second and third quarters of the contract term. Net reimbursable costs will be determined from the actual cost reports.
 - a. Should actual unit costs exceed the provisional rate, the units may be adjusted downward.
 - b. Should actual unit costs fall below the provisional rate, the units may be adjusted upward.
 - c. Payment rates will be modified in the fourth quarter based on the third quarter cost report.

- d. Net reimbursement for the entire fiscal year will be reconciled upon receipt of the third quarter cost report and based upon information presented in the third quarter cost report.
2. After audits by federal, state, and/or County auditors, or their designees, County shall reimburse Contractor the net reimbursable cost in accordance with the terms and conditions set forth herein. Should interim payments per the provisional rate exceed net reimbursable cost to Contractor of providing these services, Contractor agrees to refund said excess to County. Should payment per the provisional rate be less than net reimbursable cost to Contractor of providing these services, County agrees to pay Contractor for such additional cost. However, the total payment to Contractor for providing these services shall not, in any event, exceed the maximum contract obligation stated in Sections III and IV hereinabove.
3. Should the state or any other funding agency refuse to reimburse County or disallow past payments made to County for any claim submitted by Contractor, Contractor agrees to reimburse County for all claims so refused for reimbursement.

Contractor shall retain the right to object to any denials or limitations of reimbursement by reason of audit or otherwise and to advance its position with respect to any such denials by legal or other means.

4. County may, at its sole option, retain the right to retain ten percent (10%) of the contracted General Fund allocation to cover any future disallowances.
5. Should Contractor not utilize the maximum amount of County/Drug/Medi-Cal funds identified in the program budget, Contractor may request that it receive the County funds portion of same as determined by the State.
6. Final settlement payment for this Agreement shall be no greater than the actual net allowable costs for actual or accrued expenditures made pursuant to the approved program budget during the term of the contract less applicable revenues collected for all other payers. Actual net allowable costs will be determined by the final/year-end Cost Report.

7. Drug/Medi-Cal revenue cannot be transferred to cover the cost of non-Drug/Medi-Cal reimbursement programs.
8. The maximum contract amount may be increased or decreased by an amendment to the Agreement to adjust that amount to provide sufficient funds for any actual increase in provider services or to reflect a reduction in state funds.

III. DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS-TITLE 22, CALIFORNIA CODE OF REGULATIONS (CCR)- DRUG MEDI-CAL

Contractor's DCH services shall include but not limited to:

- (1) Establish, maintain, and update as necessary, an individual patient record for each beneficiary admitted to treatment and receiving services. For purposes of this regulation, "an individual patient record" means a file for each beneficiary which shall contain, but not be limited to, information specifying the beneficiary's identifier (i.e., name, number), date of beneficiary's birth, the beneficiary's sex, race and/or ethnic background, beneficiary's address and telephone number, beneficiary's next of kin or emergency contact, and all documentation relating to the beneficiary gathered during the treatment episode, including all intake and admission data, all treatment plans, progress notes, continuing services justifications, laboratory test orders and results, referrals, counseling notes, discharge summary and any other information relating to the treatment services rendered to the beneficiary.
- (2) Maintain group counseling sign-in sheets which indicate the date and duration of the session;
- (3) Provide services; and
- (4) Submit claims for reimbursement and maintain documentation specified in Section 51008.5 supporting good cause claims where the good cause results from provider-related delays.

For a provider to receive reimbursement for Drug Medi-Cal substance abuse services, those services shall be provided by or under the direction of a physician and the following requirements shall apply:

(1) Admission criteria and procedures

- A. For day care habilitative treatment services, the provider shall perform all of the following:
 - (i) Develop and use criteria and procedures for the admission of beneficiaries to treatment.

B. Treatment plan for each beneficiary

- (i) For a beneficiary admitted to outpatient drug free, day care habilitative treatment services the provider shall prepare an individualized written treatment plan, based upon the information obtained in the intake and assessment process.
- (ii) An initial treatment plan that meets all requirements outlines in Title 22.

(iii) Contractor will provide all required documentation and requirements stated in Title 22.

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