

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

946



FROM: Department of Mental Health

SUBMITTAL DATE:
June 2, 2011

SUBJECT: Approve the Second Amendment to the FY 2010/11 Agreement with Sylmar Health and Rehabilitation Center, Inc.

RECOMMENDED MOTION: Move that the Board of Supervisors ratify and :

1. Approve the second amendment to the Agreement between Department of Mental Health and Sylmar Health and Rehabilitation Center, Inc. for \$1,362,253;
2. Authorize the Chairman of the Board of Supervisors to sign the second amendment;
3. Authorize the Riverside County Purchasing Agent to sign ministerial amendments, and to increase and/or decrease this agreement with Sylmar Health and Rehabilitation Center by a maximum amount of 20% of the Board approved contracted amount; and
4. Authorize the Riverside County Purchasing Agent to renew this agreement annually through June 30, 2013.

BACKGROUND: On March 31, 2009, Agenda Item 3.30, the Riverside County Board of Supervisors approved an amendment to Sylmar Health and Rehabilitation Center, Inc (Sylmar) contract to increase their contract maximum obligation in order to accommodate a rapid increase in utilization of the Skilled Nursing Facility (SNF) services. **(Continued on Page 2)**

JW: KAS:SL

Jerry Wengert, Director
Department of Mental Health

FINANCIAL DATA	Current F.Y. Total Cost:	\$1,362,253	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:		Budget Adjustment:	No
	Annual Net County Cost:		For Fiscal Year:	FY 2010/11
SOURCE OF FUNDS: 100% Realignment.				Positions To Be Deleted Per A-30 <input type="checkbox"/>
				Requires 4/5 Vote <input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

Debra Cournoyer

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD
Per Exec. Ofc.: ☐ Policy ☒ Consent ☒ Policy

SUBJECT: Approve the Second Amendment to the FY 2010/11 Agreement with Sylmar Health and Rehabilitation Center.

BACKGROUND: (continued)

Sylmar is licensed by the State of California as a Skilled Nursing Facility (SNF) with a Special Treatment Program, which is certified by the State Department of Mental Health. This "Special Treatment Program" provides intensive psychiatric treatment and medical services to the RCDMH's clients. Sylmar provides a lower level of care than the California State Hospitals and Riverside County's Inpatient Treatment Facility (ITF), and its Special Treatment Program has proven to be more cost effective. Without the SNFs, the RCDMH's clients will have to be placed in the State Hospital or the County's Inpatient Treatment Facility (ITF) at a significantly higher cost to the RCDMH.

Due to a recent demand for Sylmar's lower level of care, the RCDMH has had to increase client occupancy from eight (8) to twelve (12) beds to accommodate the increased demand. RCDMH is requesting that the Riverside County Board of Supervisors approve the second amendment to Sylmar's agreement to cover the cost of the increased client bed utilization.

FINANCIAL IMPACT:

Sylmar's contract for FY 2010/11 will be increased from \$903,582 to \$1,362,253. This contract contains termination provisions in case of unavailability of any Federal, State, and/or County funds. No additional County funds are required.

PERIOD OF PERFORMANCE:

This agreement amendment with Sylmar will be effective from July 1, 2010 through June 30, 2011, and may be renewed annually through June 30, 2013.

FY 2010/2011
SECOND AMENDMENT TO AGREEMENT BETWEEN
COUNTY OF RIVERSIDE
AND
SYLMAR HEALTH AND REHABILITATION CENTER

That certain agreement between the County of Riverside (COUNTY) and Sylmar Health And Rehabilitation Center (CONTRACTOR) originally ratified by the Riverside County Board of Supervisors on April 1, 2008, Agenda Item 3.23, and amended for the first time on March 31, 2009, Agenda Item 3.30, for FY 2008/2009; renewed by the Riverside County Purchasing Agent on June 22, 2009 for FY 2009/2010; renewed by the Purchasing Agent on August 23, 2010 for FY 2010/2011; amended for the first time by the Riverside County Purchasing Agent on April 19, 2011 for FY 2010/2011; and is now amended for the second time effective July 1, 2010 through June 30, 2011 as follows:

- Rescind the previous Exhibit C in its entirety, and replace it with the new, attached Exhibit C with an increased contract maximum obligation from \$903,582 to \$1,362,253 for FY 2010/2011.
- Rescind the previous Schedule I in its entirety and replace it with the new, attached Schedule I for FY 2010/2011.

