

**STANDARD AGREEMENT**

STD. 213 (NEW 02/98)

Agreement Number

Amendment Nbr.

02-72270-000

1. This Agreement is entered into between the State Agency and the Contractor name below:

State Agency's Name:

**Department of Mental Health**

Contractor's Name:

**San Mateo County Mental Health**2. The Term of this Agreement is: **July 01, 2002 Through June 30, 2003**3. The maximum amount of this agreement is: **\$0.00**  
**No Dollars And No Cents**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

Exhibit A - Scope of Work	Page(s)	17
Exhibit B - Budget Detail and Payment Provision	Page(s)	4
* Exhibit C - General Terms and Conditions	Form:	GTC 201 Dated 02/20/2001
Exhibit D - Special Terms and Conditions	Page(s)	4
Exhibit E - Additional Provision	Page(s)	7

\*View at: <http://www.ois.dgs.ca.gov/Standard+Language>**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.****CONTRACTOR**

CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)

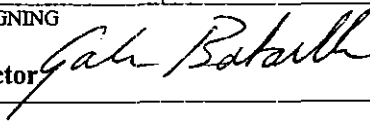
**San Mateo County Mental Health**

BY (Authorized Signature)

DATE SIGNED

Rose Jacobs Gibson, President BOS

PRINTED NAME AND TITLE OF PERSON SIGNING

**Gale Bataille, MSW, Director**ADDRESS **225 37th Avenue****San Mateo, CA 94403-4324****STATE OF CALIFORNIA**

AGENCY NAME

**Department of Mental Health**

BY Authorized Signature

DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

**William A. Avritt, Acting Deputy Director**  
**Administrative Services**ADDRESS **1600 9th Street****Sacramento, CA 95814**California  
Department of General Services  
Use Only**Exempt from Compliance with  
the Public Contract Code, the  
State Administrative Manual, and  
from approval by the Department  
of General Services per section  
4331(a) of the Welfare and  
Institutions code.**

## **EXHIBIT A**

### **STATE HOSPITAL BED PURCHASE AND USAGE**

#### **SCOPE OF WORK**

##### **I. PURPOSE AND DESCRIPTION OF SERVICES:**

###### **A. Facilities, Payments and Services**

Section 4330 of the California Welfare and Institutions Code (WIC) requires counties to reimburse the State Department of Mental Health, hereafter referred to as the "State," for use of state hospital beds pursuant to Part 1 (commencing with Section 5000) of Division 5 of the WIC. The County shall compensate State and the State agrees to provide the services, including staffing, facilities, equipment and supplies in accordance with the provisions of Exhibit B of this Agreement.

The State has jurisdiction over Atascadero, Metropolitan, Napa and Patton State Hospitals, which provide services to persons with mental disorders, in accordance with the WIC Section 4100 et seq. and shall operate the hospital(s) continuously throughout the term, as indicated under Exhibit E, I. (Term) with at least the minimum number and type of staff which meet applicable State and Federal regulations and which are necessary for the provisions of the services hereunder. County reimbursements shall be made in accordance with Exhibit B of this Agreement.

###### **B. County Responsibility**

1. The County may review the quantity and quality of services provided pursuant to this Agreement, including the following:
  - a. Medical and other records of County patients. A copy of the review report, if any, shall be provided to the State.
  - b. Hospital procedures for utilization review and quality assurance activities and related committee minutes and records, except for privileged communications and documents.
  - c. Periodic meetings regarding the quantity and quality of services are encouraged with the hospital Medical Director, or designee.
2. The County shall screen, determine the appropriateness of, and authorize all referrals for admission of County patients to the hospital(s). The County shall, at the time of admission, provide admission authorization, identify the program to which the patient is being referred, and identify the estimated length of stay for each County patient. However, the hospital Medical Director or designee shall make the determination of the

appropriateness of a County referred patient for admission to the hospital(s) and assign the patient to the appropriate level of care and treatment unit.

3. The County shall provide such assistance as is necessary to assist the hospital social services staff to initiate, develop and finalize discharge planning and necessary follow-up services.
4. The County shall provide such assistance as is necessary to assist in the screening of County patients for alternative placements, and shall facilitate such placements.
5. The County shall provide case management services, as defined in H. (Coordination of Treatment/Case Management) of Exhibit A.

