

AMENDMENT #1

Original Agreement	BOS-24-172
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**AMENDMENT TO COUNTY OF MENDOCINO
AGREEMENT NO. BOS-24-172**

This Amendment to Agreement No. BOS-24-172 is entered into by and between the **COUNTY OF MENDOCINO**, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and **TAPESTRY FAMILY SERVICES**, hereinafter referred to as "CONTRACTOR," the date this Amendment is fully executed by all parties.

WHEREAS, Agreement No. BOS-24-172 was entered into on October 1, 2024 (the "Initial Agreement"); and

WHEREAS, upon execution of this document by COUNTY and CONTRACTOR, this Amendment will become part of the Initial Agreement and shall be incorporated therein; and

WHEREAS, it is the desire of COUNTY and CONTRACTOR to increase the total amount payable by \$577,220 from \$5,270,136 to \$5,847,356; and

WHEREAS, it is the desire of COUNTY and CONTRACTOR to update the FSP billing match/FFP line item and total in the Exhibit B-1, Payment Terms – SMHS.


NOW, THEREFORE, we agree as follows:

1. The total contracted amount set out in the Initial Agreement is hereby increased by \$577,220 from \$5,270,136 to \$5,847,35.
2. The Exhibit B-1, Payment Terms - SMHS, set out in the Initial Agreement is hereby altered and a new Exhibit B-1 is attached herein.

All other terms and conditions of the Initial Agreement shall remain in full force and effect

IN WITNESS WHEREOF

DEPARTMENT FISCAL REVIEW:

By: 
Jenine Miller, Psy.D.
Director of Health Services

Date: 3/27/25

Budgeted: Yes
Budget Unit: 4050, 4051
Line Item: 86-3164
Org/Object Code: MH, MACSS
Grant: No
Grant No.: N/A


COUNTY OF MENDOCINO

By: 
JOHN HASCHAK, Chair
BOARD OF SUPERVISORS

Date: 04/22/2025


ATTEST:

DARCIE ANTLE, Clerk of said Board


By: 
Deputy 04/22/2025

I hereby certify that according to the provisions of Government Code section 25103, delivery of this document has been made.

DARCIE ANTLE, Clerk of said Board

By: 
Deputy 04/22/2025

INSURANCE REVIEW:

By: 
Risk Management

Date: 03/21/2025

CONTRACTOR/COMPANY NAME

By: Kendra Pashales Palma
Kendra Palma, Executive Director

Date: 3/21/2024

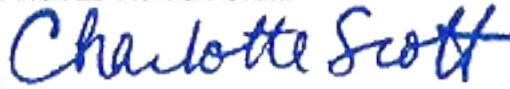
NAME AND ADDRESS OF CONTRACTOR:

TAPESTRY FAMILY SERVICES
169 Mason St., Suite 300
Ukiah, CA 95482
707-463-3300

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement


COUNTY COUNSEL REVIEW:

APPROVED AS TO FORM:

By: 
COUNTY COUNSEL

Date: 03/21/2025

EXECUTIVE OFFICE/FISCAL REVIEW:

By: 
Deputy CEO or Designee

Date: 03/21/2025

Signatory Authority: \$0-25,000 Department; \$25,001- 50,000 Purchasing Agent; **\$50,001+ Board of Supervisors**

Exception to Bid Process Required/Completed ☐ RFP-010-24

Mendocino County Business License: Valid ☐

Exempt Pursuant to MCC Section: Located within city limits in Mendocino County

EXHIBIT B-1

PAYMENT TERMS – SMHS

- I. COUNTY shall reimburse CONTRACTOR for Specialty Mental Health Services (SMHS) provided to eligible Short-Doyle/Medi-Cal beneficiaries as defined in the Definition of Services, Exhibit A-1, as per the following instructions:
 - A. CONTRACTOR shall provide SMHS as directed by the Behavioral Health and Recovery Services (BHRS) Director, as defined in the Definition of Services, Exhibit A-1, and in compliance with the COUNTY of Mendocino MHP Agreement with the State of California.
 - B. COUNTY shall reimburse CONTRACTOR for SMHS, provided to Short-Doyle/Medi-Cal clients as defined in the Definition of Services, Exhibit A-1, and in compliance with the COUNTY of Mendocino MHP Agreement with the State of California, not to exceed Five Million Seven Hundred Seventy-Two Thousand Three Hundred Fifty-Six Dollars (\$5,772,356) for the term of this Agreement as follows:

Specialty Mental Health Billing:	\$3,348,568
FSP Billing Match/FFP:	\$2,423,788
Total:	\$5,772,356