All other provisions of this entire Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this amendment.

COUNTY ADDRESS:

County of Riverside
Board of Supervisors
4080 Lemon Street, 5th Floor
Riverside, CA 92501

INFORMATION COPY:

County of Riverside
Department of Mental Health
P.O Box 7549
Riverside, CA 92503-7549

CONTRACTOR: SYLMAR HEALTH

COUNTY OF RIVERSIDE:

Signed:

Cherlyn Brintnell

Bob Buster, Chairman, Board of Supervisors

Print name:

Cherlyn Brintnell

ATTEST:

Kecia Harper-Ihem, Clerk

Date:

6-2-11

Deputy

Title:

Administrator

Address: 12220 Foothill Blvd.,
Sylmar, CA 91342

COUNTY COUNSEL

PAMELA J. WALLS

Approved as to Form

By:

Janet R. McElroy

Deputy County Counsel

SYLMAR HEALTH & REHABILITATION CENTER, INC.
CRISIS HOSPITAL REGION
4100206177-83550-530280
SECOND AMENDMENT-FY 2010/11

EXHIBIT C

REIMBURSEMENT & PAYMENT

CONTRACTOR NAME: SYLMAR HEALTH AND REHABILITATION CENTER, INC.

A. REIMBURSEMENT:

1. In consideration of services provided by CONTRACTOR pursuant to this Agreement, COUNTY agrees to compensate CONTRACTOR at the Negotiated Rate(s) mutually agreed upon between COUNTY and CONTRACTOR. A Negotiated Rate is a specific and fixed dollar amount paid for delivery of a specific unit of service. Pursuant to Schedule I, CONTRACTOR shall receive monthly reimbursement based upon the Negotiated Rate and actual units, less revenue collected. This amount will not exceed the maximum obligation of the COUNTY as specified in Schedule I. Schedule I is attached hereto and by this reference incorporated herein.
2. Final year-end settlement shall be based upon the Negotiated Rate, multiplied by the actual number of units, less revenue collected and shall not exceed the maximum obligation of the COUNTY as specified herein
3. Monthly reimbursements may be withheld at the discretion of the Director or its designee due to material contract non-compliance, including audit disallowances and/or adjustments or disallowances resulting from the COUNTY Contract Monitoring Review (CMT), the Annual Program Monitoring and/or the Cost Report process.
4. Notwithstanding the provisions of Paragraph A-1 above, CONTRACTOR shall be paid in arrears based upon the actual units of services provided and entered into the COUNTY SPUDS and/or other required, COUNTY approved data collection system. CONTRACTOR will submit a claim on their stationery, which must include at a minimum the Contractor's name, invoice

mailing address and telephone number, summarizing the dollar amount specified in the MHS952 SPUDS report. The summary page of the MHS952 report must be attached to the invoice. Failure to attach the summary page of the report, will delay payment until summary is provided. The claim must be approved and signed by the Director or its authorized designee of the CONTRACTOR. Monthly claims shall be submitted to the appropriate Program or Regional Manager of the COUNTY'S Department of Mental Health, no later than the tenth (10th) working day of each month.

5. CONTRACTOR shall submit a monthly report and invoice for payment, describing outcomes, progress updates and services delivered based on the contract's Exhibit A, "Scope of Services".
6. Unless other wise notified by the COUNTY, CONTRACTOR invoicing will be paid by the COUNTY thirty (30) calendar days after the date the invoice is received by the applicable COUNTY Program/Region.

B. MAXIMUM OBLIGATION:

COUNTY'S maximum obligation for fiscal year 2010/2011 shall be **\$1,362,253**, subject to availability of Federal, State, and local funds.

C. BUDGET:

Schedule I presents for planning purposes the budgetary details pursuant to this Agreement. Schedule I contains the reporting unit (RU), the mode(s) of service, the service functions, units, revenues received, maximum obligation and source of funding pursuant to this Agreement.

