



AGENCY ADMIN. & FINANCE
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Agenda _____

~~June 30, 2009~~
July 14,

May 18, 2009

The Honorable Board of Supervisors
Administration Building
Oakland, CA 94612

Dear Board Members:

SUBJECT: Addiction Research & Treatment Inc - Waiver of the Financial Audit Requirement in Exhibit D of Master Contract Boilerplate.

RECOMMENDATION:

It is recommended that your Board sign a contract amendment waiving the financial audit requirement in Exhibit D of the master contract boilerplate with Addiction Research & Treatment, Inc. d.b.a. BAART (Principal: Jason Kletter, President; Location: San Francisco, CA; Master Contract: 900394) a for profit corporation.

SUMMARY:

BAART, a private for profit Narcotic Treatment Service Provider for Behavioral Health Care Services (BHCS), is requesting to waive the financial audit requirement in Exhibit D of the master contract boilerplate and wants to submit an Annual Performance Report including an unqualified opinion issued by an independent auditor in lieu of a financial audit report. Providers are reimbursed on the basis of Fee for Service for providing Narcotic Treatment (Drug Medi-Cal program) not on the basis of the cost of running the program. BHCS is in favor of acceptance of Annual Performance Report and the waiver of the financial audit requirement.

DISCUSSION/FINDINGS:

On June 26, 2007, your board approved a new master contract with Addiction Research & Treatment, Inc. (ART) d.b.a. BAART, a private for Profit Corporation providing Narcotic Treatment-Methadone Maintenance services to Medi-Cal eligible opiate dependent clients in Alameda County.

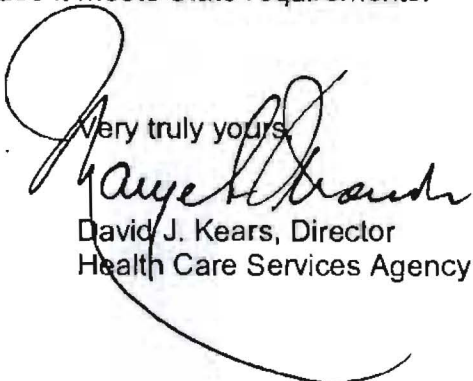
Health & Safety (H & S) Code, Section 11758.46 (i) which states certified narcotic treatment program providers that are exclusively billing the State or the County for services under Section 11758.42, shall submit accurate and complete performance reports for the previous State fiscal year by November 1 following the end of that State fiscal year. A provider to which this subdivision applies shall estimate its budgets using the uniform State monthly reimbursement rate. The format and content of the performance reports shall be mutually agreed to by the department, the County Alcohol and Drug Program Administrators Association of California, and the representatives of the narcotic treatment providers.

The legislation set forth under Health & Safety (H & S) Code, for Narcotic Treatment Providers under the Drug Medi-Cal program does not require the submission of a financial audit report based on any State law. Based on this, BAART is requesting to waive our County's requirement of the financial audit.

BAART has contracts with other counties in California for which they provide the same services to clients. BAART states that performance reports including an unqualified opinion by an auditor have been submitted to other counties and are acceptable to them in lieu of financial audit reports.

We are in support of acceptance of Performance reports in lieu of financial audit reports for master contract with BAART because it meets State requirements.

Very truly yours,


David J. Kears, Director
Health Care Services Agency

DJK:

cc: County Administrator
County Counsel
Auditor-Controller

CONTRACT AMENDMENT

Reference is made to that agreement entered into the 18th day of September 2007 by and between the County of Alameda, a body corporate and politic of the State of California, and Addiction Research & Treatment, Inc. d.b.a. BAART

Said agreement is hereby amended as follows:

The current Exhibit D financial audit report requirement of the master contract is hereby waived, and, in lieu thereof, the County requires BAART to submit an audit report of the program's annual performance report. Such reports shall be provided for each fiscal year during the contract term in lieu of the financial audit report. The audit should be conducted in accordance with generally accepted auditing standards and should cover all County programs.

Except as herein amended, said agreement is continued in full force and effect.

This amendment is effective June 30, 2009.

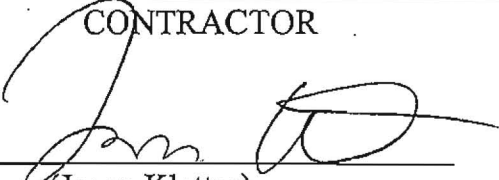
IN WITNESS WHEREOF, the parties hereto have executed this amendment on this _____ day of _____.

COUNTY OF ALAMEDA

CONTRACTOR

By: _____
ALICE LAI-BITKER, PRESIDENT
BOARD OF SUPERVISORS

Addiction Research & Treatment, Inc. dba BAART
CONTRACTOR

By: 
(Jason Kletter)
President
Title

APPROVED AS TO FORM:

RICHARD E. WINNIE, County Counsel

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By: 
Asst Deputy County Counsel

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City, State, Zip Code

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