

AMENDMENT TO THE AGREEMENT WITH  
MILLS-PENINSULA HOSPITALS

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, on September 25, 2001, the parties hereto entered into an agreement (hereinafter referred to as the "Original Agreement") for the furnishing of certain services by Contractor to County as set forth in that Original Agreement; and

WHEREAS, it is now the mutual desire and intent of the parties hereto to amend and clarify that Original Agreement;

NOW, THEREFORE, IT IS HEREBY AGREED between the parties that the Original Agreement is amended as follows:

“Contractor name and address:

Mills-Peninsula Hospitals  
1783 El Camino Real  
Burlingame, CA 94010”

In full consideration of the services provided by Contractor pursuant to this Agreement, County shall pay Contractor in the manner described below, except that any and all payments shall be subject to the conditions contained in this Agreement.

Schedule A of the Agreement between the County of San Mateo and Mills-Peninsula Hospitals is amended as follows:

**SCHEDULE A**

“B. Authorization:

3. Adolescent Day Treatment (Intensive)

County is responsible for authorization and payment of day treatment services, as defined in Schedule A section G.5, which are provided to Medi-Cal beneficiaries

and clients known to be indigent for whom the MHP has assumed responsibility. Authorization shall be prospective and given in two-week increments. Day treatment services are not reimbursable on days when crisis residential or inpatient services are reimbursed except on the day of admission to these services. Contractor shall submit a client plan of care within one (1) month of admission and then submit updated weekly progress notes each month thereafter.”

“G. Definitions:

5. Adolescent Intensive Day Treatment Services: Services are provided within a structured multi-disciplinary treatment program as an alternative to hospitalization, as a means to avoid placement in a more restrictive setting, and/or a way to maintain the client in a community setting. Services are available 3 pm to 6 pm Monday through Friday.

For seriously emotionally disturbed adolescents, a range of treatment services is provided to assist the adolescent in acquiring the social and functional skills necessary for appropriate development and social integration. Services include but are not limited to: contact with a child psychiatrist, group psychotherapy, health education, stress management and substance abuse and eating disorder groups.”

**SCHEDULE B**

“PAYMENTS

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

8. Day Treatment Services (Adolescent)  
\$280/day  
(Billing Code **D1085**)”

- “B. The rate set forth in A8 does not include physician or psychologist services rendered to beneficiaries under the Agreement.”

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that:

1. These amendments are hereby incorporated and made a part of the Original Agreement and subject to all provisions therein.
2. All provisions of the Original Agreement, including all references to audit and fiscal management requirements unless otherwise amended hereinabove, shall be binding on all

the parties hereto.

3. All provisions of the Original Agreement, including all monitoring and evaluation requirements, shall be applicable to all amendments herein.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that the Agreement with MILLS-PENINSULA HOSPITALS, be amended accordingly.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hand on the day and year first above written.

COUNTY OF SAN MATEO

MILLS-PENINSULA HOSPITALS

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

By:     *Ken Kempell*    

Date: \_\_\_\_\_

Date:     5/23/02    

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.

3. Adolescent Day Treatment (Intensive)

County is responsible for authorization and payment of day treatment services, as defined in Schedule A section G.5., which are provided to Medi-Cal beneficiaries and clients known to be indigent for whom the MHP has assumed responsibility. Authorization shall be prospective and given in two-week increments. Day treatment services are not reimbursable on days when crisis residential or inpatient services are reimbursed except on the day of admission to these services.

Contractor shall submit a client plan of care within one (1) month of admission and then submit updated weekly progress notes each month thereafter.

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 (18<sup>th</sup>) 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.
5. Adolescent Intensive Day Treatment Services: Services are provided within a structured multi-disciplinary treatment program as an alternative to hospitalization, as a means to avoid placement in a more restrictive setting, and/or a way to maintain the client in a community setting. Services are available 3:00 pm until 6:00 pm Monday through Friday.

For seriously emotionally disturbed adolescents, a range of treatment services is provided to assist the adolescent in acquiring the social and functional skills necessary for appropriate development and social integration. Services include but are not limited to: contact with a child psychiatrist, group psychotherapy, health education, stress management and substance abuse and eating disorder groups.

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):

San Mateo County Psychiatric Emergency Services (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 agreement to transport by 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, which results in an ambulance dispatch, 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. 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**) \$289.13
  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
  8. Day Treatment Services (Adolescent) \$280.00/day  
(Billing Code **D1085**)
- 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. The rate set forth in A8 does not include physician or psychologist services rendered to beneficiaries under this Agreement.

- 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.

COUNTY OF SAN MATEO  
HEALTH SERVICES ADMINISTRATION

MEMORANDUM

DATE: May 31, 2002  
TO: Priscilla Morse, Risk Management/Insurance Division  
FROM: Barbara DeBord, Mental Health Services/PONY #MLH 322

CONTRACTOR: Mills-Peninsula Hospitals

DO THEY TRAVEL: No

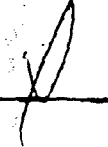
PERCENT OF TRAVEL TIME: N/A

NUMBER OF EMPLOYEES: N/A

DUTIES (SPECIFIC): See attached agreement

COVERAGE:

Comprehensive General Liability:	\$N/A
Motor Vehicle Liability:	\$N/A
Professional Liability:	\$1,000,000.00
Worker's Compensation:	\$Aggregate

APPROVE  WAIVE \_\_\_\_\_ MODIFY \_\_\_\_\_

REMARKS/COMMENTS:

  
SIGNATURE

**SUTTER INSURANCE SERVICES CORPORATION**

Grosvenor Center, Mauka Tower

737 Bishop Street #2100

Honolulu, HI 96813

For further information referencing this Certificate, contact:

Sutter Health Risk Management Department (916) 286-6520

**CERTIFICATE OF COVERAGE**

CERTIFICATE NO. 02-1-210

ISSUE DATE: January 1, 2002

**NAME OF INSURED**

Mills-Peninsula Health Services  
1783 El Camino Real  
Burlingame, CA 94010

**COVERAGE**

This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated, not withstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

**TYPE OF COVERAGE**

Healthcare Professional Liability & Commercial General Liability

SISCO (Claims made):

LIMIT:

Primary: SIS 2002-1

\$2,000,000/Claim

Excess: SIS 2002-2

\$8,000,000/Claim

Retroactive Date: 1/1/98 (MPHS)

The excess policy is supported by reinsurance provided by Lloyds of London and General Reinsurance Corporation.

CERTIFICATE EFFECTIVE DATE: 1/1/02

CERTIFICATE EXPIRATION DATE: 1/1/03

**REASON FOR INTEREST**

Evidence of coverage. This generic certificate provides evidence of insurance coverage for the Named Insured. This certificate does not support any agreements for indemnification or hold harmless on behalf of any party not specifically indicated as a Certificate holder. This certificate is not a contract, guarantee, or warranty on behalf of the Named Insured.

**CERTIFICATE HOLDER**

Mills-Peninsula Health Services  
1783 El Camino Real  
Burlingame, CA 94010

**CANCELLATION**

Should any of the above described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

  
Authorized Representative