

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

*OS*

DEPT: Behavioral Health and Recovery Services

BOARD AGENDA # \*B-4

Urgent \_\_\_\_\_ Routine X

AGENDA DATE July 31, 2001

CEO Concurs with Recommendation YES pkc NO \_\_\_\_\_  
(Information Attached)

4/5 Vote Required YES \_\_\_\_\_ NO X

SUBJECT:

APPROVAL OF NEGOTIATED NET AMOUNT AND DRUG/MEDI-CAL MULTI-YEAR CONTRACT WITH THE STATE DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS FOR FISCAL YEARS 2001/02, 2002/03, AND 2003/04 - BEHAVIORAL HEALTH AND RECOVERY SERVICES.

STAFF  
RECOMMEN-  
DATIONS:

1. APPROVE THE NEGOTIATED NET AMOUNT AND DRUG MEDI-CAL MULTI-YEAR CONTRACT WITH THE STATE DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS FOR FISCAL YEARS 2001/02, 2002/03, AND 2003/04
2. AUTHORIZE THE BEHAVIORAL HEALTH AND RECOVERY SERVICES DIRECTOR, OR HIS DESIGNEE, TO SIGN THE NET NEGOTIATED AMOUNT AND DRUG MEDI-CAL CONTRACT WITH THE STATE DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS FOR FISCAL YEARS 2001/02, 2002/03, AND 2003/04.

(Staff Recommendations Continued on Page 2)

FISCAL  
IMPACT:

This contract provides \$3,545,386 in State and Federal funds for each fiscal year 2001/02, 2002/03, and 2003/04. The first year funds were included in the Behavioral Health and Recovery Services fiscal year 2001/02 Budget. No further impact to the County General Fund.

BOARD ACTION

No. 2001-554

On motion of Supervisor Blom, Seconded by Supervisor Caruso, and approved by the following vote,

Ayes: Supervisors: Mayfield, Blom, Caruso, and Chair Paul

Noes: Supervisors: None

Excused or Absent: Supervisors: Simon

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

Motion:

*Christine Ferraro*

File No.

ATTEST: REAGAN M. WILSON, Clerk By: Deputy

APPROVAL OF NEGOTIATED NET AMOUNT AND DRUG/MEDI-CAL CONTRACT WITH THE STATE DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS FOR FISCAL YEARS 2001/02,2002/03,2003/04 – BEHAVIORAL HEALTH AND RECOVERY SERVICES

Page 2

STAFF RECOM-  
MENDATIONS:  
(Continued)

3. AUTHORIZE THE BEHAVIORAL HEALTH AND RECOVERY SERVICES DIRECTOR OR HIS DESIGNEE TO SIGN FUTURE AMENDMENTS TO THE NEGOTIATED NET AMOUNT AND DRUG/MEDI-CAL CONTRACTS WHICH MAY BE PROPOSED BY THE STATE DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS IN EACH FISCAL YEAR 2001/02, 2002/03 AND 2003/04 NOT TO EXCEED \$100,000.

DISCUSSION:

The Department's Alcohol and Drug System of Care is funded under the terms of this contract. Authorization for the Behavioral Health and Recovery Services Director or his designee to sign a multi-year contract (fiscal years 2001/02, 2002/03, and 2003/04) with the State Department of Alcohol and Drug Programs is required to access these funds. Further, the signed contract must be submitted by July 31, 2001.

The State Department of Alcohol and Drug Programs uses multi-year contracts to insure provision of minimum services throughout the state. The actual amount allocated to each county is determined by the budget decisions enacted each year by both the federal government and the State of California. Stanislaus County budgets revenue based on the State Department of Alcohol and Drug Programs allocation letters issued each year. The contract is amended each fiscal year to reflect actual funds approved and allocated to counties.

The Department is requesting that the Board authorize the Behavioral Health and Recovery Services Director to sign amendments to the contract each fiscal year not to exceed the amount of \$100,000. This will lessen the turnaround time necessary to process future amendments and thus improve the Department's cash flow.

POLICY  
ISSUES:

Approval of the contract amendment allows the receipt of State and Federal funds to provide alcohol and drug services to local residents. This supports the Board's stated priority for a safe and healthy community.

STAFFING  
IMPACT:

None

CALIFORNIA DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

1700 K STREET  
SACRAMENTO, CA 95814-4037  
TDD (916) 445-1942  
(916) 323-2066



DATE: AUG 09 2001

TO: Connie Moreno-Peraza  
COUNTY ALCOHOL AND OTHER DRUG ADMINISTRATOR

FROM: Kathy Anderson, Contracts Office, Division of Administration

RE: APPROVED CONTRACT

Enclosed is a complete copy of your fully approved contract with the State Department of Alcohol and Drug Programs. Also enclosed is a copy for your Board of Supervisors. Please forward it to the appropriate person for processing.

If you have any questions regarding the provisions of this contract please contact your county analyst.

**Copies of this approved contract are being distributed as follows:**

- County Administrator (complete contract w/original signature)
- County Board of Supervisors (complete contract w/original signature)
- ADP Administration Contracts Office (face sheet only w/original signature)
- ADP Analyst, Contracts Management Branch (face sheet only)
- ADP Contracts Management Branch File (complete contract)
- ADP Accounting Office (face sheet, Exhibit. A-1, & agreement/summary)
- State Controllers Office (complete contract & agreement/summary)

Enclosures



BOARD OF SUPERVISORS  
2001 AUG 24 P 2:35

AGREEMENT NUMBER COUNTY50
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This Agreement is entered into between the State Agency and the Contractor named below

STATE AGENCY'S NAME

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS (ADP)

CONTRACTOR'S NAME

COUNTY OF STANISLAUS

2. The term of this Agreement is: 7/1/01 through 6/30/05

3. The maximum amount of this Agreement is:

\$ 3,545,386 (F.Y. 2001/02)	or	\$3,188,357 (see note below)
\$ 3,545,386 (F.Y. 2002/03)	or	\$3,188,357 (see note below)
\$ 3,545,386 (F.Y. 2003/04)	or	\$3,188,357 (see note below)
\$ 10,636,158 (Total)	or	\$9,565,071 (see note below)

INITIAL  
*ah*  
 HERE

Note: Per Health and Safety Code Section 11758.46(e)(2), this contract must be approved by County's Board of Supervisors and ADP by 7/31/01 or ADP will assume responsibility of the county's Drug Medi-Cal treatment services and this contract will be reduced by the necessary State General Funds to support those services.

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

- |   |    |       |   |
|---|----|-------|---|
| Exhibit A-1 – Fiscal Allocation Detail, Budget 1  | 3  | Pages | Effective only if contract is fully approved by 7/31/01 – see note above.     |
| Exhibit A-1 – Fiscal Allocation Detail, Budget 2 (NNA Only)   | 3  | Pages | Effective only if contract is not fully approved by 7/31/01 – see note above. |
| Exhibit B – General Terms and Conditions, Version One, Effective 7/1/01   | 9  | Pages |   |
| Exhibit C – Part I, Negotiated Net Amount Provisions, Version One, Eff. 7/1/01                                  | 16 | Pages |   |
| Exhibit D – Part II, Drug Medi-Cal Substance Abuse Treatment Services Provisions, Version One, Effective 7/1/01 | 17 |       | Effective only if contract is fully approved by 7/31/01 – see note above.     |

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

<b>CONTRACTOR</b>	CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) COUNTY OF STANISLAUS	Exempt per Dept. of General Services' memo dated 7/10/96 And Welfare and Institutions Code 14087.4
BY (Authorized Signature) <i>[Signature]</i>	
DATE SIGNED July 31, 2001	
PRINTED NAME AND TITLE OF PERSON SIGNING Larry B. Poaster, Ph.D. Director	
<b>STATE OF CALIFORNIA</b>	
AGENCY NAME DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS	
BY (Authorized Signature) <i>[Signature]</i>	
DATE SIGNED 8/6/01	
PRINTED NAME AND TITLE OF PERSON SIGNING ANN HORN, DEPUTY DIRECTOR, ADMINISTRATION	
ADDRESS 1700 K Street, Sacramento, CA 95814-4037	Exempt per See above

FISCAL ALLOCATION DETAIL  
DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS  
FY 2001 - 2002 NNA/Drug Medi-Cal Budget V.0

COUNTY: STANISLAUS

	AMOUNT	TOTALS	PCA/OBJ
<b>STATE FUNDS 07/01/01 - 6/30/02 (12 Months)</b>			
<b>STATE GENERAL FUNDS</b>			
State General Funds - DMC	\$138,734		50012/702.10
State General Funds - NNA	\$268,015		50010/702.11
Adult Treatment Services Gap	\$104,129		50010/702.11
<b>PERINATAL STATE GENERAL FUNDS</b>			
Perinatal State General Funds - DMC	\$33,925		50011/702.20
Perinatal State General Funds - NNA	\$232,606		50013/702.21
<b>ALL OTHER STATE GENERAL FUNDS</b>			
Women's and Children's Residential Treatment Services SGF	\$0		50013/702.22
Youth Treatment Services	\$77,083		50013/702.23
<b>TOTAL STATE FUNDS</b>		<b>\$854,492</b>	
<b>PAROLEE FUNDS</b>			
Parolee Services Network Funds	\$0		50059/702.18
<b>TOTAL PAROLEE FUNDS</b>		<b>\$0</b>	
<b>FEDERAL FUNDS - FFY 2002 Award 10/01/01 - 6/30/03 (21 Months)</b>			
<b>SAPT BLOCK GRANT - 93.959</b>			
PT Discretionary	\$1,703,038		50063/702.30
Prevention Set-Aside	\$494,398		50062/702.31
SAPT Friday Night Live	\$15,000		50062/702.32
SAPT Club Live	\$15,000		50062/702.33
HIV Set-Aside	\$86,041		50063/702.35
Perinatal Set-Aside	\$121,541		50064/702.36
Female Offender Treatment Services	\$0		50063/702.40
SAPT Special Projects Summary of Funds	\$0		Various/702.45
SAPT Special Projects (Limited Term)	\$0		Various/702.45
Adolescent Treatment Services	\$0		50063/702.49
Youth Treatment Services	\$36,059		50063/702.49
<b>TOTAL SAPT BLOCK GRANT - 93.959</b>		<b>\$2,471,077</b>	
<b>SAFE AND DRUG FREE SCHOOLS &amp; COMMUNITIES FUNDS - 84.186 7/01/01 - 6/30/03 (24 Mos)</b>			
SDFSC - Community Based Prevention (SFY 2001 Award)	\$35,447		50020/702.60
<b>TOTAL COMMUNITY BASED PREVENTION FUNDS</b>		<b>\$35,447</b>	
<b>TOTAL FEDERAL FUNDS ALLOCATED</b>		<b>\$2,506,524</b>	
<b>TOTAL STATE AND FEDERAL FUNDS ALLOCATED</b>			<b>\$3,361,016</b>
<b>FEDERAL DRUG MEDI-CAL FUNDS (REIMBURSEMENT) (12 MONTHS)</b>			
Drug Medi-Cal (Fed Share Only)	\$148,144		7000/50094/702.10
Perinatal Medi-Cal (Fed Share Only)	\$36,226		7000/50095/702.20
<b>TOTAL FEDERAL DRUG MEDI-CAL FUNDS (REIMBURSEMENT)</b>		<b>\$184,370</b>	
<b>GRAND TOTAL ALL FUNDS</b>			<b>\$3,545,386</b>

FISCAL ALLOCATION DETAIL  
DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS  
FY 2002 - 2003 NNA/Drug Medi-Cal Budget V.0

COUNTY: STANISLAUS

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Women's and Children's Residential Treatment Services SGF	\$0		50013/702.22
Youth Treatment Services	\$77,083		50013/702.23
<b>TOTAL STATE FUNDS</b>		<b>\$854,492</b>	
<b>PAROLEE FUNDS</b>			
Parolee Services Network Funds	\$0		50059/702.18
<b>TOTAL PAROLEE FUNDS</b>		<b>\$0</b>	
<b>FEDERAL FUNDS - FFY 2003 Award 10/01/02 - 6/30/04 (21 Months)</b>			
<b>SAPT BLOCK GRANT - 93.959</b>			
PT Discretionary	\$1,703,038		50063/702.30
Prevention Set-Aside	\$494,398		50062/702.31
SAPT Friday Night Live	\$15,000		50062/702.32
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HIV Set-Aside	\$86,041		50063/702.35
Perinatal Set-Aside	\$121,541		50064/702.36
Female Offender Treatment Services	\$0		50063/702.40
SAPT Special Projects Summary of Funds	\$0		Various/702.45
SAPT Special Projects (Limited Term)	\$0		Various/702.45
Adolescent Treatment Services	\$0		50063/702.49
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FISCAL ALLOCATION DETAIL  
DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS  
FY 2003 - 2004 NNA/Drug Medi-Cal Budget V.0

COUNTY: STANISLAUS

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<b>TOTAL STATE FUNDS</b>		<b>\$854,492</b>	
<b>PAROLEE FUNDS</b>			
Parolee Services Network Funds	\$0		50059/702.18
<b>TOTAL PAROLEE FUNDS</b>		<b>\$0</b>	
<b>FEDERAL FUNDS - FFY 2004 Award 10/01/03 - 6/30/05 (21 Months)</b>			
<b>SAPT BLOCK GRANT - 93.959</b>			
PT Discretionary	\$1,703,038		50063/702.30
Prevention Set-Aside	\$494,398		50062/702.31
SAPT Friday Night Live	\$15,000		50062/702.32
SAPT Club Live	\$15,000		50062/702.33
HIV Set-Aside	\$86,041		50063/702.35
Perinatal Set-Aside	\$121,541		50064/702.36
Female Offender Treatment Services	\$0		50063/702.40
SAPT Special Projects Summary of Funds	\$0		Various/702.45
SAPT Special Projects (Limited Term)	\$0		Various/702.45
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<b>GRAND TOTAL ALL FUNDS</b>			<b>\$3,545,386</b>

FISCAL ALLOCATION DETAIL  
DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS  
FY 2001 - 2002 NNA/Drug Medi-Cal Budget V.0

COUNTY: STANISLAUS

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<b>PERINATAL STATE GENERAL FUNDS</b>			
Perinatal State General Funds - DMC	\$0		50011/702.20
Perinatal State General Funds - NNA	\$232,606		50013/702.21
<b>ALL OTHER STATE GENERAL FUNDS</b>			
Women's and Children's Residential Treatment Services SGF	\$0		50013/702.22
Youth Treatment Services	\$77,083		50013/702.23
<b>TOTAL STATE FUNDS</b>		<b>\$681,833</b>	
<b>PAROLEE FUNDS</b>			
Parolee Services Network Funds	\$0		50059/702.18
<b>TOTAL PAROLEE FUNDS</b>		<b>\$0</b>	
<b>FEDERAL FUNDS - FFY 2002 Award 10/01/01 - 6/30/03 (21 Months)</b>			
<b>SAPT BLOCK GRANT - 93.959</b>			
SAPT Discretionary	\$1,703,038		50063/702.30
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<b>TOTAL FEDERAL FUNDS ALLOCATED</b>		<b>\$2,506,524</b>	
<b>TOTAL STATE AND FEDERAL FUNDS ALLOCATED</b>			<b>\$3,188,357</b>
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FISCAL ALLOCATION DETAIL  
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FY 2002 - 2003 NNA/Drug Medi-Cal Budget V.0

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Youth Treatment Services	\$77,083		50013/702.23
<b>TOTAL STATE FUNDS</b>		<b>\$681,833</b>	
<b>PAROLEE FUNDS</b>			
Parolee Services Network Funds	\$0		50058/702.18
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FISCAL ALLOCATION DETAIL  
DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS  
FY 2003 - 2004 NNA/Drug Medi-Cal Budget V.0

COUNTY: STANISLAUS

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Youth Treatment Services	\$36,059		50063/702.49
<b>TOTAL SAPT BLOCK GRANT - 93.959</b>		<b>\$2,471,077</b>	
<b>SAFE AND DRUG FREE SCHOOLS &amp; COMMUNITIES FUNDS - 84.186 7/01/03 - 6/30/05 (24 Mos)</b>			
SDFSC - Community Based Prevention (SFY 2003 Award)	\$35,447		50020/702.60
<b>TOTAL COMMUNITY BASED PREVENTION FUNDS</b>		<b>\$35,447</b>	
<b>TOTAL FEDERAL FUNDS ALLOCATED</b>		<b>\$2,506,524</b>	
<b>TOTAL STATE AND FEDERAL FUNDS ALLOCATED</b>			<b>\$3,188,357</b>
<b>FEDERAL DRUG MEDI-CAL FUNDS (REIMBURSEMENT) (12 MONTHS)</b>			
Drug Medi-Cal (Fed Share Only)	\$0		7000/50094/702.10
Perinatal Medi-Cal (Fed Share Only)	\$0		7000/50095/702.20
<b>TOTAL FEDERAL DRUG MEDI-CAL FUNDS (REIMBURSEMENT)</b>		<b>\$0</b>	
<b>GRAND TOTAL ALL FUNDS</b>			<b>\$3,188,357</b>

# **Exhibit B**

## **General Terms and Conditions**

# Exhibit B - General Terms and Conditions

Version One, Effective 7/1/01

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## GENERAL TERMS AND CONDITIONS

### A. Contract Exhibits

Exhibit C (Part I) defines the rights and obligations of the parties regarding Negotiated Net Amount (NNA) funds. Exhibit D (Part II) is attached only if applicable and defines the rights and obligations of the parties regarding Medicaid/Medi-Cal funds, as expended through the Drug Medi-Cal (DMC) Program. Exhibit B, entitled "General Terms and Conditions" contains the contract provisions applicable to all counties.

### B. Contract Term

The term of this contract shall be from July 1, 2001 through June 30, 2005. Subject to Exhibit C (Part I), Article III, Fiscal Provisions, Section H, Cost Efficiencies, the expenditure period of funds during the contract term shall be as stated on Exhibit A1. The State Department of Alcohol and Drug Programs (hereinafter referred to as the State) is under no obligation to extend or renew this contract.

### C. Nullification of Part II (if applicable)

The parties agree that if the identified county (hereinafter referred to as the County) fails to comply with the provisions of Health and Safety Code (hereinafter referred to as HSC) Section 11758.46(e)(2), Part II of this Agreement shall be null and void and severed from the remainder of this Agreement.

In the event Part II becomes null and void and severed from the remainder of this Agreement, Budget #2, NNA only (Exhibit A1) will take effect reflecting the removal of State General Fund (SGF), Perinatal State General Fund (PSGF), and federal Medicaid funds from this contract. Part I of this contract will remain in effect until amended or terminated.

### D. Unenforceable Provisions

In the event any provision of this contract is held invalid or unenforceable by any court of competent jurisdiction, the holding will not invalidate or render unenforceable any other provision hereof.

### E. Reappropriation of State Funds

Counties may not transfer SGF DMC to SGF discretionary. Counties shall inform ADP of any excess SGF funds by April 1. ADP may reappropriate excess funds by addressing the following considerations:

1. Fund unmet statewide DMC need in current year;
2. Retain reappropriated funds for DMC purposes in the current budget year; or
3. Reallocate funds to counties as discretionary SGF.

SGF provided by the California Department of Corrections shall be subject to specific expenditure requirements (Document 1D).

### F. Contract Amendments

1. Both the County and the State may agree to amend or renegotiate the contract. Contract amendments will be required to change encumbered amounts for each year of a multi-year contract period.
2. If the County contract is based on the preliminary allocation, or rates and requirements issued before the passage of the State FY Budget Act and Trailer Bill(s), the County will

be required to submit a contract amendment within 60 days of the release of the Budget Act allocation with a budget that reflects the revised allocation, rates, a plan for expenditure of prior year unexpended SGF, and other County requirements. In the event the County has not submitted a contract amendment with all required County and subcontractor fiscal detail within 60 days of the release of the Budget Act Allocation, the State will withhold all NNA payments under Part I of this contract until the required amendment is received by the State.

3. Contract amendments may be submitted by the County until May 1 of each contract's fiscal year. An amendment proposed by either party shall be forwarded in writing to the other party.
  - (a) The proposed amendment submitted by the County shall include revised County Prevention and Treatment Programs Fiscal Summary and Detail Forms, Exhibit A1, and a statement of the reason and basis for the proposed change.
  - (b) Amendments are subject to review and signed approval by the County Board of Supervisors (or designee).
4. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.

G. Termination

1. This contract may be terminated by either party by delivering written notice of termination to the other party at least 30 days prior to the effective date of termination. The notice shall state the effective date of and reason for the termination. In the event of changes in law that affect provisions of this Agreement, the parties agree to amend the affected provisions to conform with the changes in law retroactive to the effective date of such changes in law. The parties further agree that the terms of this Agreement are severable and in the event of changes in law as described above, the unaffected provisions and obligations of this Agreement will remain in full force and effect.
2. The following additional provisions regarding termination apply to Part II of this contract:
  - (a) In the event the federal Department of Health and Human Services (hereinafter referred to as DHHS) the California Department of Health Services (hereinafter referred to as DHS) or the State determines the County does not meet the requirements for participation in the DMC Program, the State will terminate Part II of this contract in accordance with this section.
  - (b) All obligations to provide covered services under this contract will automatically terminate on the effective date of any termination of this contract. The County will be responsible for providing or arranging for covered services to beneficiaries until the termination or expiration of the contract.
 

The County will remain liable for processing and paying invoices and statements for covered services and utilization review requirements prior to the expiration or termination until all obligations have been met.
  - (c) In the event Part II of this contract is terminated, the County shall refer DMC clients to another appropriate source of care.

## H. Audit

1. This contract, and any subcontracts, shall be subject to the examination and audit by the California Bureau of State Audits for a period of three years from the date that final payment is made pursuant to the contract (Government Code, Section 10532). This does not preclude access to records by the State, the Comptroller General of the United States, or any of their authorized representatives.
2. The County agrees that the State will have the right to review, obtain, and copy all records pertaining to the performance of this contract. The County agrees to provide the State with any and all relevant information requested.
3. The County agrees to comply with the additional provisions contained in Document 2N entitled "State of California, Department of Health Services, Additional Provisions (For Federally Funded Subvention Aid/Local Assistance Cost Reimbursement Contracts/Grants)," and is incorporated by this reference. In instances where inconsistencies occur, the provisions of the contract shall apply.
4. All expenditures of State and federal funds furnished to the County and the County's subcontractors pursuant to Part I are subject to audit by the State. Such State audits shall consider and build upon external independent audits performed pursuant to audit requirements of the Office of Management and Budget (OMB) Circular A-133 (Revised June 1997). Objectives of such State audits may include, but not be limited to, the following:
  - (a) to determine whether units of service claimed/reported are properly documented by service records and accurately accumulated for claiming/reporting;
  - (b) to validate data reported by the County for prospective contract negotiations;
  - (c) to provide technical assistance in addressing current year activities and providing recommendations on internal controls, accounting procedures, financial records, and compliance with laws and regulations;
  - (d) to determine the cost of services, net of related patient and participant fees, third-party payments, and other related revenues and funds;
  - (e) to determine that expenditures are made in accordance with applicable State and federal laws and regulation and contract requirements; and/or
  - (f) to determine the facts in relation to analysis of data, complaints, or allegations, which may be indicative of fraud, abuse, willful misrepresentation, or failure to achieve the contract objectives of Part I or Part II.
5. The County shall comply, and shall require that subcontractors comply, with all terms and conditions of this contract and all pertinent State and federal statutes and regulations. The State, DHS, DHHS, Comptroller General of the United States, or other authorized state or federal agencies and representatives, will be allowed to inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this contract. Any and all books, records, and facilities maintained by the County and its subcontractors related to these services may be audited at any time during normal business hours. Unannounced visits may be made at the discretion of the State. Employees who might reasonably have information related to such records may be interviewed.

6. The refusal of a county or subcontractor to permit access to and inspection of books, records, and facilities as described in this part constitutes an express and immediate breach of this Agreement.

