

**COUNTY OF MENDOCINO  
STANDARD SERVICES AGREEMENT**

This Agreement is by and between the COUNTY OF MENDOCINO, hereinafter referred to as the “COUNTY”, and **Redwood Community Services, Inc.**, hereinafter referred to as the “CONTRACTOR”.

**WITNESSETH**

WHEREAS, pursuant to Government Code Section 31000, COUNTY may retain independent contractors to perform special services to or for COUNTY or any department thereof; and,

WHEREAS, COUNTY desires to obtain CONTRACTOR for its Residential Treatment Facility Operations and Crisis Residential Services; and,

WHEREAS, CONTRACTOR is willing to provide such services on the terms and conditions set forth in this AGREEMENT and is willing to provide same to COUNTY.

NOW, THEREFORE it is agreed that COUNTY does hereby retain CONTRACTOR to provide the services described in Exhibit “A”, and CONTRACTOR accepts such engagement, on the General Terms and Conditions hereinafter specified in this Agreement, the Additional Provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

Exhibit A	Definition of Services
Exhibit B	Payment Terms
Exhibit C	Insurance Requirements
Exhibit D	Assurance of Compliance with Nondiscrimination in State and Federally Assisted Programs
Appendix A	Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Lower Tier Covered Transactions
Attachment 1	Medical Necessity for Specialty Mental Health Services

The term of this Agreement shall be from November 1, 2021 (the “Effective Date”), and shall continue through October 31, 2023.

The compensation payable to CONTRACTOR hereunder shall not exceed One Million Eight Hundred Sixty-Nine One Hundred Thirty Dollars (\$1,869,130) for the term of this Agreement.

**IN WITNESS WHEREOF**

**DEPARTMENT FISCAL REVIEW:**

By: \_\_\_\_\_  
Jenine Miller, Psy.D., HHSA Assistant Director/  
Behavioral Health Director

Date: \_\_\_\_\_

Budgeted: ☒ Yes ☐ No

Budget Unit: 4050

Line Item: 86-3164

Org/Object Code: MH

Grant: ☐ Yes ☒ No

Grant No.: \_\_\_\_\_

**COUNTY OF MENDOCINO**

By: \_\_\_\_\_  
DAN GJERDE, Chair  
BOARD OF SUPERVISORS

Date: \_\_\_\_\_

**ATTEST:**

CARMEL J. ANGELO, Clerk of said Board

By: \_\_\_\_\_  
Deputy

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

CARMEL J. ANGELO, Clerk of said Board

By: \_\_\_\_\_  
Deputy

**INSURANCE REVIEW:**

By: \_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_

**CONTRACTOR/COMPANY NAME**

By: \_\_\_\_\_  
Victoria Kelly, Chief Executive Officer

Date: \_\_\_\_\_

**NAME AND ADDRESS OF CONTRACTOR:**

Redwood Community Services, Inc.  
631 South Orchard Ave.  
Ukiah, CA 95482

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:**

CHRISTIAN M. CURTIS,  
County Counsel

By: \_\_\_\_\_  
Deputy

Date: \_\_\_\_\_

**EXECUTIVE OFFICE/FISCAL REVIEW:**

By: \_\_\_\_\_  
Deputy CEO

Date: \_\_\_\_\_

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

Exception to Bid Process Required/Completed ☐ \_\_\_\_\_

Mendocino County Business License: Valid ☐

Exempt Pursuant to MCC Section: \_\_\_\_\_

## **GENERAL TERMS AND CONDITIONS**

1. **INDEPENDENT CONTRACTOR:** No relationship of employer and employee is created by this Agreement; it being understood and agreed that CONTRACTOR is an Independent Contractor. CONTRACTOR is not the agent or employee of the COUNTY in any capacity whatsoever, and COUNTY shall not be liable for any acts or omissions by CONTRACTOR nor for any obligations or liabilities incurred by CONTRACTOR.

CONTRACTOR shall have no claim under this Agreement or otherwise, for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance medical care, hospital care, retirement benefits, social security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind.

CONTRACTOR shall be solely liable for and obligated to pay directly all applicable payroll taxes (including federal and state income taxes) or contributions for unemployment insurance or old age pensions or annuities which are imposed by any governmental entity in connection with the labor used or which are measured by wages, salaries or other remuneration paid to its officers, agents or employees and agrees to indemnify and hold COUNTY harmless from any and all liability which COUNTY may incur because of CONTRACTOR's failure to pay such amounts.

In carrying out the work contemplated herein, CONTRACTOR shall comply with all applicable federal and state workers' compensation and liability laws and regulations with respect to the officers, agents and/or employees conducting and participating in the work; and agrees that such officers, agents, and/or employees will be considered as Independent Contractors and shall not be treated or considered in any way as officers, agents and/or employees of COUNTY.

CONTRACTOR does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with all applicable federal, state and COUNTY laws, including but not limited to prevailing wage laws, ordinances, regulations, titles, departmental procedures and currently approved methods and practices in his/her field and that the sole interest of COUNTY is to ensure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by the COUNTY agency concerned.

Notwithstanding the foregoing, if the COUNTY determines that pursuant to state and federal law CONTRACTOR is an employee for purposes of income tax withholding, COUNTY may upon two (2) week's written notice to CONTRACTOR, withhold from payments to CONTRACTOR hereunder federal and state income taxes and pay said sums to the federal and state governments.

