

Purchase-of-Service Agreement

South Central Community Based Initiative, 410 S. Fifth Street, P.O. Box 3526, Mankato, Minnesota, 56002-3526, hereafter referred to as the “Agency,” and Le Sueur County Human Services, 88 South Park Avenue, Le Center, MN, 56057, hereafter referred to as the “Contractor,” enter into this Purchase-of-Service Agreement for the period from January 1, 2023, to December 31, 2024. The Agency and the Contractor are hereinafter referred to as the “parties.”

WITNESSETH

WHEREAS, the Contractor is an organization licensed under Minnesota Rules 9520.0010 to 9520.0230 and Minnesota Statutes 245.461 to 245.466 and an approved vendor according to published criteria or certificated by the State of Minnesota, Department of Human Services, to provide mental health services (hereinafter “Purchased Services” or “Program Services”) to persons (hereinafter also referred to as “eligible clients,” “clients” or “program participants”); and

WHEREAS, the Agency, pursuant to Minnesota Statutes Sections 373.01, 373.02, and Minnesota Statutes Chapter 245, wishes to purchase such Program Services from the Contractor; and

WHEREAS, the Contractor represents that it is duly qualified and willing to perform such Services;

NOW, THEREFORE, in consideration of the mutual understandings and agreements set forth, the Agency and Contractor agree as follows:

1. CONTRACTOR'S DUTIES

a. As specified in Minnesota Statutes 245, the Agency agrees to purchase and the Contractor agrees to furnish the following Services in accordance with Minnesota Statutes Sections 245.4661.

(1) The Contractor agrees to provide mental health services. All services reimbursed through the Agency must be eligible under Minnesota Department of Human Services definition of BRASS Codes, as outlined in grant applications for the Adult Mental Health Initiative and Crisis Appropriation, and Crisis Services Grants:

- a) Enroll as a Medical Assistance provider and comply with Medical Assistance policies and procedures;
- b) Comply with all State and Federal recommendations related to the provision of Community-Based Mental Health Services.
- c) Agree to participate in data collection for outcome monitoring and fidelity adherence of evidence-based practices as requested by the Department of Human Services;

- d) Submit claims for reimbursement to any and all sources of Medicare, Medicaid, and third-party insurance whenever possible.
 - e) Summary of services that may be provided by the Contractor:
 - 1) Case Management Services
 - 2) Community Support Program Services
 - 3) Flex Funds, in accordance with the Agency's Flex Funds Policy
 - 4) Clubhouse Services
 - 5) Related administrative costs to the above services.
- b. The Contractor agrees to make available to the Agency:
- (1) Certification of Insurance through the Minnesota Counties Intergovernmental Trust.
 - (2) A detailed description of the program services to be provided.
 - (3) An exposition of the staffing, including job descriptions and professional qualifications of personnel.
 - (4) An organization chart.
 - (5) Number of Program Participants; and
 - (6) Program content.
- c. The Contractor must, within ten (10) days, notify the Agency in writing whenever it is unable to, or going to be unable to, provide the required quality or quantity of purchased services. Upon such notification, the Agency must determine whether such inability will require modification or cancellation of this Agreement.

2. AGENCY DUTIES

- a. The Agency agrees to represent the Contractors interested in accordance with the following grants:
 - (1) The Adult Mental Health Initiative Grant
- b. The Agency will conduct all business as per the Joint Powers Board Agreement and Agency Bylaws.
- c. The Agency must, within ten (10) days, notify the Agency in writing whenever it is unable to, or going to be unable to, provide the required quality or quantity of purchased services. Upon such notification, the Agency must determine whether such inability will require modification or cancellation of this Agreement.

3. COST AND DELIVERY OF PURCHASED SERVICES

- a. Reimbursement for all eligible BRASS Codes based on the actual cost of the services, less all associated revenues.
 - (1) The total amount to be paid for such purchased services must not exceed \$715,663.78.
- b. The allocation for Clubhouse Services must not exceed \$46,000.00.

4. ELIGIBILITY FOR SERVICES

The parties understand and agree that the eligibility of the client to receive the Purchased Services is to be determined in accordance with eligibility criteria established by Medical Assistance and the Agency.