**I. Certification**

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions (Reference: Title 45, Code of Federal Regulations (hereinafter referred to as CFR), Appendix B to Part 76)

The official signing for the county certifies, to the best of his or her knowledge and belief, the following:

The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

The county agrees that it will include the above debarment clause, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Lower tier covered transactions are defined as:

1. Any transaction between a participant and a person other than a procurement contract for goods or services, regardless of type, under a primary covered transaction.
2. Any procurement contract for goods or services between a participant and a person, regardless of type, expected to equal or exceed the Federal procurement small purchase threshold fixed at 10 United States Code (USC) 2304(g) and 41 USC 253(g) (currently \$25,000) under a primary covered transaction.
3. Any procurement contract for goods or services between a participant and a person under a covered transaction, regardless of amount, under which that person will have a critical influence on or substantive control over that covered transaction. Such persons are:
  - (a) Principal investigators
  - (b) Providers of Federally-required audit services
  - (c) Researchers

**J. Restrictions on Lobbying**

Contractor agrees that no part of any federal funds provided under this contract shall be used by the Contractor or any subcontractor to support lobbying activities to influence proposed or pending Federal or State legislation or appropriations. This prohibition is related to the use of Federal Grant funds and is not intended to offset your right, or that of any other organization, to petition Congress, or any other level of Government, through the use of other resources. (Reference: 31 USC 1352)

**K. Restrictions on Salaries**

Contractor agrees that no part of any federal funds provided under this contract shall be used by the Contractor or any subcontractor to pay the salary of an individual at a rate in excess of \$145,100 per year.



## L. Child Support Compliance Act

County acknowledges, in accordance with Public Contract Code Section 7110 (Document 1E), that:

1. the County recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and
2. the County, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

## M. Year 2000 Compliance

County warrants and represents that the services delivered under this contract are "Year 2000 compliant." For purposes of this contract a service is Year 2000 compliant if it will continue to function fully before, at, and after the Year 2000 without interruption and, if applicable, with full ability to accurately and unambiguously process, display, compare, calculate, manipulate and otherwise utilize date information. This warranty and representation supersedes all warranty disclaimers and limitations and all limitations on liability provided by or through the county.

## N. Federal Principles of Effectiveness (applies to Safe and Drug Free Schools and Communities funding)

County is considered a "grant recipient" for purposes of this clause and agrees to comply with the federal Principles of Effectiveness listed below:

1. A grant recipient shall base its program on a thorough assessment of objective data about the drug and violence problems in the schools and communities served;
2. A grant recipient shall, with the assistance of a local or regional advisory council, which includes community representatives, establish a set of measurable goals and objectives and design its activities to meet those goals and objectives;
3. A grant recipient shall design and implement its activities based on research or evaluation that provides evidence that the strategies used prevent or reduce drug use, violence, or disruptive behavior; and
4. A grant recipient shall evaluate its program periodically to assess its progress toward achieving its goals and objectives and use its evaluation results to refine, improve, and strengthen its program to refine its goals and objectives as appropriate.

## O. Confidentiality of Information

1. The County shall conform to and monitor compliance with all State and federal statutes and regulations regarding confidentiality, including the confidentiality of information requirements at Part 2, Title 42, CFR; Welfare and Institutions Code (hereinafter referred to W&IC), Section 14100.2; Section 11977, Division 10.5 of the HSC; and Title 22, California Code of Regulations (hereinafter referred to as CCR), Section 51009.

2. The County shall ensure that no list of persons receiving services under this contract is published, disclosed, or used for any purpose except for the direct administration of this program or other uses authorized by law that are not in conflict with requirements for confidentiality contained in Title 42, CFR, Part 2; W&IC, Section 14100.2; HSC, Section 1977; and Title 22, CCR, Section 51009.

P. Nondiscrimination in Employment

1. During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporate into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the agreement.

2. The County agrees to post, and further agrees to require its subcontractors to post, in conspicuous places, notices available to all employees and applicants for employment setting forth the provisions of the Equal Opportunity Act [42 USC 2000(e)] in conformance with Federal Executive Order No. 11246. The County agrees to comply, and further agrees to require its subcontractors to comply, with the provisions of the Rehabilitation Act of 1973 (29 USC 794).

Q. Nondiscrimination in Services

1. By signing this contract the County certifies under the laws of the State of California that the County and its subcontractors shall not unlawfully discriminate in the provision of services because of race, color, creed, national origin, sex, age, or physical or mental disability as provided by State and federal law and in accordance with Title VI of the Civil Rights Act of 1964 [42 USC 2000(d)]; Age Discrimination Act of 1975 (42 USC 6101); Rehabilitation Act of 1973 (29 USC 794); Education Amendments of 1972 (20 USC 1681); Americans with Disabilities Act of 1990 (42 USC 12132); Title 45, CFR, Part 84; provisions of the Fair Employment and Housing Act (Government Code Section 12900 et seq.); and regulations promulgated thereunder (Title 2, CCR, Section 7285.0 et seq.); Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section 11135; and Title 9, Division 4, Chapter 6 of the CCR, commencing with Section 10800.
2. For the purpose of this contract, discriminations on the basis of race, color, creed, national origin, sex, age, or physical or mental disability include, but are not limited to, the following: denying a participant any service or providing a benefit to a participant which is different, or is provided in a different manner or at a different time from that provided to other participants under this contract; subjecting a participant to segregation or separate treatment in any matter related to the receipt of any service; restricting a participant in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and/or treating a participant

differently from others in determining whether the participant satisfied any admission, enrollment, eligibility, membership or other requirement or condition which individuals must meet in order to be provided any service or benefit.

3. The County shall, on a cycle of at least every three years, assess, monitor, and document each subcontractor's compliance with the Rehabilitation Act of 1973 and Americans with Disabilities Act of 1990 to ensure that recipients/beneficiaries and intended recipients/beneficiaries of services are provided services without regard to physical or mental disability. The County shall also monitor to ensure that beneficiaries and intended beneficiaries of service are provided services without regard to race, color, creed, national origin, sex, or age.

The County shall include nondiscrimination and compliance provisions in all subcontracts. The County shall establish written procedures under which service participants are informed of their rights including their right to file a complaint alleging discrimination or a violation of their civil rights. Participants shall be provided a copy of their rights that shall include the right of appeal and the right to be free from sexual harassment and sexual contact by members of the treatment, recovery, advisory, or consultant staff.

4. The County shall conduct a self-evaluation and, where appropriate, a transition plan in accordance with the requirements contained in Title 28, CFR, Section 35.105, and Title 45, CFR, Section 84.6. The self-evaluation shall include an assessment of residential alcohol and other drug services consistent with the Voluntary Compliance Agreement between the Office of Civil Rights, DHHS, and the State. For services provided pursuant to a contract, the County may perform the self-evaluation or require the subcontractor perform the self-evaluation. The County agrees to comply with the terms and conditions contained in any applicable voluntary compliance agreements.
5. The County shall keep records to document compliance with the provisions referenced in Article II, Division C, and copies of the required Notice of Client's Rights, in order for the State to determine compliance with Article II, Division C, and with the State and federal legal requirements including the Voluntary Compliance Agreement. Upon request by the State, the County shall provide such records and other data, which may include a valid and appropriate fire clearance for residential facilities, to the State within 30 calendar days.
6. No state or federal funds shall be used by the County or any subcontractors to provide direct, immediate or substantial support to any religious activity.
7. Noncompliance with Article II, Section C, subdivisions 1 through 6, may result in withholding of payments under this contract or termination of any part of a subcontractor's reimbursement.

R. Drug-Free Work Place

By signing this contract the County certifies that the County will comply, and require that subcontractors comply, with the requirements of the Drug-Free Work Place Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free work place by taking the following actions:

1. Publish a statement notifying all employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's work place and specifying the actions that will be taken against employees for violations of the prohibitions as required by the Government Code, Section 8355(a).

2. Establish a drug-free awareness program as required by the Government Code, Section 8355(b) to inform all employees about all of the following:
  - (a) the dangers of drug abuse in the work place;
  - (b) the person's or organization's policy of maintaining a drug-free work place;
  - (c) any available drug counseling, rehabilitation, and employee assistance programs; and
  - (d) the penalties that may be imposed upon employees for drug abuse violations.
  
3. Provide, as required by the Government Code, Section 8355(c), that every employee engaged in the performance of the contract:
  - (a) be given a copy of the County's drug-free policy statement; and
  - (b) as a condition of employment on the contract, agree to abide by the terms of the statement.
  
4. Failure to comply with these requirements for a drug-free work place may result in suspension of payments under the contract or termination of the contract or both, and the County or its subcontractors may be ineligible for future State contracts if the State determines that any of the following has occurred:
  - (a) the County has made false certification; or
  - (b) the County has violated the certification by failing to carry out the requirements as noted above.

S. No Unlawful Use or Unlawful Use Messages Regarding Drugs

The County agrees that information produced through these funds, and which pertains to drug- and alcohol-related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug- or alcohol-related program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (Health and Safety Code Section 11999). By signing this Agreement, the County agrees that the County and its subcontractors will enforce these requirements.

T. Smoking Prohibition Requirements

The County shall comply, and require that subcontractors comply, with Public Law 103-227, also known as the Pro-Children Act of 1994, which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education, or library services to children under the age of 18 if the services are funded by federal programs either directly or through State or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, and Children (WIC) coupons are redeemed.

U. Hazardous Activities

The County shall have liability insurance sufficient to cover hazardous activities pursuant to Section 7.40 of the State Contracting Manual (Document 1S). To the extent the County subcontracts for the provision of transportation services, the County is liable to determine that the subcontractor has sufficient liability insurance to meet the requirements of Section 7.40 of the State Contracting Manual.

V. Noncompliance with Reporting Requirements

The County agrees that the State has the right to withhold County payments until the County has submitted any required data and reports to the State.

W. Disputes

County shall continue with the responsibilities under this Agreement during any disputes.

X. Assignment

This Agreement is not assignable by the contractor, either in whole or in part, without the consent of the State in the form of a formal written agreement.

Y. Indemnification

Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

Z. Independent Contractor

Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the state.

AA. Timeliness

Time is of the essence in this Agreement.

# **Exhibit C**

## **Part I – Negotiated Net Amount Provisions**

# Exhibit C (Part I) – Negotiated Net Amount Provisions

Version One, Effective 7/1/01

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## PART I

## NEGOTIATED NET AMOUNT

## ARTICLE I. FORMATION AND PURPOSE

## A. Authority

The State and County enter into Part I by authority of Chapters 3 and 3.3, Part 1, Division 10.5 of the HSC and with approval of the County Board of Supervisors (or designee) for the purpose of providing alcohol and drug services, which will be reimbursed through this contract. The parties identified are the only parties to the contract.

## B. Control Requirements

1. Performance under Part I is subject to all applicable federal and State laws, regulations, and standards. In accepting the State drug and alcohol combined program allocation pursuant to HSC, Sections 11757(a) and (b), the County shall establish, and shall require subcontractors to establish, written accounting procedures consistent with the following requirements, and shall be held accountable for audit exceptions taken by the State against the County and its subcontractors for failure to comply with these requirements:

- (a) HSC, Division 10.5;
- (b) Title 9, California Code of Regulations, Division 4;
- (c) Government Code, Article 1.7, Federal Block Grants, Chapter 2, Part 2, Division 4, Title 2, commencing at Section 16366.1;
- (d) Government Code, Article 7, Federally Mandated Audits of Block Grant Funds Allocated to Local Agencies, Chapter 1, Part 1, Division 2, Title 5, commencing at Section 53130;
- (e) Title 42, United States Code (USC), Section 300x-5; Reports and Audits for Block Grants;
- (f) Block Grant [Public Law 102-321 (Title 42, USC, commencing at Section 101)];
- (g) Single Audit Act of 1984 (Public Law 98-502) and the Single Audit Act Amendments of 1996 (Public Law 104-156) and corresponding OMB Circular A-133 (Revised June 30, 1997);
- (h) Title 45 Code of Federal Regulations, Part 96, Subparts B, C, and L, Substance Abuse Prevention and Treatment Block Grant;
- (i) Title 21, CFR, Part 291 (Food and Drug Administration Requirements for Narcotic Treatment Programs);
- (j) Title 21, CFR, Part 1300, et. seq. (Drug Enforcement Administration Requirements for Food and Drugs); and
- (k) State Administrative Manual, Chapter 7200

The County shall be familiar with the above laws and regulations and shall assure that the County's subcontractors are also familiar with such laws.



2. The provisions of Part I are not intended to abrogate any provisions of law or regulation, or any standards existing or enacted during the term of this contract.
3. Title 45, CFR, Part 96, Subpart L, contains the minimal provisions that are to be adhered to by the County in the expenditure of the Substance Abuse Prevention and Treatment Block Grant funds. Document 1A, 45 CFR 96, Subpart L, is incorporated by reference.
4. This contract is subject to any additional restrictions, limitations or conditions enacted by the federal or State government that affect the provisions, terms, or funding of this contract in any manner.
5. Documents 1B, 1C, 1D and 1U, which are incorporated by this reference, contain additional requirements that shall be adhered to by those counties that receive the types of funds referenced in Exhibits A1 and A2, which are incorporated by this reference. These exhibits and documents are:
  - Exhibit A1, County Prevention and Treatment Programs Fiscal Summary and Detail Forms;
  - Exhibit A2, Minor Remodeling Costs and Criteria;
  - Document 1B, Safe and Drug-Free Schools and Communities (SDFSC) Act Requirements and 1U, Research-Based Prevention Requirements;
  - Document 1C, Driving Under the Influence Program Requirements; and
  - Document 1D, Services to California Department of Corrections (CDC) - Parolee Services Network Projects and Female Offender Treatment Project.
6. Document 1F, which is incorporated by this reference, describes "Requirements for Data by Date."
7. Document 1G, "Perinatal Services Network Guidelines," contains the requirements for perinatal programs funded under Part I, which includes submission of the "Perinatal Services Monthly Report," is incorporated by reference.
8. Document 1T, "Prevention Activities Data System (PADS) Forms" collects information required in the SDFSC Act and SAPT Block Grants. Reports are required from primary prevention providers on a yearly basis.
9. Document 1V, "Youth Treatment Guidelines," is provided for use by the County in developing and implementing youth treatment programs funded under Part I.
10. Only SGF DMC and SGF DMC Perinatal may be used to match FFP. The County must use all available SGF DMC to fund Minor Consent prior to accessing the reserve. Counties may access the Contingency Reserve Fund when all allocated regular SGF DMC or SGF DMC Perinatal is expended.
11. If the county applied for and received an award for California Mentor Initiative (CMI) funds, the county agrees to comply with (a) terms and conditions of Document 1Q, "Conditions for Use of Funding Received Under the Mentor Initiative Allocation," (b) ADP's CMI Request for Applications, (c) the County-specific proposal, and (d) any amendments to that proposal. If the county received funds for this program in a prior contract with ADP, these documents are on file at ADP and incorporated by this reference. If funds are being added for the first time through this contract, these documents are attached hereto and incorporated by this reference.

12. If the county applied for and received an award for Drug Court-Related Substance Abuse Treatment funds, the county agrees to comply with (a) the department's Drug Court-Related Substance Abuse Treatment Request for Applications, (b) the County-specific proposal, and (c) amendments to that proposal. If the county received funds for this program in a prior contract with ADP, these documents are on file at ADP and incorporated by this reference. If funds are being added for the first time through this contract, these documents are attached hereto and incorporated by this reference.

C. Contract Negotiation

Contract negotiations shall be conducted between the County and the State through their authorized representative(s) each year of the multi-year contract period. Negotiations will be conducted at State headquarters at 1700 K Street, Sacramento, once during the multi-year contract period. In the alternative, negotiations may be conducted by correspondence. However, in the event the County and the State, through their authorized representative(s), cannot resolve issues of disagreement by correspondence, the State reserves the right to require the attendance of the County-authorized representative(s) at State headquarters for the limited purpose of resolving issues of disagreement. Any failure by the State- or the County-authorized representative(s) to attend any scheduled headquarters negotiation at the scheduled time and designated location will constitute a delay by the State or the County, respectively, pursuant to HSC, Section 11758.12(b)(2).

## ARTICLE II. DEFINITIONS

- A. The words and terms of this contract are intended to have their usual meanings unless a particular or more limited meaning is associated with their usage pursuant to HSC, Section 11750 et seq., and Title 9, CCR, Section 9000 et seq. The following definitions shall apply to Part I:
1. **"Available Capacity"** means the total number of units of service (bed days, hours, slots, etc.) that a county actually makes available in the current fiscal year.
  2. **"County"** means (a) the County identified in the Standard Agreement or (b) the department authorized by the County Board of Supervisors to administer alcohol and drug programs.
  3. **"Dedicated Capacity"** means the historically calculated service capacity, by modality, adjusted for the projected expansion or reduction in services, which the County agrees to make available to provide non-DMC drug and alcohol services to persons eligible for county services.
  4. **"Encumbered Amount"** means the amount reflected on the Standard Agreement of this contract and supported by Exhibit A1, the County Prevention and Treatment Programs Fiscal Summary and Detail Forms, as the NNA less the required County match.
  5. **"Final Allocation"** means the amount of funds identified in the last allocation letter issued by the State for the current fiscal year.
  6. **"Modality"** means those necessary general activities identified in the Dedicated Capacity Reports included in the County Prevention and Treatment Programs Fiscal Summary and Detail Forms, Exhibit A1, to provide alcohol and/or drug prevention or treatment that conform to the services available pursuant to Division 10.5 of the HSC.
  7. **"Negotiated Net Amount (NNA)"** means the contracted amount for services agreed to by the State and the County, less funds budgeted for DMC. The net amount reflects only those funds allocated to the County and the required county match for SGF as reflected in the County Prevention and Treatment Programs Fiscal Summary and Detail Forms, Exhibit A1; and Minor Remodeling Costs and Criteria, Exhibit A2. The NNA does not include other revenue budgeted by the County such as client fees or county revenue in excess of the required match for SGF. The cost per unit for the dedicated capacity to be provided for each service modality identified in the contract will be based on the net amount of the contract. Exhibits A1 and A2 will be used as negotiating documents.
  8. **"Performance"** means (a) providing the dedicated capacity in accordance with Exhibit A1; (b) complying with the terms of the expenditures associated with allowable costs for minor remodeling as detailed in Exhibit A2; and (c) abiding by the terms of Articles I and II of the Introduction of this contract including all applicable State and federal statutes, regulations, and standards in expending funds for the provision of alcohol and drug services.
  9. **"Revenue"** means income from sources other than the State allocation and the required county match.
  10. **"Service Element"** is the specific type of service performed within the more general service modalities. A list of the service modalities and service elements and service elements codes is incorporated into this contract as Document 1H, "Service and Program Codes, and Service Code Descriptions."
  11. **"State"** means the California Department of Alcohol and Drug Programs.

12. **"Unit of Service"** means the type of unit used to quantify the service modalities/elements in the dedicated capacity reports. The units of services are listed below:

Support Services	staff hours
Primary and Secondary Prevention Services	staff hours
Nonresidential Services	
Outpatient	staff hours
Aftercare	staff hours
Day Care Habilitative	visit days
Residential Treatment Service	bed days
Narcotic Treatment Program	
Inpatient Detoxification	bed days
Outpatient Detoxification	slot days
Narcotic Replacement Therapy	slot days
Methadone	
Levo-alpha-acetyl-methadol (LAAM)	
Ancillary Services	staff hours
California Mentoring Initiative	staff hours
Driving Under-the-Influence	clients served

13. **"Utilization"** means the total actual units of service used by clients and participants.

## ARTICLE III. FISCAL PROVISIONS

## A. Funding Authorization

1. Part I is valid and enforceable subject to sufficient funds being made available to the State by the United States Government and subject to authorization and appropriation of sufficient funds pursuant to the State's Budget Act.
2. In the event the United States Government and/or the State Government do not authorize and appropriate sufficient funds for the State to allocate amounts pursuant to the Payment Provisions of Part I, it is mutually agreed that the contract shall be amended to reflect any reduction in the Payment Provisions and the Performance Provisions.
3. The participating County shall bear the financial risk in providing any alcohol and/or drug service to the population described and enumerated in Part I within the NNA.

## B. Payment Provisions

1. The NNA shall be based on the projected cost of services less the projected revenues. The projected cost of services shall be based on historical data of actual costs and current capacity provided to the State by the County.
2. The total amount payable by the State to the County under Part I shall not exceed the encumbered amount for each fiscal year. The funds identified for the fiscal years covered by Part I are subject to change depending on the availability of the appropriations by the Legislature and the Federal Government. The amount of funds available for expenditure by the County shall be limited to the amount identified in the final allocations issued by the State for that fiscal year or the NNA, whichever is less. Changes to encumbered funds will require written amendment to the contract. The State may settle costs for NNA services based on the year-end cost settlement report as the final amendment to the approved single state/county contract.
3. In the event a contract amendment is required pursuant to Subdivision 2 above, the County shall submit to the State any contract exhibits requested by the State to initiate the contract amendment. Any such requested exhibits shall be forwarded to the State 60 days after the State issues a notice of the State Budget Act allocation or any revised allocation with the exception of the final allocation. To the extent the County is notified of the State Budget Act allocation prior to the execution of the contract, the State and the County may agree to amend the contract after the issuance of the first revised allocation.
4. The State shall reimburse the County monthly in arrears based upon the amount encumbered for Part I or the Governor's Budget allocation, whichever is less.

The monthly payment shall be at least one twelfth of the NNA portion of the contract.

However, based on the expenditure information submitted by the counties in the Quarterly Federal Financial Management Report, monthly payments of encumbered federal funds may be adjusted to extend the length of time (not to exceed 21 months) payments will be made.

5. Monthly disbursements to the participating County at the beginning of each FY of the contract shall be based on the preliminary allocation of funds by the State as detailed in Exhibit A1, County Prevention and Treatment Programs Fiscal Summary Detail. Final allocations will reflect any increases or reductions in the appropriations as enacted by the Budget Act allocation and any subsequent allocation revisions and shall commence with approval of the contract or contract amendment. To the extent the amendment encumbers an amount that is less than the final allocation, the monthly disbursements will reflect the lesser amount.

6. Monthly payments may be withheld for late submission of reports required pursuant to Article V, or noncompliance with the provisions of Article II, Section H, of the Introduction to this contract. Upon receipt of the report, or compliance with Article II, Section H, the County's monthly payment shall commence with the next scheduled monthly payment, and shall include any funds withheld due to late submission of the report.

Monthly payments will be withheld if the County fails to submit the Budget Act amendment, which includes the County and subcontractor fiscal detail data, due to the State 60 days after the release of the Budget Act allocation.

7. Adjustments may be made to the total NNA of the contract, and amounts may be withheld from payments made pursuant to Subdivision 4 above, for nonperformance to the extent that nonperformance involves fraud, abuse, or failure to achieve the objectives of Part I.

C. Accrual of Interest

Counties are not allowed to retain more than \$100 in interest earned on federal funds per year per Title 45, CFR, 92.21 (I). Interest earned in excess of this amount is to be returned to the State.

D. Transfer of Money

Transfers of 10 percent or more of the contracted amount per fiscal year between modalities included in Part I will require an amendment to the contract. Transfers of less than 10 percent of the contracted amount per fiscal year are subject to prior written approval by the State when the transfers are between modalities and are subject to subsequent reporting by the County to the State consistent with Article V reporting requirements when the transfers are between service elements. Determinants for prior approval will include identification of the amount to be transferred, the location of the transfers, the need for the transfers, and the effect on the negotiated service delivery.

E. Additional Audit Requirements

1. Pursuant to OMB Circular A-133, the County shall require and ensure that providers expending \$300,000 or more in Federal Awards in a year, have a single or program-specific audit performed pertaining to Part I.
- (a) The audit shall be performed in accordance with OMB Circular A-133 (revised June 24, 1997), Audits of States, Local Governments, and Non-Profit Organizations.
  - (b) The audit shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, 1994 Revision, issued by the Comptroller General of the United States.
  - (c) A copy of the audit performed in accordance with OMB Circular A-133 shall be submitted to the State within thirty (30) days of completion, but no later than thirteen (13) months following the end of the provider's fiscal year. However, pursuant to OMB Circular A-133 (Revised June 1997), Subpart C, Section .320(a), the submission deadline was shortened to nine (9) months starting with fiscal years beginning after June 30, 1998.
  - (d) The cost of the audit made in accordance with the provisions of OMB Circular A-133 can be charged to applicable Federal awards. Where apportionment of the audit cost is necessary, such apportionment shall be made in accordance

with generally accepted accounting principles, but shall not exceed the proportionate amount that the award represents of the provider's total revenue.