2. **INDEMNIFICATION:** To the furthest extent permitted by law (including without limitation California Civil Code sections 2782 and 2782.8, if applicable), CONTRACTOR shall assume the defense of, indemnify, and hold harmless the COUNTY, its officers, agents, and employees, from and against any and all claims, demands, damages, costs, liabilities, and losses whatsoever alleged to be occurring or resulting in connection with the CONTRACTOR'S performance or its obligations under this AGREEMENT, unless arising out of the sole negligence or willful misconduct of COUNTY. "CONTRACTOR'S performance" includes CONTRACTOR'S action or inaction and the action or inaction of CONTRACTOR'S officers, employees, agents and subcontractors.
3. **INSURANCE AND BOND:** CONTRACTOR shall at all times during the term of the Agreement with the COUNTY maintain in force those insurance policies and bonds as designated in the attached Exhibit C, and will comply with all those requirements as stated therein.
4. **WORKERS' COMPENSATION:** CONTRACTOR shall provide Workers' Compensation insurance, as applicable, at CONTRACTOR's own cost and expense and further, neither the CONTRACTOR nor its carrier shall be entitled to recover from COUNTY any costs, settlements, or expenses of Workers' Compensation claims arising out of this Agreement.

CONTRACTOR affirms that s/he is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for the Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code and CONTRACTOR further assures that s/he will comply with such provisions before commencing the performance of work under this Agreement. CONTRACTOR shall furnish to COUNTY certificate(s) of insurance evidencing Worker's Compensation Insurance coverage to cover its employees, and CONTRACTOR shall require all subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of subcontractors' employees.

5. **CONFORMITY WITH LAW AND SAFETY:**
  - a. In performing services under this Agreement, CONTRACTOR shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services, including all applicable provisions of the California Occupational Safety and Health Act. CONTRACTOR shall indemnify and hold COUNTY harmless from any and all liability, fines, penalties and consequences from any of CONTRACTOR's failures to comply with such laws, ordinances, codes and regulations.

- b. ACCIDENTS: If a death, serious personal injury or substantial property damage occurs in connection with CONTRACTOR's performance of this Agreement, CONTRACTOR shall immediately notify Mendocino County Risk Manager's Office by telephone. CONTRACTOR shall promptly submit to COUNTY a written report, in such form as may be required by COUNTY of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of CONTRACTOR's sub-contractor, if any; (3) name and address of CONTRACTOR's liability insurance carrier; and (4) a detailed description of the accident and whether any of COUNTY's equipment, tools, material, or staff were involved.
- c. CONTRACTOR further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the COUNTY the opportunity to review and inspect such evidence, including the scene of the accident.
6. PAYMENT: For services performed in accordance with this Agreement, payment shall be made to CONTRACTOR as provided in Exhibit "B" hereto as funding permits.
- If COUNTY over pays CONTRACTOR for any reason, CONTRACTOR agrees to return the amount of such overpayment to COUNTY, or at COUNTY's option, permit COUNTY to offset the amount of such overpayment against future payments owed to CONTRACTOR under this Agreement or any other agreement.
- In the event CONTRACTOR claims or receives payment from COUNTY for a service, reimbursement for which is later disallowed by COUNTY, State of California or the United States Government, the CONTRACTOR shall promptly refund the disallowance amount to COUNTY upon request, or at its option COUNTY may offset the amount disallowed from any payment due or that becomes due to CONTRACTOR under this Agreement or any other agreement.
- All invoices, receipts, or other requests for payment under this contract must be submitted by CONTRACTOR to COUNTY in a timely manner and consistent with the terms specified in Exhibit B. In no event shall COUNTY be obligated to pay any request for payment for which a written request for payment and all required documentation was first received more than six (6) months after this Agreement has terminated, or beyond such other time limit as may be set forth in Exhibit B.
7. TAXES: Payment of all applicable federal, state, and local taxes shall be the sole responsibility of the CONTRACTOR.

8. **OWNERSHIP OF DOCUMENTS:** CONTRACTOR hereby assigns the COUNTY and its assignees all copyright and other use rights in any and all proposals, plans, specification, designs, drawings, sketches, renderings, models, reports and related documents (including computerized or electronic copies) respecting in any way the subject matter of this Agreement, whether prepared by the COUNTY, the CONTRACTOR, the CONTRACTOR's subcontractors or third parties at the request of the CONTRACTOR (collectively, "Documents and Materials"). This explicitly includes the electronic copies of all above stated documentation.

CONTRACTOR shall be permitted to retain copies, including reproducible copies and computerized copies, of said Documents and Materials. CONTRACTOR agrees to take such further steps as may be reasonably requested by COUNTY to implement the aforesaid assignment. If for any reason said assignment is not effective, CONTRACTOR hereby grants the COUNTY and any assignee of the COUNTY an express royalty – free license to retain and use said Documents and Materials. The COUNTY's rights under this paragraph shall apply regardless of the degree of completion of the Documents and Materials and whether or not CONTRACTOR's services as set forth in Exhibit "A" of this Agreement have been fully performed or paid for.

The COUNTY's rights under this Paragraph 8 shall not extend to any computer software used to create such Documents and Materials.