### **C. Description of Covered Hospital Services**

1. The State shall provide Lanterman-Petris-Short (LPS) hospital services only to those persons referred by the County specifically for services under this Agreement, including those admitted pursuant to Sections 1370.01 of the Penal Code and Murphy Conservatorship (Section 5008(h)(1)(B) of the WIC). When patients committed pursuant to provisions of the Penal Code are converted to LPS billing status they shall become the financial responsibility of the County of first admission and part of that County's LPS dedicated bed capacity as described in F. (Admission and Discharge Procedures) of Exhibit A.

Former inmates of the California Department of Corrections (CDC) who convert to Murphy Conservatees following concurrent Incompetent to Stand Trial (IST) commitments will be the responsibility of the County that sent the inmate to prison at the expiration of their CDC commitment.

The County Mental Health Director, or designee, shall be involved in the conversion process and the conversion shall be made in accordance with the provisions of P. (Notices), item 4 of Exhibit A and the provisions of Divisions 5 and 6 of WIC.

The following services are provided:

#### **a. Long Range Planning**

The State shall provide for the participation of counties in long range planning through the counties' involvement with the regional planning groups of the Future of State Hospital Resources Task Force, and their participation in the activities of the various committees of the California Mental Health Directors Association (CMHDA).

#### **b. Psychiatric and Ancillary Services**

- (1) The State shall provide inpatient psychiatric health care and support services, including appropriate care and treatment to County patients in the hospital(s) who suffer from mental, emotional or behavioral disorders and who have been referred to the hospital(s) by the County.

- (2) The State shall not refuse to admit patients referred from the County when the County has a bed available within its dedicated capacity and the patient, in the judgment of the hospital(s) Medical Director or designee, meets the established criteria for admission, and any other provisions contained in this Agreement.
- (3) The hospital(s) shall provide psychiatric treatment and other services in accordance with all applicable laws and regulations, including, but not limited to, Title 22 and Title 9 of the California Code of Regulations (CCR).
- (4) The hospital(s) shall provide all ancillary services necessary for the evaluation and treatment of psychiatric conditions. To the extent possible, medical procedures performed prior to a patient's admission to the hospital shall not be duplicated.

## 2. Expert Testimony

The State and the counties shall provide or cause to be provided expert witness testimony by appropriate mental health professionals in legal proceedings required for the institutionalization, admission, or treatment of County patients. These proceedings may include, but not be limited to, writs of habeas corpus, capacity hearings (Reise) as provided in Section 5332 et seq. of the WIC, conservatorship, probable cause hearings, court-ordered evaluation, and appeal and post-certification proceedings.

## 3. Health Care Services

The State shall provide or cause to be provided any health care services, including physician or other professional services, required by County patients served pursuant to this Agreement. In cases where non-emergent or elective medical/surgical care is recommended by hospital medical staff and where the cost for such care is likely to exceed \$5,000, the hospital(s) Medical Director shall confer with the County's Medical Director, or designee, regarding the provision of service, including the option that, at the County's discretion, the County may make arrangements for the provision of such service.

## 4. Electro-Convulsive Therapy

The hospital(s) may cause to be provided Electro-Convulsive Therapy, herein referred to as "ECT," in accordance with applicable laws, regulations, and established State policy.

## 5. Transportation

Transportation to and from the hospital(s), including court appearances, County-based medical appointments or services, and pre-placement visits and final placements, shall be the responsibility of the County. The County shall also be responsible for transportation between hospitals when the County initiates the transfer. Other transportation between state hospitals and transportation to and from local medical appointments or services shall be the responsibility of the hospital(s).

## **D. Standards of Care**

### **1. Staffing**

- a. The State shall staff each hospital unit, which provides services under this Agreement in accordance with acceptable standards of clinical practice, applicable state staffing standards and any applicable court orders or consent decrees. The State shall provide administrative and clerical staff to support the staffing specified and the services provided hereunder.
- b. The State shall make a good faith effort to provide sufficient bilingual staff with experience in a multicultural community sufficient to meet the needs of patients treated pursuant to this Agreement.

### **2. Licensure**

The hospital(s) shall comply with all applicable Federal and State laws, licensing regulations and shall provide services in accordance with generally accepted practices and standards prevailing in the professional community at the time of treatment. The hospital(s), which are accredited, shall make a good faith effort to remain accredited by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) throughout the term of this Agreement.