- (e) The work papers and the audit reports shall be retained for a minimum of three years from the date of the audit reports, and longer if the independent auditor is notified in writing by the State to extend the retention period.
  - (f) Audit work papers shall be made available upon request to the State, and copies shall be made as is reasonable and necessary.
  - (g) The County, in coordination with the State, shall ensure the provider is responsible for follow-up and corrective action on any material audit findings in the single or program-specific audit report.
2. Pursuant to OMB Circular A-133, the State may impose sanctions against a County for not submitting required single or program-specific audit reports. The sanctions shall include:
- (a) Withholding a percentage of Federal awards until the audit is completed satisfactorily;
  - (b) Withholding or disallowing overhead costs;
  - (c) Suspending Federal awards until the audit is conducted; or
  - (d) Terminating the Federal award.
3. Pursuant to OMB Circular A-133, the Counties are required to monitor the activities of their providers expending less than \$300,000 in total Federal funds in a year. This is necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

Limited scope audits, on-site visits, and reviews of documentation supporting requests for reimbursement are monitoring procedures that would be acceptable to OMB in meeting county monitoring objectives. Also, OMB would allow counties to charge Federal awards for the cost of these monitoring procedures.

- (a) Limited scope audits as they are defined in the Circular only include agreed-upon procedures engagements conducted in accordance with either the American Institute of Certified Public Accountant's generally accepted auditing standards or attestation standards, that are paid for and arranged by pass-through entities (counties) and address only one or more of the following types of compliance requirements: (1) activities allowed or unallowed; (2) allowable costs/cost principles; (3) eligibility; (4) matching, level of effort and earmarking; and (5) reporting.
- (b) On-site visits focus on compliance and controls over compliance areas. The reviewer makes site visits to the subrecipient's location(s), and documents the visits using a checklist or program focusing on the compliance areas. All findings noted during the on-site monitoring are handled in the same manner as any exceptions noted during single or program-specific audits.
- (c) Reviews of supporting documentation submitted by providers include, but are not limited to, copies of invoices, canceled checks, and time sheets. Prior to reimbursement the reviewer determines if the costs are allowable under the terms of the Federal award.

4. Audit reports by the State shall reflect any findings, recommendations, adjustments, and corrective action as a result of its findings in any areas.
5. The County shall be responsible for any disallowances taken from the Federal government, the State, or the Bureau of State Audits, as a result of any audit exception that is related to the County's responsibilities herein. The County agrees to develop and implement any corrective action plans in a manner acceptable to the State in order to comply with recommendations contained in the audit report. Such corrective action plans shall include time specific objectives to allow for measurement of progress and are subject to verification by the State within one year from the date of the plan.
6. If differences cannot be resolved between the State and County regarding the terms of the final audit settlements for funds expended under Part I, the County may request an appeal in accordance with the appeal process described in Document 1J, "Audit Appeals Process," incorporated by this reference.

F. Revenue Collection

The County shall conform to revenue collection requirements in Division 10.5 of the HSC, Sections 11841 and 11991.5.

G. County Match Requirements

The County shall comply with the following requirements pursuant to HSC, Sections 11840, 11840.1, and 11987.4:

1. Counties with populations over 100,000:
  - (a) SGF allocations, if any, not used as DMC match shall be funded on the basis of 90 percent SGF and 10 percent County funds, except local hospital inpatient costs to the extent there are allocations made for local hospital inpatient costs, which shall be funded on a basis of 85% SGF and 15% County funds; and
  - (b) State Hospital programs shall be funded on the basis of 85 percent SGF and 15 percent County funds.
2. Counties with populations under 100,000:

State Hospital programs shall be funded on the basis of 90 percent SGF and 10 percent County funds, to the extent that allocations of SGF are made available for State Hospital programs.
3. Perinatal Services Network counties with populations over 100,000:

Perinatal Services Network programs shall be funded on the basis of 90 percent Perinatal State General Fund (PSGF) and 10 percent County funds. The 10 percent County funds match to PSGF funds must be used for perinatal-related activities. The 10 percent County match requirement does not apply to the Women and Children's Residential Treatment Services funds.)
4. Youth Treatment Programs in counties with populations over 100,000:

Youth Treatment Programs shall be funded on the basis of 90 percent SGF and 10 percent County funds. The 10 percent County funds match to SGF must be used for youth treatment activities.



## H. Cost Efficiencies

1. It is intended that the cost to the County in maintaining the dedicated capacity and units of service shall be met by the total funding available for these services. The total funding shall be derived from the negotiated net amounts and other revenues. Amounts awarded pursuant to Part I shall not be used for services where payment has been made, or can reasonably be expected to be made under any other state or federal compensation or benefits program, or where services can be paid for from revenues.
2. Pursuant to HSC, Sections 11758.12 (e), (f), (g), and (h), savings of discretionary State General Funds (SGF) provided through this contract shall be treated as follows:
  - (a) The County shall notify the State by April 1 of the current fiscal year of the estimated amount of retained unspent discretionary SGF to be expended in the next fiscal year beginning July 1.
  - (b) Any savings redirected from the current fiscal year to the next fiscal year plus any accrued interest (see Article III, Section C) shall be included on the identified lines of the budget summary for the next fiscal year contract.
  - (c) Unspent SGF may be retained by the County, less:
    - i. amounts reimbursable to the California Department of Corrections pursuant to Document 1D;
    - ii. amounts deemed necessary by the county to fund allowable DMC costs which exceed DMC maximum rates.
  - (c) Retained SGF may only be spent on identifiable drug and alcohol services in accordance with this contract and shall be included on the identified lines of the budget summary for the subsequent fiscal year.

## I. Expenditure of SAPT Block Grant Funds and SDFSC Funds

1. SAPT Block Grant funds are allocated based upon the Federal Grant award period. The expenditure of these funds is subject to the availability period of the grant award. Any SAPT Block Grant funds that have not been expended by a county at the end of the expenditure period identified below, shall be returned to the State. The SAPT Block Grant funds are not subject to the provisions of Section H.
  - (a) For State Fiscal Year (SFY) 2001/2002, 100% of the Federal Fiscal Year (FFY) 2002 award will be allocated. The expenditure period of the FFY 2002 award is October 1, 2001 through June 30, 2003.
  - (b) For State Fiscal Year (SFY) 2002/2003, 100% of the Federal Fiscal Year (FFY) 2003 award will be allocated. The expenditure period of the FFY 2003 award is October 1, 2002 through June 30, 2004.
  - (c) For State Fiscal Year (SFY) 2003/2004, 100% of the Federal Fiscal Year (FFY) 2004 award will be allocated. The expenditure period of the FFY 2004 award is October 1, 2003 through June 30, 2005.
2. SDFSC funds are allocated based upon the SFY. The expenditure of these funds is subject to the availability period of the grant award. Any SDFSC funds that have not been expended by a county at the end of the expenditure period identified below, shall be returned to the State. The SDFSC funds are not subject to the provisions of Section H.

- (a) The FFY 2001 award will be allocated in SFY 2001/2002. The expenditure period of the SFY award is July 1, 2001 through June 30, 2003.
- (b) The FFY 2002 award will be allocated in SFY 2002/2003. The expenditure period of the SFY award is July 1, 2002 through June 30, 2004.
- (c) The FFY 2003 award will be allocated in SFY 2003/2004. The expenditure period of the SFY award is July 1, 2003 through June 30, 2005.

**ARTICLE IV. PERFORMANCE PROVISIONS****A. Monitoring**

1. The County's performance under Part I shall be monitored during the term of this contract. Monitoring criteria shall include, but not be limited to:
  - (a) whether the quantity of work or services are being performed as identified in Part I, Exhibits A1 and A2;
  - (b) whether the County has established quality standards and is monitoring them;
  - (c) whether the County is abiding by all the terms and requirements of this contract; and
  - (d) whether the County is abiding by the terms of the Perinatal Services Network Guidelines.
2. Failure to comply with the provisions of Article IV, Section A, Subsections (a) through (c) above, may subject the County to suspension of payments and/or recovery of payments made, subject to the right of appeal as referenced in these requirements, or may result in termination of the contract or both.

**B. Performance Requirements**

1. The County's NNA dedicated capacity is the agreed upon available capacity by service modality and capacity, negotiated by the County and the State, identified in Exhibit A1. These services shall be available to persons eligible for alcohol and drug programs, as required by the contract.
2. The County shall provide accessible and appropriate services in accordance with federal and state statutes and regulations to all eligible persons. The County shall assure that in planning for the provision of services, the following barriers to accessible services are considered and addressed:
  - (a) lack of educational materials or other resources for the provision of services;
  - (b) geographic isolation and transportation needs of persons seeking services or remoteness of services;
  - (c) institutional or cultural barriers;
  - (d) language differences;
  - (e) lack of service advocates; and
  - (f) failure to survey or otherwise identify the barriers to service accessibility.
3. The County shall comply with the additional requirements, if any, identified in referenced documents.
4. Amounts awarded pursuant to Part I shall be used exclusively for providing alcohol and/or drug program services consistent with the purpose of the funding.

## ARTICLE V. REPORTING REQUIREMENTS

## A. Financial Reports

1. Fiscal forms, provided as Exhibit A1, the County Prevention and Treatment Programs Fiscal Summary and Detail Forms, are required in accordance with the State's drug and alcohol fiscal reporting system requirements. The County agrees to submit Exhibit A1 with the original contract and with each contract amendment.
2. The County agrees to submit Quarterly Federal Financial Management reports and end-of-year cost data in the form of year-end cost settlement reports, including Document 2P(c), "County Certification Cost Report Year-End Claim for Reimbursement" with an original signature of the County's authorized designee in accordance with Document 1F, "Requirements for Data by Date."

## B. Additional Reports

1. The County agrees to submit to the State in accordance with HSC, Section 11758.12(d), information required by the State. The information shall include, but is not limited to, utilization reports, compliance reports, financial reports, treatment and prevention services reports, demographic characteristics of service recipients, and data as required in Documents 1K, 1L, 1M, 1N and 1R. These documents are incorporated by this reference as follows:
  - Document 1K: Drug and Alcohol Treatment Access Report (DATAR) (which includes and incorporates data from the Provider Waiting List Record);
  - Document 1L: California Alcohol and Drug Data System (CADDs) Participant (Admission and Discharge) Records;
  - Document 1M: California Alcohol and Drug Data System (CADDs) Provider Summary;
  - Document 1N: National Survey of Substance Abuse Treatment Services (formerly "Drug and Alcohol Services Information System [DASIS] Uniform Facilities Data Set [UFDS]");
  - Document 1R: Perinatal Services Monthly Report; and
  - Document 1T: Prevention Activities Data System (PADS) Forms, ADP7235A-G.
2. The County agrees by signing this contract to submit data requested pursuant to this section in a manner identified or on forms provided by the State, and to submit data by the due dates identified herein or in Document 1F, "Requirements for Data by Date."

## ARTICLE VI. GENERAL PROVISIONS

### A. Records

The County shall maintain sufficient books, records, documents, and other evidence necessary for the State to audit contract performance and contract compliance. The County will make these records available to the State, upon request, to evaluate the quality and quantity of services, accessibility and appropriateness of services, and to ensure fiscal accountability. These records shall be sufficient to determine the reasonableness, allowability, and allocability of cost incurred by the County regardless of the location or ownership of such records.

1. The County's contracts with audit firms shall have a clause to permit access by the State to the working papers of the external independent auditor, and copies shall be made as is reasonable and necessary.
2. The County shall keep adequate and sufficient financial records and statistical data to support the year-end documents filed with the State.
3. Accounting records and supporting documents shall be retained for a three-year period from the date the year-end cost settlement report was approved by the Department for interim settlement. When an audit has been started before the expiration of the three-year period, the records shall be retained until completion of the audit and final resolution of all issues that arise in the audit. Final settlement shall be made at the end of the audit and appeal process. If an audit has not begun within three years, the interim settlement shall be considered as the final settlement.
4. Financial records shall be kept so that they clearly reflect the source of funding for each type of service for which reimbursement is claimed. These documents include, but are not limited to, all ledgers, books, vouchers, time sheets, payrolls, appointment schedules, client data cards, and schedules for allocating costs.
5. The County shall require by written contract provisions that subcontractors comply, and require by contract that any subsequent subcontractors comply, with Section A. Records, above, and subdivisions 1 through 4 of thereof.
6. Should a subcontractor of the County discontinue their contractual agreement with the County, or ceases to conduct business in its entirety, the County assumes responsibility to retain fiscal and program records of the subcontractor for the required retention period. The State Administrative Manual (SAM) contains statutory requirements governing the retention, storage, and disposal of records pertaining to State funds.

The County shall follow the statutory requirements contained in SAM as noted in Title 45 CFR, Part 96, Block Grants, Subpart C, Financial Management, Section 96.30, Fiscal and Administrative Requirements, which states in part, "Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds."

If the County cannot physically maintain the fiscal and program records of the subcontractor, then arrangements shall be made with the State to take possession and maintain all records.

### B. Dispute Resolution Process

1. In the event of a dispute arising out of Part I, other than an audit dispute, the disputant shall provide written notice of the particulars of the dispute to the other party before

exercising any other available remedy. Written notice shall include the contract number. The Director (or designee) of the State and the County Drug or Alcohol Program Administrator (or designee) shall meet to discuss the means by which they can effect an equitable resolution to the dispute. The disputant shall receive a written response from the respondent within 60 days of the notice of dispute. The written response shall reflect the issues discussed at the meeting and recommend a resolution to the dispute.

2. In the event of a dispute over financial audit findings between the State and the County, the County may appeal the audit in accordance with the "Audit Appeals Process" (Document 1J), HSC, Sections 11817.8(d) and 11991.6(e), and pursuant to Chapter 5 (commencing with Section 11500) of the Government Code.
3. To ensure that necessary corrective actions occur, both management audit findings and financial audit findings either uncontested or upheld in appeal, may be used by the State during prospective contract negotiations.

**LIST OF EXHIBIT C (PART I) DOCUMENTS INCORPORATED BY REFERENCE\*  
FISCAL YEAR 2001/02**

The following documents are hereby incorporated by reference into Exhibit C (Part I) and as applicable into Exhibit D (Part II) of this contract though they may not be physically attached to the contract.

- Document 1A: Title 45, Code of Federal Regulations 96, Subpart L, Substance Abuse Prevention and Treatment Block Grant Requirements
- Document 1B: Safe and Drug-Free Schools and Communities (SDFSC) Act Requirements
- Document 1C: Driving-Under-the-Influence Program Requirements
- Document 1D: Services to California Department of Corrections (CDC) - Parolee Services Network Projects and Female Offender Treatment Project
- Document 1E: California Public Contract Code, Section 7110
- Document 1F: Requirements for Data by Date
- Document 1G: Perinatal Services Network Guidelines (Non-Drug Medi-Cal)
- Document 1H: Service and Program Codes and Service Code Descriptions
- Document 1J: Audit Appeals Process
- Document 1K: Drug and Alcohol Treatment Access Report (DATAR) (which includes and incorporates data from the Provider Waiting List Record)
- Document 1L: California Alcohol and Drug Data System (CADDs) Participant (Admission and Discharge) Records
- Document 1M: California Alcohol and Drug Data System (CADDs) Provider Summary
- Document 1N: National Survey of Substance Abuse Treatment Services (formerly "Drug and Alcohol Services Information System [DASIS] Uniform Facilities Data Set [UFDS]")
- Document 1P: Program Standards: Alcohol and/or Other Drug Program Certification Standards and Standards for Drug Treatment Programs
- Document 1Q: Conditions for Use of Funding Received Under the California Mentor Initiative Allocation (ADP-RFA-CMI)
- Document 1R: Perinatal Services Monthly Report
- Document 1S: State Contracting Manual Section 7.40 – Insurance Requirements
- Document 1T: Prevention Activities Data System (PADS) Forms, ADP 7235A-G
- Document 1U: Research-Based Prevention Requirements
- Document 1V: Youth Treatment Guidelines

\*Document identifiers 1"I" and 1"O" were not used to avoid confusion with numbers.

# **Exhibit D**

## **Part II – Drug Medi-Cal Substance Abuse Treatment Services Provisions**



**Exhibit D (Part II) – Drug Medi-Cal Substance Abuse Treatment  
Services Provisions**

**Version One, Effective 7/1/01**

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**PART II**

**DRUG MEDI-CAL SUBSTANCE ABUSE TREATMENT SERVICES**

**ARTICLE I. FORMATION AND PURPOSE**

- A. Part II of this contract is entered into by and between the State and the County for the purpose of identifying and providing for covered Drug Medi-Cal (DMC) services for substance abuse treatment in the County service area pursuant to Sections 11987.3 and 11987.5(b) and (c) and Sections 11758.40 through 11758.47 of the Health and Safety Code (hereinafter referred to as HSC), Title 22, CCR (hereinafter referred to as Title 22), Sections 51341.1, 51490.1, and 51516.1 and consistent with the Interagency Agreement between the Department of Health Services (DHS) and the State.
  
- B. It is further agreed that Part II of this contract is controlled by applicable provisions of Welfare and Institutions Code (hereinafter referred to as W&IC), Chapter 7, Sections 14000, et seq., in particular, but not limited to, Sections 14021, 14021.5, 14021.6, 14043, et seq. and 14132.90 and Title 9, California Code of Regulations (hereinafter referred to as CCR), Division 4.
  
- C. It is understood and agreed that nothing contained in Part II shall be construed to impair the single state agency authority of DHS as set out in W&IC, Section 14100.1.
  
- D. The objective of Part II is to make available substance abuse treatment services to Medi-Cal beneficiaries through utilization of Title XIX of the Social Security Act, reimbursable covered services offered by certified DMC service providers.

## ARTICLE II. DEFINITIONS

The words and terms of this contract are intended to have their usual meaning unless a specific or more limited meaning is associated with their usage pursuant to HSC, Title 9, and Title 22, CCR. Definitions of covered treatment modalities and services are found in Title 22, Document 2C, attached and incorporated by this reference. The following definitions shall apply to Part II of this contract:

- A. **"Administrative Costs"** means the County's direct costs to administer the program or an activity to provide service to the DMC program. Administrative costs do not include the cost of treatment or other direct services to the beneficiary. Administrative costs may include, but are not limited to, the cost of training, program review, and activities related to billing.
- B. **"Beneficiary"** means a person who has been determined eligible for Medi-Cal and is not prohibited from benefits under federal law by virtue of institutionalization. A beneficiary who is eligible for DMC services must have a substance-related disorder per the "Diagnostic and Statistical Manual of Mental Disorders III (DSM)," and/or DSM IV criteria, and meet the admission criteria for the covered services in Part II.
- C. **"County"** means (1) the department authorized by the County Board of Supervisors to administer alcohol and drug programs, or (2) the County identified in the Standard Agreement.
- D. **"Covered Services"** means DMC services authorized by Title XIX of the Social Security Act; Title 22, CCR, Section 51341.1; the W & I Code; and California's Medicaid State Plan. Covered services are Naltrexone treatment, outpatient drug-free treatment, narcotic replacement therapy, day care habilitative, and perinatal residential substance abuse treatment.
- E. **"Drug Medi-Cal Program"** means the State system wherein eligible beneficiaries receive covered services from DMC certified substance abuse treatment providers who are reimbursed for the services with SGF and federal Medicaid funds.
- F. **"Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program"** means the federally mandated Medicaid benefit for full-scope Medi-Cal-covered beneficiaries under 21 years of age that provides any Medicaid service necessary to correct or ameliorate a defect, mental illness or other condition, such as a substance-related disorder, discovered during a health screening.
- "EPSDT (Supplemental Service)"** means the supplemental individual outpatient drug-free (ODF) counseling services provided to a beneficiary under the age of 21 years who have full scope Medi-Cal coverage. Supplemental individual ODF counseling consists of any necessary individual alcohol and other drug (AOD) counseling not included in the ODF counseling modality under the Drug Medi-Cal program.
- G. **"Final Settlement"** means permanent settlement of actual allowable costs or expenditures as determined at the time of audit, which shall be completed within three years of the date the year-end cost settlement report was accepted for interim settlement by the state. If the audit has not begun within three years, the interim settlement shall be considered as the final settlement.
- H. **"Interim Payment"** means the one-twelfth (1/12) monthly payment in arrears of SGF from the State to the County for projected costs of providing and/or arranging for covered services described in Part II.
- I. **"Interim Settlement"** means temporary settlement of actual allowable costs or expenditures reflected in the year-end cost settlement report, exclusive of Title 22, CCR, disallowances and units of service denied by DHS for the period covered by Part II.

- J. **"Medical Necessity"** means substance abuse treatment services or in the case of EPSDT, services that meet the criteria specified in Title 22, CCR, Section 51431, which are reasonable and necessary to protect life, prevent significant illness or disability, or alleviate severe pain through the diagnosis and treatment of a disease, illness, or injury.
- K. **"Minor Consent Drug Medi-Cal Services"** means drug and alcohol abuse treatment and counseling services and other services mandated by the California Family Code, which provides that a person age 12 through 20 may, without parental consent, receive services related to drug and alcohol abuse. Except for full-scope Medi-Cal beneficiaries age 12 through 20 who have a zero share-of-cost Medi-Cal card, and who are only using the confidentiality provisions of the minor consent regulations, reimbursements for minor consent services are 100 percent State General Fund. Federal financial participation is limited to perinatal clients.
- "(Perinatal) Minor Consent DMC"** means pregnancy-related and family planning DMC services that may include drug and alcohol abuse services. The services must be relevant to the pregnancy and not covered as stand alone services. These services will be reimbursed at 51.67 percent FFP and 48.33 percent SGF until October 1, 2000 at which time the split will become 51.25 percent FFP and 48.75 percent SGF. For more information see ADP Letter 97-52, "New Minor Consent Aid Codes and Minor Consent Services to Pregnant/Postpartum Youth," dated September 17, 1997 (Document 2W).
- L. **"Narcotic Treatment Program "** means an outpatient service that provides narcotic replacement therapy using methadone and/or levoalphacetylmethadol (LAAM), directed at stabilization and rehabilitation of persons who are opiate addicted and have a substance abuse diagnosis.
- M. **"Performance Report"** means an annual report based on information submitted by NTPs via the program's DMC monthly claim form that is incorporated into a report in lieu of cost reports.
- N. **"Postpartum,"** (as defined for DMC purposes) means the sixty (60) day period beginning on the last day of pregnancy, regardless of whether other conditions of eligibility are met. Eligibility shall end on the last day of the calendar month in which the 60<sup>th</sup> day occurs.
- O. **"Postservice Postpayment Utilization Review"** means the review for program compliance and medical necessity after service was rendered and the claim paid. The State may take appropriate steps to recover payments made if subsequent review uncovers evidence that the claim should not have been paid.
- P. **"Projected Units of Service"** means the number of reimbursable DMC units of service, based on historical data and current capacity, the County expects to provide during each month.
- Q. **"Protected Population"** means (1) EPSDT eligible Medi-Cal beneficiaries under age 21 and (2) pregnant and postpartum women.
- R. **"Provider of DMC Services"** means any public or private agency that provides direct substance abuse treatment services and is certified by the State as meeting applicable standards for participation in the DMC Program as defined in the "DMC Certification Standards for Substance Abuse Clinics," Document 2E.
- S. **"Recipient County"** means a county that has received SGF in excess of the County's Fiscal Year 1993-94 SGF allocation for the purpose of funding their projected units of services to beneficiaries.
- T. **"Service Area"** means the geographical area under the jurisdiction of the County wherein the beneficiaries will have access to DMC covered services.