9. **CONFLICT OF INTEREST:** The CONTRACTOR covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement.
10. **NOTICES:** All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:

**Personal Delivery:** When personally delivered to the recipient, notices are effective on delivery.

**First Class Mail:** When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after deposit in a United States Postal Service office or mailbox. **Certified Mail:** When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

**Overnight Delivery:** When delivered by overnight delivery (Federal Express/Airborne/United Parcel Service/DHL WorldWide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

Facsimile Transmission: When sent by facsimile to the facsimile number of the recipient known to the party giving notice, notice is effective on receipt, provided that, (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given facsimile shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To COUNTY: COUNTY OF MENDOCINO  
HHSA Behavioral Health and Recovery Services  
1120 S. Dora Street  
Ukiah, CA 95482  
Attn: Joy Beeler

To CONTRACTOR: Redwood Community Services, Inc.  
631 South Orchard Ave.  
Ukiah, CA 95482  
Attn: Victoria Kelly

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

11. USE OF COUNTY PROPERTY: CONTRACTOR shall not use COUNTY property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
12. EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS: CONTRACTOR certifies that it will comply with all Federal, State, and local laws, rules and regulations pertaining to nondiscrimination in employment.
  - a. CONTRACTOR shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, pregnancy, disability, sex, sexual orientation, gender identity, ancestry, national origin, age, religion, Veteran's status, political affiliation, or any other factor prohibited by law.

- b. CONTRACTOR shall, if requested to so do by the COUNTY, certify that it has not, in the performance of this Agreement, engaged in any unlawful discrimination.
  - c. If requested to do so by the COUNTY, CONTRACTOR shall provide the COUNTY with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under State or Federal law.
  - d. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act which is prohibited by law.
  - e. The CONTRACTOR shall include the provisions set forth in this paragraph in each of its subcontracts.
13. DRUG-FREE WORKPLACE: CONTRACTOR and CONTRACTOR's employees shall comply with the COUNTY's policy of maintaining a drug-free workplace. Neither CONTRACTOR nor CONTRACTOR's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code § 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at any COUNTY facility or work site. If CONTRACTOR or any employee of CONTRACTOR is convicted or pleads *nolo contendere* to a criminal drug statute violation occurring at a COUNTY facility or work site, the CONTRACTOR, within five days thereafter, shall notify the head of the COUNTY department/agency for which the contract services are performed. Violation of this provision shall constitute a material breach of this Agreement.
14. ENERGY CONSERVATION: CONTRACTOR agrees to comply with the mandatory standards and policies relating to energy efficiency in the State of California Energy Conservation Plan, (Title 24, California Administrative Code).
15. COMPLIANCE WITH LICENSING REQUIREMENTS: CONTRACTOR shall comply with all necessary licensing requirements and shall obtain appropriate licenses. To the extent required by law, CONTRACTOR shall display licenses in a location that is reasonably conspicuous. Upon COUNTY's request, CONTRACTOR shall file copies of same with the County Executive Office.

CONTRACTOR represents and warrants to COUNTY that CONTRACTOR and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions.

16. **SANCTIONED EMPLOYEE:** CONTRACTOR agrees that it shall not employ in any capacity, or retain as a subcontractor in any capacity, any individual or entity whose service is directly or indirectly, in whole or in part, payable by a Federal Healthcare Program (including Medicare and Medicaid) that is on any published Federal or State lists regarding the sanctioning, suspension, or exclusion of individuals or entities. At a minimum, the Office of Inspector General List of Excluded Individuals/Entities (LEIE), DHCS Medi-Cal List of Suspended or Ineligible Providers (LSIP), and System for Award Management (SAM) must be checked prior to employment and monthly thereafter, and the Social Security Death Master File must be checked prior to employment. In the event CONTRACTOR does employ such individual or entity, COUNTY must be notified immediately. CONTRACTOR agrees to assume full liability for any associated penalties, sanctions, loss, or damage that may be imposed on COUNTY by Federal Health Care Programs.

17. **AUDITS; ACCESS TO RECORDS:** The CONTRACTOR shall make available to the COUNTY, its authorized agents, officers, or employees, for examination any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursements charged to the COUNTY, and shall furnish to the COUNTY, within sixty (60) days after examination, its authorized agents, officers or employees such other evidence or information as the COUNTY may require with regard to any such expenditure or disbursement charged by the CONTRACTOR.

The CONTRACTOR shall maintain full and adequate records in accordance with COUNTY requirements to show the actual costs incurred by the CONTRACTOR in the performance of this Agreement. If such books and records are not kept and maintained by CONTRACTOR within the County of Mendocino, California, CONTRACTOR shall, upon request of the COUNTY, make such books and records available to the COUNTY for inspection at a location within COUNTY or CONTRACTOR shall pay to the COUNTY the reasonable, and necessary costs incurred by the COUNTY in inspecting CONTRACTOR's books and records, including, but not limited to, travel, lodging and subsistence costs. CONTRACTOR shall provide such assistance as may be reasonably required in the course of such inspection. The COUNTY further reserves the right to examine and reexamine said books, records and data during the ten (10) year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by the COUNTY, and the CONTRACTOR shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatsoever for ten (10) years after the COUNTY makes the final or last payment or within ten (10) years after any pending issues between the COUNTY and CONTRACTOR with respect to this Agreement are closed, whichever is later.

18. **DOCUMENTS AND MATERIALS:** CONTRACTOR shall maintain and make available to COUNTY for its inspection and use during the term of this Agreement,

all Documents and Materials, as defined in Paragraph 8 of this Agreement. CONTRACTOR's obligations under the preceding sentence shall continue for ten (10) years following termination or expiration of this Agreement or the completion of all work hereunder (as evidenced in writing by COUNTY), and CONTRACTOR shall in no event dispose of, destroy, alter or mutilate said Documents and Materials, for ten (10) years following the COUNTY's last payment to CONTRACTOR under this Agreement.