D. SHORT-DOYLE/MEDI-CAL:

1. With respect to services provided to Medi-Cal beneficiaries, CONTRACTOR shall comply with applicable Medi-Cal cost containment principles where reimbursement is based on actual allowable cost, approved Medi-Cal rate, State approved negotiated SD/MC rate or customary charges, whichever is lower as specified in Title 19 of the Social Security Act, Title 22 of the California Code

1 of Regulations and policy letters issued by the State Department of Mental
2 Health.

- 3 2. The Short/Doyle Medi-Cal reimbursement is composed of Local Matching
4 Funds and Federal Financial Participation (FFP).

5 E. REVENUES:

- 6 1. Pursuant to the provisions of Sections 4025, 5717 and 5718 of the Welfare &
7 Institutions Code, and as further contained in the State Department of Mental
8 Health Revenue Manual, Section 1, CONTRACTOR shall collect revenues for
9 the provision of the services described pursuant to Exhibit A. Such revenues
10 may include but are not limited to, fees for services, private contributions,
11 grants or other funds. All revenues received by CONTRACTOR shall be
12 reported in their annual Cost Report, and shall be used to offset gross cost.
- 13 2. Patient/client eligibility for reimbursement from Medi-Cal, Private Insurance,
14 Medicare, or other third party benefits shall be determined by the
15 CONTRACTOR. CONTRACTOR shall pursue payment from all potential
16 sources in sequential order, with Short/Doyle Medi-Cal as payor of last resort.
17 CONTRACTOR is to attempt to collect first from Medicare (if site is Medicare
18 certified), then insurance and then first party.
- 19 3. If a client has both Medicare or insurance and Medi-Cal coverage, a copy of
20 the Medicare or insurance Explanation of Benefits (EOB) must be provided to
21 the COUNTY within 30 days of receipt.
- 22 4. CONTRACTOR is obligated to collect from the client any Medicare co-
23 insurance and/or deductible if the site is Medicare certified, and to collect and
24 clear with the State any Medi-Cal Share of Cost. Patients/clients with share of
25 cost Medi-Cal shall be charged their monthly Medi-Cal share of cost in lieu of
26 their annual liability. Medicare clients will be responsible for any co-insurance
27 and/or deductible for services rendered at Medicare certified sites.
- 28

- 1 5. All other clients will be subject to an annual sliding fee schedule by
2 CONTRACTOR for services rendered, based on the patient's/client's ability to
3 pay, not to exceed the CONTRACTOR'S actual charges for the services
4 provided. In accordance with the State Department of Mental Health's
5 Uniform Method of Determining Ability to Pay (UMDAP) Manual,
6 CONTRACTOR shall not be penalized for non-collection of revenues provided
7 that reasonable and diligent attempts are made by the CONTRACTOR to
8 collect these revenues. Past due patient/client accounts may not be referred to
9 private collection agencies. No patient/client shall be denied services due to
10 inability to pay.
- 11 6. CONTRACTOR shall submit to COUNTY, with signed contract, a copy of
12 CONTRACTOR'S published charges.
- 13 7. If CONTRACTOR charges the client any additional fees (i.e. Co-Pays) above
14 and beyond the Contracted Schedule I rate, the CONTRACTOR must notify the
15 COUNTY within ten (10) days of signing the AGREEMENT.
- 16 8. CONTRACTOR must notify the COUNTY if CONTRACTOR raises client
17 fees. Notification must be made within ten (10) days following any fee increase.

18 F. REALLOCATION OF FUNDS:

- 19 1. No funds allocated for any Mode of Service as designated in Schedule I may
20 be reallocated to another Mode of Service unless written approval is given by
21 the Program Manager prior to either the end of the Contract Period of
22 Performance or the end of the Fiscal year (June 30th). Approval shall not
23 exceed the maximum obligation
- 24 2. In addition, CONTRACTOR may not, under any circumstances and without
25 prior approval and/or written consent from the Program Manager and
26 confirmed by the Supervisor of the COUNTY Fiscal Unit, reallocate funds
27 between non-billable and billable mode and service functions and/or procedure
28 codes as designed in the Schedule I that are defined as non-billable by the

COUNTY, State or Federal governments from or to funds, services, mode of services and/or procedure codes that are defined as billable by the COUNTY, State or Federal governments.