- U. **"Statewide Maximum Allowances (SMA)"** means the maximum amount authorized to be paid by DMC for each covered unit of service for outpatient drug free, day care habilitative, perinatal residential, and Naltrexone treatment services. Rates are subject to change annually. The SMA for FY 2000-01 are listed in the **"Unit of Service"** table in Article II, Section Y.
- V. **"Subcontractor"** means an agency which enters directly or through another subcontractor into an agreement with the County to be a direct provider of covered services to eligible beneficiaries or to be a vendor with a procurement agreement to provide any of the administrative functions related to fulfilling the obligations under the terms of Part II.
- W. **"Subcontract"** means any agreement between the County and the subcontractor for providing administrative services for the County or for providing direct services to the beneficiaries. The subcontractor is prohibited from subcontracting out direct services to another subcontractor.
- X. **"Uniform Statewide Monthly Reimbursement (USMR) Rate"** means the rate for an NTP which is based on a unit of service that is a calendar month of treatment service provided pursuant to Title 22, CCR, Section 51341.1, and Title 9, CCR, Chapter 4 commencing with Section 10000. See Title 22, Section 51516.1, for NTP services and the following table for the FY 2000-01 USMR.

Service	Type of Unit of Service (UOS)	Non-perinatal UOS (*)	Perinatal UOS (*)	Rate
NTP-Methadone	Daily	\$9.08	\$10.35	Maximum
	Monthly	\$276.18	\$314.81	
NTP-LAAM	Dose	\$22.46	N/A	Maximum
	Monthly	\$291.98	N/A	
NTP-Individual Counseling (**)	One 10 minute increment	\$12.78	\$21.85	Maximum
NTP Group Counseling (**)	One 10 minute increment	\$3.40	\$5.60	Maximum

(\*) The combined daily rates for methadone core, lab work, and dosing include \$.83 for non-perinatal services and \$.95 for perinatal services for County administrative cost. The combined daily rates for LAAM core, lab work, and dosing include \$2.06 for County administrative cost. The rate for individual counseling includes \$1.17 for non-perinatal services and \$2.01 for perinatal services for County administrative costs. The rate for group counseling includes \$.31 for non-perinatal services and \$.51 for perinatal services for County administrative costs. The subcontractor's claims shall be adjusted to reimburse the County for these costs.

(\*\*) The NTP subcontractors may be reimbursed for up to 200 minutes (20 10-minute increments) of individual and/or group counseling per calendar month per beneficiary.

Y. "Unit of Service" means a face-to-face contact on a calendar day for outpatient drug free, day care habilitative, perinatal residential, and Naltrexone treatment services. Only one face-to-face service contact per day is covered by DMC except emergencies when an additional face-to-face contact may be covered for crisis intervention. To count as a unit of service, the second contact shall not duplicate the services provided on the first contact, and each contact shall be clearly documented in the beneficiary's record. Units of service and SMA for FY 2000-01 are listed as follows:

Service	Type of Unit of Service (UOS)	Non-perinatal UOS	Perinatal UOS	Rate
Day Care Habilitative	Face-to-Face Visit	\$67.93 EPSDT only	\$70.62	Maximum Allowance
Naltrexone Treatment	Face-to-Face Visit	\$21.83	N/A	Maximum Allowance
Outpatient Drug Free Treatment	Face-to-Face			Maximum Allowance
	Individual Group	\$63.90 \$30.60	\$109.26 \$50.40	
Perinatal Residential	Residential Day	N/A	\$76.18	Maximum Allowance

## ARTICLE III. PROVISION OF SERVICE

## A. Covered Services

1. The County shall establish assessment and referral procedures to arrange, provide for, or subcontract for the provision of covered substance abuse treatment services for beneficiaries in need of such services in the County service area. Covered services include:
  - (a) outpatient drug-free treatment;
  - (b) narcotic replacement therapy;
  - (c) Naltrexone treatment;
  - (d) day care habilitative; and
  - (e) perinatal residential substance abuse treatment services.
2. In the event of a conflict between the definition of services contained in Article II of Part II and the definition of services in Sections 51341.1, 51490.1, and 51516.1 of Title 22, CCR, the provisions of Title 22 shall govern.
3. A preprogrammed diskette for entry of the county budget and cost report of expenditures and revenues, entitled "County Prevention and Treatment Fiscal Detail," for covered services as established by the County for current subcontractors will be provided by the State.

## B. Federal and State Mandates

1. The County, to the extent applicable, shall comply with Document 2A "Sobky v. Smoley, Judgment," signed February 1, 1995, in 855 F. Supp. 1123 (E.D. Cal 1994), incorporated by this reference.
2. The County shall comply with any additional legal requirements including any court ordered requirements or statutory or regulatory amendments to existing law including changes in covered services that are imposed subsequent to the execution of this contract and the contract shall be amended to reflect these requirements, amendments, or changes.
3. The County shall comply with federal laws and Title 22, CCR, to provide substance abuse treatment services deemed medically necessary for Medi-Cal eligible: (1) pregnant and postpartum women and (2) youth under age 21 who are eligible under the EPSDT Program.
4. The County shall comply with the California Family Code to provide Minor Consent Medi-Cal Services per Title 22.
5. The County shall maintain continuous availability and accessibility of covered services, facilities, service sites, and personnel to provide the covered services in the County service area. Such services shall not be artificially limited due to budgetary constraints.
  - (a) When a request for covered services is made by a beneficiary, the County shall require services to be initiated with reasonable promptness.
    - i. The County will have a documented system for monitoring and evaluating accessibility of care, including a system for addressing problems that develop regarding waiting times and appointments.

- ii. The County shall comply, and shall require that subcontractors comply, with Documents 2B, "Provider Waiting List Record" and 1K, "Drug and Alcohol Treatment Access Report (DATAR)," which are incorporated by this reference. Beneficiary specific information from Document 2B shall be incorporated as aggregate data in Document 1K. Document 1K shall be submitted to the State monthly, by the tenth of each month following the month for which the data is collected, in accordance with the capacity/waiting list management user manual that the State will provide to the County.
    - iii. The County shall comply, and shall require that subcontractors comply, with Document 1L, the "California Alcohol and Drug Data System (CADDs)" Participant Record (ADP Form 7360), and Document 1M, the "California Alcohol and Drug Data System Provider Summary Report (ADP Form 7365), samples of which are incorporated by this reference. Documents 1L and 1M shall be submitted in accordance with the instruction manual or all cartridge, diskette or Internet based submission specifications that the State will provide to the County.
    - iv. The County shall comply, and shall require that subcontractors comply, with Document 1N, the "Drug and Alcohol Services Information System (DASIS)" and the "Uniform Facility Data Set (UFDS)," a sample of which is incorporated by this reference. Data shall be submitted in accordance with the instructions that the State will provide to the County.
  - (b) The County shall require that treatment programs are accessible to people with disabilities in accordance with Title 45, Code of Federal Regulations (hereinafter referred to as CFR), Part 84.
6. Covered services, provided either directly by the County or through subcontracts with private programs, in the County service area will be provided to beneficiaries without regard to the beneficiaries' county of residence.
7. In the event the County fails to comply with subdivisions 1 through 6 of this Section, the State may exercise its rights under subdivision 12.
8. The County shall notify the State in writing prior to reducing the provision of covered services to be provided in the County service area under this contract. In addition, a proposal to change the location for the provision of covered services, or to reduce their availability, shall be provided in writing to the State 60 days prior to the proposed effective date. Implementing the proposed changes are prohibited if the State denies the County's proposal to make changes.
9. The County shall amend County/subcontractor contracts to provide sufficient SGF DMC to match allowable federal Medicaid reimbursements for any increase in provider DMC services to beneficiaries.
10. The County shall require that providers of perinatal DMC treatment services are certified to provide these services and comply with the requirements contained in Services for Pregnant and Postpartum Women of Title 22, CCR, Section 51341.1, incorporated by this reference. The County shall submit to the State, Document 2D, "Perinatal Services Monthly Report," incorporated by this reference, no later than 30 days after the last day of the reporting month.



11. Any county failing to provide covered services in accordance with federal or State statutes and regulations or in accordance with the provisions of this Agreement shall risk forfeiture of the DMC SGF allocation and surrender its authority to function as the administrator of covered services in the County service area.
12. Failure to comply with Section B, Subdivision 3, of this Article will be deemed a breach of this contract sufficient to terminate this contract in accordance with Article I, Section G, Subsection 2, of the Introduction.

C. Provider Participation, Certification, Recertification, and Appeals

1. The State shall review and certify the providers to participate in the DMC Program. Certification agreements will not be time limited. Recertification on-site visits will be conducted at clinics for circumstances identified in the "Drug Medi-Cal Certification Standards for Substance Abuse Clinics," Document 2E, which is incorporated by this reference.
  - (a) Document 2E contains the appeal process in the event the State disapproves a provider's request for certification or recertification and shall be included in the County's subcontract with the provider.
  - (b) The County shall include a provision in the County's subcontract notifying the provider that assistance may be sought from the State in the event of a dispute over the terms and conditions of the County's subcontract.
2. The County shall require that the providers of services are licensed, registered, certified and approved as required by the appropriate agencies. Where applicable, the County shall require as a condition of County subcontracts that providers comply with the following regulations and guidelines:
  - (a) Title 21, CFR, Parts 291 and 1300, et seq. and Title 9, CCR, Chapter 4, Sections 10,000, et seq.;
  - (b) Drug Medi-Cal Certification Standards for Substance Abuse Clinics, Document 2E;
  - (c) Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1, Document 2C; and
  - (d) Standards for Drug Treatment Programs, Document 1P, incorporated by this reference; and
  - (e) Title 9, CCR, Chapter 5, Section 10500, et seq.

In instances where inconsistencies occur, the provisions of Title 22, CCR shall apply.

3. If, at any time, the provider's license, registration, certification, or approval to operate a substance abuse treatment program is revoked, suspended, modified, or not renewed, the State may amend this Agreement as described in the Introduction, Article I, Section F, herein.

## ARTICLE IV. FISCAL PROVISIONS

### A. Reimbursements

To the extent the County provides the required services in a satisfactory manner, the State agrees to pay the County SGF and federal Medicaid funds according to the procedures delineated in Article V, Invoice/Claim and Payment Procedures, of Part II. The County shall be reimbursed federal Medicaid funds for allowable expenditures as established by the federal government and approved by DHS, subject to the availability of such funds, for the cost of services rendered to beneficiaries.

1. Reimbursement for covered services shall be made in accordance with applicable provisions of Title 22, CCR, Sections 51431.1, 51516.1, 51490.1, and all other currently applicable policies and procedures.
2. It is understood and agreed that failure by the County to comply with applicable federal and state requirements in rendering the covered services under Part II shall be sufficient cause for the State to deny payments to and/or recover payments from the County. If the State, DHS, or DHHS disallows or denies payments made to the County for any claim submitted by the County, the County shall repay to the State, federal Medicaid funds, and SGF for all claims so disallowed or denied.

Before such denial, recoupment, or disallowances are made, the State shall provide the County with written notice of its proposed action. Such notice shall include the reason for the proposed action and shall allow the County 60 days to submit additional information before the proposed action is taken.

3. If, during the term of this contract, allowable DMC services for beneficiaries exceed the maximum amount of Part II, the County shall submit a request to the State, in writing for additional SGF DMC funding to meet the requirements of Article III.
3. The County may apply to the State for additional SGF DMC to provide allowable DMC services in accordance with the provisions of this Agreement if the County has utilized all available SGF appropriated for DMC for the purposes of DMC match.
5. This contract encumbers a specific amount of SGF DMC to be used in accordance with the County's allocation as described in the State's final allocation notice. This amount is intended to cover all anticipated need for SGF DMC for Part II of this contract. If the need for allowable DMC services for beneficiaries is less than anticipated in any particular fiscal year, the State may transfer unspent SGF DMC to SGF discretionary services through a contract amendment, the cost settlement process, or other available process.

### B. Return of Unexpended Funds

The County assumes the total cost of providing covered services listed in Part II, Article III, herein on the basis of the payments delineated in Part II, Article V, herein. Any federal Medicaid funds and SGF DMC for DMC services paid to the County, but not expended by the County after having fulfilled all obligations under this contract will be returned to the State.

### C. Availability of Funds

For the mutual benefit of both parties, it is understood that this contract may have been written before ascertaining the availability of congressional appropriation of funds in order to avoid program and fiscal delays that would occur if the agreement were executed after that determination.

D. Additional Restrictions

This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purpose of this program. This Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress, or any statute enacted by the Congress, which may affect the provisions, terms, or funding of this Agreement in any manner.

E. Amendment or Cancellation Due to Insufficient Appropriation

It is mutually agreed that if the Congress does not appropriate sufficient funds for this program that this Agreement will be amended to reflect any reduction in funds. The State has the option to void this Agreement under the 30-day cancellation clause or to amend the Agreement to reflect any reduction of funds.

F. Exemptions

Exemptions to the provisions in Article IV, Sections C through E above, may be granted by the California Department of Finance provided that the Director of DHS certifies in writing that federal funds are available for the term of the contract.

G. Payment for Covered Services

The State and County agree that any payment for covered services rendered in accordance with Part II shall only be made pursuant to applicable provisions of Title XIX of the Social Security Act; the W&IC; California's Medicaid State Plan; and Sections 51341.1, 51490.1, 51516.1, and 51532 of Title 22, CCR.

1. The County shall be reimbursed by the State on the basis of the County's actual net reimbursable cost, including any allowable County administrative costs, not to exceed the unit of service maximum rate.

Reimbursement to NTP providers shall be limited to the lower of either the uniform statewide monthly reimbursement rate, pursuant to HSC, Section 11758.42 (c), or the provider's usual and customary charge to the general public for the same or similar service.

2. Pursuant to HSC, Section 11987.5(a)(2), the County shall reimburse providers that receive a combination of Medi-Cal funding and other federal or State funding for the same service element and location based on actual costs in accordance with Medi-Cal reimbursement requirements. Payments at negotiated rates shall be settled to actual cost at year-end.

H. Allowable Costs

Allowable costs, as used in Section 51516.1 of Title 22, CCR shall be determined in accordance with Title 42, CFR, Parts 405 and 413, and HCFA-15, "Provider Reimbursement Manual." Funds allocated under Part II, including perinatal funding for perinatal services inclusive of case management services, as defined in "Services for Pregnant and Postpartum Women," Title 22, Section 51341.1, may not be used as match for targeted case management services (W&IC, Section 14132.44) or claiming for Medi-Cal administrative activities (W&IC, Section 14132.47).

I. Records and Additional Audit Requirements

1. Accurate fiscal records and supporting documentation shall be maintained by the County and its subcontractors to support all claims for reimbursement.

2. Should a contractor of the County discontinue operations, the County assumes the responsibility to retain fiscal and program records of that contractor for the required retention period.
3. Accounting records and supporting documents shall be retained for a three-year period from the date the year-end cost settlement report was approved by the Department for interim settlement. When an audit has been started before the expiration of the three-year period, the records shall be retained until completion of the audit and final resolution of all issues that arise in the audit. Final settlement shall be made at the end of the audit and appeal process. If an audit has not begun within three years, the interim settlement shall be considered as the final settlement.
4. In addition to the requirements set forth in Article I of the Introduction, the State may also conduct financial audits of DMC programs, exclusive of NTP services provided on or after July 1, 1997 to accomplish any or all, but not limited to, the following audit objectives:
  - (a) To review reported costs for validity, appropriate allocation methodology, and compliance with Medicaid laws and regulations;
  - (b) To ensure that only the cost of allowable DMC activities are included in reported costs;
  - (c) To determine the provider's usual and customary charge to the general public in accordance with HCFA-15 (Provider Reimbursement Manual) for comparison to the DMC cost per unit;
  - (d) To review documentation of units of service and determine the final number of approved units of service;
  - (e) To determine the amount of clients' third-party revenue and Medi-Cal share of cost to offset allowable DMC reimbursement; and
  - (f) To compute final settlement based on the lower of actual allowable cost, the usual and customary charge, or the maximum allowance, in accordance with Title 22, CCR, Section 51516.1.
5. For NTP services on or after July 1, 1997, audits will address items 4(c) through 4(e) above, except that the comparison in 4(c) will be to the DMC uniform monthly rate in lieu of DMC cost per unit. In addition, these audits will include, but not be limited to:
  - (a) For those NTP providers required to submit a cost report pursuant to HSC, Section 11758.46(h)(2), a review of cost allocation methodology between NTP and other service modalities, and between DMC and other funding sources;
  - (b) A review of actual costs incurred for comparison to services claimed;
  - (c) A review of counseling claims to ensure that the appropriate group or individual counseling rate has been used;
  - (d) A review of the number of clients in group sessions to ensure that sessions include no less than four and no more than ten clients;
  - (e) Computation of final settlement based on the lower of the uniform monthly rate or the usual and customary charge to the general public; and
  - (f) A review of supporting service, time, and financial records to verify validity of counseling claims.

6. Audit reports by the State and/or DHS shall reflect any findings, recommendations, adjustments, and corrective action as appropriate as a result of its findings in any areas.
7. The County shall be responsible for any disallowances taken by the federal government, the State, the Bureau of State Audits, or DHS as a result of any audit exception that is related to the County's responsibilities herein.
8. The County agrees to develop and implement any corrective action plans in a manner acceptable to the State in order to comply with recommendations contained in the audit report. Such corrective action plans shall include time specific objectives to allow for measurement of progress and are subject to verification by the State within one year from the date of the plan.
9. The County, in coordination with the State, must provide follow-up on significant findings in the audit report and submit the results to the State.
10. If differences cannot be resolved between the State and/or DHS and the County regarding the terms of the final audit settlements for funds expended under Part II, the County may request an appeal in accordance with the appeal process described in the "Audit Appeals Process," Document 1J, incorporated by this reference.

**ARTICLE V. INVOICE/CLAIM AND PAYMENT PROCEDURES****A. Interim Payments**

1. The State shall reimburse the County:
  - (a) a monthly interim payment in arrears of one twelfth (1/12) of the approved contract amount (Exhibit A1) for SGF DMC funds for the period July through September. Beginning with October, the SGF DMC payments will be based on approved services. When the DMC services are for Minor Consent, the State shall pay the County a monthly interim payment from SGF of 100 percent of the projected cost of the projected units of service. In the event the contract is approved for the State fiscal year period subsequent to July 1, the State will pay the County an interim payment to pay the provider for DMC beneficiary services retroactive to July 1.
  - (b) the federal Medicaid amount upon approval by the DHS of the monthly claims and reports submitted in accordance with Section B, Subdivision 1 of this Article.
  - (c) the federal Medicaid and SGF at the fixed rate for NTPs and at a rate that is the lesser of the projected cost or the maximum rate allowance for other DMC modalities.
2. The State will adjust subsequent reimbursements to the County to actual allowable costs. Actual allowable costs are defined in the Health Care Financing Administration's (HCFA) Provider Reimbursement Manual.

**B. Monthly Claims and Reports**

1. In accordance with Title 22, CCR, Section 51516.1, counties or NTPs that exclusively bill the State or the County for services identified in HSC, Section 11758.42 are required to submit claim forms by paper or electronic submission. These forms include Documents 2G, 2H, 2J, 2K and 2L, which are incorporated by this reference:

Document 2G, DMC Eligibility Work Sheet (ADP Form 1584)

Document 2H, Monthly Claim for DMC Reimbursement and Monthly Provider Service and Revenue Summary (ADP Form 1592);

Document 2J, Provider Report of DMC Claims Adjustments (ADP Form 5035C – Revised 9/99); and

Document 2K, Multiple Billing Override Certification (ADP Form 7700)

Document 2L, Good Cause Certification (ADP Form 6065).
2. Except for good cause stated on Document 2L, Good Cause Certification (ADP Form 6065), failure to submit claims within 30 days of the end of the month of service shall result in the denial of such claims for payment.
3. Good cause shall be determined and approved by the State in accordance with W&IC, Section 14115 and Title 22, CCR, Section 51008.

4. Monthly claims for reimbursement shall include only those case management services, as defined in Services for Pregnant and Postpartum Women, Title 22, CCR, Section 51341.1 and administrative charges not claimed pursuant to W&IC, Sections 14132.44 and 14132.47.

C. Year-End Cost Settlement Reports and Performance Reports

1. The State will not accept year-end cost settlement reports from subcontractor(s) directly. Pursuant to HSC, Section 11758.46 (h)(2) the County shall submit to the State, on November 1 of each year, the following documents incorporated by this reference and/or a diskette representative.
  - (a) Document 2M(a) through 2M(h), DMC Fiscal Detail, Program Cost Summary (7990 Forms).
  - (b) Document 2P(c), County Certification Year- End Claim for Reimbursement (Form ADP 17885).
  - (b) Document 2Q(a) through 2Q(j), DMC Fiscal Detail, Report of Expenditures and Revenues (7895 Forms).
  - (d) Document 2T(a), NTP DMC Cost Summary – Alcohol and Drug Services (Form ADP 7990NAC 7990NTP-AD-C)
  - (e) Document 2T(p), NTP DMC Cost Summary – Perinatal Services (Form ADP 7990NPC 7990NTP-P-C)

The following documents are required only if a provider receives both NNA and DMC funding for the provision of ODF or DCH services:

- (f) Document 2S(g-1) and 2S(g-2), Cost Report Funding Application Worksheets For ODF-Group
  - (g) Document 2S(l-1) and 2S(l-2), Cost Report Funding Application Worksheets for ODF-Individual
  - (h) Document 2S(d-1) and 2S(d-2), Cost Report Funding Application Worksheets for DCH
1. The State may settle costs for DMC services based on the year-end cost settlement report as the final amendment to the approved single state/county contract.
  2. NTPs that bill the State or the County exclusively for services identified in HSC, Section 11758.42 shall be exempt from the requirements of paragraph C1 above. The State shall develop performance reports based on data submitted by these providers by November 1 of each fiscal year.
  4. Reimbursement for alcohol and drug treatment services provided under Part II shall be limited to the lower of: (a) the provider's usual and customary charges to the general public for the same or similar services; (b) the provider's actual allowable costs; or (c) the DMC SMA for the appropriate modality.
  5. Reimbursement to NTPs that meet the Subsection 3 requirement, shall be limited to the lower of either the USMR rate, pursuant to HSC, Section 11758.42, or the provider's usual and customary charge to the general public for the same or similar service.

**ARTICLE VI. POSTSERVICE POSTPAYMENT UTILIZATION REVIEW**

- A. Title 22, CCR, Section 51341.1, describes the utilization controls applied to all DMC services. Service and payment audit controls, which are reviewed for medical necessity and program coverage after services are rendered and the claim paid, will apply to covered services provided under Part II.
- B. The State shall take appropriate steps to recover payments made if subsequent investigation uncovers evidence that the claim(s) should not have been paid or that DMC services have been improperly utilized.
- C. The State shall monitor the subcontractor's compliance with postservice postpayment utilization review requirements in accordance with Title 22, CCR. DHS and the federal government may also review the existence and effectiveness of the State's utilization review system in accordance with federal requirements
- D. The County shall implement and maintain compliance with the system of review described in Title 22, CCR, Section 51341.1, to review the utilization, quality, and appropriateness of covered services funded by Part II and to ensure that applicable Medi-Cal requirements are met.



**LIST OF EXHIBIT D (PART II) DOCUMENTS  
INCORPORATED BY REFERENCE\*  
FISCAL YEAR 2001/02**

The following documents are hereby incorporated by reference into Exhibit D (Part II) of the combined County contract though they may not be physically attached to the contract.

