

LEA Medi-Cal Direct Billing Program OptiServices Contract Addendum CRCS Recalculations

This Agreement is made this 1st day of June, 2022, between MEDICAL BILLING TECHNOLOGIES, INC, hereinafter called "MBT" and MOUNT DIABLO UNIFIED SCHOOL DISTRICT, hereinafter called "CLIENT". This Agreement states the terms and conditions under which MBT will provide services on behalf of CLIENT under the Local Education Agencies (LEA) Medi-Cal Billing Option Program to complete and submit the Cost Reimbursement Comparison Schedule reports.

1. **Reason for the Addendum:** The recalculation of the Cost Reimbursement Comparison Schedule (CRCS) reports for years 2015-2016, 2016-2017, 2017-2018 and 2018-2019.

California's Department of Health Care Services (DHCS) oversees the LEA Medi-Cal Billing Option Program (LEA program). In May of 2020, DHCS implemented State Plan Amendment (SPA) 15-021 which incorporated many changes to the LEA program in order to increase federal reimbursements to California schools. These increased reimbursements are retroactive back to the 2015-2016 school year. In order for California LEAs to collect these additional reimbursements, DHCS requires each LEA to resubmit their CRCS reports in a new format for the 2015-2016, 2016-2017, 2017-2018 and 2018-2019 school years.

The purpose of this addendum is to permit MBT to recalculate all the necessary CRCS reports and submit each report to DHCS on behalf of the CLIENT. The CRCS reports are due to DHCS as follows:

- a. 2015-2016 recalculated CRCS report due to DHCS June 30, 2022.
- b. 2016-2017 recalculated CRCS report due to DHCS August 31, 2022.
- c. 2017-2018 recalculated CRCS report due to DHCS October 31, 2022.
- d. 2018-2019 recalculated CRCS report due to DHCS January 31, 2023.

These timelines are tentative and may be changed by DHCS.

2. **MBT Responsibilities:** MBT shall provide the following services to CLIENT:

- a. Work with CLIENT's designated LEA Coordinator.
- b. Complete analysis of CLIENT's LEA program practitioner lists to determine valid practitioners to include on each CRCS report.
- c. Obtain the CLIENT's Random Moment Time Survey results to include on each CRCS report.
- d. Obtain the CLIENT's percentage of Medi-Cal eligible students to include on each CRCS report.
- e. Request expense reports from CLIENT in order to calculate appropriate costs to include on each CRCS report.
- f. Compile all necessary data and calculations onto CRCS forms in compliance with DHCS's program regulations.
- g. Review each completed CRCS report with CLIENT and request all necessary signatures from CLIENT personnel.
- h. Submit the CRCS to DHCS by the due dates specified by DHCS.
- i. Provide assistance to CLIENT in the event of a DHCS audit. The form of such assistance shall be solely at the discretion of MBT.
- j. Comply with federal Family Educational Rights and Privacy Act (FERPA) regulations. Standards for electronic submissions and firewalls have been instituted to block entry into the MBT server and protect against internet attacks. The MBT network server is contained in a secure data center; all unused confidential information is shredded. All MBT staff are trained

in HIPAA/FERPA regulations and are required to sign a statement of confidentiality. Student information sent from MBT to CLIENT will be encrypted and password protected.

3. **Client Responsibilities:** CLIENT shall do and perform each of the following:
- a. Designate an LEA Program Coordinator as a point of contact for MBT.
 - b. CLIENT shall provide all necessary documents and records to MBT necessary to complete each CRCS within 60 days of MBT's request.
 - c. Maintain all LEA Medi-Cal Billing Option Program billing documentation as required by State and Federal laws, rules, and regulations for audit purposes and for such period of time as required by State and Federal laws, rules, and regulations.
 - d. Comply with all rules and regulations of DHCS and other applicable government agencies pertaining to providing services, recordkeeping, and retention for the LEA Medi-Cal Billing Option Program.

4. **Payment:** After each CRCS is complete an underpayment amount is calculated for each year. CLIENT shall pay to MBT as compensation:

Four percent (4%) of the total underpayment received by CLIENT, but not to exceed \$80,000.00. CLIENT will be invoiced by MBT when the final cost settlement is released by DHCS for each CRCS year. This will result in four (4) separate invoices issued by MBT to CLIENT for each of the recalculated CRCS reports. MBT will ensure that the total fees of the four (4) invoices issued to CLIENT do not exceed four percent (4%) or \$80,000.00 of CLIENT's total underpayment amount.

Late Fees: CLIENT agrees to pay all sums due MBT under this contract within 30 calendar days of receipt of an invoice for services from MBT.