3. If this Agreement includes more than one Exhibit C, shifting of funds from one Exhibit C to another is also prohibited without prior, written consent and approval from the Program Manager prior to the end of either the Contract Period of Performance or Fiscal year.

G. RECOGNITION OF FINANCIAL SUPPORT:

CONTRACTOR'S stationery/letterhead shall indicate that funding for the program is provided in whole or in part by the COUNTY of Riverside Department of Mental Health.

H. PAYMENT:

1. Monthly reimbursements may be withheld at the discretion of the Director or its designee due to material contract non-compliance, including audit disallowances and/or adjustments or disallowances resulting from the COUNTY Contract Monitoring Review (CMT), the Annual Program Monitoring and/or the Cost Report Reconciliation/Settlement process.
2. In addition to the CMT, Annual Progress Monitoring, and Cost Report Reconciliation/Settlement processes, the COUNTY reserves the right to perform periodic service deletes and denial monitoring for this agreement throughout the fiscal year in order to minimize and/or potentially prevent COUNTY and CONTRACTOR loss. The COUNTY, at its discretion, may withhold and/or offset invoices and/or monthly reimbursements to CONTRACTOR, at any time without prior notification to CONTRACTOR, for service deletes and denials that may occur in association with this agreement. COUNTY shall notify CONTRACTOR of any such instances of services deletes and denials and subsequent withholds and/or reductions to CONTRACTOR invoices or monthly reimbursements.

- 1 3. Notwithstanding the provisions of Paragraph I-1 and I-2 above,
2 CONTRACTOR shall be paid in arrears based upon the actual units of services
3 provided and entered into the COUNTY'S specified Data Collection System.
4 CONTRACTOR will submit a claim on their organization's stationery, which
5 must include at a minimum the CONTRACTOR'S name, invoice mailing
6 address and telephone number, summarizing the dollar amount specified in the
7 applicable COUNTY specified Data Collection System Report (currently the
8 final MH952) and a signed "Certification of Claims and Program Integrity"
9 form (PIF). The summary page of the monthly, final applicable Data Collection
10 System Report (currently the final MH952) and the PIF form must be attached
11 to the CONTRACTOR invoice. Failure to attach the monthly, final summary
12 page of the applicable Data Collection System Report, the Certification of
13 Claims and the signed PIF, will delay payment to the CONTRACTOR until the
14 required documents are provided. The claim must be approved and signed by
15 the Director or an authorized designee of the CONTRACTOR. Monthly claims
16 shall be submitted to the appropriate Program or Regional Manager of the
17 COUNTY'S Department of Mental Health, no later than the tenth (10th)
18 working day of each month.
- 19 4. Short-Doyle/Medi-Cal billings shall be processed by the COUNTY and the
20 CONTRACTOR shall provide the COUNTY with all information necessary for
21 the preparation and audit of such billings.
- 22 5. CONTRACTOR shall submit a monthly invoice for payment and a quarterly
23 report to COUNTY program with invoice describing outcomes, and progress
24 updates and services delivered based on the contract's Exhibit A, "Scope of
25 Services".
- 26 6. Unless other wise notified by the COUNTY, CONTRACTOR invoicing will be
27 paid by the COUNTY thirty (30) calendar days after the date the invoice is
28 received by the applicable COUNTY Program/Region.

