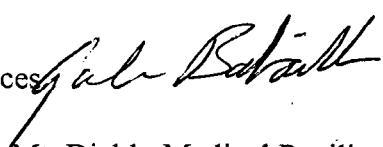


COUNTY OF SAN MATEO
Departmental Correspondence

DATE: September 11, 2001
HEARING DATE: September 25, 2001

TO: Honorable Board of Supervisors

FROM: Gale Bataille, Director, Mental Health Services 

SUBJECT: Agreements with Mills-Peninsula Hospitals; Mt. Diablo Medical Pavilion;
Sequoia Hospital and Medical Center; and St. Mary's Hospital and Medical
Center

RECOMMENDATION

Adopt a resolution authorizing the President of the Board to execute agreements with Mills-Peninsula Hospitals; Mt. Diablo Medical Pavilion; Sequoia Hospital and Medical Center; and St. Mary's Hospital and Medical Center collectively totaling \$1,430,000.

Background

In March 1995, your Board approved the acceptance of state and federal funds to implement the San Mateo County Mental Health Managed Care Plan (MHP). As part of this plan, the Mental Health Services Division offered contracts to all the major hospitals within the Bay Area that serve San Mateo County Medi-Cal clients.

Discussion

The 2001-02 contracts for the hospitals named above have negotiated rates for Medi-Cal clients. Medi-Cal rates are all-inclusive except for professional fees for doctors, which are paid separately. The average daily inpatient psychiatric rate for adults is \$547, and the average daily inpatient psychiatric rate for youth is \$588. The contracts also include rates for indigent youth placed at Mills-Peninsula Hospitals, Mt. Diablo Medical Pavilion, and St. Mary's Hospital and Medical Center, and for indigent adults at Mills-Peninsula Hospitals and Sequoia Hospital and Medical Center. Crisis intervention services will be reimbursed to Mills-Peninsula Hospital at \$70.00/hr with a cap of \$575.30 for adolescents and a cap of \$546.70 for adults. The total maximum amount for all the hospitals, collectively, is \$1,430,000, and there are no separate contract maximums for individual hospitals.

Honorable Board of Supervisors

Agreements/Mills-Peninsula Hospitals; Mt Diablo Medical Pavilion; Sequoia Hospital and Medical Center; and St. Mary's Hospital and Medical Center

Page 2

The objective and actual performance for 2000-01 and the objective for 2001-02 are as follows:

Performance Measure	Hospital	2000-01 Objective	2000-01 Actual	2001-02 Objective
Percent of recidivism (defined as clients who need to be re-admitted within 30 days of a completed episode of care)	Mills-Peninsula			
	• Adult	10%	8%	10%
	• Youth	10%	8%	10%
	Mt. Diablo*			
	• Youth	N/A	N/A	10%
St. Mary's	• Youth	10%	0%	10%
	Sequoia			
• Adult	10%	3%	10%	

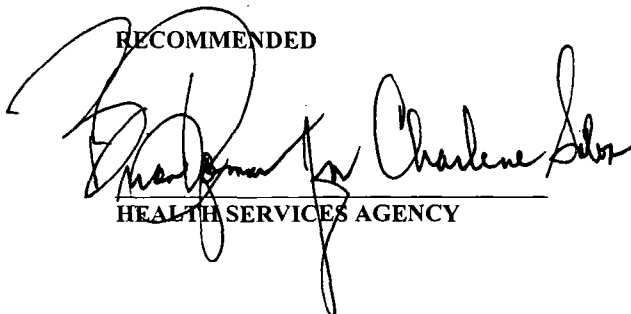
* This objective was not measured for fiscal year 00-01 as contract with this hospital was only implemented on March 5, 2001.

Term and Fiscal Impact

The agreements are effective July 1, 2001 through June 30, 2002 and carry a 60-day termination clause for both parties. The agreements have been reviewed and approved by County Counsel, and the insurance coverage has been approved by Risk Management.

These contracts are structured on the basis of fee-for-service negotiated rates. The collective contract maximum amount is \$1,430,000. Only services authorized by San Mateo County Mental Health Services will be paid. It is not anticipated that actual payments will reach the combined contract payment limit. All of the costs for the Medi-Cal contracts are included in the state and federal funds for managed care implementation. The funding for these agreements has been included in the 2001-02 approved Mental Health Services budget. There is no net county cost.

RECOMMENDED



HEALTH SERVICES AGENCY

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION AUTHORIZING EXECUTION OF AGREEMENTS WITH
MILLS-PENINSULA HOSPITALS; MT. DIABLO MEDICAL PAVILION;
SEQUOIA HOSPITAL AND MEDICAL CENTER; AND
ST. MARY'S HOSPITAL AND MEDICAL CENTER

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of
California, that

WHEREAS, there has been presented to this Board of Supervisors for its consid-
eration and acceptance Agreements, references to which are hereby made for further par-
ticulars, whereby Mills-Peninsula Hospitals shall provide psychiatric inpatient hospital
and crisis intervention services; Mt. Diablo Medical Pavilion shall provide acute
psychiatric inpatient services; Sequoia Hospital and Medical Center shall provide acute
psychiatric inpatient services; and St. Mary's Hospital and Medical Center shall provide
acute psychiatric inpatient hospital services; and

WHEREAS, this Board has been presented with the Agreements and has examined
and approved them as to both form and content and desires to enter into the Agreements:

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the
President, of this Board of Supervisors be, and is hereby, authorized and directed to
execute said Agreements for and on behalf of the County of San Mateo, and the Clerk of
this Board shall attest the President's signature thereto.

AGREEMENT WITH MILLS PENINSULA HOSPITALS
FOR ACUTE PSYCHIATRIC INPATIENT HOSPITAL SERVICES

THIS AGREEMENT, entered into this _____ day of _____,
20____, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and
MILLS PENINSULA HOSPITALS, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services hereinafter described for the Health Services Agency, Mental Health Services Division; and

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Services to be Performed by Contractor

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Director of Health Services, or her designee, with respect to the product or result of Contractor's services, shall provide acute psychiatric inpatient services as described in Schedule A, attached hereto and incorporated by reference herein. Such services shall be provided in a professional and diligent manner.

2. Payments

A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed ONE MILLION FOUR HUNDRED THIRTY THOUSAND DOLLARS (\$1,430,000) collectively with all other acute care psychiatric hospitals

and free-standing psychiatric hospitals which have contracted with County to provide psychiatric care for the contract term.

B. Rate of Payment. The rate and terms of payment shall be as specified in Schedule B, attached hereto and incorporated herein. Any rate increase is subject to the approval of the Director of Health Services or her designee, and shall not be binding on County unless so approved in writing. In no event may the rates established in Schedule B be increased to the extent that the maximum County obligation shall exceed the total specified in paragraph 2A above. Each payment shall be conditioned on the performance of the services described in Schedule A to the full satisfaction of the Director of Health Services or her designee.

C. Time Limit for Submitting Invoices. Contractor shall submit an invoice for services to County for payment in accordance with the provisions of Schedule B. County shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one hundred eighty (180) days after the date Contractor renders the services, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

3. Relationship of Parties

It is expressly understood that this is an agreement between two (2) independent contractors and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent by both County and Contractor is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status and the tax consequences of an independent contractor. Further, as an independent contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from, through and/or pursuant to the San Mateo County Civil Service Rules.

4. Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B)

damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings under this Agreement, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

5. Insurance

Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the Director of Health Services. Contractor shall furnish the Health Services Agency with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty days' (30) notice must be given, in writing, to the Health Services Agency of any pending change in the limits of liability or of any cancellation or modification of the policy.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately suspend all further work pursuant to this Agreement.

A. Workers' Compensation and Employer Liability Insurance. Contractor shall have in effect during the entire life of this Agreement, Workers' Compensation and Employer Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

B. Liability Insurance. Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below.

Such insurance shall include:

- 1) Comprehensive General Liability \$1,000,000
- 2) Motor Vehicle Liability Insurance \$0
- 3) Professional Liability 1,000,000

If this Agreement remains in effect more than one (1) year from the date of its original execution, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County agreements by giving sixty (60) days' notice to Contractor.

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to County, its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only. Said certificate(s) of insurance is (are) attached hereto and incorporated by reference herein as Attachment II (and III).

6. Non-Discrimination

Contractor shall comply with the non-discrimination requirements described in Schedule C, which is attached hereto, and incorporated herein.

Contractor shall comply with County admission and treatment policies, which shall provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance, which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the County Manager, including, but not limited to:

- i. termination of this Agreement;
- ii. disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;
- iii. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to:

- i. examine Contractor's employment records with respect to compliance with this paragraph;

ii. set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (30) days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed.

7. Assignments and Subcontracts

A. Without the written consent of the Director of Health Services or her designee, this Agreement is not assignable in whole or in part. Any assignment by Contractor without the written consent of the Director of Health Services or her designee is a breach of this Agreement and shall automatically terminate this Agreement.

