

Agreement No. _____

Participant: _____

August 8, 2013

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT
COVER SHEET

1. County of _____ ("Participant") desires to participate in the following Program:

Name of Program: The Short-Doyle 3 Feasibility Study ("SD3")

2. Participant and the California Mental Health Services Authority ("CalMHSA") acknowledge that the Program will be governed by CalMHSA's Joint Powers Agreement and Bylaws, and by this Participation Agreement, which incorporates the following exhibits.

- Exhibit A General Program Description
- Exhibit B Scope of Services
- Exhibit C Terms and Conditions
- Exhibit D Budget Detail and Payment Provisions

3. The term of the Participation Agreement is July 1, 20__ through June 30, 20__.

4. Authorized Signatures:

CalMHSA

Signed: _____ Name (Printed): _____

Title: ___Executive Director_____ Date: _____

Contract Representative: _____

Participant (Board of Supervisor or Designee)

Signed: _____ Name (Printed): _____

Title: _____ Date: _____

Contract Representative: _____

PARTICIPATION AGREEMENT
EXHIBIT A – GENERAL PROGRAM DESCRIPTION

I. Recitals

Government Code section 6500 *et seq.* allows California public entities to form separate entities to exercise powers held by its members. California Counties have under the authority of the Government Code formed the California Mental Health Services Authority (CalMHSA). CalMHSA is authorized by its Joint Exercise of Powers Act to jointly develop, and fund mental health services under, among other things, Division 5 of the California Welfare and Institutions Code, including the provision of necessary administrative services.

The Department of Health Care Services (DHCS) and the California Mental Health Directors Association (CMHDA) recommended that county behavioral health departments act jointly through CalMHSA to fund and manage the process of the Short-Doyle 3 Feasibility Study. This study is intended to explore options to transition from the current Short-Doyle 2 Medi-Cal system to a new claims system, including input from state and county partners.

The CMHDA Financial Services and Information Technology (IT) Committee members and staff proposed a migration from the state-operated Short-Doyle 2 system to HIPAA-compliant county-based encounter data systems that use certified vendors/systems to collect and store encounter information in a HIPAA-compliant format locally. This solution is intended to simplify the federal reimbursement process for the state and counties, and allow counties and their vendors to fully implement the federal information coding and exchange requirements.

CMHDA Governing Board members voted to approve the IT Committee’s CMHDA/DHCS Short-Doyle 3 Feasibility Study Partnership Proposal. Subsequently CMHDA and DHCS recommended that CalMHSA provide fiscal and administrative support to implement the feasibility study. On July 25, 2013, CalMHSA Executive Committee members voted to approve CalMHSA staff to work with CMHDA and DHCS to implement the Short-Doyle 3 Feasibility Study. Further discussion will occur at the CalMHSA Board meeting on August 15, 2013, including a determination of the cost allocation method preferred by counties.

Based on the foregoing, the parties do hereby enter into this Participation Agreement for the CalMHSA Short-Doyle 3 Feasibility Study to authorize CalMHSA to contract for the Short-Doyle 3 Feasibility Study on behalf of Program Participants and to make payment to the competitively procured vendor consistent with the provisions of this Participation Agreement.

II. Name of Program

The Short-Doyle 3 Feasibility Study (“SD3”)

III. Program Goals

- A. CONTRACTING: Participants will come together to act jointly through CalMHSA in contracting for the Short-Doyle 3 Feasibility Study.

- B. GUIDANCE FROM COUNTIES: County input into the Short-Doyle 3 Feasibility Study will occur through the governance and steering committees created to guide this process.
FISCAL: CalMHSA will provide administrative and fiscal management on behalf of members.
- C. FEASIBILITY STUDY GOALS: 1) to simplify the federal Medicaid reimbursement process for the state and counties; 2) to fully implement the federal information coding and exchange requirements; and 3) to collect and store encounter information in a HIPAA-compliant format locally.

IV. Program Outcomes

As directed by Participants, CalMHSA will partner with DHCS and CMHDA to administer the Short-Doyle 3 Feasibility Study.