1 I. COST REPORT:

- 2 1. For each fiscal year, or portion thereof, that this Agreement is in effect,
3 CONTRACTOR shall provide to COUNTY two (2) copies per each Reporting
4 Unit (RU) number, an annual Cost Report with an accompanying financial
5 statement and applicable supporting documentation to reconcile to the Cost
6 Report within forty-six (46) calendar days following the end of each fiscal year
7 (June 30), the expiration or termination of the contract, which ever occurs first.
8 The Cost Report shall detail the actual cost of services provided. The Cost
9 Report shall be provided in the format and on forms provided by the
10 COUNTY. Final payment to CONTRACTOR shall not be made by COUNTY
11 until the final current and prior year Cost Report(s) have been reconciled,
12 settled and signed by CONTRACTOR and received and approved by the
13 COUNTY.
- 14 2. CONTRACTOR shall use OMB-circular A-122 to formulate proper cost
15 allocation methods to distribute cost between COUNTY and non-COUNTY
16 programs.
- 17 3. CONTRACTOR is required to send one representative to the cost report
18 training annually held by COUNTY regarding preparation of the year-end Cost
19 Report. The COUNTY will notify CONTRACTOR of the date(s) and time(s)
20 of the training. Attendance at the training is necessary annually in order to
21 ensure that the Cost Reports are completed appropriately. Failure to attend this
22 training may result in delay of payment.
- 23 4. CONTRACTOR will be notified in writing by COUNTY, if the Cost Report
24 has not been received within forty-six (46) calendar days after the end of the
25 COUNTY Fiscal year. If the Cost Report is not postmarked in the forty-six
26 (46) calendar day time frame, future monthly reimbursements will be withheld
27 until the COUNTY is in possession of a completed cost report. Future monthly
28 reimbursements will be withheld if the Cost Report contains errors that are not

corrected within ten (10) calendar days of written or verbal notification from the COUNTY. Failure to meet any pre-approved deadlines extension will immediately result in the withholding of future monthly reimbursements.

5. The Cost Report shall serve as the basis for year-end settlement to CONTRACTOR including a reconciliation and adjustment of all payments made to CONTRACTOR and all revenue received by CONTRACTOR. Any payments made in excess of Cost Report settlement shall be repaid upon demand, or will be deducted from the next payment to CONTRACTOR.

6. All current and/or future contract service payments to CONTRACTOR will be withheld by the COUNTY until the final current and prior year Cost Report (s) have been reconciled, settled and signed by CONTRACTOR, and received and approved by the COUNTY.

J. COST REPORT SETTLEMENT:

CONTRACTOR shall report Actual Costs separately, if deemed applicable and as per CONTRACTOR Schedule I, to provide Contract Client Services, Prescriptions, Health Maintenance Costs, and Flexible funding costs under this agreement on the annual cost report. Where deemed applicable, Actual Costs for Indirect Administrative Expenses shall not exceed the amount of the percentage of cost as submitted in the CONTRACT Request for Proposal or Cost Proposal(s). Final year-end settlement shall not exceed the Contract Maximum Obligation, less revenue, less payment received, up to the Maximum Obligation as stated in section C above.

K. BANKRUPTCY:

Within five (5) calendar days of filing for bankruptcy, CONTRACTOR shall notify County's Department of Mental Health's Fiscal Services Unit, by certified letter with a carbon copy to the Department of Mental Health's Program Support Unit, in writing of such. The CONTRACTOR shall submit a properly prepared Cost Report in accordance with requirements and deadlines set forth in Section J before final payment is made.

1 L. AUDITS:

- 2 1. CONTRACTOR agrees that any duly authorized representative of the Federal
3 Government, the State or COUNTY shall have the right to audit, inspect,
4 excerpt, copy or transcribe any pertinent records and documentation relating to
5 this Agreement or previous Agreements in previous years.
- 6 2. If this contract is terminated in accordance with Section XXIX, TERMINATION
7 PROVISIONS, COUNTY, Federal and/or State governments may conduct a
8 final audit of the CONTRACTOR. Final reimbursement to CONTRACTOR by
9 COUNTY shall not be made until all audit results are known and all accounts are
10 reconciled. Revenue collected by CONTRACTOR during this period for
11 services provided under the terms of this Agreement will be regarded as revenue
12 received and deducted as such from the final reimbursement claim.
- 13 3. Any audit exception resulting from an audit conducted by any duly authorized
14 representative of the Federal Government, the State or COUNTY shall be the
15 responsibility of the CONTRACTOR. Any audit disallowance adjustments may
16 be paid in full upon demand or withheld at the discretion of the Director of
17 Mental Health against amounts due under this Agreement or Agreement(s) in
18 subsequent years.
- 19 4. The COUNTY will conduct Annual Program Monitoring Review and/or
20 Contract Monitoring Review (CMT). Upon completion of monitoring,
21 Contractor will be mailed a report summarizing the results of the site visit. A
22 corrective Action Plan will be submitted by CONTRACTOR within thirty (30)
23 calendar days of receipt of the report. CONTRACTOR'S failure to respond
24 within thirty (30) calendar days will result in withholding of payment until the
25 corrective plan of action is received. CONTRACTOR'S response shall identify
26 time frames for implementing the corrective action. Failure to provide adequate
27 response or documentation for this or previous year's Agreements may result in
28

1 contract payment withholding and/or a disallowance to be paid in full upon
2 demand.