B. Contractor shall not employ subcontractors or consultants to carry out the responsibilities undertaken pursuant to this contract without the written consent of the Director of Health Services or her designee.

C. All assignees, subcontractors, or consultants approved by the Director of Health Services or her designee shall be subject to the same terms and conditions applicable to Contractor under this Agreement, and Contractor shall be liable for the assignee's, subcontractor's or consultant's acts and/or omissions.

D. All agreements between Contractor and subcontractor and/or assignee for services pursuant to this Agreement shall be in writing and shall be provided to County.

8. Amendment of Agreement

This Agreement is complete and contains all the terms and conditions agreed upon by the parties. No amendment shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto.

9. Records

A. Contractor agrees to provide to County, to any federal or state department having monitoring or reviewing authority, to County's authorized representatives and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine and audit all records and documents necessary to determine compliance with relevant federal, state, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

B. Contractor shall maintain and preserve all financial records relating to this Agreement for a period of four (4) years from the termination date of this Agreement, or until audit findings are resolved, whichever is greater.

C. The contracting parties shall be subject to the examination and audit of the Auditor General for a period of three (3) years after final payment under contract (Government Code Section 10532).

10. Compliance with Applicable Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited

to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

11. Notices

A. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

1) In the case of County, to:

San Mateo County
Mental Health Services Division
225 37th Avenue
San Mateo, CA 94403

or to such person or address as County may, from time to time furnish to Contractor.

2) In the case of Contractor, to:

Jim Comstock, M. Ed., CEAP
Mills-Peninsula Hospitals
1783 El Camino Real
Burlingame, CA 94010

B. Controlling Law. The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

12. Venue

In the event that suit shall be brought by either party to this contract, the parties agree that venue shall be exclusively vested in the state courts of San Mateo County, or where otherwise appropriate, exclusively in the United States District Court, Northern District of California, San Francisco, California.

13. Term of the Agreement

Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from July 1, 2001 through June 30, 2002. Contractor, Director of Health Services, or her designee may terminate this Agreement at any time upon sixty (60) days' written notice to the other party.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

MILLS-PENINSULA HOSPITALS

By: _____
President Michael D. Nevin,
Board of Supervisors, County of San Mateo

By: Robert Harty

Date: _____

Date: July 1, 2001

ATTEST:

By: _____
Clerk of Said Board

Date: _____

SCHEDULE A

MILLS-PENINSULA HOSPITALS: 2001-2002

A. Program Services

In full consideration of the payments herein provided for, Contractor shall provide psychiatric inpatient services for adults and adolescents, and outpatient crisis intervention services in a manner consistent with the terms and provisions of the Agreement. Inpatient services shall further be provided in a manner consistent with the San Mateo County Mental Health Plan Inpatient Manual (hereinafter "MHP Inpatient Manual"), which is incorporated by reference herein.

B. Authorization

1. Inpatient Services

County is responsible for authorization for payment of medically necessary, acute psychiatric inpatient hospital services, including hospital-based ancillary services, and associated administrative days for Medi-Cal beneficiaries, and clients who are known to be indigent for whom the MHP has assumed responsibility. Contractor shall communicate with County Psychiatric Emergency Services (PES) and submit Treatment Authorization Requests (TARs) and other substantive documentation in accordance with the MHP Inpatient Manual. With the exception of the first twenty-four (24) hours of an emergency admission, all inpatient services require prior authorization from County.

2. Crisis Intervention Services

County is responsible for authorization for payment of crisis intervention services provided within Contractor's emergency room solely under the conditions described in Schedule B and the Crisis Intervention Protocol, described in Schedule A, Section H. Payment for crisis intervention services will not include ancillary services. Contractor shall communicate with Psychiatric Emergency Services (PES) and submit Treatment Authorization Requests (TARs) as described in Schedule B.

C. Quality Management and Utilization Review

Contractor shall comply with policies established in the MHP Inpatient Manual, including utilization controls, Department of Mental Health Letters and Notices, and relevant state and federal codes and regulations governing inpatient practice in California.

Contractor shall comply with existing federal regulations for utilization review pursuant to Title 42, Code of Federal Regulations, and Subpart D. These shall include certification of

need for care, evaluation and medical review, plans of care and utilization review plan. Contractor shall establish a Utilization Review Committee with the function to determine that admissions and length of stay are appropriate to that level of care and to identify problems with quality of care. Composition of the committee shall meet minimum federal requirements.

Contractor shall provide a brief statement, hereafter identified as Contractor's Quality Management Plan, to the MHP, which describes how Contractor will conduct Utilization Review, clinical Peer Review, and Medication Monitoring for services provided to MHP beneficiaries.

D. Records

Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary medical and/or clinical records for a period of seven (7) years, except that the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until one (1) year beyond the person's eighteenth (18th) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.

E. Assurances

Contractor shall adhere to Title XIX of the Social Security Act (42 U.S.C) and conform to all applicable federal and state statutes and regulations.

No provision of a contract shall be construed to replace or conflict with the duties of County clients' rights advocates designated in Welfare and Institutions Code Section 5500.

Individual physicians and other mental health professionals will render professional services to eligible voluntary or involuntary clients on the same basis as they care for other clients in Contractor's facility and will not discriminate against these clients in any manner, including admission practices, placement in special wings or rooms, or provision of special or separate meals.

Attending psychiatrists and psychologists shall be active members of the medical staff of Contractor, be subject to the rules and regulations of said staff, and shall also be active contractors with County. Duration and limitation of services will be under the control of the attending psychiatrist or psychologist but will at all times meet broadly accepted community standards of quality of care and be subject to Contractor utilization review decisions.

F. Outcome Objectives

1. For completed episodes, there will be no more than ten percent (10%) recidivism of adult clients and no more than ten percent (10%) recidivism of youth clients within thirty (30) days following discharge.

2. For completed episodes, Contractor shall maintain or reduce the 2000-01 combined average length of stay.

G. **Definitions**

The following definitions apply to this Agreement:

1. **Administrative Days:** Those days authorized by a designated point of authorization or utilization review committee in an acute inpatient facility when, due to the lack of residential placement options at appropriate, non-acute treatment facilities, the beneficiary's stay at an acute inpatient facility must be continued beyond the beneficiary's need for acute care. The acute facility is responsible for contacting at least five (5) appropriate facilities within a reasonable geographic area at least once each five (5) working days until a beneficiary is placed or no longer requires that level of care. A brief dated description of status and the signature of the person making the contacts must document these contacts. The MHP may waive the requirements of five (5) contacts per week if there are fewer than five (5) appropriate, non-acute residential treatment facilities available as placement options for the beneficiary. In no case shall there be less than one (1) contact per week. The physician reviewer or the utilization review committee must monitor the beneficiary's chart on a weekly basis to determine if the beneficiary's status has changed.
2. **Medi-Cal Beneficiary:** Any person certified as eligible for Medi-Cal in San Mateo County according to Section 51001, Title 22, Code of California Regulations.
3. **Psychiatric Inpatient Hospital Services:** Services provided either in an acute care hospital or a freestanding psychiatric hospital for the care and treatment of an acute episode of mental illness. Services provided in a freestanding hospital may only be reimbursed for a person age twenty (20) or younger and sixty-five (65) or older.
4. **Crisis Intervention Services:** A service lasting less than twenty-four (24) hours to a client for a condition, which requires more timely response than a regularly scheduled visit. Service activities may include, but are not limited to, assessment, collateral, and therapy.

H. **Crisis Intervention Protocol**

1. All services claimed shall be provided in Contractor's Emergency Room.
2. For beneficiaries admitted into a psychiatric bed at Mills-Peninsula Hospital, no crisis intervention service may be claimed.

3. For beneficiaries assessed at Contractor's Emergency Room and discharged for whatever reason without admission into an inpatient bed, no crisis intervention service may be claimed.
4. Medical Necessity for Inpatient Hospitalization shall be assessed by Contractor's staff. When a client meets medical necessity criteria but is capable of transport (not an emergency admission):

PES shall be notified by TAR within three (3) hours of beneficiary admission to Contractor's Emergency Service; PES determines where admission should occur.

- If at Mills-Peninsula (and Contractor agrees), client is admitted and no crisis intervention is claimed.
 - If at SMCGH (or other hospital), Contractor's Emergency Services will be informed that client will be transported.
5. Contractor's Emergency Services documents time of call to PES on TAR.
 6. Contractor's Emergency Services notes time of ambulance arrival on TAR and documents it in the medical chart.
 7. In the situation where PES wishes to assess a client but requests a delayed transport, the same TAR verification process will occur.
 8. For clients to be transferred, claims will be paid for the elapsed time, from Contractor's call to PES to time of ambulance arrival at Contractor's Emergency Services, rounded to the nearest hour, except that claim for less than one (1) hour may round up to one (1) hour.
 9. Claims for Crisis Intervention Services must be accompanied by TARs indicating elapsed time.
 10. Under no circumstances will the total claim for outpatient crisis intervention services be greater than the allowed claim for one (1) inpatient day.
 11. In the case of disagreements with allowed claims, MHP Quality Improvement staff will review TAR and chart notes in an effort to reconcile the discrepancy. Contractor may appeal the findings of this review to the Mental Health Services Director. Since these services are not claimed to Medi-Cal, no state appeal process may be applied.