Document 2A:	Sobky v. Smoley, Judgement, Signed February 1, 1995
Document 2B:	Provider Waiting List Record
Document 2C:	Title 22, California Code of Regulations
Document 2D:	Perinatal Services Monthly Report
Document 2E:	Drug Medi-Cal Certification Standards for Substance Abuse Clinics
Document 2F:	Monthly Interim Payment Claim for Drug Medi-Cal State General Funds (applicable to direct providers only)
Document 2G:	Drug Medi-Cal Eligibility Work Sheet
Document 2H:	Monthly Claim for DMC Reimbursement, Monthly Provider Service and Revenue Summary
Document 2J:	Report of Drug Medi-Cal Disallowances by Provider
Document 2K:	Multiple Billing Override Certification
Document 2L:	Good Cause Certification
Documents 2M(a) through 2M(h):	ADP DMC Fiscal Detail, DMC Program Cost Summary (7990 Forms)
Document 2N:	State of California, Department of Health Services Additional Provisions (for Federally Funded Subvention Aid/Local Assistance Cost Reimbursement Contracts/Grants)
Document 2P(c):	County Certification - Cost Report Year-End Claim For Reimbursement
Document 2P(d):	Direct Provider Certification - Year-End Claim for Reimbursement
Documents 2Q(a) through 2Q(j):	ADP DMC Fiscal Detail, Report of Expenditures (7895 Forms)
Documents 2S(g-1) and 2S(g-2):	Cost Report Funding Application Worksheets for ODF-Group
Documents 2S(l-1) and 2S(l-2):	Cost Report Funding Application Worksheets for ODF-Individual

\*Document identifiers 2"I" and 2"O" were not used in order to avoid confusion with numbers.  
Document identifier 2"R" is not being used at this time.

LIST OF EXHIBIT D (PART II) DOCUMENTS

(cont'd.)

- Documents 2S(d-1)  
and 2S(d-2): Cost Report Funding Application Worksheets for DCH
- Document 2T(a): NTP DMC Cost Summary – Alcohol and Drug Services (Form ADP 7990  
NTP-AD-C)
- Document 2T(p): NTP DMC Cost Summary – Perinatal Services (Form ADP 7990NTP-P-C)
- Document 2V: Narcotic Treatment Programs Quarterly Performance Report (report  
generated by ADP)
- Document 2W: ADP Letter 97-52, “New Minor Consent Aid Codes and Minor Consent  
Services to Pregnant/Postpartum Youth”

\*Document identifier 2"U" was not used in order to avoid confusion with 2"V."

*Clerk of the Board*

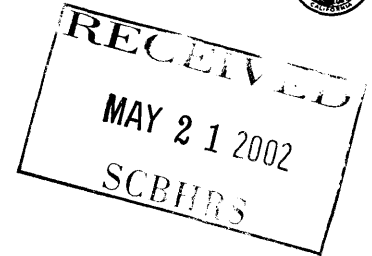
**CALIFORNIA DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

1700 K STREET  
SACRAMENTO, CA 95814-4037  
TDD (916) 445-1942  
(916) 323-2066

BOARD OF SUPERVISORS



2002 MAY 21 P 2: 17



DATE: May 14, 2002

TO: CONNIE MORENO-PERAZA, STANISLAUS COUNTY  
COUNTY ALCOHOL AND OTHER DRUG PROGRAM ADMINISTRATOR

FROM: Kathy Anderson, Contracts Office, Division of Administration

RE: APPROVED CONTRACT

Enclosed is a complete copy of your fully approved contract with the State Department of Alcohol and Drug Programs. Also enclosed is a copy for your Board of Supervisors. Please forward it to the appropriate person for processing.

If you have any questions regarding the provisions of this contract please contact your county analyst.

**Copies of this approved contract are being distributed as follows:**

- County Administrator (complete contract w/original signature)
- County Board of Supervisors (complete contract w/original signature)
- ADP Administration Contracts Office (face sheet only w/original signature)
- ADP Analyst, Contracts Management Branch (face sheet only)
- ADP Contracts Management Branch File (complete contract)
- ADP Accounting Office (face sheet, Exhibit. A-1, & agreement/summary)
- State Controllers Office (face sheet, Exhibit A-1, & agreement/summary)

Enclosures



7-31-01  
\*R-4

**STANDARD AGREEMENT AMENDMENT**

STD. 213 A (Rev 9/01)

<input checked="" type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED	65 Pages	AGREEMENT NUMBER <b>COUNTY50</b>	AMENDMENT NUMBER <b>1 (01/02)</b>
---	----------	-------------------------------------	--------------------------------------

1. This Agreement is entered into between the State Agency and Contractor named below:
- STATE AGENCY'S NAME  
Department of Alcohol and Drug Programs (ADP)
- CONTRACTOR'S NAME  
County of Stanislaus
2. The term of this Agreement is: July 1, 2001 through June 30, 2005
3. The maximum amount of this Agreement after this amendment is: \$3,520,037 (FY 2001/02 only)  
Three million, five hundred twenty thousand, thirty-seven dollars and no cents.
4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

Paragraph 3 of the contract face sheet is amended to decrease the FY 2001/02 contract amount by \$25,349 for a new FY 2001/02 amount as shown above.

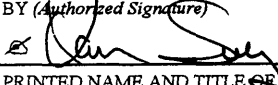
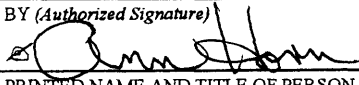
Paragraph 4 of the contract face sheet is amended, effective 7/1/01, to add the following documents:

- Exhibit A-1, County Prevention and Treatment Programs Fiscal Summary V.1a, and corresponding budget detail forms, FY 2001/02;
- Exhibit B, General Terms and Conditions, Version Two;
- Exhibit C, Part I, Negotiated Net Amount Provisions, Version Two; and
- Exhibit D, Part II, Drug Medi-Cal Substance Abuse Treatment Services Provisions, Version Two.

The effective date of this amendment is July 1, 2001.

All other terms and conditions shall remain the same.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>CONTRACTOR</b>		<b>CALIFORNIA</b> Department of General Services Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)		
County of Stanislaus		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 4/22/02	
PRINTED NAME AND TITLE OF PERSON SIGNING LARRY B. POASTER, Ph.D., DIRECTOR		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME		X Exempt per: DGS memo dated 7/10/96 and Welfare and Institutions Code 14087.4
Department of Alcohol and Drug Programs		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 5/10/02	
PRINTED NAME AND TITLE OF PERSON SIGNING Ann Horn, Deputy Director, Division of Administration		
ADDRESS 1700 K Street, Sacramento, CA 95814-4037		

**FISCAL ALLOCATION DETAIL**  
**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**  
 2001-02 NNA /Drug Medi-Cal Budget V.1a

Stanislaus County

STATE FUNDS 7/1/01-6/30/02 [12 months]

**STATE GENERAL FUNDS**

	AMOUNTS	TOTALS	PCA/OBJ
State General Funds - NNA	\$268,015.00		50110/702.11
State General Funds - D/MC	\$145,000.00		50112/702.10
<b>TOTAL STATE GENERAL FUNDS</b>		<b>\$413,015.00</b>	

**PERINATAL STATE GENERAL FUNDS**

Perinatal State General Funds - NNA	\$222,700.00		50113/702.21
Perinatal State General Funds - D/MC	\$41,960.00		50111/702.20
<b>TOTAL PERINATAL STATE GENERAL FUNDS</b>		<b>\$264,660.00</b>	

**ALL OTHER STATE GENERAL FUNDS**

Women's and Children's Residential Treatment Services SGF	\$0.00		50113/702.22
<b>TOTAL ALL OTHER STATE GENERAL FUNDS</b>		<b>\$0.00</b>	

**PAROLEE FUNDS**

Parolee Services Network Funds	\$0.00		50159/702.18
<b>TOTAL PAROLEE FUNDS</b>		<b>\$0.00</b>	

**TOTAL STATE FUNDS 7/1/01-6/30/02 [12 months]**

**\$677,675.00**

FEDERAL FUNDS

**SAPT BLOCK GRANT - 93.959 [7/1/01-6/30/02 12 Months] (FFY 2001 award)**

Prevention Set-Aside One-Time Increase (FFY 2001 award)	\$28,049.00		50162/702.31
HIV Set-Aside One-Time Increase (FFY 2001 award)	\$6,392.00		50163/702.35
SAPT Special Projects One-Time Increase (FFY 2001 award)	\$0.00		various/702.45
SACPA SAPT SB223 FFY 2001	\$104,000.00		50163/702.52
CalTOP SAPT Block Grant (FFY 2001 Award)	\$0.00		unassigned
<b>TOTAL SAPT BLOCK GRANT - 93.959 [7/1/01-6/30/02 12 Months] (FFY 2001 award)</b>		<b>\$138,441.00</b>	

**SAPT BLOCK GRANT - 93.959 [10/1/01-6/30/03 21 Months] (FFY 2002 award)**

SAPT Discretionary (FFY 2002 award)	\$1,701,677.00		50263/702.30
Prevention Set-Aside (FFY 2002 award)	\$495,995.00		50262/702.31
SAPT Friday Night Live Fed Cat # 93.959 (FFY 2002 award)	\$15,000.00		50262/702.32
SAPT Club Live Fed Cat #93.959 (FFY 2002 award)	\$15,000.00		50262/702.33
HIV Set-Aside (FFY 2002 award)	\$86,041.00		50263/702.35
SAPT Perinatal Set-Aside (FFY 2002 award)	\$121,541.00		50264/702.36
Female Offender Treatment Service Project (FFY 2002 award)	\$0.00		50263/702.40
SAPT Special Projects (FFY 2002 award)	\$0.00		various/702.45
Adolescent Treatment Services Fed Cat # 93.959 (FFY 2002 award)	\$35,973.00		50263/702.49
<b>TOTAL SAPT BLOCK GRANT - 93.959 [10/1/01-6/30/03 21 Months] (FFY 2002 award)</b>		<b>\$2,471,227.00</b>	

**SAFE AND DRUG FREE SCHOOLS & COMMUNITIES FUNDS - 84.186 [7/1/01-6/30/03 24 Mo]**

SDFC Community Based Prevention (SFY 2001 award)	\$35,279.00		50120/702.60
<b>TOTAL SAFE AND DRUG FREE SCHOOLS &amp; COMMUNITIES FUNDS - 84.186 [7/1/01-6/30/03 24 Mo]</b>		<b>\$35,279.00</b>	

**FEDERAL DRUG/MEDI-CAL FUNDS (REIMBURSEMENT) [12 Months]**

Drug Medi-Cal (Fed Share Only)	\$153,109.00		7000/50194/702.10
Perinatal Medi-Cal (Fed Share Only)	\$44,306.00		7000/50195/702.20
<b>TOTAL FEDERAL DRUG/MEDI-CAL FUNDS (REIMBURSEMENT) [12 Months]</b>		<b>\$197,415.00</b>	

**TOTAL FEDERAL FUNDS**

**\$2,842,362.00**

**GRAND TOTAL ALL FUNDS**

**\$3,520,037.00**

**Summary**

**Stanislaus County Prevention & Treatment Programs Fiscal Summary(2001-02 NNA /Drug Medi-Cal Budget V.1a)**

Monday, February 25, 2002

Line	Fund Sources	Support	Primary Prev	Sec Prev	NonResident	Narcotics	Residential	Ancillary	DUI	Total
40	Drug Medi-Cal (Fed Share Only) Fed. Cat #93.778					153,109				153,109
40a	Perinatal Medi-Cal (Fed Share Only) Fed Cat #93.778				44,306					44,306
40b	Perinatal SGF Drug Medi-Cal				41,960					41,960
41c	Perinatal State General Fund(PSGF)				87,856		134,844			222,700
41g	Women's and Children's Residential Treatment Services SGF									0
41x	Perinatal State General Fund - Backfill									0
45-01	Female Offender Treatment Services - FFY 2001 Award (93.95)									0
45-02	Female Offender Treatment Services - FFY 2002 Award (93.95)									0
46	Parolee Services Network Funds (BASN, PPNP, PPP)									0
50-01	SAPT Discretionary - FFY 2001 Award (93.959)	425,759								425,759
50-02	SAPT Discretionary - FFY 2002 Award (93.959)	722,219			613,747	21,776	343,935			1,701,677
50a-01	Adolescent Treatment Program - FFY 2001 Award (93.959)				16,124					16,124
50a-02	Adolescent Treatment Program - FFY 2002 Award (93.959)	8,993			26,980					35,973
50b-01	SAPT Friday Night Live - FFY 2001 Award (93.959)		3,750							3,750
50b-02	SAPT Friday Night Live - FFY 2002 Award (93.959)	3,750	11,250							15,000
50c-01	SAPT Club Live - FFY 2001 Award (93.959)		3,750							3,750
50c-02	SAPT Club Live - FFY 2002 Award (93.959)	3,750	11,250							15,000
50d-01	SAPT Primary Prevention Set-Aside - FFY 2001 Award (93.959)		123,599							123,599
50d-01s	SAPT Primary Prevention One-Time Increase		28,049							28,049
50d-02	SAPT Primary Prevention Set-Aside - FFY 2002 Award (93.959)	123,999	371,996							495,995
51-01	HIV Set-Aside - FFY 2001 Award (93.959)							21,511		21,511
51-01s	HIV Set-Aside One Time Increase							6,392		6,392
51-02	HIV Set-Aside - FFY 2002 Award (93.959)	21,510						64,531		86,041
52-01	SAPT Perinatal Set-Aside - FFY 2001 Award (93.959)						30,385			30,385
52-02	SAPT Perinatal Set-Aside - FFY 2002 Award (93.959)	30,385					91,156			121,541
56-01	SAPT Special Projects - FFY 2001 Award (93.959)									0
56-01s	SAPT Special Projects - One-Time Increase									0
56-02	SAPT Special Projects - FFY 2002 Award (93.959)									0
56a-01	SAPT Discretionary One Time Funds - FFY 2001 Award (93.95)									0
56a-02	SAPT Discretionary One Time Funds - FFY 2002Award (93.959)									0
58a	EDD-Private Industry Council									0
59a-01	SACPA SAPT - Drug Testing SACPA Only -FFY 2001 Award							104,000		104,000
59b-01	SACPA SAPT - Additional Discretionary(SB223) FFY 2001 Aw									0
62-00	SDFSC Community Based Prevention - SFY 2000 Award (84.1									0
62-00s	SDFSC Community Based Prevnt. Supplement Award - SFY 20									0
62-01	SDFSC Community Based Prevention - SFY 2001 Award (84.1		35,279							35,279
62-01s	SDFSC Community Based Prevention -SFY 2001 Supplementa									0
68a-00	CA Mentor Initiative - SFY 2000 Award (84.186)									0
68a-00s	CA Mentor Initiative - Supplement Award - SFY 2000 Award(84.									0
68a-01	CA Mentor Initiative - SFY 2001 Award(84.186)									0
68a-01s	CA Mentor Initiative - Supplement Award - SFY 2001 Award(84.									0
70	SGF Drug Medi-Cal					145,000				145,000
78	SACPA State General Fund (SGF)				341,255	62,494	331,720	726,626		1,462,095
78a	SACPA Fees									0
78b	SACPA County Other Funds									0
78c	SACPA Provider Other Funds									0
79	Medi-Cal Administrative Activities - MAC									0
80	Non-County Revenue	15,000	500		714,194		80,262			809,956
80c	State General Fund	44,975			128,270		94,770			268,015
80e	DSS/CalWORKS SGF									0
80h	Drug Court Partnership Program Grant									0
80k-01	CalTOP SAPT Block Grant (FFY 2001 Award)									0
80x	State General Fund - Backfill									0
81c	Required County Match	4,997			32,579		25,513			63,089
82	County Fund - Other	26,644			975,499	1,200	993,038			1,996,381
82a	Provider Unrestricted Funds									0
82b	County Unrestricted Funds									0
83	Excess Fees									0
84	Fees		1,000		33,684	42,200	244,818			321,702
85	Insurance				13,597	7,619	101,046			122,262
86	PC 1463.25 - SB 920 HS 11372.7 - SB 921		20,480			39,985				60,465
87	PC 1463.16 - Statham				8,557		38,984			47,541
87c	Statham - Match									0
88	Excess DUI Profit/Surplus									0
89	DUI Fees(exclude adm for SvcCd 90) & adm(SvcCd 00)	57,000							1,495,200	1,552,200

**Summary**

Stanislaus County Prevention & Treatment Programs Fiscal Summary(2001-02 NNA /Drug Medi-Cal Budget V.1a)

Monday, February 25, 2002

89a	PC 1000 Administrative Fees	5,400							5,400	
90a	Obligated Unexpended State Gen Funds-Prior FY								0	
90c	Obligated Unexpended Youth SGF Prior FY				77,083				77,083	
<b>91</b>	<b>Total By Service Category</b>	<b>1,494,381</b>	<b>610,903</b>	<b>0</b>	<b>3,155,691</b>	<b>473,383</b>	<b>2,510,471</b>	<b>923,060</b>	<b>1,495,200</b>	<b>10,663,089</b>
99	Drug/Medi-Cal County Admin.	0	0		4,313	14,905	0	0	0	19,218





D/MC(Without Private Pay)

Stanislaus County Prevention & Treatment Programs Fiscal Summary(2001-02 NNA /Drug Medi-Cal Budget V.1a)

Monday, February 25, 2002

89a	PC 1000 Administrative Fees									0
90a	Obligated Unexpended State Gen Funds-Prior FY									0
90c	Obligated Unexpended Youth SGF Prior FY									0
91	<b>Total By Service Category</b>	0	0	0	86,266	298,109	0	0	0	384,375
99	Drug/Medi-Cal County Admin.				4,313	14,905				19,218

**SUPPORT SERVICES**

2001-02 NNA /Drug Medi-Cal Budget V.1a  
 (Sorted by Modality, Provider, Program, Service)

Stanislaus County

**Provider: 505000 Stanislaus County Alcohol & Drug Program**  
 800 Scenic Drive, Building A Modesto, 95350

Program Code : 1 Alcohol/Drug  
 Service Code : 00 County Support

Desc:  
 Units: 25,583 Hours  
 Cost Per Unit: 34.26

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50-01	SAPT Discretionary - FFY 2001 Award (93.959)	\$425,759.00
50-02	SAPT Discretionary - FFY 2002 Award (93.959)	\$296,800.00
80	Non-County Revenue	\$15,000.00
80c	State General Fund	\$44,975.00
81c	Required County Match	\$4,997.00
82	County Fund - Other	\$26,644.00
89	DUI Fees(exclude adm for SvcCd 90) & adm(SvcCd 00)	\$57,000.00
89a	PC 1000 Administrative Fees	\$5,400.00
Total:		\$876,575.00

Program Code : 80 Unexpended Federal Funds  
 Service Code : 08 Cost Efficiencies

Desc:Cost Efficiencies  
 Units: 15,000 n/a  
 Cost Per Unit: 40.09

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50-02	SAPT Discretionary - FFY 2002 Award (93.959)	\$425,419.00
50d-02	SAPT Primary Prevention Set-Aside - FFY 2002 Award (93.959)	\$123,999.00
51-02	HIV Set-Aside - FFY 2002 Award (93.959)	\$21,510.00
52-02	SAPT Perinatal Set-Aside - FFY 2002 Award (93.959)	\$30,385.00
Total:		\$601,313.00

**Provider: 505002 Mental Health Systems Inc.**  
 2001 Memorial Drive 1917 Memorial Drive, Suite A3 Ceres, 95307

Program Code : 80 Unexpended Federal Funds  
 Service Code : 08 Cost Efficiencies

Desc:Cost Efficiencies  
 Units: 97 n/a  
 Cost Per Unit: 92.71

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50a-02	Adolescent Treatment Program - FFY 2002 Award (93.959)	\$8,993.00
Total:		\$8,993.00

**Provider: 505005 Center for Human Services**  
 2215 Blue Gum Avenue, Suite H 1700 McHenry Village Way, Suit Modesto, 95358

Program Code : 80 Unexpended Federal Funds  
 Service Code : 08 Cost Efficiencies

Desc:Cost Efficiencies  
 Units: 193 n/a  
 Cost Per Unit: 38.86

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50b-02	SAPT Friday Night Live - FFY 2002 Award (93.959)	\$3,750.00
50c-02	SART Club Live - FFY 2002 Award (93.959)	\$3,750.00

### SUPPORT SERVICES

Stanislaus County

2001-02 NNA /Drug Medi-Cal Budget V.1a  
(Sorted by Modality, Provider, Program, Service)

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**Provider:** 505005 **Center for Human Services**  
2215 Blue Gum Avenue, Suite H 1700 McHenry Village Way, Suit Modesto, 95358  
**Program Code :** 80 Unexpended Federal Funds  
**Service Code :** 08 Cost Efficiencies

Desc: Cost Efficiencies  
Units: 193 n/a  
Cost Per Unit: 38.86

Line#    Funding Sources

Amount

Total:                      \$7,500.00

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**PRIMARY PREVENTION**

2001-02 NNA /Drug Medi-Cal Budget V.1a  
 (Sorted by Modality, Provider, Program, Service)

Stanislaus County

**Provider: 505001 Stanislaus County Alcohol & Drug Program**  
 800 Scenic Drive, Building B Modesto, 95350

Program Code : 1 Alcohol/Drug

Service Code : 12 Information Dissemination

Desc:  
 Units: 2,127 Hours  
 Cost Per Unit: 37.10

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50d-02	SAPT Primary Prevention Set-Aside - FFY 2002 Award (93.959)	\$56,926.00
80	Non-County Revenue	\$500.00
84	Fees	\$1,000.00
86	PC 1463.25 - SB 920 HS 11372.7 - SB 921	\$20,480.00
Total:		\$78,906.00

**Provider: 505005 Center for Human Services**  
 2215 Blue Gum Avenue, Suite H 1700 McHenry Village Way, Suit Modesto, 95358

Program Code : 1 Alcohol/Drug

Service Code : 12 Information Dissemination

Desc:  
 Units: 3,907 Hours  
 Cost Per Unit: 38.36

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50d-02	SAPT Primary Prevention Set-Aside - FFY 2002 Award (93.959)	\$114,613.00
62-01	SDFSC Community Based Prevention - SFY 2001 Award (84.186)	\$35,279.00
Total:		\$149,892.00

Service Code : 13 Education

Desc:  
 Units: 2,215 Hours  
 Cost Per Unit: 39.80

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50d-02	SAPT Primary Prevention Set-Aside - FFY 2002 Award (93.959)	\$88,165.00
Total:		\$88,165.00

Service Code : 14 Alternatives

Desc:  
 Units: 4,444 Hours  
 Cost Per Unit: 36.67

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50b-01	SAPT Friday Night Live - FFY 2001 Award (93.959)	\$3,750.00
50b-02	SAPT Friday Night Live - FFY 2002 Award (93.959)	\$11,250.00
50c-01	SAPT Club Live - FFY 2001 Award (93.959)	\$3,750.00
50c-02	SAPT Club Live - FFY 2002 Award (93.959)	\$11,250.00
50d-01	SAPT Primary Prevention Set-Aside - FFY 2001 Award (93.959)	\$123,599.00
50d-02	SAPT Primary Prevention Set-Aside - FFY 2002 Award (93.959)	\$9,382.00

### PRIMARY PREVENTION

Stanislaus County

2001-02 NNA /Drug Medi-Cal Budget V.1a  
(Sorted by Modality, Provider, Program, Service)

**Provider:** 505005 **Center for Human Services**  
2215 Blue Gum Avenue, Suite H 1700 McHenry Village Way, Suit Modesto, 95358

Program Code : 1 Alcohol/Drug

Service Code : 14 Alternatives

Desc:  
Units: 4,444 Hours  
Cost Per Unit: 36.67

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
		Total:
		\$162,981.00

**Provider:** 505016 **Stanislaus County Substance Abuse Services**  
1501 F Street Modesto, 95354

Program Code : 1 Alcohol/Drug

Service Code : 15 Problem Identification and Referral

Desc:  
Units: 1,065 Hours  
Cost Per Unit: 31.96

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50d-01s	SAPT Primary Prevention One-Time Increase	\$28,049.00
50d-02	SAPT Primary Prevention Set-Aside - FFY 2002 Award (93.959)	\$5,988.00
		Total:
		\$34,037.00

**Provider:** 505020 **Stanislaus County Detention Services**  
200 East Hacket Road Modesto, 95358

Program Code : 1 Alcohol/Drug

Service Code : 12 Information Dissemination

Desc:  
Units: 3,150 Hours  
Cost Per Unit: 30.77

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50d-02	SAPT Primary Prevention Set-Aside - FFY 2002 Award (93.959)	\$96,922.00
		Total:
		\$96,922.00

**NONRESIDENTIAL**

2001-02 NNA /Drug Medi-Cal Budget V.1a  
 (Sorted by Modality, Provider, Program, Service)