CLIENT will incur a late fee of one and one-half percent (1.5%) per month on amounts unpaid for more than sixty (60) days past the date of invoice.

CLIENT shall, upon request, provide to MBT a copy of all documents and checks received from DHCS evidencing all sums received as a result of the services of MBT. CLIENT shall make all such records available to MBT at reasonable times. MBT shall have the right to audit the records of CLIENT pertaining to LEA Medi-Cal billing.

5. **Document Management:** MBT shall retain in electronic form copies of all LEA Medi-Cal Billing Option bills submitted for CLIENT for a period of five (5) years after the date of submission of each CRCS report or such other period as required by law. MBT, upon request, will provide to CLIENT printed copies of such bills. MBT, upon request, shall return to CLIENT all billing forms and other documents provided to MBT for billing purposes. CLIENT shall reimburse MBT for the cost of all containers and for the cost of packing and shipping such documents and records. CLIENT shall retain all such documents and records for at least five (5) years from the date of service or such other duration as may be required by State and Federal laws, rules, and regulations.
6. **Confidentiality Agreement:** All statistical, financial, student and other data relating to the LEA Medi-Cal Billing Option Program billing and the identity of Medi-Cal eligible students shall be held in strict confidence by the parties hereto. The foregoing obligation does not apply to any data that has become publicly available or that is not required to be kept confidential.

The data provided to MBT by the CLIENT will be used for the sole purpose of performing billing for the LEA Medi-Cal Billing Option Program. MBT is responsible to abide by The Health Insurance Portability and Accountability Act (HIPAA) and The Family Educational Rights and

Privacy Act (FERPA) and will not share the CLIENT's data with third-party entities except as permitted and required for the LEA Medi-Cal Billing Option Program.

7. **Insurance:** MBT shall, at MBT's expense, obtain and keep in force during the term of this Agreement a policy of Professional Liability for Professional Services Error in the amount of Two Million Dollars (\$2,000,000.00).
8. **Mutual Indemnification and Limitation of Liability:**
 - a. CLIENT will indemnify, defend, and hold MBT, and each such party's affiliates, officers, directors, employees, attorneys and agents harmless from and against any and all claims, costs, damages, losses, liabilities and expenses arising out of or in connection with: (i) a claim by a third party alleging that use of the CLIENT DATA infringes the INTELLECTUAL PROPERTY RIGHTS of a third party; provided in any such case that MBT (a) promptly gives CLIENT written notice of the claim; (b) gives CLIENT sole control of the defense and settlement of the claim; and (c) provides CLIENT all available information and assistance.
 - b. MBT will indemnify, defend and hold CLIENT and CLIENT affiliates, officers, directors, employees, attorneys and agents harmless from and against any and all claims, costs, damages, losses, liabilities and expenses arising out of or in connection with: (i) any breach of confidentiality of CLIENT DATA due to the negligence of MBT or its employees or agents, and (ii) a claim by a third party alleging that the HOSTED SERVICE directly infringes an INTELLECTUAL PROPERTY RIGHT of a third party; provided that CLIENT (a) promptly gives written notice of the claim to MBT; (b) gives MBT sole control of the defense and settlement of the claim; and (c) provides MBT all available information and assistance. MBT's aggregate liability under this subsection (b) of Section 9 is limited to the coverage actually afforded by MBT's insurance policy referred to in Section 8 of this Agreement.
 - c. MBT will use due care in processing the work of the CLIENT based on CLIENT's submission of billing information and CLIENT's determination of eligibility for reimbursement by the LEA Medi-Cal Billing Option Program. MBT will be responsible for correcting any errors which are due to the machines, operators, or programmers of MBT. Such errors shall be corrected at no additional charge to CLIENT. MBT does not guarantee State or Federal approval of billings submitted, and MBT shall not be liable or responsible to CLIENT for DHCS interpretation of State and Federal laws, rules, and regulations, or for changes to State and Federal laws, rules, and regulations, or for claims that are questioned or denied by DHCS or any other State or Federal governmental agency. MBT shall have no liability for CLIENT's inability to provide proper source documentation, including but not limited to Provider records, IEPs, Health Service Plans, and other supporting documentation, to DHCS or any other State or Federal governmental agency.
 - d. Except as specifically set forth in Section 9, subsection (b) of this Agreement, in no event shall MBT's liability for any and all claims against MBT under this Agreement, in contract, tort, or otherwise, exceed the total amount of the fees paid by CLIENT to MBT during the contract term in issue, and MBT shall not be liable under any circumstances for any special, consequential, incidental, punitive, or exemplary damages arising out of or in any way connected with this Agreement.
9. **Contract Duration and Termination:** The term of this Agreement shall commence upon execution of this contract and continue until all four (4) CRCS reports are approved and paid by DHCS.