The parties understand and agree that when the Contractor has been delegated by the Agency to make the determination of the client's eligibility for purchased services:

- a. It is understood and agreed by the parties that, when applicable, fees will be charged and collected in accordance with fee policy and schedules adopted by the Contractor in accordance with Minnesota Statutes Section 245.465.
- b. The Contractor must not charge any program or service fee to social services eligible clients except in accordance with Subd. 3 above.

5. PAYMENT FOR PURCHASED SERVICES

a. Certification of expenditures: The Contractor must, by the twenty-fifth of the month following the previous quarter, submit the required reimbursement documentation, as required by the Fiscal Agent.

(1) County Reimbursement - The South Central Community Based Initiative Reimbursement Sheet is attached as Exhibit C.

b. Payment: The Agency must, within thirty (30) days of the date of receipt of the Invoice, make payment to the Contractor for all eligible clients identified on the Invoice.

6. AUDIT AND RECORD DISCLOSURES

The Contractor must:

- a. Allow personnel of the Agency, the Minnesota Department of Human Services, and the U.S. Department of Health and Human Services, access to the Contractor's facility and records at reasonable hours to exercise their responsibility to monitor Purchased Services.
- b. If the collection of social services fees is delegated to the Contractor, the Contractor must provide the Agency with information about fees collected and the fee sources.
- c. Maintain all records pertaining to this Agreement at the Contractor's administrative offices for seven (7) years for audit purposes.

- d. Comply with policies of the Minnesota Department of Human Services regarding social services recording and monitoring procedures, as defined and described in Department of Human Services rules and manuals.

7. SAFEGUARD OF CLIENT INFORMATION

- a. The use or disclosure by any party of information concerning an eligible client in violation of in the Minnesota Government Data Practices Act (Minnesota Statutes Chapter 13) or for any purpose not directly connected with the Agency's or Provider's responsibility with respect to the Purchased Services hereunder is prohibited except on written consent of such eligible client, the client's attorney, or the client's responsible parent or guardian.
- b. The Agency is a covered entity under the Health Insurance Portability and Accountability Act and its implementing regulations (collectively referred to as "HIPPA"). To the extent that the Contractor performs a function or activity involving the use of "protected health information" (45 CFR section 164.501), on behalf of the Agency including, but not limited to: providing health care services; health care claims processing or administration; data analysis, processing, or administration; utilization review; quality assurance; billing; benefit management; practice management; repricing; or otherwise provided by 45 CFR section 160.103, the Contractor shall comply with HIPAA), and all applicable requirements.

8. EQUAL EMPLOYMENT OPPORTUNITY AND CIVIL RIGHTS AND NONDISCRIMINATION

(When applicable) the Contractor agrees to comply with the Civil Rights Act of 1964, Title VII (42USC 2000e); including Executive Order No. 11246, and Title VI (42 USC 2000d); and the Rehabilitation Act of 1973, as amended by Section 504;

(When applicable) the Contractor certifies that it has received a certificate of compliance from the Commissioner of Human Rights pursuant to Minnesota Statutes, Section 363A.36). This section only applies if the grant is for more than \$100,000, and the Contractor has employed more than forty full-time employees within the State of Minnesota on a single working day during the previous 12 months.

9. FAIR HEARING AND GRIEVANCE PROCEDURES

The Agency agrees to provide for a fair hearing and grievance procedure in conformance with Minnesota Statutes, section 256.045, and in conjunction with fair hearing and grievance procedures established by Department of Human Services administrative rules.

10. BONDING, INDEMNITY, INSURANCE, AND AUDIT CLAUSE

- a. **Bonding:** The Contractor must obtain and maintain at all times, during the term of this Agreement, a fidelity bond covering the activity of its personnel authorized to distribute monies. Such a bond must be in the amount of \$100,000.00.