### **3. Patient Rights**

- a. The hospital(s) shall in all respects comply with Federal and State requirements regarding patient rights in accordance with Sections 5325 and 5325.1 of the WIC and Sections 862 through 868 of Title 9 of the CCR. The hospital(s) shall include ECT reporting, as required by law, in its quarterly "Electro-Convulsive Therapy" report submitted to the State.
- b. The State hospital(s) shall follow established procedures for resolving patient complaints. Patient complaints relating to violations of their rights during their hospitalization shall be handled and resolved by the DMH Contract Advocate, Protection and Advocacy Incorporated. Patients rights issues pertaining to matters outside the jurisdiction of the hospital (s), shall be the responsibility of the County's patients' rights advocate. Issues relating to the denial of patients' rights pursuant to Section 5325 of the WIC, shall be reported quarterly to the State, as required by law, on the DMH "Denial of Rights" form.

### **4. Informed Consent**

The hospital(s) shall comply with applicable law relating to informed consent.

## **E. Planning**

The County may participate in regional committees of the CMHDA Long Term Care Committee. Staff from the DMH Long Term Care Services Division and staff from the state

hospitals used by regional members may meet with the regional committee at the chairpersons request to discuss program, staffing, and capacity changes. These types of issues may also be discussed between the State and the counties as part of the agenda of the CMHDA Long Term Care Committee and when appropriate with the CMHDA Executive Board.

## **F. Admission and Discharge Procedures**

### **1. Admission and Discharges Procedures**

#### **a. Admission Procedures**

- (1) The County shall be directly involved in referring County patients for admission to the hospital(s), discharge planning, and the actual discharge process. When an individual committed pursuant to provisions of the Penal Code is converted to an LPS commitment the County Mental Health Director, or designee, shall be involved as provided in this Agreement and in accordance with the provisions of Divisions 5 and 6 of the WIC.
- (2) If the County is below dedicated capacity, it shall have immediate access to a bed for any County patient who is determined by the hospital Medical Director, or designee, to be clinically appropriate for the available bed/service. Admission shall be accomplished in accordance with the hospital(s) admitting procedures and admission hours. The hospital(s) shall make a good faith effort to flexibly accommodate patients referred for admission in a manner, which maximizes access to appropriate hospital beds and services.
- (3) If the County is at or above its dedicated capacity, the County may arrange a bed exchange with another County, which is below its dedicated capacity. At the time of admission the hospital(s) shall be provided written authorization from both the referring County and the County whose bed will be used.
- (4) If, for any reason, a County patient is in a bed which is inappropriate to that patient's needs, the attending clinician shall develop, in consultation with the treatment team and the County, except when the urgency of the patient's situation precludes such consultation, a plan for transfer of the patient to an appropriate unit in accordance with the treatment plan.
- (5) All denials of admission shall be in writing with an explanation for the denial. Denials shall not occur if the patient meets the admission criteria and the County has dedicated capacity available, or has obtained authorization from another County to use its available dedicated capacity. A denial of admission may be appealed as provided in F. (Admission and Discharge Procedures), item 3.a. within this section.

## 2. Discharge Procedures

- a. Discharge planning shall begin at admission.
- b. The development of a discharge plan and the setting of an estimated discharge date shall be done jointly by the treatment team and the County's designated case manager. The treatment plan shall identify the discharge plan.
- c. The hospital(s) shall discharge a patient at the County's request or in accordance with the approved discharge plan except: (1) if at the time the discharge is to occur, the hospital(s)'s Medical Director, or designee, determines that the patient's condition and the circumstances of the discharge would pose an imminent danger to the safety of the patient or others; or, (2) when a duly appointed conservator refuses to approve the patient's discharge or placement. A denial of discharge may be appealed as provided in F. (Discharge), item 3.b. within this section.

## 3. Appeal Procedures

### a. Admissions

When agreement cannot be reached between the County's staff and the hospital admitting staff regarding whether a patient meets or does not meet the admission criteria for the bed(s) available the following appeal process shall be followed. When the County's staff feel that impasse has been reached and further discussions would not be productive, the denial of admission may be appealed, along with all available data and analysis to the hospital Medical Director and the County Mental Health Director. Such appeals may be made immediately by telephone. If the hospital Medical Director and the County Mental Health Director are unable to achieve agreement, the case may be referred to the Deputy Director, Long Term Care Services within two (2) working days. The Deputy Director shall discuss the case with the County Mental Health Director and may obtain additional consultation. The Deputy Director shall render a final decision within two (2) working days after receiving the documented basis on which the appeal is based.

### b. Discharges

When the hospital Medical Director, or designee, determines that discharge cannot occur in accordance with the approved plan or upon the request of the County, he/she will contact the County's Mental Health Director or designee immediately to review the case and will make every effort to resolve the issues preventing the discharge. If this process does not result in agreement, the case may be referred to the Deputy Director, Long Term Care Services, by the County Mental Health Director within one (1) working day of the hospital's denial. The Deputy Director after consultation with the County Mental Health Director and others will make the final decision within two (2) working days of receiving the documentation of the basis of the disagreement regarding discharge, and communicate this decision to the County Mental Health

Director and the hospital Medical Director by telephone followed by written confirmation.