CLIENT may terminate this agreement at any time in writing. In the event of termination prior to the completion of all four (4) CRCS reports, CLIENT is still obligated to pay MBT for any and all CRCS report(s) completed by MBT prior to the CLIENT's notification of termination.

10. **Notices:** Notices affecting contract terms between the parties shall be in writing and shall be deemed given when (i) personally delivered to the party to whom it is directed; or (ii) five (5) days after deposit in the United States mail, postage prepaid, return receipt requested, addressed to:

MBT
Medical Billing Technologies, Inc.
Attn: Reid Stephens, President
P.O. Box 709
Visalia, CA. 93279

CLIENT
Mount Diablo Unified School District
Attn: Business Office
1936 Carlotta Drive
Concord, CA 94519-1358

11. **Copyrights:** CLIENT acknowledges and agrees that all manuals and forms ("MBT Documents") provided to CLIENT by MBT shall remain the property of MBT and shall not be duplicated, copied in any manner and access to MBT Documents shall be restricted to employees of CLIENT who need to use MBT Documents in order to satisfy CLIENT'S obligations under this Agreement, without the prior written consent of MBT. All computer programs and materials, including, but not limited to, electronic devices, and the information contained therein are, and shall remain, the property of MBT.
12. **Other Documents:** The parties hereto agree to execute such other and further documents as may be necessary or required by the DHCS to authorize MBT to perform billing services on behalf of CLIENT.
13. **Representations:** Each party represents and warrants that it has the legal power and authority to enter into this Agreement.
14. **Entire Agreement:** This Agreement is an addendum to the original Agreement, LEA Medi-Cal Direct Billing Program OptiServices Contract that was initiated between MBT and CLIENT in July of 2018. These agreements supersedes any and all other agreements, either oral or in writing, between the parties with respect to MBT providing LEA Medi-Cal billing services to CLIENT and contains all of the covenants and agreements between the parties with respect to such billing services. Each party to these Agreements acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise with respect to MBT billing services not contained in these Agreements shall be valid or binding.
15. **Modification:** This Agreement may be amended or modified at any time with respect to any provision by a written instrument executed by all parties.
16. **Law Governing Agreement:** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
17. **Mediation and Arbitration:** Any dispute arising under this Agreement shall first be addressed through mediation. If a dispute arises, either party may demand mediation by filing a written demand with the other party. If the parties cannot agree upon a neutral mediator, each party, within twenty (20) days after the parties fail to agree on one mediator, at its own cost shall appoint one mediator and those mediators shall select an impartial mediator to conduct the mediation. The parties shall equally share the cost of the mediator conducting the mediation.

If the parties are unable to resolve any dispute through mediation as set forth herein, or if any party fails to respond to a demand for mediation, all questions and disputes with respect to the rights and obligations of the parties arising under the terms of this Agreement shall be resolved by binding arbitration. Any party may demand arbitration by filing a written demand with the other party. If the parties cannot agree on one arbitrator, each of the parties, within twenty (20) days after the parties fail to agree on one arbitrator, at its own cost, shall appoint one arbitrator and those arbitrators shall select an impartial arbitrator to conduct the arbitration. Should a party refuse or neglect to join in the arbitrator or to furnish the arbitrator with any papers or information demanded, the arbitrator may proceed ex parte.

A hearing on the matter to be arbitrated shall take place before the arbitrator in the County where CLIENT is located, State of California. The arbitrator shall select the time and place promptly and shall give each party written notice of the time and place at least ninety (90) days before the date selected. The parties shall be entitled to conduct discovery by agreement or by order of the arbitrator. Each party may present any relevant evidence at the hearing. The formal rules of evidence applicable to judicial proceedings shall not govern. Evidence shall be admitted or excluded in the sole discretion of the arbitrator. The arbitrator shall hear and determine the matter and shall execute and acknowledge the award in writing and cause a copy of the writing to be delivered to each of the parties.

The parties shall share equally the expense of arbitration, and each party shall bear its own attorney fees and costs incurred in connection with the arbitration.

The arbitrator's decision shall be binding and conclusive on the parties. A judgment confirming the award may be given by any Superior Court having jurisdiction.

MOUNT DIABLO UNIFIED SCHOOL DISTRICT



Authorized Signature



Date



Printed Name

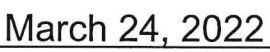


Printed Title

MEDICAL BILLING TECHNOLOGIES, INC.



Reid Stephens, President



Date