SCHEDULE B

MILLS-PENINSULA HOSPITALS: 2001-2002

PAYMENTS

A. The following negotiated rates in accordance with State Department of Mental Health Letter No. 84-10 shall apply:

- | | | |
|----|---|--|
| 1. | Psychiatric Inpatient Day (Adult)
(Hospital Inpatient Uniform Billing Codes 204, 114,
124, 134, or 154) | \$546.70 |
| 2. | Psychiatric Inpatient Day (Adolescent)
(Hospital Inpatient Uniform Billing Code 097) | \$575.30 |
| 3. | Psychiatric Inpatient Day - (Adult - Indigent)
(Hospital Inpatient Uniform Billing Code 999) | \$574.20 |
| 4. | Psychiatric Inpatient Day - (Adolescent - Indigent)
(Hospital Inpatient Uniform Billing Code 888) | \$602.80 |
| 5. | Administrative Day (Adult and Adolescent)
(Hospital Inpatient Uniform Billing Code 098) | \$287.86 |
| 6. | Crisis Intervention (Adolescent) | \$70.00/hour
with a cap of \$575.30 |
| 7. | Crisis Intervention (Adult) | \$70.00/hour
with a cap of \$546.70 |

B. The rate set forth in Section A1 and A2 above is inclusive of all psychiatric inpatient hospital services including routine services and hospital-based ancillary services, but does not include physician or psychologist services rendered to beneficiaries under this Agreement, or transportation services. The rate set forth in A3 and A4 above is inclusive of all psychiatric routine services, hospital-based ancillary services, and internists who complete the initial history and physical or provide subsequent medical consultation, but does not include psychiatrist or psychologist services rendered to beneficiaries under this Agreement, or transportation services. It is the responsibility of Contractor to notify internists that payment for their services will be the responsibility of Contractor. The rate set forth in Section A5 above is based on the rate established by the Department of Mental Health Services and is inclusive of all psychiatric routine services, hospital-based ancillary services, and internists who complete the initial history and physical or provide subsequent medical consultation, but does not include psychiatrist or psychologist services rendered to beneficiaries under this Agreement, or transportation services. The rate set forth in A6 and A7 is consistent with the descriptions in Schedule A.

- C. The services provided must be authorized in the prescribed manner by the San Mateo County Health Services staff. County indigents who present at Contractor's facility without being authorized in the prescribed manner are expressly excluded from the terms of this Agreement.
- D. Contractor shall bill its customary charges and submit claims to County for all psychiatric inpatient services rendered in accordance with existing Medi-Cal billing requirements as evidenced in Title 22, MHP Inpatient Manual and MHP Bulletins. Contractor shall bill for crisis intervention services rendered according to the term of this Agreement.
- E. Upon mutual agreement of County and Contractor, County may refer County indigent clients to Contractor, and in this event, all terms of this Agreement pertain.
- F. Contractor shall bill any third party payer financially responsible for a client's health care services. County shall only bear financial responsibility for the negotiated rates set forth in Section A of this Schedule less third-party payments, and to the extent that County inadvertently makes payments to Contractor above this level, County shall be entitled to recoup such reimbursement.
- G. It is expressly understood and agreed between the parties hereto that County shall not authorize payment to Contractor unless Contractor adheres to the policies and procedures specified in the MHP Inpatient Manual. It is further agreed that County shall not authorize payment for services unless Contractor has provided County with evidence of insurance coverage as outlined in Section 5.B. of this Agreement.
- H. It is understood that any payments received from County or third party insurers for services rendered under this Agreement shall be considered as payment in full and Contractor cannot look to the client for reimbursement for the units of service provided under this Agreement, except as provided for under Medi-Cal Share of Cost regulations.
- I. Contractor shall submit an annual cost report reflecting actual costs incurred in the provision of services under this Agreement in accordance with the format required by County within ninety (90) days from the end of Contractor's fiscal year and within ninety (90) days of the date of termination of the Agreement, if requested by County.
- J. County and/or its appropriate audit agency or any other authorized state or federal agency shall have the right to inspect all records to evaluate the cost, quality, appropriateness, and timeliness of services. When an audit discloses that Contractor has been overpaid under this Agreement, any such overpayment or excess payments over liability may be recouped by the state and/or County by withholding the amount due from future payments or by cash payment by Contractor. Contractor has the right to appeal audit findings according to applicable procedural requirements of the regulations adopted pursuant to Sections 5775, et seq. and 14680, et seq. of the Welfare and Institutions Code.
- K. An inpatient day of service shall be billed for each beneficiary who meets admission and/or continued stay criteria, documentation requirements, treatment and discharge planning

requirements and occupies a psychiatric inpatient hospital bed at 12:00 midnight in the facilities of Contractor. However, a day of service may be billed if the beneficiary is admitted and discharged during the same day provided that such admission and discharge is not within twenty-four (24) hours of a prior discharge.

- L. County will perform eligibility and financial determinations, in accordance with State Department of Mental Health Uniform Method of Determining Ability to Pay, for all clients.
- M. County will not process Contractor's claim for reimbursement until County receives TAR with notification of client discharge.

SCHEDULE C

Contract between County of San Mateo and Mills-Peninsula Hospitals, hereinafter called "Contractor."

- a. No person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement.
- b. Contractor shall insure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this contract. Contractor's personnel policies shall be made available to County upon request.
- c. Contractor shall assure compliance with Section 504 of the Rehabilitation Act of 1973 by submitting a signed letter of assurance (Attachment I) of compliance. Contractor shall be prepared to submit a self-evaluation and compliance plan to County upon request within one (1) year of the execution of this Agreement.

AGREEMENT WITH SEQUOIA HOSPITAL AND MEDICAL CENTER
FOR ACUTE PSYCHIATRIC INPATIENT HOSPITAL SERVICES

THIS AGREEMENT, entered into this _____ day of _____,
20____, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and
SEQUOIA HOSPITAL AND MEDICAL CENTER, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services hereinafter described for the Health Services Agency, Mental Health Services Division; and

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

NOW, THEREFORE, IN ACCORDANCE WITH THE PROVISIONS FOR A NEGOTIATED RATE AGREEMENT AS DESCRIBED IN DMH LETTER NUMBER 84-10, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Services to be Performed by Contractor

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Director of Health Services, or her designee, with respect to the product or result of Contractor's services, shall provide acute psychiatric inpatient services as described in Schedule A, attached hereto and incorporated by reference herein. Such services shall be provided in a professional and diligent manner.

2. Payments

A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed ONE MILLION FOUR HUNDRED THIRTY THOUSAND DOLLARS (\$1,430,000) collectively with all other acute care psychiatric hospitals

and free-standing psychiatric hospitals which have contracted with the County to provide psychiatric care for the contract term.

B. Rate of Payment. The rate and terms of payment shall be as specified in Schedule B, attached hereto and incorporated herein. Any rate increase is subject to the approval of the Director of Health Services or her designee, and shall not be binding on County unless so approved in writing. In no event may the rates established in Schedule B be increased to the extent that the maximum County obligation shall exceed the total specified in paragraph 2A above. Each payment shall be conditioned on the performance of the services described in Schedule A to the full satisfaction of the Director of Health Services or her designee.

C. Time Limit for Submitting Invoices. Contractor shall submit an invoice for services to County for payment in accordance with the provisions of Schedule B. County shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one hundred eighty (180) days after the date Contractor renders the services, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

3. Relationship of Parties

It is expressly understood that this is an agreement between two (2) independent contractors and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent by both County and Contractor is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status and the tax consequences of an independent contractor. Further, as an independent contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from, through and/or pursuant to the San Mateo County Civil Service Rules.

4. Mutual Hold Harmless

A. Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of (A) injuries to or death of any person, including Contractor, or (B) damages to any property of any kind whatsoever and to whomsoever belonging, (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings under this

Agreement as made necessary by Section 530 of the Revenue Act of 1978, or (D) or any other loss or cost caused by Contractor.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

B. County shall indemnify and hold harmless Contractor, its officers, agents, employees and servants from all claims, suits or actions of every name, kind and description, brought for, or on account of injuries to or death of any person, including County, or damages to property of any kind whatsoever and to whomsoever belonging, resulting from the performance of this Agreement, provided that this shall not apply to injuries or damage for which Contractor has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of County to indemnify and save harmless as set forth herein shall include the duty to defend as set forth in Section 2778 of the California Code.

5. Insurance

Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the Director of Health Services. Contractor shall furnish the Health Services Agency with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Health Services Agency of any pending change in the limits of liability or of any cancellation or modification of the policy.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately suspend all further work pursuant to this Agreement.