#### 4. Penalties

- a. Should the State fail to process appeals from the County relating to the denial of admission or discharges within the timelines specified in the preceding F., 3.a. and F., 3.b., the County shall be allowed to use additional bed days equal to the number of days lost due to the State's failure to respond within the established time lines. The penalty days thus provided shall be in the cost center to which the patient in question was referred.
- b. If the decision on appeal shall be against the hospital(s), the County shall be allowed to use additional bed days equal to the number of days lost due to the hospital's(s') failure to admit or discharge the patient in accordance with the County's request.

#### G. Prior Authorization

The County shall, prior to admission, provide the hospital(s) with a completed Short-Doyle Authorization Form (MH 1570) and all applicable court commitment orders. An initial projected length of stay shall be identified by the County and addressed in the patient's treatment plan and discharge plan.

#### H. Coordination of Treatment/Case Management

- The parties agree that client services must be integrated and coordinated across levels of care, and that an active case management system is a critical factor in this continuity of care. Accordingly, the parties agree to the following case management system:

1. The County shall develop an operational case management system for County patients, and shall identify a case manager or case management team for each County patient. The duties of the case manager include, but are not limited to:
  - a. Providing available assessment information on patients admitted to the hospital(s).
  - b. Participating in person or by telephone in an initial meeting with the patient and the hospital treatment team within a reasonable time frame after admission, for purposes of participating in the development of a treatment plan and a discharge plan, and to determine the level of the case manager's involvement during the patient's hospitalization. The treatment plan shall form the basis for the treatment and services provided to the County patient.
  - c. Meeting, in person, with the County patient and with the hospital treatment team on a regular basis, not to exceed 180 days between meetings, to provide direct input into the development and implementation of the patient's treatment plan.
  - d. Ensuring that appropriate alternative placement options are developed as a part of the discharge planning process, and working closely with the hospital(s) case management teams



to assure that discharges take place when and in a manner agreed upon by the hospital(s) Medical Director or designee, and the County Mental Health Director or designee.

2. The hospital(s) shall encourage and facilitate the involvement of the case managers in the treatment team process, by providing, among other services, notification of treatment plan conferences or 90-day reviews no less than two weeks prior to the date of the conference or review. The hospital(s) shall identify an appropriate treatment team member to function as the primary contact for the case manager or the case management team.
3. A treatment plan shall be used for planning services for each County patient, and it shall identify each goal, and objective for the patient with projected time for their completion. Development of the treatment plan shall be the responsibility of the hospital(s) with County consultation as requested. The County case manager is to review the treatment plan and indicate in writing his/her agreement or disagreement. The treatment plan shall be developed in accordance with the following requirements:
  - a. The plan shall address reasons for admission.
  - b. Patient treatment and stabilization directed toward expediting discharge shall be considered the desired outcome for all County patients, and all interventions shall relate to achieving discharge.
  - c. Any special treatment needs shall be addressed in the treatment plan.
  - d. The hospital(s) shall provide programs, which assist patients in achieving the objective of returning to a level of community living, (i.e., a facility offering a protective environment, a residential facility, a board and care facility, independent living, etc.).
  - e. The treatment plan shall identify responsibility for each item included in the plan.
  - f. The treatment plan shall not be changed solely based upon staffing changes within the hospital(s).
  - g. The County case manager/case management team shall be consulted whenever substantial changes to a patient's treatment plan are under consideration.
4. The case manager shall be encouraged to participate in treatment team meetings, clinical reviews or utilization review meetings and in clinical rounds which relate to County patients.
5. Primary criteria for continued treatment in the hospital(s) shall include, but not be limited to, the medical necessity of hospitalization within the state hospital setting, including LPS criteria, as reflected within the medical record. The County's Director of Mental Health or designee may conclude that a County patient no longer meets these primary criteria and may direct that the hospital(s) discharge the patient to a facility the County determines to be more appropriate to the patient's treatment requirements. In such cases, discharge

must occur within two (2) days of the date an alternative placement option is identified and available except as provided in F. (Admission and Discharge Procedures), item 2.c. of Exhibit A or otherwise required by law.