- b. **Indemnity:** The Contractor shall indemnify and hold harmless, the Agency, its officials, employees, and agents from any and all liability, loss, damages, expenses, claims, or actions which the Agency, its officials, employees, and agents may hereafter sustain incur or be required to pay, arising out of or by reason of any act or omission of the Contractor, its employees, or agents, in the execution, performance, or failure to adequately perform the Contractor's obligations pursuant to this agreement.
- (1) By reason of any fee eligible client suffering personal injury, death, property loss or damage either while participating in or receiving from the Contractor care and services to be furnished by the Contractor under this Agreement, or while on the premises owned, leased, or operated by the Contractor, or while being transported to and from said premises in any vehicle owned, operated, chartered, or otherwise contracted for by the Contractor or Contractor's assigns; or
 - (2) By reason of any service client causing injury to, or damage to, the property of another person, during any time when the Contractor or Contractor's assigns or employee therefore has undertaken its furnishing the care and service called for under this Agreement.
- c. **Insurance:** The Contractor further agrees, in order to protect itself and the Agency and the Agency's officers, agents, employees, and elected officials under the indemnity provision above, that it will at all times during the term of the Agreement, and beyond such term when so required, have and keep in force liability insurance as set forth below. Any insurance required to be provided by the Contractor shall be primary, and not excess, to any other coverage carried by the Agency. The Contractor is responsible for any deductible or self-insured retention contained within the insurance program.
- (1) The Contractor will purchase occurrence-based liability insurance. The policy shall include coverage for all applicable liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under a contract. Said liability insurance shall cover all personnel providing services under this Agreement. An umbrella liability policy may be used in conjunction with the primary coverage limits to meet the minimum limit requirements for each coverage. The Agency shall be listed as the additional insured.
 - (2) The applicable liability insurance coverage will meet the limits as shown equal to the tort liability limits under Minnesota 466.04.

11. CONTRACTOR DEBARMENT, SUSPENSION AND RESPONSIBILITY CERTIFICATION

Federal Regulation 45 CFR 92.35 prohibits the State/Agency from purchasing goods or services with federal money from vendors who have been suspended or debarred by the federal government. Similarly, Minnesota Statutes, Section 16C.03, subd. 2 provides the Commissioner of Administration with the authority to debar and suspend vendors who seek to contract with the State/Agency. Vendors may be suspended or debarred when it is determined, through a duly authorized hearing process, that they have abused the public trust in a serious manner.

By signing this Agreement, the Contractor certifies that it and its principals¹ and employees:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from transacting business by or with any federal, state or local governmental department or agency; and
- b. Have not within a three- (3-) year period preceding this Agreement:
 - (1) been convicted of or had a civil judgment rendered 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;
 - (2) violated any federal or state antitrust statutes; or
 - (3) committed embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and
- c. Are not presently indicted or otherwise criminally or civilly charged by a governmental entity for:
 - (1) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction;
 - (2) violating any federal or state antitrust statutes; or
 - (3) committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and
- d. Are not aware of any information and possess no knowledge that any subcontractor(s) that will perform work pursuant to this Agreement are in violation of any of the certifications set forth above.
- e. Shall immediately give written notice to the Contracting Officer should Contractor come under investigation for allegations of fraud or a criminal offense in connection with obtaining, or performing: a public (federal, state or local government) transaction; violating any federal or state antitrust statutes; or committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

Directions for on-line access to excluded providers

To ensure compliance with this regulation, identification of excluded entities and individuals can be found on the Office of Inspector General (OIG) website at www.dhhs.gov/progorg/oig/.

¹"Principals" for the purpose of this certification means officers; directors; owners; partners; and persons having primary management or supervisor responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment and similar positions).