A. Workers' Compensation and Employer Liability Insurance. Contractor shall have in effect during the entire life of this Agreement, Workers' Compensation and Employer

Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

B. Liability Insurance. Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below.

Such insurance shall include:

- 1) Comprehensive General Liability \$1,000,000
- 2) Motor Vehicle Liability Insurance \$0
- 3) Professional Liability \$1,000,000

If this Agreement remains in effect more than one (1) year from the date of its original execution, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County agreements by giving sixty (60) days' notice to Contractor.

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to County, its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only. Said certificate(s) of insurance is (are) attached hereto and incorporated by reference herein as Attachment II (and III).

6. Non-Discrimination

Contractor shall comply with the non-discrimination requirements described in Schedule C, which is attached hereto, and incorporated herein.

Contractor shall comply with County admission and treatment policies, which shall provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance, which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the County Manager, including, but not limited to:

- i. termination of this Agreement;
- ii. disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;
- iii. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to:

- i. examine Contractor's employment records with respect to compliance with this paragraph;
- ii. set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (30) days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall

include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed.

7. Assignments and Subcontracts

A. Without the written consent of the Director of Health Services or her designee, this Agreement is not assignable in whole or in part. Any assignment by Contractor without the written consent of the Director of Health Services or her designee is a breach of this Agreement and shall automatically terminate this Agreement.

B. Contractor shall not employ subcontractors or consultants to carry out the responsibilities undertaken pursuant to this contract without the written consent of the Director of Health Services or her designee.

C. All assignees, subcontractors, or consultants approved by the Director of Health Services or her designee shall be subject to the same terms and conditions applicable to Contractor under this Agreement, and Contractor shall be liable for the assignee's, subcontractor's or consultant's acts and/or omissions.

D. All agreements between Contractor and subcontractor and/or assignee for services pursuant to this Agreement shall be in writing and shall be provided to County.

8. Amendment of Agreement

This Agreement is complete and contains all the terms and conditions agreed upon by the parties. No amendment shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto.

9. Records

A. Contractor agrees to provide to County, to any federal or state department having monitoring or reviewing authority, to County's authorized representatives and/or their

appropriate audit agencies upon reasonable notice, access to and the right to examine and audit all records and documents necessary to determine compliance with relevant federal, state, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

B. Contractor shall maintain and preserve all financial records relating to this Agreement for a period of four (4) years from the termination date of this Agreement, or until audit findings are resolved, whichever is greater.

C. The contracting parties shall be subject to the examination and audit of the Auditor General for a period of three (3) years after final payment under contract (Government Code Section 10532).

10. Compliance with Applicable Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

11. Notices

A. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

1) In the case of County, to:

San Mateo County Mental Health Services Division
225 37th Avenue, 3rd Floor
San Mateo, CA 94403

or to such person or address as County may, from time to time furnish to Contractor.

2) In the case of Contractor, to:

Lori Moore, Regional Director of Managed Care
Catholic Healthcare West
185 Berry Street, Suite 5100
San Francisco, CA 94107-1728

B. Controlling Law. The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

12. Venue

In the event that suit shall be brought by either party to this contract, the parties agree that venue shall be exclusively vested in the state courts of San Mateo County, or where otherwise appropriate, exclusively in the United States District Court, Northern District of California, San Francisco, California.

13. Term of the Agreement

Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from July 1, 2001 through June 30, 2002. This Agreement may be terminated by Contractor, Director of Health Services, or her designee at any time upon sixty (60) days' written notice to the other party.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives,
have affixed their hands.

COUNTY OF SAN MATEO

SEQUOIA HOSPITAL AND
MEDICAL CENTER

By: _____
President, Board of Supervisors

By:  _____
Craig Rucker, Chief Financial Officer

Date: _____

Date: 7/17/01

ATTEST:

By: _____
Clerk of Said Board

Date: _____

SCHEDULE A

SEQUOIA HOSPITAL AND MEDICAL CENTER: 2001-2002

A. Program Services

In full consideration of the payments herein provided for, Contractor shall provide psychiatric inpatient services for adults in a manner consistent with the terms and provisions of the Agreement. Inpatient services shall further be provided in a manner consistent with the San Mateo County Mental Health Plan Inpatient Manual (hereinafter "MHP Inpatient Manual"), which is incorporated by reference herein.

B. Authorization

1. Inpatient Services

County is responsible for authorization for payment of medically necessary, acute psychiatric inpatient hospital services, including hospital-based ancillary services, and associated administrative days for Medi-Cal beneficiaries, and client's known to be indigent for whom the MHP has assumed responsibility. Contractor shall communicate with County Psychiatric Emergency Services (PES) and submit Treatment Authorization Requests (TARs) and other substantive documentation in accordance with the MHP Inpatient Manual. With the exception of the first twenty-four (24) hours of an emergency admission, all inpatient services require prior authorization from County.

C. Quality Management and Utilization Review

Contractor shall comply with policies established in the MHP Inpatient Manual, including utilization controls, Department of Mental Health Letters and Notices, and relevant state and federal codes and regulations governing inpatient practice in California.

Contractor shall comply with existing federal regulations for utilization review pursuant to Title 42, Code of Federal Regulations, and Subpart D. These shall include certification of need for care, evaluation and medical review, plans of care and utilization review plan. Contractor shall establish a Utilization Review Committee with the function to determine that admissions and length of stay are appropriate to that level of care and to identify problems with quality of care. Composition of the committee shall meet minimum federal requirements.

Contractor shall provide a brief statement, hereafter identified as Contractor's Quality Management Plan, to the MHP, which describes how Contractor will conduct Utilization Review, clinical Peer Review, and Medication Monitoring for services provided to MHP beneficiaries.

D. Records

Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary medical and/or clinical records for a period of seven (7) years, except that the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until one (1) year beyond the person's eighteenth (18th) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.

E. Assurances

Contractor shall adhere to Title XIX of the Social Security Act (42 U.S.C) and conform to all applicable federal and state statutes and regulations.

No provision of a contract shall be construed to replace or conflict with the duties of County clients' rights advocates designated in Welfare and Institutions Code Section 5500.

Individual physicians and other mental health professionals will render professional services to eligible voluntary or involuntary clients on the same basis as they care for other clients in Contractor's facility and will not discriminate against these clients in any manner, including admission practices, placement in special wings or rooms, or provision of special or separate meals.

Attending psychiatrists and psychologists shall be active members of the medical staff of Contractor, be subject to the rules and regulations of said staff, and shall also be active contractors with County. Duration and limitation of services will be under the control of the attending psychiatrist or psychologist but will at all times meet broadly accepted community standards of quality of care and be subject to Contractor Utilization Review Committee decisions.

F. Outcome Objectives

1. For completed episodes, there will be no more than ten percent (10%) recidivism within thirty (30) days following discharge.
2. For completed episodes, Contractor shall maintain or reduce the 2000-01 combined average length of stay for adult clients.

Contractor will make best efforts to meet such goals, but failure to meet any or all of these goals does not constitute a breach, material, or otherwise of the Agreement. County's payment obligation is in no way contingent on meeting any of the stated goals.

G. **Definitions**

The following definitions apply to this Agreement:

1. **Administrative Days:** Those days authorized by a designated point of authorization or Utilization Review Committee in an acute inpatient facility when, due to the lack of residential placement options at appropriate, non-acute treatment facilities, the beneficiary's stay at an acute inpatient facility must be continued beyond the beneficiary's need for acute care. The acute facility is responsible for contacting at least five (5) appropriate facilities within a reasonable geographic area at least once each five (5) working days until a beneficiary is placed or no longer requires that level of care. A brief dated description of status and the signature of the person making the contacts must document these contacts. The MHP may waive the requirements of five (5) contacts per week if there are fewer than five (5) appropriate, non-acute residential treatment facilities available as placement options for the beneficiary. In no case shall there be less than one (1) contact per week. The physician reviewer or the Utilization Review Committee must monitor the beneficiary's chart on a weekly basis to determine if the beneficiary's status has changed.
2. **Medi-Cal Beneficiary:** Any person certified as eligible for Medi-Cal in San Mateo County according to Section 51001, Title 22, Code of California Regulations.
3. **Psychiatric Inpatient Hospital Services:** Services provided either in an acute care hospital or a freestanding psychiatric hospital for the care and treatment of an acute episode of mental illness. Services provided in a freestanding hospital may only be reimbursed for a person age twenty (20) or younger and sixty-five (65) or older.