3 M. DATA ENTRY:

- 4 5. CONTRACTOR understands that as the COUNTY upgrades its current Data
5 Collection System to comply with Federal, State and/or local funding and service
6 delivery requirements; CONTRACTOR will, therefore, be responsible for
7 attending and receiving COUNTY training associated with, but not limited to,
8 applicable service data entry, billing and invoicing, and learning how to
9 appropriately and successfully utilize and/or operate the current and/or upgraded
10 Data Collection System as specified for use by the COUNTY under this
11 agreement. The COUNTY will notify the CONTRACTOR when such training is
12 required and available. In the event the COUNTY'S specified Data Collection
13 System changes prior to a new fiscal year, COUNTY shall notify
14 CONTRACTOR and provide immediate instructions and make subsequent
15 arrangements to facilitate such a change.
- 16 6. CONTRACTOR is required to enter all units of services into the COUNTY'S
17 specified Data Collection System for the prior month no later than 5:00 p.m. on
18 the fifth (5th) working day of the current month. Late entry of services into the
19 COUNTY'S specified Data Collection System may result in financial and/or
20 service disallowances to the CONTRACTOR.

21 Rev. 05/17/10 stl

COUNTY OF RIVERSIDE
DEPARTMENT OF MENTAL HEALTH
SCHEDULE I
SECOND AMENDMENT

CONTRACT PROVIDER NAME: **Sylmar Health and Rehab**

FISCAL YEAR: **2010/2011**

NEGOTIATED RATE (X)

ACTUAL COST ()

NEGOTIATED NET AMOUNT ()

DEPT ID/PROGRAM: **4100206177/83550/530280**

SYSTEM RU NUMBER: **00710**

					TOTAL
MODE OF SERVICE:	05	Sub-Acute 'B'	Special Needs	Specialized Care	
SERVICE FUNCTION:	30				
NUMBER OF UNITS:	1,460	1,460	1,460	1,278	
COST PER UNIT:	\$166.06	\$223.24	\$325.00	\$250.00	
GROSS COST:	\$242,448	\$325,930	\$474,500	\$319,375	\$1,362,253
LESS REVENUES COLLECTED BY CONTRACTORS:					
A. PATIENT FEES	\$0	\$0	\$0	\$0	\$0
B. PATIENT INSURANCE	\$0	\$0	\$0	\$0	\$0
C. OTHER	\$0	\$0	\$0	\$0	\$0
TOTAL CONTRACTOR REVENUES	\$0	\$0	\$0	\$0	\$0
MAXIMUM OBLIGATION	\$242,448	\$325,930	\$474,500	\$319,375	\$1,362,253
SOURCES OF FUNDING FOR MAXIMUM OBLIGATION					%
A. Medi- Cal FFP					
B. FEDERAL FUNDS					
C. REALIGNMENT FUNDS	\$238,738	\$320,944	\$467,240	\$314,489	\$1,341,411 98.47%
D. STATE GENERAL FUNDS	\$0	\$0	\$0	\$0	\$0 0.00%
E. COUNTY FUNDS	\$0	\$0	\$0	\$0	\$0 0.00%
F. OTHER:	\$3,709	\$4,987	\$7,260	\$4,886	\$20,842 1.53%
TOTAL (SOURCES OF FUNDING)	\$242,448	\$325,930	\$474,500	\$319,375	\$1,362,253 100.0%

FUNDING SOURCES DOCUMENT: CLIB FY 1011

STAFF ANALYST SIGNATURE:

Kola Sobers

DATE: 28-Apr-11

FISCAL SERVICES SIGNATURE:

Michael

DATE: 5/10/11