1. All FSP funds must be invoiced separately from other SMH claims, funds must be spent on clients who are fully enrolled in the county's FSP program, with all necessary documentation.
2. SMHS for Short-Doyle-Medi-Cal beneficiaries shall be reimbursed within thirty (30) days of receipt of complete and accurate claims invoice/files.
3. Billing for services shall be completed as per instructions in the Department of Health Care Services (DHCS) Mental Health Services Division Medi-Cal Billing Manual, and the Mendocino COUNTY Mental Health Policy and Procedure, "Claims Processing and Payment to contract provider under the Mental Health Medi-Cal Managed Care Plan".
4. In no event shall COUNTY be obligated to pay CONTRACTOR for any Short-Doyle/Medi-Cal claims, where payment has been denied, or disallowed by State or Federal authorities. Should such denials or

disallowances occur, COUNTY may, at their discretion, deduct the value of the disallowances from future payments to CONTRACTOR.

5. In no event shall COUNTY be obligated to pay CONTRACTOR for any Short-Doyle/Medi-Cal claims for clients with other coverage where CONTRACTOR has not billed for reimbursement or denial of benefits in accordance with coordination of coverage requirements. Coordination of Benefits (COB) information shall be provided to COUNTY at the time of submission or the claim will be denied. Per California Welfare and Institutions Code section §14124.795, all other forms of coverage must pay their portion of a claim before Medi-Cal pays its portion. Medi-Cal is always the payer of last resort.
 6. Services provided to clients eligible for benefits under both Medicare (Federal) and Medi-Cal (State of California) plans must be billed and adjudicated by Medicare before the claim can be submitted to COUNTY. Claims for reimbursement of Medicare-eligible services performed by Medicare-certified providers in a Medicare-certified facility must be submitted to Medicare before being submitted to Medi-Cal. Medicare COB information shall be provided to COUNTY at the time of submission or the claim will be denied. The following SMHS do not require Medicare COB as specified in Information Notices 09-09 and 10-11: 11017 Targeted Case Management, H2011 Crisis Intervention, H2013 Psychiatric Health Facility, H0018 Crisis Residential Treatment Services, H0019 Adult Residential Treatment Services, S9484 Crisis Stabilization, H2012 Day Treatment Intensive / Day Rehabilitation, H2019 Therapeutic Behavioral Services, 0101 Administrative Day Services.
 7. Some clients may have what is known as Medi-Cal Share of Cost (SOC). The SOC is similar to a deductible based on the fact that the client must meet a specified dollar amount for medical expenses before the COUNTY will pay claims for services provided over and above the amount of the SOC in that month. The SOC is usually determined by the COUNTY Department of Social Services and is based upon the client or family income.
- C. Claims submitted by CONTRACTOR in excess of one hundred fifty (150) days from date of service must be accompanied with justification (i.e. explanation of benefits) for the late submission, or services may be denied. Late claims will be reviewed with the Behavioral Health Director and Behavioral Health Fiscal Manager for approval regarding late submission. COUNTY is aware that some services may require a late submission. If

CONTRACTOR and Behavioral Health Fiscal Manager are unable to come to an agreement regarding late submission, the Behavioral Health Director shall make the final determination as to whether payment is to be remitted to CONTRACTOR. If late submission is not approved, CONTRACTOR shall not be reimbursed for the services.

- D. All invoices must be received no later than December 15, 2025, for services rendered under the term of this Agreement, invoices received after that date shall not be accepted.
- E. All services that do not meet medical necessity and are not sufficient to achieve the purpose for which the services are furnished, shall be disallowed. COUNTY shall be reimbursed by CONTRACTOR for the total claimed amount of all services disallowed (by State and/or COUNTY) audit and/or review, within thirty (30) days of the notice of disallowance.
- F. Payment may be requested for the services identified in this Agreement based on documented medical and access criteria and as authorized by COUNTY.
- G. Each service invoiced to COUNTY must have appropriate signed and dated progress notes entered into the EHR describing how the intervention provided reduced impairment, restored functioning, or prevented significant deterioration in an important area of life functioning.
- H. CONTRACTOR must have means of routinely verifying that services reimbursed were actually provided. For coverage of services and payment of claims under this Contract, CONTRACTOR shall implement and maintain a compliance program designed to detect and prevent fraud, waste, and abuse. As a condition for receiving payment under a Medi-Cal managed care program, the CONTRACTOR shall comply with the provisions of Title 42 of the Code Federal Regulations, sections §§ 438.604, 438.606 and 438.608, and 438.610. (Title 42 of the Code of Federal Regulations, section § 438.600(b).
- I. CONTRACTOR will not be reimbursed for unauthorized services. COUNTY will be responsible for service authorization and payment only for service months during which the consumer has Medi-Cal assigned to the Mendocino COUNTY Code. If COUNTY of beneficiary is changed during the course of treatment, authorization and payment responsibilities transfer to the new COUNTY of beneficiary.
- J. CONTRACTOR is responsible for:

- a. Billing other health coverage;
 - b. Collecting SOC amounts; and
 - c. Collecting Uniform Method of Determining Ability to Pay (UMDAP) amounts.
- K. If a client disputes the SOC amount and/or UMDAP amount billed to them, but it is then determined the client does owe the SOC and/or UMDAP amount, a Notice of Adverse Benefit Determinations (NOABD) Denial of a Request to Dispute a Financial Liability (Financial Liability Notice) shall be sent to the client within two (2) business days of the determination.
- L. Rate setting and payment shall be consistent with federal and state statutes and regulations, as they may be amended from time to time. Please see Attachment 1 for current rates.
- M. Payment for services is subject to Medi-Cal documentation standards, establishment of medical necessity, access criteria, and claim submissions consistent with State and Federal requirements.
- N. CONTRACTOR shall submit a weekly invoice summary that corresponds to the appropriate Electronic Data Interchange (EDI) billing detail in the EHR within seven (7) days of the EDI billing drop, accompanied by any documents requested by BHRS or COUNTY.
- O. CONTRACTOR shall ensure Specialty Mental Health Medi-Cal Services in EDI billing are entered no later than thirty (30) days after the end of the month during which services were rendered (i.e. EDI billing for services rendered in May would be due by June 30). Claims for services submitted by CONTRACTOR in excess of this timeframe shall be reviewed for justification regarding late submission.
- P. CONTRACTOR will cooperate with COUNTY process for submitting the unit of service data for Medi-Cal billing in the required timeline. A signed paid certification of claim shall be submitted at time payment is received.
- Q. COUNTY shall pay CONTRACTOR consistent with the certified public expenditure process required by 42 CFR 433.51.
- R. CONTRACTOR shall submit to COUNTY an annual report of overpayment recoveries in a manner and format determined by COUNTY of Mendocino MHP Agreement.
- S. Cost Report shall be completed by CONTRACTOR and submitted to COUNTY by Oct 1, 2024. Initial Cost Reports shall include all services

delivered in FY 2023 - 2024. CONTRACTOR shall maintain all Cost Report documentation and evidence for a minimum of ten (10) years after the COUNTY final Cost Report settlement with DHCS. Payment shall be required by either COUNTY or CONTRACTOR within sixty (60) days of settlement or as otherwise mutually agreed, after final Cost Report settlement with DHCS.

- T. CONTRACTOR will provide an annual budget and submit required financial information to COUNTY monthly. CONTRACTOR shall submit a monthly Expenditure Report to the COUNTY each month.
- U. CONTRACTOR must comply with all policies, procedures, letters, and notices of the COUNTY of Mendocino Mental Health Plan (MHP) and DHCS and agrees to utilize the funds for client care services and exclude the use of funds for lobbying or other administrative activities not related to the delivery of services under the MHP.
- V. If CONTRACTOR is out of compliance with report submissions, CONTRACTOR agrees that funds to be distributed under the terms of this agreement shall be withheld until such time as CONTRACTOR submits acceptable monthly or quarterly documents.
- W. CONTRACTOR shall comply with all requirements of the COUNTY of Mendocino MHP Agreement with the State of California; direction(s) from the Behavioral Health Director and all policies, procedures, letters and notices of the COUNTY of Mendocino and/or the DHCS.
- X. The compensation payable to CONTRACTOR shall be dependent on CONTRACTOR satisfying all components of this Agreement, the State/COUNTY MHP Contract, and all direction from the Behavioral Health Director.

II. Audits:

- A. CONTRACTOR shall comply with COUNTY, State, or Federal Fiscal or Quality Assurance Audits and repayment requirements based on audit findings.
- B. CONTRACTOR and COUNTY shall each be responsible for any audit exceptions or disallowances on their part.
- C. COUNTY shall not withhold payment from CONTRACTOR for exceptions or disallowances for which COUNTY is financially responsible, consistent with Welfare and Institutions Code 5778 (b)(4).

- III. The compensation payable to CONTRACTOR as defined in the Definition of Services, Exhibit A-1, shall not exceed Five Million Seven Hundred Seventy-Two Thousand Three Hundred Fifty-Six Dollars (\$5,772,356) for the term of this Agreement.

[END OF EXHIBIT B-1 – SMHS]