SCHEDULE B

SEQUOIA HOSPITAL AND MEDICAL CENTER: 2001-2002

PAYMENTS

- A. The following negotiated rates in accordance with State Department of Mental Health Letter No. 84-10 shall apply:
1. Psychiatric Inpatient Day (Adult)
(Hospital Inpatient Uniform Billing Codes 204, 114,
124, 134, or 154) \$546.70
 2. Psychiatric Inpatient Day - (Adult - Indigent) \$546.70
(Hospital Inpatient Uniform Billing 999)
 3. Administrative Day (Adult) \$287.86
(Hospital Inpatient Uniform Billing Code 098)
- B. The rate set forth in Section A1 above is inclusive of all psychiatric inpatient hospital services including routine services and hospital-based ancillary services, but does not include physician or psychologist services rendered to beneficiaries under this Agreement, or transportation services. The rate set forth in Section A2 above is inclusive of all psychiatric inpatient hospital services including routine services and hospital-based ancillary services, but does not include physician or psychologist services rendered to beneficiaries under this Agreement, or transportation services. The rate set forth in Section A3 above is based on the rate established by the Department of Mental Health Services and is inclusive of all psychiatric routine services and hospital-based ancillary services, but does not include psychiatrist or psychologist services rendered to beneficiaries under this Agreement, or transportation services.
- C. The services provided must be authorized in the prescribed manner by the San Mateo County Health Services staff. County indigents who present at Contractor's facility without being authorized in the prescribed manner are expressly excluded from the terms of this Agreement.
- D. Contractor shall bill its customary charges and submit claims to County for all psychiatric inpatient services rendered in accordance with existing Medi-Cal billing requirements as evidenced in Title 22, MHP Inpatient Manual and MHP Bulletins. Contractor shall bill for crisis intervention services rendered according to the term of this Agreement.
- E. Upon mutual agreement of County and Contractor, County may refer County indigent clients to Contractor, and in this event, all terms of this Agreement pertain.

- F. Contractor shall bill any third party payer financially responsible for a client's health care services. County shall only bear financial responsibility for the negotiated rates set forth in Section A of this Schedule less third-party payments, and to the extent that County inadvertently makes payments to Contractor above this level, County shall be entitled to recoup such reimbursement.
- G. It is expressly understood and agreed between the parties hereto that County shall not authorize payment to Contractor unless Contractor adheres to the policies and procedures specified in the MHP Inpatient Manual. It is further agreed that County shall not authorize payment for services unless Contractor has provided County with evidence of insurance coverage as outlined in Section 5.B. of this Agreement.
- H. It is understood that any payments received from County or third party insurers for services rendered under this Agreement shall be considered as payment in full and Contractor cannot look to the client for reimbursement for the units of service provided under this Agreement, except as provided for under Medi-Cal Share of Cost regulations.
- I. Contractor shall submit an annual cost report reflecting actual costs incurred in the provision of services under this Agreement in accordance with the format required by County within ninety (90) days from the end of Contractor's fiscal year and within ninety (90) days of the date of termination of the Agreement, if requested by County.
- J. County and/or its appropriate audit agency or any other authorized state or federal agency shall have the right to inspect all records to evaluate the cost, quality, appropriateness, and timeliness of services. When an audit discloses that Contractor has been overpaid under this Agreement, any such overpayment or excess payments over liability may be recouped by the state and/or County by withholding the amount due from future payments or by cash payment by Contractor. Contractor has the right to appeal audit findings according to applicable procedural requirements of the regulations adopted pursuant to Sections 5775, et seq. and 14680, et seq. of the Welfare and Institutions Code.
- K. An inpatient day of service shall be billed for each beneficiary who meets admission and/or continued stay criteria, documentation requirements, treatment and discharge planning requirements and occupies a psychiatric inpatient hospital bed at 12:00 midnight in the facilities of Contractor. However, a day of service may be billed if the beneficiary is admitted and discharged during the same day provided that such admission and discharge is not within twenty-four (24) hours of a prior discharge.
- L. County will perform eligibility and financial determinations, in accordance with State Department of Mental Health Uniform Method of Determining Ability to Pay, for all clients.
- M. County will not process Contractor's claim for reimbursement until County receives TAR with notification of client discharge.

SCHEDULE C

Contract between County of San Mateo and Sequoia Hospitals, hereinafter called "Contractor."

- a. No person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement.
- b. Contractor shall insure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this contract. Contractor's personnel policies shall be made available to County upon request.
- c. Contractor shall assure compliance with Section 504 of the Rehabilitation Act of 1973 by submitting a signed letter of assurance (Attachment I) of compliance. Contractor shall be prepared to submit a self-evaluation and compliance plan to County upon request within one (1) year of the execution of this Agreement.

AGREEMENT WITH ST. MARY'S HOSPITAL AND MEDICAL CENTER
FOR ACUTE PSYCHIATRIC INPATIENT HOSPITAL SERVICES

THIS AGREEMENT, entered into this _____ day of _____,
20_____, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and
ST. MARY'S HOSPITAL AND MEDICAL CENTER, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services hereinafter described for the Health Services Agency, Mental Health Services Division; and

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Services to be Performed by Contractor

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Director of Health Services, or her designee, with respect to the product or result of Contractor's services, shall provide acute psychiatric inpatient services as described in Schedule A, attached hereto and incorporated by reference herein. Such services shall be provided in a professional and diligent manner.

2. Payments

A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this shall not exceed ONE MILLION FOUR HUNDRED THIRTY THOUSAND

DOLLARS (\$1,430,000) collectively with all other acute care psychiatric hospitals and free-standing psychiatric hospitals which have contracted with County to provide psychiatric care for the contract term.

B. Rate of Payment. The rate and terms of payment shall be as specified in Schedule B, attached hereto and incorporated herein. Any rate increase is subject to the approval of the Director of Health Services or her designee, and shall not be binding on County unless so approved in writing. In no event may the rates established in Schedule B be increased to the extent that the maximum County obligation shall exceed the total specified in paragraph 2A above. Each payment shall be conditioned on the performance of the services described in Schedule A to the full satisfaction of the Director of Health Services or her designee.

C. Time Limit for Submitting Invoices. Contractor shall submit an invoice for services to County for payment in accordance with the provisions of Schedule B. County shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one hundred eighty (180) days after the date Contractor renders the services, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

3. Relationship of Parties

It is expressly understood that this is an agreement between two (2) independent contractors and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent by both County and Contractor is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status and the tax consequences of an independent contractor. Further, as an independent contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from, through and/or pursuant to the San Mateo County Civil Service Rules.

4. Mutual Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of (A) injuries to or death of any person, including Contractor, or (B) damages to any property of any kind whatsoever and to whomsoever belonging, (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings under this Agreement as made necessary by Section 530 of the Revenue Act of 1978, or (D) or any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

County shall indemnify and hold harmless Contractor, its officers, agents, employees and servants from all claims, suits or actions of every name, kind and description, brought for, or on account of injuries to or death of any person, including County, or damages to property of any kind whatsoever and to whomsoever belonging, including but not limited to the concurrent active or passive negligence of Contractor, its officers, agents, employees and servants, resulting from the performance of any work required of County, provided that this shall not apply to injuries or damage for which Contractor has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

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Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the Director of Health Services. Contractor shall furnish the Health Services Agency with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Health Services Agency of any pending change in the limits of liability or of any cancellation or modification of the policy.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately suspend all further work pursuant to this Agreement.

A. Workers' Compensation and Employer Liability Insurance. Contractor shall have in effect during the entire life of this Agreement, Workers' Compensation and Employer Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

B. Liability Insurance. Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage

which may arise from Contractor's operations under this Agreement, whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them.

Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below.

Such insurance shall include:

- 1) Comprehensive General Liability \$1,000,000
- 2) Motor Vehicle Liability Insurance \$0
- 3) Professional Liability \$1,000,000

If this Agreement remains in effect more than one (1) year from the date of its original execution, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County agreements by giving sixty (60) days' notice to Contractor.

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to County, its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only. Said certificate(s) of insurance is (are) attached hereto and incorporated by reference herein as Attachment II (and III).

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Contractor shall comply with the non-discrimination requirements described in Schedule C, which is attached hereto, and incorporated herein.

Contractor shall comply with County admission and treatment policies, which shall provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance, which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the County Manager, including, but not limited to:

- i. termination of this Agreement;
- ii. disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;
- iii. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to:

- i. examine Contractor's employment records with respect to compliance with this paragraph;
- ii. set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (30) days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed.

7. Assignments and Subcontracts

A. Without the written consent of the Director of Health Services or her designee, this Agreement is not assignable in whole or in part. Any assignment by Contractor without the written consent of the Director of Health Services or her designee is a breach of this Agreement and shall automatically terminate this Agreement.

B. Contractor shall not employ subcontractors or consultants to carry out the responsibilities undertaken pursuant to this contract without the written consent of the Director of Health Services or her designee.

C. All assignees, subcontractors, or consultants approved by the Director of Health Services or her designee shall be subject to the same terms and conditions applicable to Contractor under this Agreement, and Contractor shall be liable for the assignee's, subcontractor's or consultant's acts and/or omissions.

D. All agreements between Contractor and subcontractor and/or assignee for services pursuant to this Agreement shall be in writing and shall be provided to County.

8. Amendment of Agreement

This Agreement is complete and contains all the terms and conditions agreed upon by the parties. No amendment shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto.