19. TIME OF ESSENCE: Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.
20. TERMINATION: The COUNTY has and reserves the right to suspend, terminate or abandon the execution of any work by the CONTRACTOR without cause at any time upon giving to the CONTRACTOR notice. Such notice shall be in writing and may be issued by any COUNTY officer authorized to execute or amend the contract, the County Chief Executive Officer, or any other person designated by the County Board of Supervisors. In the event that the COUNTY should abandon, terminate or suspend the CONTRACTOR's work, the CONTRACTOR shall be entitled to payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment. Said payment shall be computed in accordance with Exhibit B hereto, provided that the maximum amount payable to CONTRACTOR for its services as outlined in Exhibit A shall not exceed \$1,869,130 payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment or lack of funding.
21. NON APPROPRIATION: If COUNTY should not appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the products set forth in this Agreement, or other means of performing the same functions of such products, COUNTY may unilaterally terminate this Agreement only upon thirty (30) days written notice to CONTRACTOR. Upon termination, COUNTY shall remit payment for all products and services delivered to COUNTY and all expenses incurred by CONTRACTOR prior to CONTRACTOR'S receipt of the termination notice.
22. CHOICE OF LAW: This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.
23. VENUE: All lawsuits relating to this contract must be filed in Mendocino County Superior Court, Mendocino County, California.

24. **WAIVER:** No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.
25. **ADVERTISING OR PUBLICITY:** CONTRACTOR shall not use the name of COUNTY, its officers, directors, employees or agents, in advertising or publicity releases or otherwise without securing the prior written consent of COUNTY in each instance.
26. **ENTIRE AGREEMENT:** This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire agreement between COUNTY and CONTRACTOR relating to the subject matter of this Agreement. As used herein, Agreement refers to and includes any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. This Agreement may not be modified except by a written document signed by both parties. In the event of a conflict between the body of this Agreement and any of the Exhibits, the provisions in the body of this Agreement shall control.
27. **HEADINGS:** Herein are for convenience of reference only and shall in no way affect interpretation of this Agreement.
28. **MODIFICATION OF AGREEMENT:** This Agreement may be supplemented, amended or modified only by the mutual agreement of the parties. No supplement, amendment or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both parties.
29. **ASSURANCE OF PERFORMANCE:** If at any time the COUNTY has good objective cause to believe CONTRACTOR may not be adequately performing its obligations under this Agreement or that CONTRACTOR may fail to complete the Services as required by this Agreement, COUNTY may request from CONTRACTOR prompt written assurances of performance and a written plan acceptable to COUNTY, to correct the observed deficiencies in CONTRACTOR's performance. CONTRACTOR shall provide such written assurances and written plan within thirty (30) calendar days of its receipt of COUNTY's request and shall thereafter diligently commence and fully perform such written plan. CONTRACTOR acknowledges and agrees that any failure to provide such written assurances and written plan within the required time is a material breach under this Agreement.

30. **SUBCONTRACTING/ASSIGNMENT:** CONTRACTOR shall not subcontract, assign or delegate any portion of this Agreement or any duties or obligations hereunder without the COUNTY's prior written approval.
- a. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any agreement that violates this Section shall confer no rights on any party and shall be null and void.
  - b. Only the department head or his or her designee shall have the authority to approve subcontractor(s).
  - c. CONTRACTOR shall remain fully responsible for compliance by its subcontractors with all the terms of this Agreement, regardless of the terms of any agreement between CONTRACTOR and its subcontractors.
31. **SURVIVAL:** The obligations of this Agreement, which by their nature would continue beyond the termination on expiration of the Agreement, including without limitation, the obligations regarding Indemnification (Paragraph 2), Ownership of Documents (Paragraph 8), and Conflict of Interest (Paragraph 9), shall survive termination or expiration for two (2) years. The obligations regarding payment for services per Exhibits XX shall survive termination or expiration for ten (10) years, or in the event that CONTRACTOR has been notified that an audit or investigation of this contract has been commenced, until such time as the matter under audit or investigation has been resolved.
32. **SEVERABILITY:** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.
33. **INTELLECTUAL PROPERTY WARRANTY:** CONTRACTOR warrants and represents that it has secured all rights and licenses necessary for any and all materials, services, processes, software, or hardware ("CONTRACTOR PRODUCTS") to be provided by CONTRACTOR in the performance of this AGREEMENT, including but not limited to any copyright, trademark, patent, trade secret, or right of publicity rights. CONTRACTOR hereby grants to COUNTY, or represents that it has secured from third parties, an irrevocable license (or sublicense) to reproduce, distribute, perform, display, prepare derivative works, make, use, sell, import, use in commerce, or otherwise utilize CONTRACTOR PRODUCTS to the extent reasonably necessary to use the CONTRACTOR PRODUCTS in the manner contemplated by this agreement.

CONTRACTOR further warrants and represents that it knows of no allegations, claims, or threatened claims that the CONTRACTOR PRODUCTS provided to

COUNTY under this Agreement infringe any patent, copyright, trademark or other proprietary right. In the event that any third party asserts a claim of infringement against the COUNTY relating to a CONTRACTOR PRODUCT, CONTRACTOR shall indemnify and defend the COUNTY pursuant to Paragraph 2 of this AGREEMENT.

In the case of any such claim of infringement, CONTRACTOR shall either, at its option, (1) procure for COUNTY the right to continue using the CONTRACTOR Products; or (2) replace or modify the CONTRACTOR Products so that that they become non-infringing, but equivalent in functionality and performance.