Stanislaus County

**Provider:** 505002 **Mental Health Systems Inc.**  
 2001 Memorial Drive 1917 Memorial Drive, Suite A3 Ceres, 95307

Program Code : 20 Adolescent Treatment

Service Code : 30 Rehabilitative/Ambulatory Intensive Outpatient (Daycare Habilitative) Desc:

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>	Units: 4,680	Hours
			Cost Per Unit: 92.75	
50a-01	Adolescent Treatment Program - FFY 2001 Award (93.959)	\$16,124.00		
50a-02	Adolescent Treatment Program - FFY 2002 Award (93.959)	\$3,041.00		
80	Non-County Revenue	\$284,537.00		
81c	Required County Match	\$4,563.00		
82	County Fund - Other	\$80,398.00		
85	Insurance	\$4,322.00		
90c	Obligated Unexpended Youth SGF Prior FY	\$41,066.00		
	<b>Total:</b>	<b>\$434,051.00</b>		

Service Code : 33 Outpatient Drug Free(ODF) Group Desc:

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>	Units: 10,920	Hours
			Cost Per Unit: 29.63	
50a-02	Adolescent Treatment Program - FFY 2002 Award (93.959)	\$21,101.00		
80	Non-County Revenue	\$207,415.00		
81c	Required County Match	\$3,326.00		
82	County Fund - Other	\$58,607.00		
85	Insurance	\$3,151.00		
90c	Obligated Unexpended Youth SGF Prior FY	\$29,936.00		
	<b>Total:</b>	<b>\$323,536.00</b>		

Total # of Indiv:30.00 Grp Sessions:208.00

Service Code : 34 Outpatient Drug Free(ODF) Individual Desc:

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>	Units: 519	Hours
			Cost Per Unit: 123.84	
50a-02	Adolescent Treatment Program - FFY 2002 Award (93.959)	\$2,838.00		
80	Non-County Revenue	\$42,133.00		
81c	Required County Match	\$675.00		
82	County Fund - Other	\$11,905.00		
85	Insurance	\$640.00		
90c	Obligated Unexpended Youth SGF Prior FY	\$6,081.00		
	<b>Total:</b>	<b>\$64,272.00</b>		

Indv Sessions:519.00

**Provider:** 505003 **Mental Health Systems Inc.**  
 1904 Richmond Avenue 1917 Memorial Drive, Suite A3 Ceres, 95307

Program Code : 1 Alcohol/Drug

Service Code : 30 Rehabilitative/Ambulatory Intensive Outpatient (Daycare Habilitative) Desc:

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>	Units: 4,445	Visit Days
			Cost Per Unit: 76.18	
50-02	SAPT Discretionary - FFY 2002 Award (93.959)	\$106,526.00		

**NONRESIDENTIAL**

Stanislaus County

2001-02 NNA /Drug Medi-Cal Budget V.1a  
(Sorted by Modality, Provider, Program, Service)

**Provider:** 505003 **Mental Health Systems Inc.**  
1904 Richmond Avenue 1917 Memorial Drive, Suite A3 Ceres, 95307

Program Code : 1 Alcohol/Drug

Service Code : 30 Rehabilitative/Ambulatory Intensive Outpatient (Daycare Habilitative) Desc:

Units: 4,445 Visit Days  
Cost Per Unit: 76.18

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
78	SACPA State General Fund (SGF)	\$67,704.00
80	Non-County Revenue	\$49.00
80c	State General Fund	\$20,435.00
81c	Required County Match	\$2,271.00
82	County Fund - Other	\$134,150.00
84	Fees	\$3,372.00
85	Insurance	\$107.00
87	PC 1463.16 - Statham	\$4,005.00
Total:		\$338,619.00

Service Code : 33 Outpatient Drug Free(ODF) Group

Desc:

Units: 31,824 Hours  
Cost Per Unit: 11.69

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50-02	SAPT Discretionary - FFY 2002 Award (93.959)	\$48,386.00
78	SACPA State General Fund (SGF)	\$241,551.00
80	Non-County Revenue	\$53.00
80c	State General Fund	\$22,455.00
81c	Required County Match	\$2,495.00
82	County Fund - Other	\$48,936.00
84	Fees	\$3,705.00
85	Insurance	\$118.00
87	PC 1463.16 - Statham	\$4,401.00
Total:		\$372,100.00

Total # of Indiv:340.00 Grp Sessions:416.00

Service Code : 34 Outpatient Drug Free(ODF) Individual

Desc:

Units: 1,092 Hours  
Cost Per Unit: 11.69

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50-02	SAPT Discretionary - FFY 2002 Award (93.959)	\$1,660.00
80	Non-County Revenue	\$2.00
80c	State General Fund	\$771.00
81c	Required County Match	\$86.00
82	County Fund - Other	\$9,968.00
84	Fees	\$127.00
85	Insurance	\$4.00
87	PC 1463.16 - Statham	\$151.00
Total:		\$12,769.00

Indv Sessions:1,092.00

**NONRESIDENTIAL**

2001-02 NNA /Drug Medi-Cal Budget V.1a  
 (Sorted by Modality, Provider, Program, Service)

Stanislaus County

**Provider: 505016 Stanislaus County Substance Abuse Services**

1501 F Street Modesto, 95354

Program Code : 1 Alcohol/Drug

Service Code : 33 Outpatient Drug Free(ODF) Group

Desc:6 to 10 clnts in grp

Units: 11,087 Hours

Cost Per Unit: 31.96

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50-02	SAPT Discretionary - FFY 2002 Award (93.959)	\$280,784.00
78	SACPA State General Fund (SGF)	\$26,345.00
80	Non-County Revenue	\$3.00
82	County Fund - Other	\$31,121.00
84	Fees	\$11,921.00
85	Insurance	\$4,162.00
Total:		\$354,336.00

Total # of Indiv:15,350.00 Grp Sessions:1,800.00

Service Code : 34 Outpatient Drug Free(ODF) Individual

Desc:

Units: 2,380 Hours

Cost Per Unit: 31.95

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50-02	SAPT Discretionary - FFY 2002 Award (93.959)	\$60,263.00
78	SACPA State General Fund (SGF)	\$5,655.00
80	Non-County Revenue	\$2.00
82	County Fund - Other	\$6,679.00
84	Fees	\$2,559.00
85	Insurance	\$893.00
Total:		\$76,051.00

Indv Sessions:1,075.00

**Provider: 505017 First Step Sierra Vista**

1904 Richland Avenue 1400 K Street, Suite F Ceres, 95307

Program Code : 3 Perinatal

Service Code : 33 Outpatient Drug Free(ODF) Group

Desc:

Units: 8,637 Hours

Cost Per Unit: 77.50

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
41c	Perinatal State General Fund(PSGF)	\$87,856.00
81c	Required County Match	\$9,762.00
82	County Fund - Other	\$571,735.00
Total:		\$669,353.00

Total # of Indiv:9,500.00 Grp Sessions:475.00

Program Code : 95 DMC Peri.

Service Code : 30 Rehabilitative/Ambulatory Intensive Outpatient (Daycare Habilitative)

Desc:

Units: 1,114 Visit Days

Cost Per Unit: 77.44

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
40a	Perinatal Medi-Cal (Fed Share Only) Fed Cat #93.778	\$44,306.00
40b	Perinatal SGF Drug Medi-Cal	\$41,960.00



**NONRESIDENTIAL**

Stanislaus County

2001-02 NNA /Drug Medi-Cal Budget V.1a  
(Sorted by Modality, Provider, Program, Service)

**Provider: 505017 First Step Sierra Vista**  
1904 Richland Avenue 1400 K Street, Suite F Ceres, 95307

Program Code : 95 DMC Peri.

Service Code : 30 Rehabilitative/Ambulatory Intensive Outpatient (Daycare Habilitative) Desc:

Line# Funding Sources

Amount

Units: 1,114 Visit Days  
Cost Per Unit: 77.44

Total: \$86,266.00

DMC County Admin:\$4,313.00

**Provider: 505020 Stanislaus County Detention Services**  
200 East Hacket Road Modesto, 95358

Program Code : 1 Alcohol/Drug

Service Code : 33 Outpatient Drug Free(ODF) Group Desc:

Line# Funding Sources

Amount

Units: 2,502 Hours  
Cost Per Unit: 34.69

80c	State General Fund	\$78,105.00
81c	Required County Match	\$8,678.00

Total: \$86,783.00

Total # of Indiv:2,600.00 Grp Sessions:340.00

Service Code : 34 Outpatient Drug Free(ODF) Individual Desc:

Line# Funding Sources

Amount

Units: 208 Hours  
Cost Per Unit: 34.75

80c	State General Fund	\$6,504.00
81c	Required County Match	\$723.00

Total: \$7,227.00

Indv Sessions:205.00

**Provider: 505025 Stanislaus County Department of Mental Health**  
2215 Blue Gum/Main Building Modesto, 95358

Program Code : 16 NNA/Drug Court A/D

Service Code : 33 Outpatient Drug Free(ODF) Group Desc:Juvenile Drug Crt

Line# Funding Sources

Amount

Units: 4,930 Hours  
Cost Per Unit: 32.00

80	Non-County Revenue	\$141,984.00
82	County Fund - Other	\$15,776.00

Total: \$157,760.00

Total # of Indiv:3,616.00 Grp Sessions:452.00

Service Code : 34 Outpatient Drug Free(ODF) Individual Desc:Juvenile Drug Crt

Line# Funding Sources

Amount

Units: 1,320 Hours  
Cost Per Unit: 32.00

80	Non-County Revenue	\$38,016.00
82	County Fund - Other	\$4,224.00

**NONRESIDENTIAL**

2001-02 NNA /Drug Medi-Cal Budget V.1a  
(Sorted by Modality, Provider, Program, Service)

Stanislaus County

**Provider: 505025 Stanislaus County Department of Mental Health**  
2215 Blue Gum/Main Building Modesto, 95358

Program Code : 16 NNA/Drug Court A/D

Service Code : 34 Outpatient Drug Free(ODF) Individual

Desc: Juvenile Drug Cr  
Units: 1,320 Hours  
Cost Per Unit: 32.00

Line# Funding Sources

Amount

Total: \$42,240.00

Indv Sessions: 500.00

**Provider: 505048 Stanislaus County Department of Mental Health**  
800 Scenic Drive, Building D North 800 Scenic Drive Modesto, 95355

Program Code : 1 Alcohol/Drug

Service Code : 34 Outpatient Drug Free(ODF) Individual

Desc:  
Units: 3,697 Hours  
Cost Per Unit: 35.25

Line# Funding Sources

Amount

50-02	SAPT Discretionary - FFY 2002 Award (93.959)	\$116,128.00
82	County Fund - Other	\$2,000.00
84	Fees	\$12,000.00
85	Insurance	\$200.00

Total: \$130,328.00

Indv Sessions: 693.00

**NARCOTICS TREATMENT**

2001-02 NNA /Drug Medi-Cal Budget V.1a  
 (Sorted by Modality, Provider, Program, Service)

Stanislaus County

**Provider:** 505014 **Genesis**  
 800 Scenic Drive, Building D South Modesto, 95350  
**Program Code :** 1 Alcohol/Drug  
**Service Code :** 48 NRT - All Services

**Desc:**  
 Units: 11,875 Slot Days  
 Cost Per Unit: 14.76

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50-02	SAPT Discretionary - FFY 2002 Award (93.959)	\$21,776.00
78	SACPA State General Fund (SGF)	\$62,494.00
82	County Fund - Other	\$1,200.00
84	Fees	\$42,200.00
85	Insurance	\$7,619.00
86	PC 1463.25 - SB 920 HS 11372.7 - SB 921	\$39,985.00

Total: \$175,274.00

Grp Sessions:2,050.00 Indv Sessions:5,375.00

**Program Code :** 97 DMC Non-Peri  
**Service Code :** 48 NRT - All Services

**Desc:**  
 Units: 140 Licnsd Capacit  
 Cost Per Unit: 2,129.35

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
40	Drug Medi-Cal (Fed Share Only) Fed. Cat #93.778	\$153,109.00
70	SGF Drug Medi-Cal	\$145,000.00

Total: \$298,109.00

DMC County Admin:\$14,905.00 Grp Sessions:4,200.00 Indv Sessions:7,665.00

**RESIDENTIAL**

2001-02 NNA /Drug Medi-Cal Budget V.1a  
 (Sorted by Modality, Provider, Program, Service)

Stanislaus County

**Provider:** 505002 **Mental Health Systems Inc.**  
 2001 Memorial Drive 1917 Memorial Drive, Suite A3 Ceres, 95307  
**Program Code :** 20 Adolescent Treatment  
**Service Code :** 52 Residential/Recovery Short Term (up to 30 days)

**Desc:**  
 Units: 475 Bed Days  
 Cost Per Unit: 153.45

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
80	Non-County Revenue	\$65,600.00
82	County Fund - Other	\$7,289.00
<b>Total:</b>		<b>\$72,889.00</b>

**Provider:** 505003 **Mental Health Systems Inc.**  
 1904 Richmond Avenue 1917 Memorial Drive, Suite A3 Ceres, 95307  
**Program Code :** 1 Alcohol/Drug  
**Service Code :** 52 Residential/Recovery Short Term (up to 30 days)

**Desc:**  
 Units: 18,980 Bed Days  
 Cost Per Unit: 97.26

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
50-02	SAPT Discretionary - FFY 2002 Award (93.959)	\$343,935.00
78	SACPA State General Fund (SGF)	\$290,657.00
80	Non-County Revenue	\$14,662.00
80c	State General Fund	\$94,770.00
81c	Required County Match	\$10,530.00
82	County Fund - Other	\$778,594.00
84	Fees	\$172,818.00
85	Insurance	\$101,046.00
87	PC 1463.16 - Statham	\$38,984.00
<b>Total:</b>		<b>\$1,845,996.00</b>

**Provider:** 505017 **First Step Sierra Vista**  
 1904 Richland Avenue 1400 K Street, Suite F Ceres, 95307  
**Program Code :** 3 Perinatal  
**Service Code :** 52 Residential/Recovery Short Term (up to 30 days)

**Desc:**  
 Units: 3,625 Bed Days  
 Cost Per Unit: 146.64

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
41c	Perinatal State General Fund(PSGF)	\$80,844.00
52-01	SAPT Perinatal Set-Aside - FFY 2001 Award (93.959)	\$30,385.00
52-02	SAPT Perinatal Set-Aside - FFY 2002 Award (93.959)	\$91,156.00
78	SACPA State General Fund (SGF)	\$41,063.00
81c	Required County Match	\$8,983.00
82	County Fund - Other	\$207,155.00
84	Fees	\$72,000.00
<b>Total:</b>		<b>\$531,586.00</b>

**RESIDENTIAL**

2001-02 NNA /Drug Medi-Cal Budget V.1a  
(Sorted by Modality, Provider, Program, Service)

Stanislaus County

**Provider:** 505026 **Catholic Charities**  
405 15th Street Modesto, 95354

Program Code : 3 Perinatal

Service Code : 56 Transitional Living Center (Perinatal and Parolee Services)

Desc:

Units: 940 Bed Days  
Cost Per Unit: 63.83

Line# Funding Sources

Amount

41c	Perinatal State General Fund(PSGF)	\$54,000.00
81c	Required County Match	\$6,000.00

Total:		<u>\$60,000.00</u>
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**ANCILLARY SERVICES**

2001-02 NNA /Drug Medi-Cal Budget V.1a  
 (Sorted by Modality, Provider, Program, Service)

Stanislaus County

**Provider: 505000 Stanislaus County Alcohol & Drug Program**  
 800 Scenic Drive, Building A Modesto, 95350

Program Code : 1 Alcohol/Drug  
 Service Code : 84 SACPA Other Services

Desc:Other Services  
 Units: 10,504 SACPA Hours  
 Cost Per Unit: 40.00

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
78	SACPA State General Fund (SGF)	\$420,179.00
Total:		\$420,179.00

Service Code : 85 SACPA Drug Testing

Desc:  
 Units: 10,400 SACPA DrugT  
 Cost Per Unit: 10.00

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
59a-01	SACPA SAPT - Drug Testing SACPA Only -FFY 2001 Award	\$104,000.00
Total:		\$104,000.00

**Provider: 505001 Stanislaus County Alcohol & Drug Program**  
 800 Scenic Drive, Building B Modesto, 95350

Program Code : 1 Alcohol/Drug  
 Service Code : 65 HIV Early Intervention Services

Desc:  
 Units: 2,226 Hours  
 Cost Per Unit: 41.52

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
51-01	HIV Set-Aside - FFY 2001 Award (93.959)	\$21,511.00
51-01s	HIV Set-Aside One_Time Increase	\$6,392.00
51-02	HIV Set-Aside - FFY 2002 Award (93.959)	\$64,531.00
Total:		\$92,434.00

**Provider: 505027 SACPA Prop 36**  
 920 12th Street Modesto, 95354

Program Code : 1 Alcohol/Drug  
 Service Code : 83 SACPA Case Management

Desc:SACPA Assessment Tm  
 Units: 7,280 SACPA Hours  
 Cost Per Unit: 42.09

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
78	SACPA State General Fund (SGF)	\$306,447.00
Total:		\$306,447.00

**DRIVING UNDER THE INFLUENCE**

Stanislaus County

2001-02 NNA /Drug Medi-Cal Budget V.1a  
 (Sorted by Modality, Provider, Program, Service)

**Provider: 509001 Safety Center**  
 1100 Kansas Avenue, Suite F Modesto, 95351

Program Code : 1 Alcohol/Drug  
 Service Code : 90 Driving Under the Influence

Desc:  
 Units: 1,569 Persons Serve  
 Cost Per Unit: 489.87

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
89	DUI Fees(exclude adm for SvcCd 90) & adm(SvcCd 00)	\$768,600.00
Total:		\$768,600.00

**Provider: 509003 Occupational Health Services**  
 3719 Tully Road Modesto, 95350

Program Code : 1 Alcohol/Drug  
 Service Code : 90 Driving Under the Influence

Desc:  
 Units: 573 Persons Serve  
 Cost Per Unit: 1,268.06

<u>Line#</u>	<u>Funding Sources</u>	<u>Amount</u>
89	DUI Fees(exclude adm for SvcCd 90) & adm(SvcCd 00)	\$726,600.00
Total:		\$726,600.00

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS  
DRIVING UNDER THE INFLUENCE PROGRAM SERVICES  
SUMMARY

2001-02 NNA /Drug Medi-Cal Budget V.1a

Stanislaus County

Line#	Funding Sources	Total Costs All Providers	Total DUI Fees To County For Admin. & Monitoring All Providers	Net Program Costs (Total Less Fees To County)
80	Non-County Revenue	0	0	
80c	State General Fund	0	0	
82	County Fund - Other	0	0	
85	Insurance	0	0	
87	PC 1463.16 - Statham	0	0	
88	Excess DUI Profit/Surplus	0	0	
89	DUI Fees(exclude adm for SvcCd 90) & adm(SvcCd 00)	1,552,200	57,000	1,495,200
90a	Obligated Unexpended State Gen Funds-Prior FY	0	0	
	<b>Total</b>	<b>1,552,200</b>	<b>57,000</b>	<b>1,495,200</b>

Total Estimated Units of Service : 2,142

Average Cost Per Unit of Service: 698.04



**NET DEDICATED CAPACITY REPORT(NNA Only)**

Stanislaus

**Alcohol And Drug Funding**

Modality	Unit Type	Net Budget	Net Units	Cost per Unit
SUPPORT SERVICES	Hours	\$772,531.00	22,546.5	\$34.26
PRIMARY PREVENTION	Hours	\$588,923.00	16,315.5	\$36.10
SECONDARY PREVENTION				
NONRESIDENTIAL	Hours	\$627,038.00	23,163.0	\$27.07
NONRESIDENTIAL	Visit Days	\$129,232.00	1,696.4	\$76.18
NARCOTICS TREATMENT	Slot Days	\$21,776.00	1,475.3	\$14.76
RESIDENTIAL	Bed Days	\$449,235.00	4,618.9	\$97.26
ANCILLARY SERVICES	Hours	\$92,434.00	2,226.0	\$41.52
ANCILLARY SERVICES	SACPA DrugTests	\$104,000.00	10,400.0	\$10.00
DRIVING UNDER THE INFLUENCE	Persons Served		.0	
Total:		\$2,785,169.00	82,441.7	\$33.78

**Parolee Funding**

Modality	Unit Type	Net Budget	Net Units	Cost per Unit
SUPPORT SERVICES				
PRIMARY PREVENTION				
SECONDARY PREVENTION				
NONRESIDENTIAL				
NARCOTICS TREATMENT				
RESIDENTIAL				
ANCILLARY SERVICES				
DRIVING UNDER THE INFLUENCE				
Total:		\$0.00	.0	

**Perinatal Funding**

Modality	Unit Type	Net Budget	Net Units	Cost per Unit
SUPPORT SERVICES				
PRIMARY PREVENTION				
SECONDARY PREVENTION				
NONRESIDENTIAL	Hours	\$97,618.00	1,259.6	\$77.50
NARCOTICS TREATMENT				
RESIDENTIAL	Bed Days	\$271,368.00	2,381.4	\$113.95
ANCILLARY SERVICES				
DRIVING UNDER THE INFLUENCE				
Total:		\$368,986.00	3,641.0	\$101.34

**Mentor**

Modality	Unit Type	Net Budget	Net Units	Cost per Unit
SUPPORT SERVICES				
PRIMARY PREVENTION				
SECONDARY PREVENTION				
NONRESIDENTIAL				
NARCOTICS TREATMENT				
RESIDENTIAL				
ANCILLARY SERVICES				
DRIVING UNDER THE INFLUENCE				
Total:		\$0.00	.0	

**NET DEDICATED CAPACITY REPORT(NNA Only)**

Stanislaus

**Mentor  
 NNA Drug Court**

Modality	Unit Type	Net Budget	Net Units	Cost per Unit
SUPPORT SERVICES PRIMARY PREVENTION SECONDARY PREVENTION NONRESIDENTIAL	Hours		.0	
NARCOTICS TREATMENT RESIDENTIAL ANCILLARY SERVICES DRIVING UNDER THE INFLUENCE				
Total:		\$0.00	.0	

**Youth Treatment**

Modality	Unit Type	Net Budget	Net Units	Cost per Unit
SUPPORT SERVICES SECONDARY PREVENTION NONRESIDENTIAL	Hours	\$51,668.00	1,108.7	\$46.60
NARCOTICS TREATMENT RESIDENTIAL ANCILLARY SERVICES DRIVING UNDER THE INFLUENCE	Bed Days		.0	
Total:		\$51,668.00	1,108.7	\$46.60

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

1700 K STREET  
SACRAMENTO, CA 95814-4037  
TDD (916) 445-1942



May 16, 2002

Connie Moreno-Peraza, LCSW, Administrator  
Stanislaus County Alcohol and Drug Programs  
800 Scenic Drive  
Modesto, CA 95350-6291

Dear Ms. Moreno-Peraza:

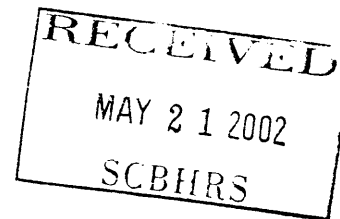
The approved amendment one to your Negotiated Net Amount contract was mailed to you on May 14, 2002. Inadvertently the boilerplate was not included. I am enclosing two copies of the boilerplate. Please add one to your copy and one to the Board of Supervisor's copy. Thank you for your assistance in this matter

Sincerely,

Kathy Anderson  
Contract Manager

Enclosure

cc: Contract Management Branch



*CC: Dan ECCO, Sharon Dean, Vigil, Carr/H. 5/21/02*



**FY 2001/2002**

**NNA-only and  
Combined NNA/DMC  
County/State Contract  
Boilerplate**

**VERSION 2**

**Effective 7-1-01**

## GENERAL TERMS AND CONDITIONS

## A. Contract Exhibits

This Contract between the Department of Alcohol and Drug Programs (State) and the county named in the Standard Agreement attached hereto (Contractor) consists of the Standard Agreement; Exhibits A-I, consisting of the Contractor's Fiscal Allocation Detail, Prevention and Treatment Programs Fiscal Summaries, and Provider and Service Fiscal Detail; Exhibit C, which defines the rights and obligations of the parties regarding Negotiated Net Amount (NNA) funds; Exhibit D (if attached), which defines the rights and obligations of the parties regarding Medicaid/Medi-Cal funds, as expended through the Drug Medi-Cal (DMC) Program; and this Exhibit B, entitled "General Terms and Conditions," which contains contract provision applicable to all of the Exhibits.