9. Records

A. Contractor agrees to provide to County, to any federal or state department having monitoring or reviewing authority, to County's authorized representatives and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine and audit all records and documents necessary to determine compliance with relevant federal, state, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

B. Contractor shall maintain and preserve all financial records relating to this Agreement for a period of four (4) years from the termination date of this Agreement, or until audit findings are resolved, whichever is greater.

C. The contracting parties shall be subject to the examination and audit of the Auditor General for a period of three (3) years after final payment under contract (Government Code Section 10532).

10. Compliance with Applicable Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in

accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

11. Notices

A. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

1) In the case of County, to:

San Mateo County Mental Health Services Division
225 37th Avenue
San Mateo, CA 94403

or to such person or address as County may, from time to time furnish to Contractor.

2) In the case of Contractor, to:

Lori Moore, Regional Director of Managed Care
Catholic Healthcare West
185 Berry St, Suite 51000
San Francisco, CA 94107

B. Controlling Law. The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

12. Venue

In the event that suit shall be brought by either party to this contract, the parties agree that venue shall be exclusively vested in the state courts of San Mateo County, or where otherwise appropriate, exclusively in the United States District Court, Northern District of California, San Francisco, California.

13. Term of the Agreement

Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from July 1, 2001 through June 30, 2002. This Agreement may be terminated by Contractor, Director of Health Services or her designee at any time upon sixty (60) days' written notice to the other party.

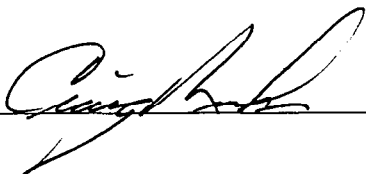
Parties recognize that Contractor has performed services from July 1, 2001 through date of execution of this Agreement in anticipation of execution of this Agreement. Parties agree that services are subject to all terms and conditions contained herein.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

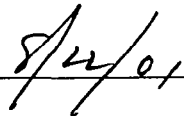
COUNTY OF SAN MATEO

ST. MARY'S HOSPITAL AND
MEDICAL CENTER

By: _____
President, Board of Supervisors

By:  _____

Date: _____

Date:  _____

ATTEST:

By: _____
Clerk of Said Board

Date: _____

SCHEDULE A

ST. MARY'S HOSPITAL AND MEDICAL CENTER: 2001-2002

A. Program Services

In full consideration of the payments herein provided for, Contractor shall provide the psychiatric inpatient hospital services in a manner consistent with the terms and provisions of the Agreement, and consistent with the San Mateo County Mental Health Plan Inpatient Manual (hereinafter "MHP Inpatient Manual"), which is incorporated by reference herein.

B. Authorization

County is responsible for authorization for payment of medically necessary, acute psychiatric inpatient hospital services, including hospital-based ancillary services, and associated administrative days for Medi-Cal beneficiaries and indigent clients. Payment for administrative days will not include ancillary services. Contractor shall communicate with Psychiatric Emergency Services and submit Treatment Authorization Requests (TARs) and other substantive documentation in accordance with the MHP Inpatient Manual. With the exception of the first twenty-four (24) hours of an emergency admission, all inpatient services require prior authorization from County.

C. Quality Management and Utilization Review

Contractor shall comply with policies established in the MHP Inpatient Manual including utilization controls, Department of Mental Health Letters and Notices, and relevant state and federal codes and regulations governing inpatient practice in California.

Contractor shall comply with existing federal regulations for utilization review pursuant to Title 42, Code of Federal Regulations, Subpart D. These shall include certification of need for care, evaluation and medical review, plans of care and utilization review plan. Contractor shall establish a Utilization Review Committee with the function to determine that admissions and length of stay are appropriate to that level of care and to identify problems with quality of care. Composition of the committee shall meet minimum federal requirements.

Contractor shall provide a brief statement, hereafter identified as Contractor's Quality Management Plan, to the Mental Health Plan, which describes how Contractor will conduct Utilization Review, clinical Peer Review, and Medication Monitoring for services provided to Mental Health Plan beneficiaries.

D. Records

Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary medical and/or clinical records for a period of seven (7) years, except that the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until one (1) year beyond the person's eighteenth (18th) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.

E. Assurances

Contractor shall adhere to Title XIX of the Social Security Act (42 U.S.C) and conform to all applicable federal and state statutes and regulations.

No provision of a contract shall be construed to replace or conflict with the duties of County clients' rights advocates designated in Welfare and Institutions Code Section 5500.

Individual physicians and other mental health professionals will render professional services to eligible voluntary or involuntary clients on the same basis as they care for other clients in Contractor's facility and will not discriminate against these clients in any manner, including admission practices, placement in special wings or rooms, or provision of special or separate meals.

Attending psychiatrists and psychologists shall be members of the medical staff of Contractor, be subject to the rules and regulations of said staff, and shall also be active contractors with the County. Duration and limitation of services will be under the control of the attending psychiatrist or psychologist but will at all times meet broadly accepted community standards of quality of care and be subject to Contractor utilization review decisions.

F. Outcome Objectives

- a. For completed episodes, there will be no more than ten percent (10%) recidivism of clients within thirty (30) days following discharge.
- b. For completed episodes, Contractor will maintain or reduce the combined average length of stay for 2001-2002.

Contractor will make best efforts to meet such goals, but failure to meet any or all of these goals does not constitute a breach, material, or otherwise of the Agreement. County's payment obligation is in no way contingent on meeting any of the stated goals.

G. Definitions

The following definitions apply to this Agreement:

- a. **Administrative Days:** Those days authorized by a designated point of authorization or Utilization Review Committee in an acute inpatient facility when, due to the lack of residential placement options at appropriate, non-acute treatment facilities, the beneficiary's stay at an acute inpatient facility must be continued beyond the beneficiary's need for acute care. The acute facility is responsible for contacting at least five (5) appropriate facilities within a reasonable geographic area at least once each five (5) working days until a beneficiary is placed or no longer requires that level of care. These contacts must be documented by a brief, dated description of status and the signature of the person making the contacts. The MHP may waive the requirements of five (5) contacts per week if there are fewer than five (5) appropriate, non-acute, residential treatment facilities available as placement options for the beneficiary. In no case shall there be less than one (1) contact per week. The physician reviewer or the Utilization Review Committee must monitor the beneficiary's chart on a weekly basis to determine if the beneficiary's status has changed.
- b. **Medi-Cal Beneficiary:** Any person certified as eligible for Medi-Cal in San Mateo County according to Section 51001, Title 22, Code of California Regulations.
- c. **Psychiatric Inpatient Hospital Services:** Services provided either in an acute care hospital or a free-standing psychiatric hospital for the care and treatment of an acute episode of mental illness. Services provided in a free-standing hospital may only be reimbursed for a person age twenty (20) or younger and sixty-five (65) or older.

SCHEDULE B

ST. MARY'S HOSPITAL AND MEDICAL CENTER: 2001-2002

PAYMENTS

A. The following negotiated rates in accordance with State Department of Mental Health Letter No. 84-10 shall apply:

1.	Psychiatric Inpatient Day, Children and Adolescents (Hospital Uniform Billing Code 097)	\$650.00
2.	Psychiatric Inpatient Day, Children and Adolescents – Indigent (Hospital Inpatient Uniform Billing Code 097)	\$862.00
3.	Administrative Day (Hospital Inpatient Uniform Billing Code 098)	\$287.86
4.	Adolescent 1:1 Service	\$472.00

B. The rates set forth in Sections A.1. above is inclusive of all psychiatric inpatient hospital services including routine services and hospital-based ancillary services, but does not include physician or psychologist services rendered to beneficiaries under this Agreement, or transportation services. The rate set forth in Section A.2. above is inclusive of all psychiatric hospital inpatient services including routine services, hospital-based ancillary services, and physician or psychologist services rendered under this Agreement. It is the responsibility of Contractor to notify physicians and psychologists that payment for their services will be the responsibility of Contractor. The rate set forth in Section A.3. above is adjusted based on the rate established by the Department of Mental Health Services and is inclusive of all psychiatric inpatient hospital services including routine services, but does not include hospital-based ancillary services, physician or psychologist services rendered to beneficiaries under this Agreement, or transportation services. The rate set forth in Section A.4. above is for special duty nursing required in 1:1 psychiatric care. In the event that the attending physician determines that a special duty nurse is required for the care of an adolescent patient and County concurs with this determination, County shall reimburse Contractor the 1:1 per diem rate in addition to the adolescent per diem rate.

C. The services provided must be authorized in the prescribed manner by the San Mateo County Health Services staff. County indigents who present at Contractor's facility without being authorized in the prescribed manner are expressly excluded from the terms of this Agreement.

D. Contractor shall bill its customary charges and submit claims to County for all psychiatric inpatient services rendered in accordance with existing Medi-Cal billing requirements as evidenced in Title 22, MHP Inpatient Manual and MHP Bulletins.