12. CONDITIONS OF THE PARTIES' OBLIGATIONS

- a. It is understood and agreed that in the event the reimbursement to the Agency from State and Federal sources is not obtained and continued at a level sufficient to allow for the purchase of the indicated quantity of Purchased Services, the obligations of each party hereunder must thereupon be terminated.
- b. This Agreement may be canceled by either party at any time, with or without cause, upon thirty (30) days' prior notice, in writing, delivered by mail or in person.
- c. Before the termination date specified on Page 1 of this Agreement, the Agency may evaluate the performance of the Contractor in regard to terms of this Agreement to determine whether such performance merits renewal of this Agreement.
- d. Any alterations, variations, modifications, or waivers of provisions of this Agreement must be valid only when they have been reduced to writing, duly signed by both parties, and attached to the original of this Agreement.
- e. No claim for services furnished by the Contractor not specifically provided in the Agreement will be allowed by the Agency, nor must the Contractor do any work or furnish any material not covered by the Agreement, unless prior written notice is given by the Agency. Such approval must be considered to be a modification of the Agreement.
- f. In the event that there is a revision of Federal regulations which might make this Agreement ineligible for Federal financial participation, all parties will review the Agreement and renegotiate those items necessary to bring the Agreement into compliance with the new Federal regulations.
- g. Unless otherwise provided in this Agreement, all notices provided under this Agreement must be in writing and sent to the following individuals:

To Notify the Agency

Alex Langsjoen, SCCBI
PO Box 3526, Mankato, MN 56002
507-381-0549
Alex.langsjoen@blueeathcountymn.gov

To Notify the Contractor

Jamie Hayes, Director
88 South Park Ave., Le Center, MN 56057
507-357-8515
jhayes@co.le-sueur.mn.us

13. SUBCONTRACTING

- a. The Contractor agrees not to enter into subcontracts for any of the work contemplated under this Agreement without notification to the Agency in writing.
- b. Any and all subcontractors must be subject to and must meet all of the requirements of this Agreement.
- c. The Contractors must ensure that any and all subcontracts to provide services under this Agreement must contain the following language:

The subcontractor acknowledges and agrees that the Minnesota Department of Human Services is a third-party beneficiary, and as a third-party beneficiary, is an affected party under this contract. The subcontractor specifically acknowledges and agrees that the Minnesota Department of Human Services has standing to and may take any appropriate administrative action or may sue the provider for any appropriate relief in law or equity, including but not limited to rescission, damages, or specific performance, of all or any part of the contract. Minnesota Department of Human Services is entitled to and may recover from the provider reasonable attorney's fees, costs, and disbursements associated with any action taken under this paragraph that is successfully maintained. This provision must not be construed to limit the rights of any party to the contract or any other third-party beneficiary, nor must it be construed as a waiver of immunity under the Eleventh Amendment to the United States Constitution or any other waiver or immunity.

- d. The Contractor agrees to be responsible for the performance of any subcontractor to ensure compliance to the subcontract and Minnesota Rules, Part 9525.1870, Subpart 3.

14. NONCOMPLIANCE

- a. If the Contractor fails to comply with the provisions of this Agreement, the Agency may seek any available legal remedy.
- b. Either party must notify the other party within thirty (30) days when a party has reasonable grounds to believe that this Agreement has been or will be breached in a material manner. The party receiving such notification must have thirty (30) days, or any other such period of time as mutually agreed to by the parties, to cure the breach or anticipatory breach.

15. MISCELLANEOUS

The Contractor acknowledges and agrees that the Minnesota Department of Human Services is a third-party beneficiary, and as third-party beneficiary, is an affected party under this Agreement. The Contractor specifically acknowledges and agrees that the Minnesota Department of Human Services has standing to and may take any appropriate administrative action or may sue the Contractor for any appropriate relief in law or performance of all or any part of the agreement between the Agency and the Contractor. The Contractor specifically acknowledges that the Agency and the Minnesota Department of Human Services are entitled to and may recover from the Contractor reasonable attorney's fees and costs and disbursements associated with any action taken under this paragraph that is successfully maintained. This provision must not be construed to limit the rights of any party to the Agreement of any other third-party beneficiary, nor must it be construed as a waiver of immunity under the Eleventh Amendment to the United States Constitution or any other waiver of immunity.

16. ENTIRE AGREEMENT

It is understood and agreed that the entire Agreement of the parties is contained herein and this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter thereof.

Approved as to form and execution.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

AGENCY

Dated: _____

Suzanne Nerison, Joint Powers Board Chair
South Central Community Based Initiative

CONTRACTOR

Dated: _____

Steve Rohlfig - County Board Chair

Dated: _____

Jamie Hayes - County Director

Dated: _____

Joe Martin - County Administrator

JH/
10-21
N:/WP/Contract/Blue Earth County-SCCBI Contract.Docx