- A. CONTRACTING: Participants will come together to act jointly through CalMHSA in contracting for the Short-Doyle 3 Feasibility Study.
 - 1. CalMHSA established a process for counties to act jointly to fund and manage the contract for the feasibility study. Counties that wish to participate in and fund the study may enter into this Participation Agreement (JPA members) or a Memorandum of Understanding (nonmembers).
 - 2. A competitive procurement process will be utilized to select a vendor to complete the Short-Doyle 3 Feasibility Study. The evaluation of bids and vendor selection will be guided by the governance and steering committees. CalMHSA will have sufficient and appropriate level of representation on these two committees.
 - 3. Upon selection of a vendor, CalMHSA will enter into a contract with said vendor for the feasibility study.
 - 4. CalMHSA, as the contracting agency, will manage the quality and direction of contract deliverables and the final Feasibility Study Report.
- B. GUIDANCE FROM COUNTIES: County input into the Short-Doyle 3 Feasibility Study will occur through the governance and steering committees created to guide this process.
 - 1. A governance group will be created, to include the leadership from CMHDA, CalMHSA and DHCS. A steering committee will also be created, to include subject matter experts, CMHDA committee co-chairs from Financial Services, Information Technology and Medical Policy, regional county representatives and staff from CMHDA, CalMHSA and DHCS.
 - 2. The governance and steering committees will provide input into the Scope of Work, vendor selection process (which will be competitively procured) and will provide oversight of contract deliverables and the final Feasibility Study Report.
- C. FISCAL: CalMHSA will provide administrative and fiscal management on behalf of members.
 - 1. Counties will be invoiced for their share of the feasibility study expenses. The allocation of expenses will be determined by the CalMHSA Board and will be in compliance with the CalMHSA Finance Committee Indirect Cost Policy.
 - 2. Facilitate an efficient and timely process for invoicing Participants and paying the vendor.
- D. FEASIBILITY STUDY GOALS:

1. FISCAL: This solution is intended to simplify the federal Medicaid reimbursement process for the state and counties.
2. COMPLIANCE: This solution is intended to allow counties and their vendors to fully implement the federal information coding and exchange requirements.
3. CAPACITY: Counties wish to develop new information technology capacity, e.g. HIPAA-compliant county-based encounter data systems that use certified vendors/systems to collect and store encounter information in a HIPAA-compliant format locally.

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PARTICIPATION AGREEMENT
EXHIBIT B –SCOPE OF SERVICES

I. RELATIONSHIP OF THE PARTIES

The purpose of this Participation Agreement is to grant CalMHSA the authority to contract with a competitively selected vendor for completion of the Short-Doyle 3 Feasibility Study on behalf of Participants, and to define roles and responsibilities between CalMHSA and Participants in the context of an MOU between CalMHSA, CMHDA and DHCS.

Demonstrate and provide proof of authorization to enter into this Agreement on behalf of Participant, consisting of a resolution of Participant’s Board authorizing such signature, proof of delegated authority to execute contracts of a class that includes this Participation Agreement, or other comparable authority.

II. GOVERNANCE

- A. Per CalMHSA Bylaws, CalMHSA members have the authority to create a Program such as the Short-Doyle 3 Feasibility Study, while participants in the SD3 govern its operation through adoption and execution of this Participation Agreement.
- B. Oversight committees exist for this program- both a governance committee and a steering committee.

III. GENERAL RESPONSIBILITIES OF PARTIES

- A. Responsibilities of CalMHSA
 - 1. Comply with applicable laws, regulations, guidelines, CalMHSA’s Joint Powers Agreement, Bylaws, this Participation Agreement, and the Program Bylaws.
 - 2. Provide Participants with the Short-Doyle 3 Feasibility Study purchased by CalMHSA on behalf of Participants.
 - 3. Act as fiscal and administrative agent for Participants in the Program.
 - 4. Provide dedicated administrative staff as necessary to perform under this Agreement.
 - 5. Manage funds received through the Program, consistent with the requirements of any applicable laws, regulations, guidelines and/or contractual obligations.
 - 6. Provide regular fiscal and operational reports to Participants and any other public agencies with a right to such reports.
 - 7. Develop allocation model for expenses among Participants.
 - 8. Credit to account of Participant any financial credits, offsets, or other receipt of funds.
- B. Responsibilities of Participant
 - 1. Compliance with applicable laws, regulations, guidelines, contractual agreements, joint powers agreements and bylaws.

2. Timely payment, assignment, or other transfer of funds assessed for the Program, consisting of payments toward the vendor and administrative and management costs.
3. Identification of a representative authorized to act for Participant and receive notices on behalf of Participant.
4. Provide input and feedback as necessary to accomplish the purposes of the Program.
5. Timely and complete submission of information in response to requests.
6. Acknowledgement that certain funds contributed by the Participant will be aggregated with the funds of other Participants in the Program, and jointly used to meet the objectives of the Program, pursuant to the allocation formula adopted. Acknowledge that Program expenses will include a proportionate share of CalMHSA's administrative expenses and management costs.