- E. County may refer County indigent clients to Contractor, and in this event all terms of this Agreement pertain except that the client is not required to be a Medi-Cal beneficiary.
- F. Contractor shall bill any third party payor financially responsible for a client's health care services. County shall only bear financial responsibility for the negotiated rates set forth in Section A of this Schedule less third-party payments, and to the extent that County inadvertently makes payments to Contractor above this level, County shall be entitled to recoup such reimbursement.
- G. It is expressly understood and agreed between the parties hereto that County shall not authorize payment to Contractor unless Contractor adheres to the policies and procedures specified in the MHP Inpatient Manual. It is further agreed that County shall not authorize payment for services unless Contractor has provided County with evidence of insurance coverage as outlined in Section 5.B. of this Agreement.
- H. It is understood that any payments received from County or third party insurers for services rendered under this Agreement shall be considered as payment in full and Contractor cannot look to the client for reimbursement for the units of service provided under this Agreement, except as provided for under Medi-Cal Share of Cost regulations.
- I. Contractor shall submit an annual cost report reflecting actual costs incurred in the provision of services under this Agreement in accordance with the format required by County within ninety (90) days from the end of Contractor's fiscal year and within ninety (90) days of the date of termination of the Agreement, if requested by County.
- J. County and/or its appropriate audit agency or any other authorized state or federal agency shall have the right to inspect all records to evaluate the cost, quality, appropriateness, and timeliness of services. When an audit discloses that Contractor has been overpaid under this Agreement, any such overpayment or excess payments over liability may be recouped by the state and/or County by withholding the amount due from future payments or by cash payment by Contractor. Contractor has the right to appeal audit findings according to applicable procedural requirements of the regulations adopted pursuant to Sections 5775, et seq. and 14680, et seq. of the Welfare and Institutions Code.
- K. A day of service shall be billed for each beneficiary who meets admission and/or continued stay criteria, documentation requirements, treatment and discharge planning requirements and occupies a psychiatric inpatient hospital bed at 12:00 midnight in the facilities of Contractor. However, a day of service may be billed if the beneficiary is admitted and discharged during the same day provided that such admission and discharge is not within twenty-four (24) hours of a prior discharge.
- L. County will perform eligibility and financial determinations, in accordance with State Department of Mental Health Uniform Method of Determining Ability to Pay, for all clients.
- M. County will not process Contractor's claim for reimbursement until County receives TAR with notification of client discharge.

SCHEDULE C

Contract between County of San Mateo and St. Mary's Hospital and Medical Center, hereinafter called "Contractor."

- a. No person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement.
- b. Contractor shall insure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this contract. Contractor's personnel policies shall be made available to County upon request.
- c. Contractor shall assure compliance with Section 504 of the Rehabilitation Act of 1973 by submitting a signed letter of assurance (Attachment I) of compliance. Contractor shall be prepared to submit a self-evaluation and compliance plan to County upon request within one (1) year of the execution of this Agreement.

AGREEMENT WITH MOUNT DIABLO MEDICAL PAVILION
FOR ACUTE PSYCHIATRIC INPATIENT HOSPITAL SERVICES

THIS AGREEMENT, entered into this _____ day of _____,
20____, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and MOUNT
DIABLO MEDICAL PAVILION, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services hereinafter described for the Health Services Agency, Mental Health Services Division; and

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS
FOLLOWS:

1. Services to be Performed by Contractor

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Director of Health Services, or her designee, with respect to the product or result of Contractor's services, shall provide acute psychiatric inpatient services as described in Schedule A, attached hereto and incorporated by reference herein. Such services shall be provided in a professional and diligent manner.

2. Payments

A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed ONE MILLION FOUR HUNDRED THIRTY THOUSAND DOLLARS (\$1,430,000) collectively with all other acute care psychiatric hospitals and free-standing

psychiatric hospitals which have contracted with County to provide psychiatric care for the contract term.

B. Rate of Payment. The rate and terms of payment shall be as specified in Schedule B, attached hereto and incorporated herein. Any rate increase is subject to the approval of the Director of Health Services or her designee, and shall not be binding on County unless so approved in writing. In no event may the rates established in Schedule B be increased to the extent that the maximum County obligation shall exceed the total specified in paragraph 2A above. Each payment shall be conditioned on the performance of the services described in Schedule A to the full satisfaction of the Director of Health Services or her designee.

C. Time Limit for Submitting Invoices. Contractor shall submit an invoice for services to County for payment in accordance with the provisions of Schedule B. County shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one hundred eighty (180) days after the date Contractor renders the services, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

3. Relationship of Parties

It is expressly understood that this is an agreement between two (2) independent contractors and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent by both County and Contractor is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status and the tax consequences of an independent contractor. Further, as an independent contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from, through and/or pursuant to the San Mateo County Civil Service Rules.

4. Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on

account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings under this Agreement, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

5. Insurance

Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the Director of Health Services. Contractor shall furnish the Health Services Agency with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Health Services Agency of any pending change in the limits of liability or of any cancellation or modification of the policy.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately suspend all further work pursuant to this Agreement.

A. Workers' Compensation and Employer Liability Insurance. Contractor shall have in effect during the entire life of this Agreement, Workers' Compensation and Employer Liability

Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

B. Liability Insurance. Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below.

Such insurance shall include:

- 1) Comprehensive General Liability \$1,000,000
- 2) Motor Vehicle Liability Insurance \$0
- 3) Professional Liability \$1,000,000

If this Agreement remains in effect more than one (1) year from the date of its original execution, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County agreements by giving sixty (60) days' notice to Contractor.

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to County, its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

Said certificate(s) of insurance is (are) attached hereto and incorporated by reference herein as Attachment II (and III).

6. Non-Discrimination

Contractor shall comply with the non-discrimination requirements described in Schedule C, which is attached hereto, and incorporated herein.

Contractor shall comply with County admission and treatment policies, which shall provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance, which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the County Manager, including, but not limited to:

- i. termination of this Agreement;
- ii. disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;
- iii. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to:

i. examine Contractor's employment records with respect to compliance with this paragraph;

ii. set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (30) days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed.

7. Assignments and Subcontracts

A. Without the written consent of the Director of Health Services or her designee, this Agreement is not assignable in whole or in part. Any assignment by Contractor without the written consent of the Director of Health Services or her designee is a breach of this Agreement and shall automatically terminate this Agreement.

B. Contractor shall not employ subcontractors or consultants to carry out the responsibilities undertaken pursuant to this contract without the written consent of the Director of Health Services or her designee.

C. All assignees, subcontractors, or consultants approved by the Director of Health Services or her designee shall be subject to the same terms and conditions applicable to Contractor

under this Agreement, and Contractor shall be liable for the assignee's, subcontractor's or consultant's acts and/or omissions.

D. All agreements between Contractor and subcontractor and/or assignee for services pursuant to this Agreement shall be in writing and shall be provided to County.

8. Amendment of Agreement

This Agreement is complete and contains all the terms and conditions agreed upon by the parties. No amendment shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto.

9. Records

A. Contractor agrees to provide to County, to any federal or state department having monitoring or reviewing authority, to County's authorized representatives and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine and audit all records and documents necessary to determine compliance with relevant federal, state, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

B. Contractor shall maintain and preserve all financial records relating to this Agreement for a period of four (4) years from the termination date of this Agreement, or until audit findings are resolved, whichever is greater.

C. The contracting parties shall be subject to the examination and audit of the Auditor General for a period of three (3) years after final payment under contract (Government Code Section 10532).

10. Compliance with Applicable Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, the Americans with Disabilities Act of 1990, as amended, and Section 504 of the

Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

11. Notices

A. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

1) In the case of County, to:

San Mateo County
Mental Health Services Division
225 37th Avenue
San Mateo, CA 94403

or to such person or address as County may, from time to time furnish to Contractor.

2) In the case of Contractor, to:

Elizabeth A. Stallings, COO
Mt. Diablo Medical Pavilion
2740 Grant St.
Concord, CA 94520

B. Controlling Law. The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

12. Venue

In the event that suit shall be brought by either party to this contract, the parties agree that venue shall be exclusively vested in the state courts of San Mateo County, or where otherwise appropriate, exclusively in the United States District Court, Northern District of California, San Francisco, California.

13. Term of the Agreement

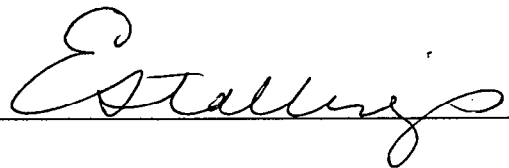
Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from July 1, 2001 through June 30, 2002. Contractor, Director of Health Services, or her designee may terminate this Agreement at any time upon sixty (60) days' written notice to the other party.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

MT. DIABLO MEDICAL PAVILION

By: _____
President Michael D. Nevin,
Board of Supervisors, County of San Mateo

By:  _____

Date: _____

Date: 7/19/01 _____

ATTEST:

By: _____
Clerk of Said Board

Date: _____

SCHEDULE A

MT. DIABLO MEDICAL PAVILION

JULY 1, 2001 THROUGH JUNE 30, 2002

1. Program Services

In full consideration of the payments herein provided for, Contractor shall provide the psychiatric inpatient hospital services in a manner consistent with the terms and provisions of the Agreement, and consistent with the San Mateo County Mental Health Plan Inpatient Manual (hereinafter "MHP Inpatient Manual"), which is incorporated by reference herein.