## B. Contract Term

The term of this contract shall be from July 1, 2001 through June 30, 2005. Except as provided in Exhibit C, Article III, Sections H and I, the expenditure period for the funds available here under shall be as stated on Exhibit A1. State is under no obligation to extend or renew this contract.

## C. Nullification of Exhibit D (if applicable)

The parties agree that if Contractor fails to comply with the provisions of Health and Safety Code (hereinafter referred to as HSC) Section 11758.46 including, without limitation, the deadlines in subsections (e) and (g)(2), Exhibit D shall be null and void and severed from the remainder of this Contract.

In the event Exhibit D becomes null and void, Budget #2, NNA only (Exhibit A1) will take effect reflecting the removal of DMC State General Fund (SGF), DMC Perinatal State General Fund (PSGF), and federal Medicaid funds from this contract Exhibit C of this contract will remain in effect until amended or terminated.

## D. Unenforceable Provisions

In the event any provision of this contract is held invalid or unenforceable by any court of competent jurisdiction, the holding will not invalidate or render unenforceable any other provision hereof.

## E. Use of State Funds

1. Contractor may not use or transfer SGF DMC funds allocated pursuant to Exhibit D to SGF discretionary funds allocated pursuant to Exhibit C or to pay for any non-DMC services. Contractor shall inform State of any excess SGF discretionary funds by April 1.
2. SGF provided by the California Department of Corrections shall be subject to specific expenditure requirements as stated in the "Services to California Department of Corrections (CDC) Parolee Services" or "Female Offender Treatment Project" guidelines, Document 1D incorporated by this reference.

## F. Contract Amendments

1. Both Contractor and State may agree to amend or renegotiate the contract.
2. Contract amendments will be required to change encumbered amounts for each year of a multi-year contract period.

3. If this contract is based on the preliminary allocation, or rates and requirements issued before the passage of the applicable State FY Budget Act and Trailer Bill(s), within 60 days of the release of the Budget Act Allocation, Contractor shall submit a contract amendment with a budget that reflects the revised allocation, rates, a plan for expenditure of prior year unexpended SGF, and other requirements. In the event Contractor has not submitted a contract amendment with all required Contractor and subcontractor fiscal detail within 60 days of the release of the Budget Act Allocation, State will withhold all NNA payments under Exhibit C of this contract until the required amendment is received by State.
4. Contract amendments may be submitted by Contractor until May 1 of each of the contract's fiscal years. An amendment proposed by either party shall be forwarded in writing to the other party.
  - (a) The proposed amendment submitted by Contractor shall include revised County Prevention and Treatment Programs Fiscal Summary and Provider Fiscal Detail Forms, Exhibit A1, and a statement of the reason and basis for the proposed change.
  - (b) Amendments are subject to review and signed approval by the County Board of Supervisors (or designee).
5. No amendment or variation of the terms of this Contract shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Contract is binding on any of the parties.

**G. Termination**

1. This contract may be terminated by either party by delivering written notice of termination to the other party at least 30 days prior to the effective date of termination. The notice shall state the effective date of and reason for the termination. In the event of changes in law that affect provisions of this Contract, the parties agree to amend the affected provisions to conform with the changes in law retroactive to the effective date of such changes in law. The parties further agree that the terms of this Contract are severable and in the event of changes in law as described above, the unaffected provisions and obligations of this Contract will remain in full force and effect.
2. The following additional provisions regarding termination apply only to Exhibit D of this contract:
  - (a) In the event the federal Department of Health and Human Services (hereinafter referred to as DHHS) the California Department of Health Services (hereinafter referred to as DHS) or State determines Contractor does not meet the requirements for participation in the DMC Program, State will terminate Exhibit D of this contract in accordance with this section.
  - (b) All obligations to provide covered services under this contract will automatically terminate on the effective date of any termination of this contract. Contractor will be responsible for providing or arranging for covered services to beneficiaries until the termination or expiration of the contract.

Contractor will remain liable for processing and paying invoices and statements for covered services and utilization review requirements prior to the expiration or termination until all obligations have been met.

- (c) In the event Exhibit D of this contract is terminated, Contractor shall refer DMC clients to providers who are certified to provide the type(s) of services the client has been receiving.

## H. Audit

1. This contract, and any subcontracts, shall be subject to the examination and audit by the California Bureau of State Audits for a period of three years from the date that final payment is made pursuant to the contract (Government Code, Section 10532). This does not preclude access to records by State, the Comptroller General of the United States, or any of their authorized representatives.
2. Contractor agrees that State will have the right to review, obtain, and copy all records pertaining to the performance of this contract. Contractor agrees to provide State with any and all relevant information requested.
3. Contractor agrees to comply with the additional provisions contained in Document 2N entitled "State of California, Department of Health Services, Additional Provisions (For Federally Funded Subvention Aid/Local Assistance Cost Reimbursement Contracts/Grants)," which is incorporated herein by this reference. In instances where inconsistencies occur, the provisions of this contract shall apply.
4. All expenditures of State and federal funds furnished to Contractor and its subcontractors pursuant to Exhibit C are subject to audit by State. Such State audits shall consider and build upon external independent audits performed pursuant to audit requirements of the Office of Management and Budget (OMB) Circular A-133 (Revised June 1997). Objectives of such State audits may include, but not be limited to, the following:
  - (a) to determine whether units of service claimed/reported are properly documented by service records and accurately accumulated for claiming/reporting;
  - (b) to validate data reported by Contractor for prospective contract negotiations;
  - (c) to provide technical assistance in addressing current year activities and providing recommendations on internal controls, accounting procedures, financial records, and compliance with laws and regulations;
  - (d) to determine the cost of services, net of related patient and participant fees, third-party payments, and other related revenues and funds;
  - (e) to determine that expenditures are made in accordance with applicable State and federal laws and regulation and contract requirements; and/or
  - (f) to determine the facts in relation to analysis of data, complaints, or allegations, which may be indicative of fraud, abuse, willful misrepresentation, or failure to achieve the contract objectives of Exhibit C or Exhibit D.
5. Contractor shall comply, and shall require that subcontractors comply, with all terms and conditions of this contract and all pertinent State and federal statutes and regulations. State, DHS, DHHS, Comptroller General of the United States, or other authorized state or federal agencies and representatives, will be allowed to inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this contract. Any and all books, records, and facilities maintained by Contractor and its subcontractors related to these services may be audited at any time during normal business hours. Unannounced visits may be made at the discretion of State. Employees who might reasonably have information related to such records may be interviewed.
6. The refusal of Contractor or subcontractor to permit access to and inspection of books, records, and facilities as described in this part constitutes an express and immediate

breach of this contract.

I. Certification (Reference: 45 CFR, Appendix B to Part 76)

The official signing for Contractor certifies, to the best of his or her knowledge and belief, the following:

The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Contractor agrees that it will include the above debarment clause, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Lower tier covered transactions are defined as:

1. Any transaction between a participant and a person other than a procurement contract for goods or services, regardless of type, under a primary covered transaction.
2. Any procurement contract for goods or services between a participant and a person, regardless of type, expected to equal or exceed the Federal procurement small purchase threshold fixed at 10 United States Code (USC) 2304(g) and 41 USC 253(g) (currently \$25,000) under a primary covered transaction.
3. Any procurement contract for goods or services between a participant and a person under a covered transaction, regardless of amount, under which that person will have a critical influence on or substantive control over that covered transaction. Such persons are:
  - (a) Principal investigators
  - (b) Providers of Federally-required audit services
  - (c) Researchers

J. Restrictions on Lobbying

Contractor agrees that no part of any federal funds provided under this contract shall be used by Contractor or any subcontractor to support lobbying activities to influence proposed or pending Federal or State legislation or appropriations. This prohibition is related to the use of Federal Grant funds and is not intended to offset Contractor's right, or that of any other organization, to petition Congress, or any other level of Government, through the use of other resources. (Reference: 31 USC 1352)

K. Restrictions on Salaries

Contractor agrees that no part of any federal funds provided under this contract shall be used by it or any subcontractor to pay the salary of an individual in excess of \$161,200 per year.

L. Child Support Compliance Act

Contractor acknowledges, in accordance with Public Contract Code Section 7110 (Document 1E), incorporated by this reference, that it:

1. Recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support



enforcement, including but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the California Family Code; and

2. To the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

M. Union Organizing

Contractor, by signing this Contract, hereby acknowledges the applicability of California Government Code Sections 16645 through Section 16649 to this Contract.

1. Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.
2. No state funds received under this Contract will be used to assist, promote or deter union organizing.
3. Contractor will not, for any business conducted under this Contract, use any state property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing unless the state property is equally available to the general public for holding meetings.
4. If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and Contractor shall provide those records to the Attorney General upon request.

Contractor shall include the foregoing provisions in all of its subcontracts.

N. Federal Principles of Effectiveness (applies to Safe and Drug Free Schools and Communities funding)

Contractor is considered a "grant recipient" for purposes of this clause and agrees to comply with the federal Principles of Effectiveness listed below:

1. A grant recipient shall base its program on a thorough assessment of objective data about the drug and violence problems in the schools and communities served;
2. A grant recipient shall, with the assistance of a local or regional advisory council, which includes community representatives, establish a set of measurable goals and objectives and design its activities to meet those goals and objectives;
3. A grant recipient shall design and implement its activities based on research or evaluation that provides evidence that the strategies used prevent or reduce drug use, violence, or disruptive behavior; and
4. A grant recipient shall evaluate its program periodically to assess its progress toward achieving its goals and objectives and use its evaluation results to refine, improve, and strengthen its program to refine its goals and objectives as appropriate.

O. Confidentiality of Information

1. Contractor and any subcontractor that provides services covered by this contract shall comply with all State and federal statutes and regulations regarding confidentiality, including, but not limited to, the confidentiality of information requirements in 42 USC Section 290 dd-z, Part 2, Title 42, CFR; Welfare and Institutions Code (hereinafter referred to as W&IC), Section 14100.2; Section 11977 of the HSC; and Title 22, California Code of Regulations (hereinafter referred to as Title 22), Section 51009.
2. Contractor shall ensure that no list of persons receiving services under this contract is

published, disclosed, or used for any purpose except for the direct administration of this program or other uses authorized by law that are not in conflict with requirements for confidentiality contained in 42 USC Section 290 dd-z, Title 42, CFR, Part 2; W&IC, Section 14100.2; HSC, Section 11977; and Title 22, Section 51009.

3. Contractor shall monitor compliance with the above provisions and shall include them in all subcontracts.

**P. Nondiscrimination in Employment**

1. During the performance of this Contract, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this contract.

2. Contractor agrees to post, and further agrees to require its subcontractors to post, in conspicuous places, notices available to all employees and applicants for employment setting forth the provisions of the Equal Opportunity Act [42 USC 2000(e)] in conformance with Federal Executive Order No. 11246. Contractor agrees to comply, and further agrees to require its subcontractors to comply, with the provisions of the Rehabilitation Act of 1973 (29 USC 794).

**Q. Nondiscrimination in Services**

1. By signing this contract, Contractor certifies under the laws of the State of California that Contractor and its subcontractors shall not unlawfully discriminate in the provision of services because of race, color, creed, national origin, sex, age, or physical or mental disability as provided by State and federal law and in accordance with Title VI of the Civil Rights Act of 1964 [42 USC 2000(d)]; Age Discrimination Act of 1975 (42 USC 6101); Rehabilitation Act of 1973 (29 USC 794); Education Amendments of 1972 (20 USC 1681); Americans with Disabilities Act of 1990 (42 USC 12132); Title 45, CFR, Part 84; provisions of the Fair Employment and Housing Act (Government Code Section 12900 et seq.); and regulations promulgated thereunder (Title 2, CCR, Section 7285.0 et seq.); Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section 11135; and Title 9, Division 4, Chapter 6 of the CCR, commencing with Section 10800.
2. For the purpose of this contract, discriminations on the basis of race, color, creed, national origin, sex, age, or physical or mental disability include, but are not limited to, the following: denying an otherwise eligible individual any service or providing a benefit which is different, or is provided in a different manner or at a different time, from that provided to others under this contract; subjecting any individual to segregation or separate treatment in any matter related to the receipt of any service; restricting an otherwise eligible individual in any way in the enjoyment of any advantage or privilege

enjoyed by others receiving any service or benefit; and/or treating any individual differently from others in determining whether such individual satisfied any admission, enrollment, eligibility, membership or other requirement or condition which individuals must meet in order to be provided any service or benefit.

3. Contractor shall, on a cycle of at least every three years, assess, monitor, and document each subcontractor's compliance with the Rehabilitation Act of 1973 and Americans with Disabilities Act of 1990 to ensure that recipients/beneficiaries and intended recipients/beneficiaries of services are provided services without regard to physical or mental disability. Contractor shall also monitor to ensure that beneficiaries and intended beneficiaries of service are provided services without regard to race, color, creed, national origin, sex, or age.

Contractor shall include nondiscrimination and compliance provisions in all subcontracts. Contractor shall establish written procedures under which service participants are informed of their rights including their right to file a complaint alleging discrimination or a violation of their civil rights. Participants in programs funded hereunder shall be provided a copy of their rights that shall include the right of appeal and the right to be free from sexual harassment and sexual contact by members of the treatment, recovery, advisory, or consultant staff.

4. Contractor shall conduct a self-evaluation and, where appropriate, a transition plan in accordance with the requirements contained in Title 28, CFR, Section 35.105, and Title 45, CFR, Section 84.6. The self-evaluation shall include an assessment of residential alcohol and other drug services consistent with the Voluntary Compliance Agreement between the Office of Civil Rights, DHHS, and State. For services provided pursuant to a contract, Contractor may perform the evaluation of the subcontractor or require the subcontractor perform the self-evaluation. Contractor agrees to comply with the terms and conditions contained in any applicable voluntary compliance agreements.
5. Contractor shall keep records to document compliance with the above provisions and copies of the required Notice of Client's Rights, in order for State to determine compliance with Exhibit B, Paragraph Q and with State and federal legal requirements including the Voluntary Compliance Agreement. Upon request by State, Contractor shall provide such records and other data, to State within 30 calendar days.
6. No State or federal funds shall be used by Contractor or any subcontractors for sectarian worship, instruction, or proselytization. No State funds shall be used by Contractor or any subcontractors to provide direct, immediate or substantial support to any religious activity.
7. Noncompliance with the requirements of this Paragraph Q shall constitute grounds for State to withhold payments under this contract or terminate all, or any type, of funding provided hereunder.

**R. Drug-Free Work Place**

By signing this contract, Contractor certifies that it will comply, and require that subcontractors comply, with the requirements of the Drug-Free Work Place Act of 1990 (California Government Code, Title 2, Chapter 1, Division 5.5, Section 8350 et seq.) and that both Contractor and its subcontractors will provide drug-free work places by taking the following actions:

1. Publish a statement notifying all employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's work place and specifying the actions that will be taken against employees for violations of the prohibitions as required by the Government Code, Section 8355(a).
2. Establish a drug-free awareness program as required by the Government Code,

Section 8355(b) to inform all employees about all of the following:

- (a) the dangers of drug abuse in the work place;
- (b) the person's or organization's policy of maintaining a drug-free work place;
- (c) any available drug counseling, rehabilitation, and employee assistance programs; and
- (d) the penalties that may be imposed upon employees for drug abuse violations.

3. Provide, as required by the Government Code, Section 8355(c), that every employee engaged in the performance of the contract:

- (a) be given a copy of Contractor's drug-free policy statement; and
- (b) as a condition of employment on the contract, agree to abide by the terms of the statement.

4. Failure to comply with these requirements for a drug-free work place may result in suspension of payments under, or termination of, this contract or both, and Contractor or its subcontractors may be ineligible for future State contracts if State determines that any of the following has occurred:

- (a) Contractor has made false certification; or
- (b) Contractor has violated the certification by failing to carry out the requirements as noted above.

**S. No Unlawful Use or Unlawful Use Messages Regarding Drugs**

Contractor agrees that information produced through these funds, and which pertains to drug- and alcohol-related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug- or alcohol-related program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (Health and Safety Code Section 11999). By signing this Contract, Contractor agrees that it and its subcontractors will enforce these requirements.

**T. Smoking Prohibition Requirements**

Contractor shall comply, and require that subcontractors comply, with Public Law 103-227, also known as the Pro-Children Act of 1994, which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education, or library services to children under the age of 18 if the services are funded by federal programs either directly or through State or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, and Children (WIC) coupons are redeemed.

**U. Hazardous Activities**

Contractor shall have liability insurance sufficient to cover hazardous activities pursuant to Section 7.40 of the State Contracting Manual (Document 1S), incorporated by thus reference. To the extent Contractor subcontracts for the provision of transportation services, Contractor is

liable to determine that the subcontractor has sufficient liability insurance to meet the requirements of Section 7.40 of the State Contracting Manual.

**V. Adherence to Computer Software Copyright Laws**

Contractor certifies that it has appropriate systems and controls in place to ensure that State or federal funds available under this contract will not be used for the acquisition, operation or maintenance of computer software in violation of copyright laws.

**W. Noncompliance with Reporting Requirements**

Contractor agrees that State has the right to withhold payments until Contractor has submitted any required data and reports to State.

**X. Disputes**

Contractor shall continue to carry out its responsibilities under this Contract during any disputes.

**Y. Assignment**

This Contract is not assignable by Contractor, either in whole or in part, without the consent of State in the form of a formal written agreement.

**Z. Indemnification**

Contractor agrees to indemnify, defend and save harmless State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Contract and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Contract.

**AA. Independent Contractor**

Contractor, and the agents and employees of Contractor, in the performance of this Contract, shall act in an independent capacity and not as officers or employees or agents of State.

**BB. Timeliness**

Time is of the essence in this Contract.

**NEGOTIATED NET AMOUNT****ARTICLE I. FORMATION AND PURPOSE****A. Authority**

State and Contractor enter into Exhibit C by authority of Chapters 3 and 3.3 of Part 1, Division 10.5 of the HSC and with approval of Contractor's County Board of Supervisors (or designee) for the purpose of providing alcohol and drug services, which will be reimbursed pursuant to this Exhibit C. State and Contractor identified in the Standard Agreement are the only parties to this contract. This contract is not intended, nor shall it be construed, to confer rights on any third party.

**B. Control Requirements**

1. Performance under the terms of Exhibit C is subject to all applicable federal and State laws, regulations, and standards. In accepting the State drug and alcohol combined program allocation pursuant to HSC, Sections 11757(a) and (b), Contractor shall (i) establish, and shall require subcontractors to establish, written accounting procedures consistent with the following requirements, and (ii) be held accountable for audit exceptions taken by State against Contractor and its subcontractors for any failure to comply with these requirements:
  - (a) HSC, Division 10.5;
  - (b) Title 9, California Code of Regulations, Division 4;
  - (c) Government Code, Article 1.7, Federal Block Grants, Chapter 2, Part 2, Division 4, Title 2, commencing at Section 16366.1;
  - (d) Government Code, Article 7, Federally Mandated Audits of Block Grant Funds Allocated to Local Agencies, Chapter 1, Part 1, Division 2, Title 5, commencing at Section 53130;
  - (e) Title 42, United States Code (USC), Section 300x-5;
  - (f) Block Grant [Public Law 102-321 (Title 42, USC, commencing at Section 101)];
  - (g) Single Audit Act of 1984 (Public Law 98-502) and the Single Audit Act Amendments of 1996 (Public Law 104-156) and corresponding OMB Circular A-133 (Revised June 24, 1997);
  - (h) Title 45 Code of Federal Regulations (CFR), Part 96, Subparts B, C, and L, Substance Abuse Prevention and Treatment Block Grant;
  - (i) Title 21, CFR, Part 291 (Food and Drug Administration Requirements for Narcotic Treatment Programs);
  - (j) Title 21, CFR, Part 1300, et. seq. (Drug Enforcement Administration Requirements for Food and Drugs); and
  - (k) State Administrative Manual, Chapter 7200

Contractor shall be familiar with the above laws and regulations and shall assure that its subcontractors are also familiar with such laws.

2. The provisions of Exhibit C are not intended to abrogate any provisions of law or regulation, or any standards existing or enacted during the term of this contract.
3. Title 45, CFR, Part 96, Subpart L, as amended by PL 106-310, the Children's Health Act of 2000, contains the minimal provisions that are to be adhered to by Contractor in the expenditure of the Substance Abuse Prevention and Treatment Block Grant funds. Document 1A, 45 CFR 96, Subpart L, is incorporated by reference.
4. This contract is subject to any additional restrictions, limitations or conditions enacted by the federal or State government that affect the provisions, terms, or funding of this contract in any manner.
5. Documents 1B, 1C, 1D and 1U, incorporated by this reference, contain additional requirements that shall be adhered to by those Contractors that receive the types of funds specified by each document and referenced in Exhibit A1. These exhibits and documents are:
  - Exhibit A1, which is comprised of the Fiscal Allocation Detail, the County Prevention and Treatment Programs Fiscal Summary and the Provider Fiscal Detail Forms;
  - Document 1B, Safe and Drug-Free Schools and Communities (SDFSC) Act Requirements and 1U, Research-Based Prevention Requirements;
  - Document 1C, Driving Under the Influence Program Requirements; and
  - Document 1D, Services to California Department of Corrections (CDC) - Parolee Services Network Projects and Female Offender Treatment Project.
6. Document 1F, incorporated by this reference, describes "Requirements for Data by Date."
7. Document 1G, incorporated by this reference, "Perinatal Services Network Guidelines," contains the requirements for perinatal programs funded under Exhibit C, which includes submission of the "Perinatal Services Monthly Report."
8. Document 1T, incorporated by this reference, "Prevention Activities Data System (PADS) Forms," collects information required in the SDFSC Act and SAPT Block Grants. Reports are required from primary prevention providers on a yearly basis.
9. Document 1V, incorporated by this reference, "Youth Treatment Guidelines," is provided for use by Contractor in developing and implementing youth treatment programs funded under Exhibit C.
10. If Contractor applied for and received an award for California Mentor Initiative (CMI) funds, Contractor agrees to comply with (a) terms and conditions of Document 1Q, "Conditions for Use of Funding Received Under the Mentor Initiative Allocation," (b) ADP's CMI Request for Applications, (c) Contractor-specific proposal, and (d) any amendments to that proposal. If Contractor received funds for this program in a prior contract with State, these documents are on file at State and incorporated by this reference.

C. Contract Negotiation

Contract negotiations shall be conducted between Contractor and State through their authorized representative(s) each year of the multi-year contract period. Negotiations may be conducted at State headquarters at 1700 K Street, Sacramento, once during the multi-year contract period. In the alternative, negotiations may be conducted by correspondence. However, in the event Contractor and State, through their authorized representative(s), cannot resolve issues of disagreement by correspondence, State reserves the right to require the attendance of Contractor's authorized representative(s) at State headquarters for the limited purpose of resolving issues of disagreement. Any failure by Contractor's representative(s) to attend any scheduled headquarters negotiation at the scheduled time and designated location will constitute a delay by Contractor under HSC, Section 11758.12(b)(2).