34. **ELECTRONIC COPIES:** The parties agree that an electronic copy, including facsimile copy, email, or scanned copy of the executed Agreement, shall be deemed, and shall have the same legal force and effect as, an original document.
35. **COOPERATION WITH COUNTY:** CONTRACTOR shall cooperate with COUNTY and COUNTY staff in the performance of all work hereunder.
36. **PERFORMANCE STANDARD:** CONTRACTOR shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in CONTRACTOR's profession. COUNTY has relied upon the professional ability and training of CONTRACTOR as a material inducement to enter into this Agreement. CONTRACTOR hereby agrees to provide all services under this Agreement in accordance with generally accepted professional practices and standards of care, as well as the requirements of applicable Federal, State, and local laws, it being understood that acceptance of CONTRACTOR's work by COUNTY shall not operate as a waiver or release. If COUNTY determines that any of CONTRACTOR's work is not in accordance with such level of competency and standard of care, COUNTY, in its sole discretion, shall have the right to do any or all of the following: (a) require CONTRACTOR to meet with COUNTY to review the quality of the work and resolve matters of concern; (b) require CONTRACTOR to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of paragraph 19 (Termination) or (d) pursue any and all other remedies at law or in equity.
37. **ATTORNEYS' FEES:** In any action to enforce or interpret the terms of this Agreement, including but not limited to any action for declaratory relief, each party shall be solely responsible for and bear its own attorneys' fees, regardless of which party prevails.
38. **CONTRACTOR NOTIFICATION OF BREACH OR IMPROPER DISCLOSURES:** The State Contract requires County to notify the state of any breach or improper disclosure of privacy and/or security of personal identifiable information (PII) and/or protected health information (PHI). Contractor shall, immediately upon

discovery of a breach or improper disclosure of privacy and/or security of PII and/or PHI by Contractor, notify County's Privacy Officer of such breach or improper disclosure by telephone and either email or facsimile. In accordance with 45 CFR, upon County's knowledge of a material breach or violation by Contractor of the agreement between County and the Contractor, County shall:

- a. Provide an opportunity for the Contractor to cure the breach or end the violation and terminate the agreement if the Contractor does not cure the breach or end the violation within the time specified by the Department; or
- b. Immediately terminate the agreement if the Contractor has breached a material term of the agreement and cure is not possible.
- c. In the event that the State Contract requires County to pay any costs associated with a breach of privacy and/or security of PII and/or PHI, including but not limited to the costs of notification, Contractor shall pay on County's behalf any and all such costs arising out of a breach of privacy and/or security of PII and/or PHI by Contractor.

[END OF GENERAL TERMS AND CONDITIONS]

## EXHIBIT A

### DEFINITION OF SERVICES

CONTRACTOR shall provide the following services:

#### **Statement of Work**

CONTRACTOR is entering into this Agreement with Mendocino County to develop and provide Residential Treatment Facility operations and crisis residential services on a transitional basis to Mendocino County adults, aged 18 years or older, significantly impacted by a major mental illness. The goal of the program is to reduce the utilization of psychiatric inpatient facilities. The maximum length of stay is 30 days, with an average length of stay of 14 days. CONTRACTOR shall transition clients from higher, more expensive levels of mental health services to more independent, lower levels of care and housing in the community.

#### **1. Background**

Mendocino County is committed to improving community residents' lives and public safety by strategically evaluating and enhancing resources for mental health treatment. On November 7, 2017, "Measure B" received a two-thirds majority of the votes by the County's voters adding Chapter 5.10 to the Mendocino County Code entitled the "Mental Health Treatment Act" adopting a County Transaction (Sales) and Use Tax for the specific purpose of funding improved services, treatment, and facilities for persons with mental health conditions. The full text of Measure B is available at <https://www.mendocinocounty.org/community/mental-health-oversight-committee/>.

The Crisis Residential Treatment Facility (CRTF) is an unlocked eight (8) bed short-term residential program intended to support consumers during a crisis. The CRTF offers social rehabilitation services in a safe, welcoming, non-institutional residential setting. CONTRACTOR shall provide a structured program of rehabilitative services for individuals experiencing an acute psychiatric episode or crisis requiring twenty-four (24) hour support to return to community living. CONTRACTOR shall provide a comfortable "home-like" living environment for individuals eighteen (18) years and older for up to thirty (30) days (CCR Title 9). The facility may have up to eight (8) beds and shall operate twenty-four (24) hours a day, seven (7) days a week, providing activities and services that support client efforts to restore, apply and maintain interpersonal and independent living skills necessary to return to community living.

The CRTF facility, located at 631 South Orchard Avenue, Ukiah, CA, is approximately three thousand four hundred sixty (3,460) square feet. Rooms shall include: two (2) staff offices, intake area, quiet room/den, storage area,

three (3) bathrooms, a living room, a dining room, a kitchen, a pantry, a laundry room, and four (4) double-occupancy bedrooms.

CONTRACTOR shall lease the building for One Dollar (\$1.00) per month per year. COUNTY shall be responsible for capital repairs and improvements.

## **2. Purpose**

Prevent psychiatric hospitalization by providing an alternative community-based program; Facilitate transition to a lower level of care; Facilitate progress toward maintenance in the community, and Enable clients to receive care in the least-restrictive setting possible while meeting individual psychosocial needs.