2. Authorization

County is responsible for authorization for payment of medically necessary, acute psychiatric inpatient hospital services, including hospital-based ancillary services, and associated administrative days for Medi-Cal beneficiaries. Payment for administrative days will not include ancillary services. Contractor shall communicate with Psychiatric Emergency Services and submit Treatment Authorization Requests (TARs) and other substantive documentation in accordance with the MHP Inpatient Manual. With the exception of the first twenty-four (24) hours of an emergency admission, all inpatient services require prior authorization from County.

3. Quality Management and Utilization Review

Contractor shall comply with policies established in the MHP Inpatient Manual, including utilization controls, Department of Mental Health Letters and Notices, and relevant state and federal codes and regulations governing inpatient practice in California.

Contractor shall comply with existing federal regulations for utilization review pursuant to Title 42, Code of Federal Regulations, Subpart D. These shall include certification of need for care, evaluation and medical review, plans of care and utilization review plan.

Contractor shall establish a Utilization Review Committee with the function to determine that admissions and length of stay are appropriate to that level of care and to identify problems with quality of care. Composition of the committee shall meet minimum federal requirements.

Contractor shall provide a brief statement, hereafter identified as Contractor's Quality Management Plan, to the Mental Health Plan, which describes how Contractor will conduct Utilization Review, clinical Peer Review, and Medication Monitoring for services provided to Mental Health Plan beneficiaries.

4. **Records**

Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary medical and/or clinical records for a period of seven (7) years, except that the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until one (1) year beyond the person's eighteenth (18th) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.

5. **Assurances**

Contractor shall adhere to Title XIX of the Social Security Act (42 U.S.C) and conform to all applicable federal and state statutes and regulations.

No provision of a contract shall be construed to replace or conflict with the duties of County clients' rights advocates designated in Welfare and Institutions Code Section 5500.

Individual physicians and other mental health professionals will render professional services to eligible voluntary or involuntary clients on the same basis as they care for other clients in Contractor's facility and will not discriminate against these clients in any manner, including admission practices, placement in special wings or rooms, or provision of special or separate meals.

Attending psychiatrists and psychologists shall be members of the medical staff of Contractor, be subject to the rules and regulations of said staff and shall also be active contractors with County. Duration and limitation of services will be under the control of the attending psychiatrist or psychologist but will at all times meet broadly accepted community standards of quality of care and be subject to Contractor utilization review decisions.

6. **Outcome Objectives**

- a. For completed episodes, there will be no more than ten percent (10%) recidivism of clients within thirty (30) days following discharge.

Contractor will make best efforts to meet such goals, but failure to meet any or all of these goals does not constitute a breach, material, or otherwise of the Agreement. County's payment obligation is in no way contingent on meeting any of the stated goals.

7. **Definitions**

The following definitions apply to this Agreement:

- a. **Administrative Days:** Those days authorized by a designated point of authorization or utilization review committee in an acute inpatient facility when, due to the lack of residential placement options at appropriate, non-acute treatment facilities,

the beneficiary's stay at an acute inpatient facility must be continued beyond the beneficiary's need for acute care. The acute facility is responsible for contacting at least five (5) appropriate facilities within a reasonable geographic area at least once each five (5) working days until a beneficiary is placed or no longer requires that level of care. These contacts must be documented by a brief, dated description of status and the signature of the person making the contacts. The MHP may waive the requirements of five (5) contacts per week if there are fewer than five (5) appropriate, non-acute, residential treatment facilities available as placement options for the beneficiary. In no case shall there be less than one (1) contact per week. The physician reviewer or the utilization review committee must monitor the beneficiary's chart on a weekly basis to determine if the beneficiary's status has changed.

- b. **Medi-Cal Beneficiary:** Any person certified as eligible for Medi-Cal in San Mateo County according to Section 51001, Title 22, Code of California Regulations.
- c. **Psychiatric Inpatient Hospital Services:** Services provided either in an acute care hospital or a freestanding psychiatric hospital for the care and treatment of an acute episode of mental illness. Services provided in a freestanding hospital may only be reimbursed for a person age twenty (20) or younger and sixty-five (65) or older.

SCHEDULE B

MT. DIABLO MEDICAL PAVILION

JULY 1, 2001 THROUGH JUNE 30, 2002

PAYMENTS

A. The following negotiated rates in accordance with State Department of Mental Health Letter No. 84-10 shall apply:

1. Psychiatric Inpatient Day, Adolescents and Children (Hospital Inpatient Uniform Billing Codes 204, 114, 124, 134, 999, or 154)	\$540.00
2. Psychiatric Inpatient Day, Indigent (All-inclusive of physician fees)	\$620.00
3. Administrative Day (Hospital Inpatient Uniform Billing Code 098)	\$287.76

B. The rate set forth in Section A.1. is inclusive of all psychiatric inpatient hospital services including routine services and hospital-based ancillary services, but does not include physician or psychologist services rendered to beneficiaries under this Agreement, or transportation services. The rate set forth in Section A.2. above is inclusive of all psychiatric inpatient hospital services including routine services and physician or psychologist services rendered to beneficiaries under this Agreement, but does not include transportation services. The rate set forth in Section A.3. above is based on the rate established by the Department of Mental Health Services and is inclusive of all psychiatric routine services and hospital-based ancillary services, but does not include psychiatrist or psychologist services rendered to beneficiaries under this Agreement, or transportation services.

C. The services provided must be authorized in the prescribed manner by the San Mateo County Health Services staff. County indigents who present at Contractor's facility without being authorized in the prescribed manner are expressly excluded from the terms of this Agreement.

D. Contractor shall bill its customary charges and submit claims to County for all psychiatric inpatient services rendered in accordance with existing Medi-Cal billing requirements as evidenced in Title 22, MHP Inpatient Manual and MHP Bulletins.

E. County may refer County indigent clients to Contractor, and in this event all terms of this Agreement pertain except that the client is not required to be a Medi-Cal beneficiary.

- F. Contractor shall bill any third party payor financially responsible for a client's health care services. County shall only bear financial responsibility for the negotiated rates set forth in Section A of this Schedule less third-party payments, and to the extent that County inadvertently makes payments to Contractor above this level, County shall be entitled to recoup such reimbursement.
- G. It is expressly understood and agreed between the parties hereto that County shall not authorize payment to Contractor unless Contractor adheres to the policies and procedures specified in the MHP Inpatient Manual. It is further agreed that County shall not authorize payment for services unless Contractor has provided County with evidence of insurance coverage as outlined in Section 5.B. of this Agreement.
- H. It is understood that any payments received from County or third party insurers for services rendered under this Agreement shall be considered as payment in full and Contractor cannot look to the client for reimbursement for the units of service provided under this Agreement, except as provided for under Medi-Cal Share of Cost regulations.
- I. Contractor shall submit an annual cost report reflecting actual costs incurred in the provision of services under this Agreement in accordance with the format required by County within ninety (90) days from the end of Contractor's fiscal year and within ninety (90) days of the date of termination of the Agreement, if requested by County.
- J. County and/or its appropriate audit agency or any other authorized state or federal agency shall have the right to inspect all records to evaluate the cost, quality, appropriateness, and timeliness of services. When an audit discloses that Contractor has been overpaid under this Agreement, any such overpayment or excess payments over liability may be recouped by the state and/or County by withholding the amount due from future payments or by cash payment by Contractor. Contractor has the right to appeal audit findings according to applicable procedural requirements of the regulations adopted pursuant to Sections 5775, et seq. and 14680, et seq. of the Welfare and Institutions Code.
- K. A day of service shall be billed for each beneficiary who meets admission and/or continued stay criteria, documentation requirements, treatment and discharge planning requirements and occupies a psychiatric inpatient hospital bed at 12:00 midnight in the facilities of Contractor. However, a day of service may be billed if the beneficiary is admitted and discharged during the same day provided that such admission and discharge is not within twenty-four (24) hours of a prior discharge.
- L. County will perform eligibility and financial determinations, in accordance with State Department of Mental Health Uniform Method of Determining Ability to Pay, for all clients.
- M. County will not process Contractor's claim for reimbursement until County receives TAR with notification of client discharge.

SCHEDULE C

Contract between County of San Mateo and Mt. Diablo Medical Pavilion, hereinafter called "Contractor."

- a. No person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement.
- b. Contractor shall insure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this contract. Contractor's personnel policies shall be made available to County upon request.
- c. Contractor shall assure compliance with Section 504 of the Rehabilitation Act of 1973 by submitting a signed letter of assurance (Attachment I) of compliance. Contractor shall be prepared to submit a self-evaluation and compliance plan to County upon request within one (1) year of the execution of this Agreement.