

AGREEMENT WITH REHAB RESOURCE GROUP, A SUBSIDIARY OF DISCHARGE
RESOURCE GROUP, FOR PHYSICAL AND OCCUPATIONAL THERAPY SERVICES

THIS AGREEMENT, entered into this _____ day of
_____, 20____, by and between the COUNTY OF SAN MATEO,
hereinafter called "County," and Rehab Resource Group, 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, Public Health 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 physical and occupational therapy services for medically eligible California Children Services (CCS) clients 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 FOUR HUNDRED FIFTY-TWO THOUSAND DOLLARS (\$452,000) for the two year 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 ninety (90) 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 declare a material breach of this Agreement and 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, County 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 \$ 0
- 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.

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 contractor 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.

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.

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.

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. Interpretation and Enforcement

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 Public Health Division
Attention: Brian Zamora
225 37th Avenue
San Mateo, California 94403

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

2) In the case of Contractor, to:

Rehab Resource Group

Attn: Arliss Willis
400 Oyster Point Boulevard, Suite 440
South San Francisco, California 64080

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. 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, 2002 through June 30, 2004. This Agreement may be terminated by Contractor, Director of Health Services, or her/his 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

REHAB RESOURCE GROUP

By: _____
Jerry Hill, President
Board of Supervisors, San Mateo County

By:  _____
ARLISS WILLIS

Date: _____

Date: 6/14/02

ATTEST:

By: _____
Clerk of Said Board

Date: _____

SCHEDULE A

REHAB RESOURCE GROUP (RRG): 2002-04

SERVICES

In full consideration of the payments herein provided for, Contractor shall provide the services described below in a manner consistent with the terms and provisions of this Agreement.

A. Duties to be Performed by Contractor

1. Provide personnel who are experienced, well-qualified, and able to perform in their designated areas of expertise. These personnel will not be employees of County but rather employees of Contractor. Personnel shall perform all work, duties, and obligations in strict accordance with approved methods and practices in his/her professional specialty. Personnel will also perform services in accordance with personnel policies and professional standards established by County.
2. Provide access to Contractor's personnel records for the purpose of verifying education and experience of all Contractor's personnel to County or any appropriate state or federal agency.
3. Evaluation: Submit completed evaluation and report to designated Supervising Therapist within thirty (30) days of authorization for evaluation.
4. Direct Services: Provide full scope of therapy services to assigned clients. These services include, but are not limited to, developing therapy treatment plans, providing direct therapy intervention, consulting with parents, teachers, and other caregivers and providers, monitoring equipment needs, and conducting ongoing reevaluations.
5. Indirect Services: Participate in appropriate meetings, conferences, and Quality Assurance (QA) Programs. These services include, but are not limited to: participating in Individual Education Plan (IEP) meetings, evaluating and selecting durable medical equipment and orthotics, meeting routinely with designated Supervising Therapists, and following QA guidelines for California Children Services/Medical Therapy Unit (CCS/MTU).
6. Documentation: Submit all required reports in a timely fashion. These reports include, but are not limited to: initial client evaluations and routine progress reports; justification and estimates for new equipment, repairs and replacement of existing equipment; IEP forms, treatment plan/prescription forms, and claims for services rendered.

B. Duties to be Performed by County

1. Provide Contractor with pertinent client information
2. Notify Contractor of any client assignment changes.
3. Authorize for initial CCS client evaluation and when appropriate, ongoing therapy services.
4. Approve all initial evaluation and progress reports written by contractor
5. Provide orientation to Contractor with regard to CCS policies, procedures, and standards.
6. Instruct Contractor regarding process for submitting claims for services.

C. Other Provisions

1. The staff provided to County are employees of Contractor, not County. County agrees to notify Contractor of intent to hire an employee of Contractor assigned to CCS. County agrees to a thirty (30) day waiting period between notification of Contractor and hiring of therapist. There is no cost to County for the hiring of any of Contractor's employees.
2. If at any time and for whatever reason, the assigned therapist is not able to continue with the full scope of assignment, Contractor will, at the request of County, provide an alternative therapist.
3. If, in the professional judgment of County Administration, Director of CCS, or written designee, a therapist referred by Contractor is unsatisfactory, County may require the therapist to leave County premises and shall inform Contractor of this action immediately. County's obligations to compensate Contractor for such therapist services shall be limited to the hours actually worked by such therapist. Contractor shall reassign such therapist to not work at County.
4. Scheduling
 - i. County will notify Contractor of need for therapy services. In order to provide continuity of service to the clients, Contractor will provide therapists acceptable to County, for periods of time to be negotiated between Contractor and County depending on the needs of the client caseload.
 - ii. County will give notice of cancellation by 3:30 p.m. of the preceding day. If notification is not received, there will be a charge equal to four (4) hours of services. County, at its option, may assign the employee to perform appropriate available work for that four (4) hour period.