## ARTICLE II. DEFINITIONS

- A. The words and terms of this contract are intended to have their usual meanings unless a particular or more limited meaning is associated with their usage pursuant to HSC, Section 11750 et seq., and Title 9, CCR, Section 9000 et seq. The following definitions shall apply to Exhibit C:
1. **"Available Capacity"** means the total number of units of service (bed days, hours, slots, etc.) that a Contractor actually makes available in the current fiscal year.
  2. **"Contractor"** means (a) the County identified in the Standard Agreement or (b) the department authorized by the County Board of Supervisors to administer alcohol and drug programs.
  3. **"Dedicated Capacity"** means the historically calculated service capacity, by modality, adjusted for the projected expansion or reduction in services, which Contractor agrees to make available to provide non-DMC drug and alcohol services to persons eligible for Contractor services.
  4. **"Encumbered Amount"** means the amount reflected on the Standard Agreement of this contract and supported by Exhibit A1, the County Prevention and Treatment Programs Fiscal Summary and Provider Fiscal Detail Forms as the NNA.
  5. **"Final Allocation"** means the amount of funds identified in the last allocation letter issued by State for the current fiscal year.
  6. **"Modality"** means those necessary general activities identified in the Dedicated Capacity Reports included in the County Prevention and Treatment Programs Fiscal Summary and Provider Fiscal Detail Forms, Exhibit A1, to provide alcohol and/or drug prevention or treatment that conform to the services available pursuant to Division 10.5 of the HSC.
  7. **"Negotiated Net Amount (NNA)"** means the contracted amount for services agreed to by State and Contractor, less funds budgeted for DMC. The net amount reflects only those funds allocated to Contractor and the required County match for SGF as reflected in the County Prevention and Treatment Programs Fiscal Summary and Provider Fiscal Detail Forms portion of the Exhibit A1. The NNA does not include other revenue budgeted by Contractor such as client fees or revenue in excess of the required match for SGF. The cost per unit for the dedicated capacity to be provided for each service modality identified in the contract will be based on the net amount of the contract. Exhibit A1 will be used as a negotiating document.
  8. **"Performance"** means providing the dedicated capacity in accordance with Exhibit A1 and abiding by the terms of Exhibits B and C of this contract, including all applicable State and federal statutes, regulations, and standards, in expending funds for the provision of alcohol and drug services hereunder.
  9. **"Revenue"** means income from sources other than the State allocation and the required County match.
  10. **"Service Element"** is the specific type of service performed within the more general service modalities. A list of the service modalities and service elements and service elements codes is incorporated into this contract as Document 1H, "Service and Program Codes, and Service Code Descriptions."
  11. **"State"** means the California Department of Alcohol and Drug Programs.

12. **"Unit of Service"** means the type of unit used to quantify the service modalities/elements in the dedicated capacity reports. The units of services are listed below:

Support Services	staff hours
Primary and Secondary Prevention Services	staff hours
Nonresidential Services	
Outpatient	staff hours
Aftercare	staff hours
Day Care Habilitative	visit days
Residential Treatment Service	bed days
Narcotic Treatment Program	
Inpatient Detoxification	bed days
Outpatient Detoxification	slot days
Narcotic Replacement Therapy	slot days
Methadone	
Levo-alpha-acetyl-methadol (LAAM)	
Ancillary Services	staff hours
California Mentoring Initiative	staff hours
Driving Under-the-Influence	clients served

13. **"Utilization"** means the total actual units of service used by clients and participants.

## ARTICLE III. FISCAL PROVISIONS

## A. Funding Authorization

1. Exhibit C is valid and enforceable subject to sufficient funds being made available to State by the United States Government and subject to authorization and appropriation of sufficient funds pursuant to the State's Budget Act.
2. In the event the United States Government and/or the State Government do not authorize and appropriate sufficient funds for State to allocate amounts pursuant to the Payment Provisions of Exhibit C, it is mutually agreed that the contract shall be amended to reflect any reduction in the Payment Provisions and the Performance Provisions.
3. Contractor shall bear the financial risk in providing any alcohol and/or drug services covered by this Exhibit C.

## B. Payment Provisions

1. The NNA shall be based on the projected cost of services less the projected revenues. The projected cost of services shall be based on historical data of actual costs and current capacity, which shall be provided to State by Contractor.
2. For each fiscal year, the total amount payable by State to Contractor under Exhibit C shall not exceed the encumbered amount. The funds identified for the fiscal years covered by Exhibit C are subject to change depending on the availability and amount of funds appropriated by the Legislature and the Federal Government. The amount of funds available for expenditure by Contractor shall be limited to the amount identified in the final allocations issued by State for that fiscal year or the NNA, whichever is less. Changes to encumbered funds will require written amendment to the contract. State may settle costs for NNA services based on the year-end cost settlement report as the final amendment to the approved single state/County contract.
3. In the event a contract amendment is required pursuant to the preceding paragraph, Contractor shall submit to State the contract exhibits requested by State in order to initiate the contract amendment. Any such requested exhibits shall be forwarded to State 60 days after State issues a notice of the State Budget Act allocation or any revised allocation with the exception of the final allocation. To the extent Contractor is notified of the State Budget Act allocation prior to the execution of the contract, State and Contractor may agree to amend the contract after the issuance of the first revised allocation.
4. State shall reimburse Contractor monthly in arrears based upon the amount encumbered for Exhibit C or the most recent allocation based on the Budget Act Allocation, whichever is less.

The monthly payment shall be one twelfth of the NNA portion of the approved contract or the Budget Act Allocation, whichever is less.

However, based on the expenditure information submitted by the counties in the Quarterly Federal Financial Management Report, State may adjust monthly payments of encumbered federal funds to extend the length of time (not to exceed 21 months) over which such payments will be made.

5. Monthly disbursements to Contractor at the beginning of each FY of the contract shall be based on the preliminary allocation of funds by State as detailed in Exhibit A1, County Prevention and Treatment Programs Fiscal Summary Detail. Final allocations will reflect any increases or reductions in the appropriations as reflected in the Budget Act Allocation and any subsequent allocation revisions. To the extent

that any amendment encumbers an amount that is less than the Budget Act Allocation, the monthly disbursements will reflect the lesser amount.

6. Monthly payments may be withheld if Contractor fails to timely submit reports and data required by State, including but not limited to, reports required pursuant to Exhibit C, Article V. Upon State's receipt of the complete and accurate reports, or data, Contractor's monthly payment shall commence with the next scheduled monthly payment, and shall include any funds withheld due to late submission of reports or data.

Monthly payments will be withheld if Contractor fails to submit the Budget Act amendment, which includes Contractor and subcontractor fiscal detail data due to State within 60 days after the release of the Budget Act Allocation.

7. Adjustments may be made to the total NNA of the contract and amounts may be withheld from payments otherwise due to Contractor hereunder, for nonperformance to the extent that nonperformance involves fraud, abuse, or failure to achieve the objectives of Exhibit C.

C. Accrual of Interest

Contractor may not retain more than \$100 in interest earned on federal funds per year per Title 45, CFR, 92.21(l). Interest earned in excess of this amount is to be returned to State. Any amounts retained by Contractor must be used for administrative expenses.

D. Transfer of Money

In a fiscal year, transfers of more than 10 percent of the contracted amount between modalities included in Exhibit C will require an amendment to the contract. Transfers of 10 percent or less of the contracted amount between modalities require prior written approval by State and are subject to subsequent reporting by Contractor to State consistent with Article V reporting requirements when the transfers are between service elements. In determining whether to grant approval, State will consider identification of the amount to be transferred, the location of the transfers, the need for the transfers, and the effect on the negotiated service delivery.

E. Additional Audit Requirements

1. Pursuant to OMB Circular A-133, Contractor shall require and ensure that any subcontractor expending \$300,000 or more in federal funds in a fiscal year, have a single or program-specific audit performed pertaining to Exhibit C.
  - (a) The audit shall be performed in accordance with OMB Circular A-133 (revised June 24, 1997), entitled "Audits of States, Local Governments, and Non-Profit Organizations."
  - (b) The audit shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, 1994 Revision, issued by the Comptroller General of the United States.
  - (c) A copy of the audit performed in accordance with OMB Circular A-133 (Revised June 24, 1997) shall be submitted to State within thirty (30) days of completion, but no later than nine (9) months following the end of the provider's fiscal year.
  - (d) The cost of the audit made in accordance with the provisions of OMB Circular A-133 can be charged to applicable Federal awards. Where apportionment of the audit cost is necessary, such apportionment shall be made in accordance

with generally accepted accounting principles, but shall not exceed the proportionate amount that the award represents of the provider's total revenue.

- (e) The work papers and the audit reports shall be retained for a minimum of three years from the date of the audit reports, and longer if the independent auditor is notified in writing by State to extend the retention period.
  - (f) Audit work papers shall be made available upon request to State, and copies shall be made as is reasonable and necessary.
  - (g) Contractor, in coordination with State, shall ensure that its subcontractors follow-up and take all necessary corrective action on any audit findings in the single or program-specific audit report.
2. Pursuant to OMB Circular A-133, State may impose sanctions against Contractor for not submitting required single or program-specific audit reports, or failure to comply with all other audit requirements. The sanctions shall include:
- (a) Withholding a percentage of federal awards until the audit is completed satisfactorily;
  - (b) Withholding or disallowing overhead costs;
  - (c) Suspending federal awards until the audit is conducted; or
  - (d) Terminating the Federal award.
3. Pursuant to OMB Circular A-133, Contractor shall monitor the activities of subcontractors that expend less than \$300,000 in total federal funds in a year to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

Limited scope audits, on-site visits, and reviews of documentation supporting requests for reimbursement are monitoring procedures that would be acceptable to OMB in meeting Contractor monitoring objectives. Also, OMB would allow counties to charge Federal awards for the cost of these monitoring procedures.

- (a) Limited scope audits as they are defined in the OMB Circular A-133 only include agreed-upon engagements conducted in accordance with either the American Institute of Certified Public Accountant's generally accepted auditing standards or attestation standards, that are paid for and arranged by pass-through entities (counties) and address only one or more of the following types of compliance requirements: (1) activities allowed or unallowed; (2) allowable costs/cost principles; (3) eligibility; (4) matching, level of effort and earmarking; and (5) reporting.
- (b) On-site visits focus on compliance and controls over compliance areas. The reviewer makes site visits to the subrecipient's location(s), and documents the visits using a checklist or program focusing on the compliance areas. All findings noted during the on-site monitoring are handled in the same manner as any exceptions noted during single or program-specific audits.
- (c) Reviews of supporting documentation submitted by providers include, but are not limited to, copies of invoices, canceled checks, and time sheets. Prior to reimbursement the reviewer determines if the costs are allowable under the terms of the Federal award.

4. Reports of audits conducted by State shall reflect all findings, recommendations, adjustments, and corrective action as a result of its findings in any areas.
5. Contractor shall be responsible for any disallowances taken by the Federal government, the State, or the Bureau of State Audits, as a result of any audit exception that is related to Contractor's responsibilities herein. Contractor agrees to develop and implement any corrective action plans in a manner acceptable to State in order to comply with recommendations contained in the audit report. Such corrective action plans shall include time specific objectives to allow for measurement of progress and are subject to verification by State within one year from the date of the plan.
6. If differences cannot be resolved between State and Contractor regarding the terms of the final audit settlements for funds expended under Exhibit C, Contractor may request an appeal in accordance with the appeal process described in Document 1J, "Audit Appeals Process," incorporated by this reference.

F. Revenue Collection

Contractor shall conform to revenue collection requirements in Division 10.5 of the HSC, Sections 11841 and 11991.5.

G. County Match Requirements

Contractor shall comply with the following requirements pursuant to HSC, Sections 11840, 11840.1, and 11987.4:

1. Counties with populations over 100,000:
  - (a) Non-DMC SGF allocations shall be funded on the basis of 90 percent SGF and 10 percent County funds, except local hospital inpatient costs to the extent there are allocations made for local hospital inpatient costs, which shall be funded on a basis of 85 percent SGF and 15 percent County funds; and
  - (b) State Hospital programs shall be funded on the basis of 85 percent SGF and 15 percent County funds.
2. Counties with populations under 100,000:

Non-DMC SGF, Non-DMC Perinatal SGF, Women and Children's Residential Treatment SGF, and Youth Treatment Programs SGF allocations do not require a County fund match, with the exception of State Hospital programs, which shall be funded on the basis of 90 percent SGF and 10 percent County funds to the extent that allocations of SGF are made available for such programs.
3. Perinatal Services Network counties with populations over 100,000:

Perinatal Services Network programs shall be funded on the basis of 90 percent Perinatal State General Fund (PSGF) and 10 percent County funds. The 10 percent County funds match to PSGF funds must be used for perinatal-related activities. The 10 percent County match requirement does not apply to the Women and Children's Residential Treatment Services funds.
4. Youth Treatment Programs in counties with populations over 100,000:

Youth Treatment Programs shall be funded on the basis of 90 percent SGF and 10 percent County funds. The 10 percent County funds match to SGF must be used for youth treatment activities.

## H. Cost Efficiencies

1. It is intended that the cost to Contractor in maintaining the dedicated capacity and units of service shall be met by the negotiated net amount allocated to Contractor and other Contractor or subcontractor revenues. Amounts awarded pursuant to Exhibit C shall not be used for services where payment has been made, or can reasonably be expected to be made under any other state or federal compensation or benefits program, or where services can be paid for from revenues.
2. Pursuant to HSC, Sections 11758.12 (e) and (h), unexpended discretionary State General Funds (SGF) provided through this contract shall be treated as follows:
  - (a) Contractor shall notify State by April 1 of the current fiscal year of the estimated amount of retained unspent discretionary SGF to be expended by Contractor in the next fiscal year.
  - (b) Contractor shall include any unexpended SGF discretionary funds redirected from the current fiscal year to the next fiscal year plus any accrued interest, (see Article III, Section C) on the identified lines of the budget summary for the next fiscal year contract.
  - (c) Unspent discretionary SGF may be retained by Contractor, less:
    - i. amounts reimbursable to the California Department of Corrections pursuant to Document 1D;
    - ii. amounts deemed necessary by Contractor to fund allowable DMC costs that exceed DMC maximum rates.
  - (d) Retained SGF may only be spent on identifiable drug and alcohol services in accordance with this contract and shall be included on the identified lines of the budget summary for the subsequent fiscal year.

## I. Expenditure of SAPT Block Grant Funds and SDFSC Funds

1. SAPT Block Grant funds are allocated based upon the Federal Grant award period. These funds must be expended within the availability period of the grant award. Any SAPT Block Grant funds that have not been expended by a Contractor at the end of the expenditure period identified below, shall be returned to State.
  - (a) For State Fiscal Year (SFY) 2001/2002, 100% of the Federal Fiscal Year (FFY) 2002 award will be allocated. The expenditure period of the FFY 2002 award is October 1, 2001 through June 30, 2003.
  - (b) For State Fiscal Year (SFY) 2002/2003, 100% of the Federal Fiscal Year (FFY) 2003 award will be allocated. The expenditure period of the FFY 2003 award is October 1, 2002 through June 30, 2004.
  - (c) For State Fiscal Year (SFY) 2003/2004, 100% of the Federal Fiscal Year (FFY) 2004 award will be allocated. The expenditure period of the FFY 2004 award is October 1, 2003 through June 30, 2005.
2. SDFSC funds are allocated based upon the State FY. The expenditure of these funds is subject to the availability period of the grant award. Any SDFSC funds that have not been expended by Contractor at the end of the expenditure period identified below, shall be returned to State.

- (a) The SFY 2001 award will be allocated in SFY 2001/2002. The expenditure period of the SFY award is July 1, 2001 through June 30, 2003
- (b) The SFY 2002 award will be allocated in SFY 2002/2003. The expenditure period of the SFY award is July 1, 2002 through June 30, 2004
- (c) The SFY 2003 award will be allocated in SFY 2003/2004. The expenditure period of the SFY award is July 1, 2003 through June 30, 2005.



**ARTICLE IV. PERFORMANCE PROVISIONS**

**A. Monitoring**

1. Contractor's performance under Exhibit C shall be monitored by State during the term of this contract. Monitoring criteria shall include, but not be limited to:
  - (a) whether the quantity of work or services being performed conform with Exhibit A1;
  - (b) whether Contractor has established and is monitoring quality standards;
  - (c) whether Contractor is abiding by all the terms and requirements of this contract; and
  - (d) whether Contractor is abiding by the terms of the Perinatal Services Network Guidelines (Document 1G).
2. Failure to comply with the above provisions shall constitute grounds for State to suspend or recover payments, subject to Contractor's right of appeal, or may result in termination of the contract or both.

**B. Performance Requirements**

1. Contractor's NNA dedicated capacity is the agreed upon available capacity by service modality and capacity, negotiated by Contractor and State, as set forth in Exhibit A1.
2. Contractor shall provide services to all eligible persons in accordance with federal and State statutes and regulations. Contractor shall assure that in planning for the provision of services, the following barriers to services are considered and addressed:
  - (a) lack of educational materials or other resources for the provision of services;
  - (b) geographic isolation and transportation needs of persons seeking services or remoteness of services;
  - (c) institutional or cultural barriers;
  - (d) language differences;
  - (e) lack of service advocates; and
  - (f) failure to survey or otherwise identify the barriers to service accessibility.
3. Contractor shall comply with any additional requirements of the documents that have been incorporated herein by reference, including, but not limited to, those on the "List of Exhibit C Documents" which is attached to Exhibit C.
4. Amounts awarded pursuant to Exhibit C shall be used exclusively for providing alcohol and/or drug program services consistent with the purpose of the funding.

**ARTICLE V. REPORTING REQUIREMENTS****A. Financial Reports**

1. Contractor shall submit the County Prevention and Treatment Programs Fiscal Summary and Provider Fiscal Detail Forms, which are part of Exhibit A1, in accordance with State's drug and alcohol fiscal reporting system requirements. Contractor agrees to submit the Exhibit A1 documents with the original contract and with each contract amendment.
2. Contractor agrees to submit Quarterly Federal Financial Management reports and end-of-year cost data in the form of year-end cost settlement reports, including Document 2P(c), "County Certification Cost Report Year-End Claim for Reimbursement" with the original signature of Contractor's authorized designee in accordance with Document 1F, "Requirements for Data by Date."

**B. Additional Reports**

1. In accordance with HSC, Section 11758.12(d), Contractor shall submit, and shall require subcontractors to submit, information required by State. The information shall include, but is not limited to, utilization reports, compliance reports, financial reports, treatment and prevention services reports, demographic characteristics of service recipients, and data as required pursuant to the following:  
  
Document 1K: Drug and Alcohol Treatment Access Report (DATAR) (which includes and incorporates data from the Provider Waiting List Record);  
  
Document 1L: California Alcohol and Drug Data System (CADDS) Participant (Admission and Discharge) Records;  
  
Document 1M: California Alcohol and Drug Data System (CADDS) Provider Summary;  
  
Document 1N: National Survey of Substance Abuse Treatment Services (formerly "Drug and Alcohol Services Information System [DASIS] Uniform Facilities Data Set [UFDS]");  
  
Document 1R: Perinatal Services Monthly Report; and  
  
Document 1T: Prevention Activities Data System (PADS) Forms, ADP7235A-G.
3. Contractor agrees that it shall submit all data requested pursuant to this Article V in a manner identified, or on forms provided, by State by the applicable due dates or the dates in Document 1F, "Requirements for Data by Date."

**C. Subcontractor Documentation**

Any agreement with a subcontractor that is not licensed or certified by State shall require the subcontractor to submit organizational documents to State within 30 days of its execution of an initial subcontract or within 90 days of the renewal or continuation of an existing subcontract. Organizational documents shall include the subcontractor's Articles of Incorporation or Partnership Agreements (as applicable), and business licenses, fictitious name permits, and such other information and documentation as may be requested by the State.

**ARTICLE VI. GENERAL PROVISIONS****A. Records**

Contractor shall maintain sufficient books, records, documents, and other evidence necessary for State to audit contract performance and contract compliance. Contractor will make these records available to State, upon request, to evaluate the quality and quantity of services, accessibility and appropriateness of services, and to ensure fiscal accountability. Regardless of the location or ownership of such records, they shall be sufficient to determine the reasonableness, allowability, and allocability of costs incurred by Contractor.

1. Contracts with audit firms shall have a clause to permit access by State to the working papers of the external independent auditor, and copies of the working papers shall be made for State at its request.
2. Contractor shall keep adequate and sufficient financial records and statistical data to support the year-end documents filed with State.
3. Accounting records and supporting documents shall be retained for a three-year period from the date the year-end cost settlement report was approved by State for interim settlement. When an audit has been started before the expiration of the three-year period, the records shall be retained until completion of the audit and final resolution of all issues that arise in the audit. Final settlement shall be made at the end of the audit and appeal process. If an audit has not begun within three years, the interim settlement shall be considered as the final settlement.
4. Financial records shall be kept so that they clearly reflect the source of funding for each type of service for which reimbursement is claimed. These documents include, but are not limited to, all ledgers, books, vouchers, time sheets, payrolls, appointment schedules, client data cards, and schedules for allocating costs.
5. Contractor's subcontracts shall require that all subcontractors comply with the requirements of this Section A.
6. Should a subcontractor discontinue its contractual agreement with Contractor, or cease to conduct business in its entirety, Contractor shall be responsible for retaining the subcontractor's fiscal and program records for the required retention period. The State Administrative Manual (SAM) contains statutory requirements governing the retention, storage, and disposal of records pertaining to State funds.

If Contractor cannot physically maintain the fiscal and program records of the subcontractor, then arrangements shall be made with State to take possession and maintain all records.

7. In the expenditure of funds hereunder, and as required by 45 CFR Part 96, Contractor shall comply with the requirements of SAM and the laws and procedures applicable to the obligation and expenditure of State funds.

**B. Dispute Resolution Process**

1. In the event of a dispute under this Exhibit C, other than an audit dispute, the disputant shall provide written notice of the particulars of the dispute to the other party before exercising any other available remedy. Written notice shall include the contract number. The Director (or designee) of the State and the County Drug or Alcohol Program Administrator (or designee) shall meet to discuss the means by which they can effect an equitable resolution to the dispute. The disputant shall receive a written

response from the respondent within 60 days of the notice of dispute. The written response shall reflect the issues discussed at the meeting and recommend a resolution to the dispute.

2. In the event of a dispute over financial audit findings between State and Contractor, Contractor may appeal the audit in accordance with the "Audit Appeals Process" (Document 1J).
3. To ensure that necessary corrective actions are taken, management and financial audit findings that are either uncontested or upheld after appeal, may be used by State during prospective contract negotiations.

**LIST OF EXHIBIT C DOCUMENTS INCORPORATED BY REFERENCE\*  
FISCAL YEAR 2001/02**

The following documents are hereby incorporated by reference into Exhibit C and, as applicable, into Exhibit D regardless of whether or not they are actually attached to the contract.

Document 1A: Title 45, Code of Federal Regulations 96, Subpart L, Substance Abuse Prevention and Treatment Block Grant Requirements (as amended by PL 106-310, the Children's Health Act of 2000)

Document 1B: Safe and Drug-Free Schools and Communities (SDFSC) Act Requirements

Document 1C: Driving-Under-the-Influence Program Requirements

Document 1D: Services to California Department of Corrections (CDC) - Parolee Services Network Projects and Female Offender Treatment Project

Document 1E: California Public Contract Code, Section 7110

Document 1F: Requirements for Data by Date

Document 1G: Perinatal Services Network Guidelines (Non-Drug Medi-Cal)

Document 1H: Service and Program Codes and Service Code Descriptions

Document 1J: Audit Appeals Process

Document 1K: Drug and Alcohol Treatment Access Report (DATAR) (which includes and incorporates data from the Provider Waiting List Record)

Document 1L: California Alcohol and Drug Data System (CADDs) Participant (Admission and Discharge) Records

Document 1M: California Alcohol and Drug Data System (CADDs) Provider Summary

Document 1N: National Survey of Substance Abuse Treatment Services (formerly "Drug and Alcohol Services Information System [DASIS] Uniform Facilities Data Set [UFDS]")

Document 1P: Alcohol and/or Other Drug Program Certification

Document 1Q: Conditions for Use of Funding Received Under the California Mentor Initiative Allocation (ADP-RFA-CMI)

Document 1R: Perinatal Services Monthly Report

Document 1S: State Contracting Manual Section 7.40 - Insurance Requirements

Document 1T: Prevention Activities Data System (PADS) Forms, ADP 7235A-G

Document 1U: Research-Based Prevention Requirements

Document 1V: Youth Treatment Guidelines

Document 2P(c): County Certification - Prevention and Treatment Cost Report Year-End Claim for Reimbursement

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\*Document identifiers 1"I" and 1"O" were not used to avoid confusion with numbers.