## **3. Objectives**

CONTRACTOR shall:

- a. Obtain and maintain mandatory licensing through Community Care Licensure.
- b. Obtain and maintain certification in compliance with Social Rehabilitation Facility Certification.
- c. Prioritize the allocation of services to maintain quality programming, high beneficiary satisfaction, and enhanced opportunities for stepping down to a lower level of services whenever clinically indicated.
- d. Develop and maintain a short-term Crisis Residential Treatment Program that meets all California Code of Regulations at 9CCR Article 3.5. Standards for the Certification of Social Rehabilitation Programs, and 9CCR Article 4. Services Subject to State Reimbursement.
- e. Maintain all client records in accordance with medical record documentation requirements.
- f. Participate in the Behavioral Health and Recovery Services (BHRS) Quality Improvement Management Committee.
- g. Provide data and reports required for California's External Quality Review Organization (EQRO) and the Department of Health Care Services (DHCS) Triennial Audit.
- h. Provide quarterly reports that provide data and performance standards developed in collaboration with BHRS.
- i. Conduct client billing in accordance with the DHCS Mental Health Services Division Medi-Cal Billing Manual.

- j. Complete an annual cost report in the manner required by the annual DHCS Information Notice.
- k. Administer the State required client satisfaction survey, currently the Mental Health Statistics Improvement Program (MHSIP), to all clients.
- l. Hire and assign staff. The program shall employ a sufficient number of qualified and appropriately trained staff, including a Director, Manager and:
  - i. At least one (1) full-time Supervisor;
  - ii. At least two (2) MHRS/Care Managers;
  - iii. At least seven (7) TSC/Care Managers;
  - iv. At least 0.35 FTE Licensed/Waivered Clinician;
  - v. At least 0.25 FTE Analyst/Billing and
  - vi. IT/Quality Assurance Staff
- m. Provide staff training conducted by professionals and clinicians/practitioners as deemed necessary. Training will cover a wide range of clinical topics, including 1:1 counseling; treatment planning; crisis intervention; suicide assessment; group counseling; working with special needs populations; dual diagnosis; ethics; Substance Used Disorders (SUD) training; documentation; discharge planning, managing countertransference, medications, and systems issues/networking.
- n. Make sufficient resources available (for example, funds, staff, equipment, and supplies) to assure that the program can provide appropriate and adequate services to patients.
- o. Ensure the facility's physical and financial resources are adequately insured.
- p. Be responsible for utilities, janitorial and landscaping maintenance services, furnishings, purchasing linens, and other necessary objects and supplies.
- q. Participate in the development of facility and program policies concerning program management and patient care, and shall include, but not be limited to:
  - i. Admission, transfer, and discharge policies and procedures;
  - ii. Prescription and administration of medication policies and procedures which shall be consistent with applicable Federal and State laws and regulations; and
  - iii. Case records policies and procedures that shall ensure patient records confidentiality in accordance with state laws and regulations.

## COUNTY Obligation to Repair and Maintain

- a. COUNTY shall be responsible for repairing and maintaining the premises in good condition and for making such modification or replacements thereof as may be necessary or required by law or ordinance, specifically for the following:
  1. Foundation and structural components of the building
  2. Exterior walls but excluding (windows, doors, window and door frames, plate glass)
  3. Roof, gutters, and downspouts
  4. Parking lot
  5. Driveway
  6. Sidewalks

## Maintenance of Client Records

CONTRACTOR shall maintain client records. CONTRACTOR shall identify a compliance officer that is responsible for maintaining the integrity of clients' health care information. Records shall be organized in a systematic fashion and stored according to licensing/regulatory standards. Individual and aggregate records shall be accessible to clinicians, the Quality Management process, and Mendocino County BHRS. Records that are released to proper authorities, individuals, and others shall be released only with an appropriately signed Release of Information (ROI). CONTRACTOR shall comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations, State and Federal laws, and other Mendocino County BHRS requirements for client confidentiality and record security. Client records shall be kept and maintained for ten (10) years after client discharge.

## Client Rights

CONTRACTOR shall ensure that the screening of a client for a treatment or service program shall not result in the client being deprived of any rights, privileges, or benefits which are guaranteed to individuals by State or Federal law.

CONTRACTOR shall ensure that services are provided in a culturally responsive, safe, sanitary, least restrictive, and humane environment. All clients shall have the right to be treated with dignity and respect by CONTRACTOR and all subcontractors. CONTRACTOR shall work with the COUNTY's Patient's Rights Advocate to ensure proper client interactions and interventions.

## Communication Plan

CONTRACTOR shall notify COUNTY of all communications with Media, including, but not limited to, press releases, interviews, articles, etc. CONTRACTOR shall not speak on behalf of COUNTY in any communications with Media but is encouraged to describe the services it provides and respond to questions about those services. CONTRACTOR is also encouraged, where appropriate, to provide timely and factual responses to public concerns.

CONTRACTOR covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest

under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interests shall be employed. In addition, if requested to do so by COUNTY, CONTRACTOR with 5% or more direct or indirect ownership interest shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Disclosure of Ownership & Control Interest" (Attachment 1) with COUNTY disclosing CONTRACTOR's or such other person's financial interests. Additionally, a background check, including fingerprinting, may be required for said persons if it is determined there is a "high" risk to the Medi-Cal program. Furthermore, CONTRACTOR shall ensure that all subcontracts include the Disclosure of Ownership requirement and that Disclosure of Ownership Forms will be submitted directly to the COUNTY.

#### CONTRACTOR Notification of Breach or Improper Disclosures

The State Contract requires COUNTY to notify the state of any breach or improper disclosure of privacy and/or security of personal identifiable information (PII) and/or protected health information (PHI). CONTRACTOR shall, immediately upon discovery of a breach or improper disclosure of privacy and/or security of PII and/or PHI by CONTRACTOR, notify COUNTY of such breach or improper disclosure by telephone and either email or facsimile. In accordance with 45 CFR, upon COUNTY's knowledge of a material breach or violation by CONTRACTOR of the agreement between COUNTY and the CONTRACTOR, COUNTY shall:

Provide an opportunity for the CONTRACTOR to cure the breach or end the violation and terminate the agreement if the CONTRACTOR does not cure the breach or end the violation within the time specified by the Department; or Immediately terminate the agreement if the CONTRACTOR has breached a material term of the agreement and cure is not possible.