SCHEDULE B

REHAB RESOURCE GROUP (RRG): 2002-04

PAYMENTS

In full consideration of the services provided by Contractor pursuant to this Agreement, County shall pay Contractor in the manner described below:

- A. Payment shall be at the rate of FORTY-NINE DOLLARS (\$49) per hour. This rate will be dependent upon the continued approval of annual waiver issued by the state of California as evidenced by Exhibit "A". If approval of waiver is not granted by the state, the rate may be reduced accordingly by the Director of Health Services. Contractor will be notified in writing of any rate change. Invoices shall be submitted on a monthly basis to the Director of CCS and Contractor shall be paid upon approval.
- B. Invoice must include client's name, date of birth, CCS number, date of service (within six (6) months of authorization), HCPC, and appropriate length of service. Invoice must be an original with signature. Medi-Cal billing form may be used if the Contractor is a Medi-Cal provider.
- C. In any event, the total payment for services of Contractor for the two (2) year contract period shall not exceed FOUR HUNDRED FIFTY-TWO THOUSAND DOLLARS (\$452,000). County shall have the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable.

SCHEDULE C

Contract between County of San Mateo and Rehab Resource Group, 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.

DEPARTMENT OF HEALTH SERVICES

1515 K Street, Suite 400
P.O. BOX 942732
SACRAMENTO, CA 94234-7320
(916) 327-1400



December 13, 2001

Swarna Moldonado, Ph.D., Director
San Mateo County CCS Program
225 37th Avenue
San Mateo, CA 94403

Dear Dr. Moldonado:

This is in response to the November 14 2001, letter from Karen Kraemer, Supervising Therapist, San Mateo County California Children's Service (CCS)/Medical Therapy Program (MTP), requesting approval to increase the reimbursement rate to a contractor providing physical therapy and occupational therapy services in the San Mateo County Medical Therapy Unit (MTU). This waiver of the reimbursement schedule would allow San Mateo County to pay the registry agency a higher rate than allowed under the contractor reimbursement schedule and still receive the 50 percent State match.

Established reimbursement schedule criteria have been set for contractors that provide services in the MTU (Numbered Letter 49-1283) and for vendors who provide services in hospitals or private offices (Numbered Letter 29-0891). We understand that all of your therapist positions currently approved by this Branch are filled and that San Mateo County now has a hiring freeze, so no additional positions would be considered at this time. We also understand that to prevent the development of waiting lists, it is necessary to use alternate sources of therapy even in the face of the increased cost of providing services in this manner.

The rate increase to \$49, per hour is acceptable. San Mateo County will still receive the 50 percent State match. We recognize that registry agencies incur administrative overhead costs due to staff recruitment and retention functions. This results in a greater cost for service provision to CCS than is experienced by other private contractors.

Please be aware that this is not a change to the approved statewide reimbursement rate for contract and vendored physical and occupational therapy staff. The approval of the special rate for San Mateo County MTP is a waiver to the existing approved rate to ensure that children in your county can receive medically necessary therapy services. San Mateo County MTP must reapply for this waiver on an annual basis on the date of this letter. When hiring freezes are lifted, the Children's Medical Services Branch will review your approved staffing allocation in the interest of eliminating the need to contract services out.

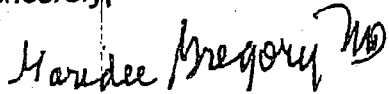
The San Mateo County CCS program is responsible for ensuring the contractor agency understands that their therapist(s) must carry out all of the required functions of a

Swarna Moldonado, Ph.D.
Page 2
December 13, 2001

CCS staff therapist. The CCS program should also ensure that the therapist(s) provided by the agency are qualified in pediatric care or that there is a supervisor present who can oversee the activities of the agency therapist on-site. To promote continuity of care, San Mateo County CCS program should stipulate that, to the extent possible, the same therapist(s) be assigned to the MTU on a consistent basis.

If you have any questions regarding this response, please contact Jeff Powers at (916) 323-8089.

Sincerely,

A handwritten signature in cursive script that reads "Maridee Gregory" followed by a small circular mark.

Maridee A. Gregory, M.D., Chief
Children's Medical Services Branch

cc: See Next Page