6. When agreement cannot be reached between case manager and the treatment team regarding treatment, transfer, and/or discharge planning, the issues shall be referred to the hospital's Medical Director and the County Mental Health Director within three days. On specific treatment issues the Medical Director's decision shall be final. Any contract or program policy issues arising from discussions which are not resolved between the Medical Director and the County Mental Health Director may be referred to the Assistant Deputy Director, Long Term Care Services within five (5) working days. The Assistant Deputy Director will review the case with the County Mental Health Director. A response on the referred issue will be communicated to the County's Mental Health Director within two (2) working days after the Assistant Deputy Director receives the documented basis for the appeal.

#### **I. Bed Usage**

1. During the 2002-03 Fiscal Year, the State shall provide, within the hospital(s), specific numbers of beds dedicated to the care of only those patients referred by the County, including those admitted pursuant to Section 1370.01 of the Penal Code and Murphy Conservatorships (Section 5008(h)(1)(B) of the WIC). The number and type of beds is specified in Exhibit B-Attachment. For counties who are members of the Small County Bed Pool (SCBP) the number and types of beds in the Pool and the special provisions relating to the SCBP participation are contained in Exhibit D, XI. (Reports) and in Exhibit B-Attachment.
2. For the purposes within this contract the term "dedicated beds" shall mean that the hospital(s) shall ensure that the number of beds contracted for by a County in a particular cost center category shall be available to the County at all times for patients who are appropriate for the services and facilities included in that cost center at the hospital to which the patient is being referred. The County expressly agrees that the hospital(s) admissions, intra-hospital transfers, referrals to outside medical care, and discharges are made in accordance with the admission criteria established by the State and the Counties, and the judgment of the hospital Medical Director or designee.
3. The County shall be considered to have exceeded its dedicated capacity on any given day on which more County patients are assigned to a cost center than the County has dedicated capacity in that cost center. The County shall only be permitted to use beds in excess of its dedicated capacity when use does not result in denial of access of other counties to their dedicated capacity. The County's use in excess of the Agreement shall be calculated as provided in Exhibit B-Attachment of this Agreement.

The State shall review the County's use of state hospital beds in accordance with this Agreement in January 2003, for the period July 1 through December 31, 2002, and in July 2003 for the period January 1 through June 30, 2003, to determine if the dollar value of

the County's use has exceeded the dollar value of the County's contracted beds during the respective half year periods of this Agreement.

Excess use is established when the net sum of the cost of the County's total actual use exceeds the total dollar value of the contracted days for the period without regard to cost center or hospital. The County shall be obligated to pay the Agreement amount for the period or the dollar value of the County's actual use for the six-month period whichever is greater.

The County's obligation shall not be reduced below the Agreement amount set forth in Exhibit B-Attachment. Use in excess of the Agreement amount for counties, which are members of the SCBP, shall be calculated in accordance with the provisions of R. (Small County Bed Pool) of Exhibit A.

4. If the County does not contract for any state hospital beds, it may purchase access to the dedicated bed capacity of the SCBP or from other counties. Notwithstanding the fact that the County does not purchase any state hospital dedicated bed capacity, the County shall be financially responsible for its use of state hospital resources resulting from, but not limited to, the conversion of Penal Code commitments to Murphy Conservatorships (Section 5008(h)(1)(B) of the WIC).
5. There shall be no increase or decrease in the number of beds provided by the State within the hospital(s) and within a cost center, unless this Agreement is amended by mutual agreement.
6. When the County has a patient at Patton or Atascadero State Hospital, it shall use one of its vacant dedicated beds, in an equivalent cost center at its primary use LPS hospital, to cover the costs of that patient's care at Patton or Atascadero. If the County has no available dedicated capacity, it must obtain the required capacity by purchasing it from a County that has available capacity in the proper cost center, purchase the services from the State as provided in the preceding item 3 or by amending this Agreement as provided herein.
7. The State, in consultation with the agencies who refer patients to the hospital(s), may provide special programs for patients with unique needs, e.g., hearing impairment, Neurobehavioral problems, etc. The County may have access to these beds on a first come first served basis. If the County's dedicated capacity for the cost center in which the specialty unit(s) reside is all in use or if the County does not have any dedicated capacity in the cost center, the County may use any other of its available dedicated capacity to support the admission to the specialty unit(s).

#### **J. Utilization Review (UR)**

1. The hospital(s) shall have an ongoing utilization review program which is designed to assure appropriate allocation of the hospital(s)' resources by striving to provide quality patient care in the most cost-effective manner. The utilization review program is to address over-utilization, under-utilization, and the scheduling or distribution of resources. Hospital(s) that provide services which are certified for participation in the Federal

Medicare or Medi-Cal programs shall meet any additional requirements imposed by those certification regulations.