In the event that the State Contract requires COUNTY to pay any costs associated with a breach of privacy and/or security of PII and/or PHI, including but not limited to the costs of notification, Contractor shall pay on COUNTY's behalf any and all such costs arising out of a breach of privacy and/or security of PII and/or PHI by CONTRACTOR.

[END OF DEFINITION OF SERVICES]

## **EXHIBIT B**

### **PAYMENT TERMS**

CONTRACTOR shall lease the building for One Dollar (\$1.00) per month per year. COUNTY shall be responsible for capital repairs and improvements.

COUNTY shall pay CONTRACTOR as per the following instructions:

The term of the Agreement shall be for a period of two (2) years with the option to extend the Agreement up to two (2) additional two (2) year periods, for a total of six (6) years.

In full consideration of CONTRACTOR's satisfactory performance in providing services described in Exhibit A, the maximum payable amount per year is Nine Hundred Thirty Four Thousand Five Hundred Sixty Five Dollars (\$934,565) the maximum payable amount for the two (2) year contract term is One Million Eight Hundred Sixty Nine Thousand One Hundred Thirty Dollars (\$1,869,130). Total annual contract payments for the term of the Agreement shall not exceed the annual contract maximum.

Payments shall be made only upon the satisfactory completion of the services as determined by COUNTY. COUNTY shall only reimburse CONTRACTOR for services provided and billed to Medi-Cal and for valid claims submitted to COUNTY for indigent clients. CONTRACTOR shall have a financially solvent plan for operational cost to run the facility. Under no circumstances shall COUNTY provide funds to cover deficits in operational costs.

Billing for services must be completed as per instructions in Mendocino County Mental Health Policy and Procedure, "Claims Processing and Payment to Contract provider under the Mental Health Medi-Cal Managed Care Plan". All coordination of benefits procedures must be followed. CONTRACTOR shall be liable for any exceptions and shall reimburse COUNTY for any recoupments ordered by the State.

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 §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.

Services provided to clients eligible for benefits under both Medicare (Federal) and Medi-Cal (CA) 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 Coordination of

Benefits (COB) information shall be provided to COUNTY at the time of submission or the claim will be denied.

CONTRACTOR shall submit monthly invoices no later than thirty (30) days after the last day of the month in which those services were provided.

CONTRACTOR may submit an invoice for services immediately following the end of the period for which services are provided, but not before. Any invoice submitted prior to the end of the billing period will be returned to CONTRACTOR for resubmission.

CONTRACTOR shall submit all corresponding progress notes for each service included in the monthly invoice and additional clinical documentation upon request.

CONTRACTOR acknowledges that this Agreement is subject to cost settlement. CONTRACTOR shall provide COUNTY with an annual Cost Report in the appropriate format for submission to the State of California, Department of Health Care Services. This Cost Report will establish the final basis upon which CONTRACTOR is reimbursed for services provided during the term of the Agreement. Final reimbursement to CONTRACTOR shall not exceed the Department of Health Care Services audited Cost Report.

All billing and payment invoices shall be submitted to the following address:

Mendocino County Behavioral Health & Recovery Services  
Attn: Behavioral Health Fiscal Division  
1120 S. Dora Ave.  
Ukiah, CA 95482

CONTRACTOR shall perform services and provide such documentation as required by applicable State and Federal laws, rules, and regulations as described in this Agreement.

[END OF PAYMENT TERMS]

## EXHIBIT C

### INSURANCE REQUIREMENTS

Insurance coverage in a minimum amount set forth herein shall not be construed to relieve CONTRACTOR for liability in excess of such coverage, nor shall it preclude COUNTY from taking such other action as is available to it under any other provisions of this Agreement or otherwise in law. Insurance requirements shall be in addition to, and not in lieu of, CONTRACTOR's indemnity obligations under Paragraph 2 of this Agreement.

CONTRACTOR shall obtain and maintain insurance coverage as follows:

- a. Combined single limit bodily injury liability and property damage liability - \$1,000,000 each occurrence.
- b. Vehicle / Bodily Injury combined single limit vehicle bodily injury and property damage liability - \$500,000 each occurrence.

CONTRACTOR shall furnish to COUNTY certificates of insurance evidencing the minimum levels described above.

[END OF INSURANCE REQUIREMENTS]

EXHIBIT D  
**CONTRACTOR ASSURANCE OF COMPLIANCE WITH**  
THE MENDOCINO COUNTY  
HEALTH & HUMAN SERVICES AGENCY  
**NONDISCRIMINATION IN STATE  
AND FEDERALLY ASSISTED PROGRAMS**

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NAME OF CONTRACTOR: **Redwood Community Services, Inc.**