III. SERVICES TO BE CONTRACTED WITH THE COMPETITIVELY SELECTED VENDOR AS DETAILED IN THE SCOPE OF WORK AND CONTRACT.

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PARTICIPATION AGREEMENT
EXHIBIT C – TERMS AND CONDITIONS

I. Definitions

Throughout this Participation Agreement, the following terms are defined as follows:

- A. CalMHSA - California Mental Health Services Authority, a Joint Powers Authority created to jointly develop and fund mental health services and education programs for its Member Counties and Partner Counties.
- B. CMHDA- California Mental Health Directors Association, which shall provide policy guidance on the
- C. DHCS – Department of Health Care Services
- D. Member – A County, City (e.g., Berkeley), or JPA of Cities or Counties (e.g., Sutter-Yuba Mental Health Services or Tri-City Mental Health Center) that has joined CalMHSA and executed the CalMHSA Joint Exercise of Powers Agreement.
- E. Participant – A County, City (e.g., Berkeley), or JPA of Cities or Counties (e.g., Sutter-Yuba Mental Health Services or Tri-City Mental Health Center) participating in the Program under this Participation Agreement.
- F. Program – The Short-Doyle 3 Feasibility Study.
- G. State – The State of California, including the Department of Health Care Services.
- H. Governance committee – A governance group will be created, to include the leadership from CMHDA, CalMHSA and DHCS.
- I. Steering committee – A steering committee will be created, to include subject matter experts, CMHDA committee co-chairs from Financial Services, Information Technology and Medi-Cal Policy, regional county representatives and staff from CMHDA, CalMHSA and DHCS.

III. Term and Renewal

- A. The term of the Program is as shown on the Cover Sheet. The Program may be extended or terminated early depending on the availability of funds.

IV. Withdrawal, Cancellation and Termination

- A. The majority of the Participants may vote to expel a Participant from the Program for cause. Cause shall be defined as any breach of this Participation Agreement, any misrepresentation, or fraud on the part of any Participant.
- B. A Participant may withdraw from this Program effective at the end of the fiscal year, following at least six months' written notice to CalMHSA. Notice shall be deemed served on the date of receipt.
- C. The withdrawal of a Participant from the Program shall not automatically terminate its responsibility for its share of the expenses and liabilities of the Program. The contributions of current and past Participants are chargeable for their respective share of unavoidable expenses and liabilities arising during the period of their participation.

- D. Upon cancellation, termination or other conclusion of the Program, any funds remaining undisbursed after CalMHSA satisfies all obligations arising from the operation of the Program shall be distributed and apportioned among the Participants in proportion to their contributions.

V. Fiscal and Liability Provisions

- A. Funding required from each Participant is based on the actual expense of the Short-Doyle 3 Feasibility Study, plus administrative and management costs.
- B. Participants will share in the costs of Project planning and administration.
- D. In the event of any claim of loss or damage of any form or sort brought by any third party, or any Participant, which names or includes directly or indirectly any county participating in Short-Doyle 3 Feasibility Study, and which arises out of the act or omission, intentional or non-intentional of any Participant or its agents ("the Indemnitor Entity"), the Indemnitor Entity shall defend, indemnify, and hold harmless the other Participants or their agents (collectively referred to as the "Indemnitee Entities"), their agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with, the performance of this Participation Agreement by the Indemnitee Entity, its agents, officers, or employees. Each Indemnitor Entity's obligation to defend, indemnify, and hold the Indemnitee Entities harmless applies to any actual or alleged personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. An Indemnitor Entity's obligation under this paragraph extends to any claim, damage, loss, liability, expense, or other costs which are caused in whole or in part by any act or omission of the Indemnitor Participant, its agents, employees, supplier, or anyone directly or indirectly employed by any of them, or anyone for whose acts or omissions any of them may be liable. This indemnification provision shall not apply to any liability to the extent it is covered by insurance or pooled self-insurance obtained by CalMHSA.

PARTICIPATION AGREEMENT
EXHIBIT D - BUDGET DETAIL AND PAYMENT PROVISIONS

SHORT-DOYLE 3 FEASIBILITY STUDY PURCHASE

I. CONTRACT AMOUNT AND PAYMENT PROVISIONS

The estimated cost of the contract for the feasibility study is \$250,000, and is to be competitively procured. In addition, it is anticipated that CalMHSA will assume a substantial administrative role in the development and procurement of the feasibility study contract that will result in CalMHSA executing and managing the contract. As such, administrative expenses would need to be allocated across participating counties and align with the indirect cost guidelines (up to 8%) determined by the CalMHSA Finance Committee. Additional costs include outside legal counsel. The attached County Cost Allocation Scenarios assume full participation by counties in funding the feasibility study.

The amount payable by Participant to CalMHSA concerning all aspects of this Agreement shall be \$_____, the maximum obligation as approved by the participant. The amount reflected here was determined by the CalMHSA Board. This amount includes the cost of the feasibility study, an administrative fee to cover the related expenses of contract and fiscal management.

II. BUDGET CONTINGENCIES

This Agreement is subject to any restrictions, limitations, or conditions enacted by the Legislature and contained in the Budget Act or any statute enacted by the Legislature which may affect the provisions, terms, or funding of this Agreement in any manner. If statutory or regulatory changes occur during the term of this Agreement, both parties may renegotiate the terms of the Agreement affected by the statutory or regulatory changes.

This Agreement may be amended only in writing upon mutual consent of the parties. A duly authorized representative of each party shall execute such amendments.