2. County representatives shall take part in the utilization review and performance improvement activities at the hospital's(s') program and unit level relating to County patients. County case manager participation in utilization review and discharge planning may include attendance at treatment team and program meetings. The hospital(s) shall include the County's monitoring of the quality and appropriateness of the care provided to County patients. Hospital(s) shall provide the County with information regarding the schedule of hospital-wide and patient specific utilization review activities. The hospital(s) shall also provide the County, upon request, summary aggregate data regarding special incidents.
3. Utilization review activities shall address the appropriateness of hospital admissions and discharges, clinical treatment, length of stay and allocation of hospital resources to most effectively and efficiently meet patient care needs.

#### **K. Performance Improvement (PI)**

1. The hospital(s) shall have ongoing Performance Improvement (PI) activities designed to objectively and systematically evaluate the quality and appropriateness of patient care, pursue opportunities to improve patient care, and resolve identified problems.
2. The hospital PI activities shall address all of the elements of QA which are required by applicable sections of the Title 22 of the CCR, Federal Medicare certification regulations, and the standards of (JCAHO). The hospital(s) shall provide to the County summary data relating to aggregate review of incident reports, reports of untoward events, and related trend analysis.
3. PI activities shall address the quality of records, including but not limited to, quality review studies and analysis, peer review and medication monitoring procedures, drug use studies, medical care evaluation and standards studies, profile analysis and clinical care standards addressing patient care.
4. In accordance with the provisions outlined in J. (Utilization Review), item 2, County representatives may take part in PI activities at the hospital(s) program and unit levels and in monitoring the quality and appropriateness of care provided to County patients.

#### **L. Exchange of Information**

1. The parties agree to make a good faith effort to exchange as much information as is possible, to the extent authorized by law. Such information may include, but not be limited to, medication history, physical health status and history, financial status, summary of course of treatment in the hospital(s) or County, summary of treatment needs, and discharge summary.
2. The exchange of information will apply only to patients referred by the County who are to be hospitalized, are currently hospitalized, or have been discharged from the hospital(s).

Requests for information regarding any other patient must be accompanied by an authorization to release information signed by the patient.

## **M. Records**

### **1. Patient Records**

The hospital(s) shall maintain adequate medical records on each individual patient. These medical records shall include legal status, diagnosis, psychiatric evaluation, medical history, individual treatment plan, records of patient interviews, progress notes, recommended continuing care plan, discharge summary and records of services provided by various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services.

### **2. Financial Records**

The State shall prepare and maintain accurate and complete financial records of the hospital's(s') operating expenses and revenue. Such records shall reflect the actual cost of the type of service for which payment is claimed, on an accrual basis. Additionally, such records shall identify costs attributable to the County's LPS patients, versus other types of patients to whom the hospital(s) provides services. Any apportionment of or distribution of costs, including indirect costs, to or between programs or cost centers of the hospital(s) shall be documented, and shall be made in accordance with generally accepted accounting principles, and applicable laws, regulations and State policies. The patient eligibility determination and any fee charged to and collected from patients, together with a record of all billings rendered and revenues received from any source, on behalf of patients treated pursuant to this Agreement, must be reflected in the State's financial records.

### **3. Retention of Records**

- a. All financial or patient records for patients who have not yet been discharged shall be retained until the patient has been discharged, at which time the record retention requirements in b. through d. below shall apply.
- b. Financial records shall be retained by the State in accordance with the provisions of the State Administrative Manual, Section 1671. This section requires that most financial records, including CALSTARS reports, be kept two (2) years, after two (2) years they are to be kept until audited or four (4) years which ever occurs first. County financial records relating to this Agreement shall be retained in accordance with applicable law, regulation, and County policy.
- c. Patient records for adults (age 18 and over) shall be retained by the State for a minimum of seven (7) years from the date of discharge.
- d. Patient records of persons under the age of eighteen (18) years who have been discharged shall be retained for one (1) year past the person's eighteenth (18th) birthday, or for seven (7) years, whichever is greater.

- e. Records which relate to litigation or settlement of claims arising out of the performance of this Agreement, or costs and expenses of this Agreement as to which exception has been taken by the parties to this agreement, shall be retained by the parties until disposition of such appeals, litigation, claims, or exceptions are completed.
- f. Except for records which relate to litigation or settlement of claims, the parties may, in fulfillment of their obligations to retain the financial and patient records as required by this agreement, substitute photographs, micro-photographs, or other authentic reproductions of such records which are mutually acceptable to the parties, after the expiration and two (2) years following termination of this Agreement, unless a shorter period is authorized, in writing, by the parties.