HEREBY AGREES THAT it will comply with Title VI and VII of the Civil Rights Act of 1964 as amended; Section 504 of the Rehabilitation Act of 1973 as amended; the Age Discrimination Act of 1975 as amended; the Food Stamp Act of 1977, as amended and in particular section 272.6; Title II of the Americans with Disabilities Act of 1990; California Civil Code Section 51 et seq., as amended; California Government Code section 11135-11139.5, as amended; California Government Code section 12940 (c), (h) (1), (i), and (j); California Government Code section 4450; Title 22, California Code of Regulations section 98000 – 98413; Title 24 of the California Code of Regulations, Section 3105A(e); the Dymally-Alatorre Bilingual Services Act (California Government Code Section 7290-7299.8); Section 1808 of the Removal of Barriers to Interethnic Adoption Act of 1996; and other applicable federal and state laws, as well as their implementing regulations [including 45 Code of Federal Regulations (CFR) Parts 80, 84, and 91, 7 CFR Part 15, and 28 CFR Part 42], by ensuring that employment practices and the administration of public assistance and social services programs are nondiscriminatory, to the effect that no person shall because of ethnic group identification, age, sex, sexual orientation, color, disability, medical condition, national origin, race, ancestry, marital status, religion, religious creed or political belief be excluded from participation in or be denied the benefits of, or be otherwise subject to discrimination under any program or activity receiving federal or state financial assistance; and HEREBY GIVE ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal and state assistance; and THE CONTRACTOR HEREBY GIVES ASSURANCE THAT administrative methods/procedures which have the effect of subjecting individuals to discrimination or defeating the objectives of the California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) Chapter 21, will be prohibited.

BY ACCEPTING THIS ASSURANCE, CONTRACTOR agrees to compile data, maintain records and submit reports as required, to permit effective enforcement of the aforementioned laws, rules and regulations and permit authorized CDSS and/or federal government personnel, during normal working hours, to review such records, books and accounts as needed to ascertain compliance. If there are any violations of this assurance, CDSS shall have the right to invoke fiscal sanctions or other legal remedies in accordance with Welfare and Institutions Code section 10605, or Government Code section 11135-11139.5, or any other laws, or the issue may be referred to the appropriate federal agency for further compliance action and enforcement of this assurance.

THIS ASSURANCE is binding on CONTRACTOR directly or through contract, license, or other provider services, as long as it receives federal or state assistance.

\_\_\_\_\_  
Date  
631 South Orchard Avenue, Ukiah, CA 95482  
Address of CONTRACTOR

\_\_\_\_\_  
CONTRACTOR Signature

**Appendix A**  
**CERTIFICATION REGARDING**  
**DEBARMENT, SUSPENSION, and OTHER RESPONSIBILITY MATTERS**  
**LOWER TIER COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 **Federal Register** (pages 19160-19211).

- (1) The primary principal certifies to the best of its knowledge and belief, that it and its principals:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment tendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsifications or destruction of records, making false statements, or receiving stolen property;
  - (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification, and
  - (d) Have not, within a three-year period preceding this application/proposal, had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (2) Where the primary principal is unable to certify to any of the statements in this certification, such principal shall attach an explanation.

Victoria Kelly  
(Type Name)

Chief Executive Officer  
(Title)

\_\_\_\_\_  
(Signature)

Redwood Community Services, Inc.  
(Organization Name)

631 South Orchard Ave.  
Ukiah, CA 95482  
(Organization Address)

\_\_\_\_\_  
(Date)

## **Attachment 1**

### **D. MEDICAL NECESSITY FOR SPECIALTY MENTAL HEALTH SERVICES**

California Code of Regulations Title 9 §1830.205

The beneficiary must meet criteria outlined in sections 1-3 below to be eligible for services:

1. Have one of the following diagnoses in the current Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association:
  - (A) Pervasive Developmental Disorders, except Autistic Disorders
  - (B) Disruptive Behavior and Attention Deficit Disorders
  - (C) Feeding and Eating Disorders of Infancy and Early Childhood
  - (D) Elimination Disorders
  - (E) Other Disorders of Infancy, Childhood, or Adolescence
  - (F) Schizophrenia and other Psychotic Disorders, except Psychotic Disorders due to a General Medical Condition
  - (G) Mood Disorders, except Mood Disorders due to a General Medical Condition
  - (H) Anxiety Disorders, except Anxiety Disorders due to a General Medical Condition
  - (I) Somatoform Disorders
  - (J) Factitious Disorders
  - (K) Dissociative Disorders
  - (L) Paraphilias
  - (M) Gender Identity Disorder
  - (N) Eating Disorders
  - (O) Impulse Control Disorders Not Elsewhere Classified
  - (P) Adjustment Disorders
  - (Q) Personality Disorders, excluding Antisocial Personality Disorder
  - (R) Medication-Induced Movement Disorders related to other included diagnoses.

**And:**

2. Have at least one of the following impairments as a result of the mental disorder(s) listed above:

- (A) A significant impairment in an important area of life functioning.
- (B) A reasonable probability of significant deterioration in an important area of life functioning.
- (C) A reasonable probability a child will not progress developmentally as individually appropriate. For the purpose of this Section, a child is a person under the age of 21 years.

**And:**

3. Meet each of the intervention criteria listed below:
  - (A) The focus of the proposed intervention is to address the condition identified above.
  - (B) The expectation is that the proposed intervention will:
    1. Significantly diminish the impairment, or
    2. Prevent significant deterioration in an important area of life functioning, or
    3. Allow the child to progress developmentally as individually appropriate.

**A beneficiary may receive services for an included diagnosis when an excluded diagnosis is also present.**

**Excluded Diagnoses:**

Mental Retardation  
Learning Disorders  
Motor Skills Disorder  
Communication Disorders  
Autistic Disorder (Other Pervasive Developmental Disorders are included.)  
Tic Disorders  
Delirium, Dementia and Amnestic and other Cognitive Disorders  
Mental Disorders due to a General Medical Condition  
Substance-Related Disorders  
Sexual Dysfunctions  
Sleep Disorders  
Antisocial Personality Disorder  
Other conditions, including V-codes, that may be a focus of Clinical Attention (Except medication induced movement disorders which are included.)