#### **N. Revenue**

The County and the State agree to comply with all of the applicable provisions of Sections 7275 through 7278 of the WIC.

The State shall collect revenues from patients and/or responsible third parties, e.g., Medicare, Medi-Cal, and insurance companies, in accordance with the provisions of the above-cited sections of the WIC and related State laws, regulations and policies. When the County acts as the conservator of the patient and has control of the patient's estate it shall, on behalf of the patient's estate, pay the State for state hospital care in the same way that it pays other financial obligations of the patient's estate.

#### **O. Inspections and Audits**

1. Consistent with confidentiality provisions of Section 5328 of the WIC, any authorized representative of the County shall have reasonable access to the books, documents and records, including medical and financial records and audit reports of the State for the purpose of conducting any budget or fiscal review, audit, evaluation, or examination during the periods of retention set forth under M. (Records) of Exhibit A. The County representative may at all reasonable times inspect or otherwise evaluate the services provided pursuant to this Agreement, and the premises in which they are provided. The County's Mental Health Department shall not duplicate investigations conducted by other responsible agencies or jurisdictions, e.g., State Department of Health Services (Hospital Licensing), County Coroner's Office, District Attorney's Office, and other review or regulatory agencies. Practitioner specific peer review information and information relating to staff discipline is confidential and shall not be made available for review.
2. The hospital(s) shall actively cooperate with any person specified in paragraph 1. above, in any evaluation or monitoring of the services provided pursuant to this Agreement, and shall provide the above-mentioned persons adequate space to conduct such evaluation or monitoring. As each of the hospital(s) have contracts with several counties, the County agrees that the Executive Director of the hospital(s) shall coordinate the access described in paragraph 1., above, in such a manner as to not disrupt the regular operations of the hospital(s).

**P. Notices**

1. Except as otherwise provided in this Agreement, all notices, claims, correspondence, reports, and/or statements authorized or required by contract shall be effective when deposited in the United States mail, first class postage prepaid and addressed as specified in this Agreement.
2. State has designated the Deputy Director, Long Term Care Services to be its Project Coordinator for all issues relating to this Agreement. Except as otherwise provided herein, all communications concerning this Agreement shall be with the State's Project Coordinator. The County has designated the following as its Project Coordinator and except as otherwise provided herein, all communication concerning this Agreement shall be with the County Project Coordinator:

*Gale Bataille, MSW, Director*

3. The hospital(s) shall notify the County immediately by telephone or FAX, and in writing, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature which involves one of the County's patients. Such occurrences may include, but are not limited to, homicide, suicide, accident, injury, battery, patient abuse, rape, significant loss or damage to patient property, and absence without leave.
4. The hospital(s) shall notify the County Mental Health Director or designee by telephone at the earliest possible time, but not later than three (3) working days after the treatment team determines that a patient on a Penal Code commitment will likely require continued treatment and supervision under a County LPS commitment after the patient's Penal Code commitment expires. Such telephone notification shall be followed by a written notification to the County Mental Health Director, or designee, which shall be submitted within ten (10) working days of the date the treatment team's determination that continued treatment and supervision should be recommended to the County. The written notice must include the basis for the hospital's recommendation and the date on which the Penal Code commitment will expire. (See the following item 5.)

The above notices to the County Mental Health Director, or designee, shall be given not less than thirty (30) days prior to the expiration of the Penal Code commitment. If the hospital(s) does not notify the County at least thirty (30) days prior to the expiration of the Penal Code commitment, the County's financial responsibility shall not commence until thirty (30) days after the hospital(s) telephone notification.

The County shall be responsible for making the decision regarding the establishment of an LPS commitment at the expiration of the Penal Code commitment. The County shall notify the hospital, in writing, at least fifteen (15) days prior to the expiration of a patient's Penal Code commitment of its decision regarding the establishment of an LPS commitment and continued hospitalization. If the County decides not to establish an LPS commitment or to remove the patient from the hospital, the County shall be responsible to transport the patient from the hospital back to the County or another treatment facility or residential placement.

5. The hospital(s) shall notify the County Mental Health Director, or designee, of the conversion of a patient on LPS status to a Penal Code commitment status that results in the State becoming financially responsible for the placement of the patient and removes the patient from the County's dedicated capacity as defined in the preceding I. (Bed Usage). The hospital shall notify the County Mental Health Director, or designee, by telephone at the earliest possible time, but not later than three (3) working days after such conversion. Such telephone notification shall be followed by a written notification to the County Mental Health Director, or designee, which shall be submitted no later than ten (10) working days after the patient's conversion.
6. For purposes of this Agreement, any notice to be provided by the County to the State shall be given by the County Mental Health Director or by other authorized representatives designated in writing by the County.

**Q. Notification of Death**

1. The hospital(s) shall notify the County by telephone immediately upon becoming aware of the death of any person served hereunder, if the patient is an inpatient in the hospital or is on leave from the hospital but is still considered an inpatient at the time of death. However, such notice need only be given during normal business hours. In addition, the hospital(s) shall use its best efforts to, within twenty-four (24) hours after such death, send a FAX written notification of death to the County.
2. The telephone report and written notification of death shall contain the name of the deceased, the date and time of death, the nature and circumstances of the death, and the name of the hospital representative to be contacted for additional information regarding the patient's death.

**R. Small County Bed Pool (SCBP)**

1. This section applies only to the counties that have indicated that they are members of the SCBP as reflected in Exhibit B-Attachment of this Agreement.
2. As a member of the SCBP, the County is contracting for the number and types of state hospital beds described in Exhibit B-Attachment (Cost Computation) of this Agreement. These beds are to be considered as part of the SCBP and may be used by any member of the pool. The County's access to the SCBP's beds shall be coordinated on behalf of the member counties by the CMHDA, hereinafter referred to as the "Pool Coordinator." The SCBP member shall refer patients and provide authorization for admission as described in this Agreement. In addition, the member agrees to be bound by the decisions of the SCBP's Utilization Review Committee and the Pool Coordinator regarding access to SCBP beds. When a patient is referred for admission, the hospital(s) shall be provided written authorization from both the referring County and the Pool Coordinator. The Pool Coordinator shall also represent the County in its capacity of SCBP member on issues relating to utilization review and performance improvement activities.
3. The purpose of the SCBP is to facilitate the efficient and economical utilization of state hospital beds by small counties who could only purchase a few beds with their own



resources. Member counties purchase a portion of the SCBP's total dedicated capacity, but have access to the number and mix of beds in the total pool. As indicated in Exhibit B-Attachment, an average cost per SCBP bed has been calculated by determining the actual cost of the number and mix of beds to be purchased by the SCBP and then dividing that amount by the total number of beds purchased.

The dedicated capacity and excess use provisions set forth in I. (Bed Usage) of Exhibit A., apply to the SCBP as though it were a single county user. The SCBP's excess use, if any, for the first six (6) months of this Agreement shall be added to the excess use, if any, during the last six (6) months of the Agreement year. The cost of the resulting annual use in excess of the SCBP's dedicated capacity, if any, shall be charged to member counties in accordance with instructions given to the State by the Pool Coordinator at the end of the 2002-03 fiscal year.

4. The SCBP member shall pay the amount identified Exhibit B-Attachment as the County's contribution to the SCBP and that portion, if any, of the SCBP's annual excess use amount identified by the Pool Coordinator at the end of the contract year as being the responsibility of the County.

After the SCBP members identified the number and mix of beds to be purchased as the SCBP's dedicated capacity for fiscal year 2002-03, the State calculated the average cost per bed by dividing the actual cost of the beds by the number of beds. As indicated in Exhibit B-Attachment, the County is charged this average rate for the bed(s) it purchases regardless of the cost center of bed.

Notwithstanding the provisions of I. (Bed Usage), item 3 of Exhibit A., use in excess of the SCBP's dedicated capacity during each half of the contract year shall be calculated, in January for the period July 1 through December 31, 2002, and in July for the period January 1 through June 30, 2003, by reducing the number of bed/days used in excess of the SCBP's dedicated capacity in all cost centers at a hospital during the period by the number of bed/days underused in all cost centers at that hospital during the same period.

The State shall determine the dollar value of the bed/days actually used by the SCBP and compare that amount with the dollar value of the SCBP's dedicated capacity for the period. SCBP members will be charged the contract amount, or the value of the SCBP's actual use, whichever is greater.

*This method of calculation notwithstanding, the SCBP members' obligation shall not be reduced below the Agreement amount set forth in Exhibit B-Attachment. The SCBP's use in excess of its dedicated capacity for the two half year periods shall be added together and charged to the member counties at the end of the contract year in accordance with instructions given to the State by the Pool Coordinator.*

## **II. SPECIFIC PROVISIONS**

- A. The State has designated the Deputy Director, Long Term Care Services for all issues relating to this Agreement, to be its Project Coordinator. Except as otherwise provided herein, all communications concerning of this Agreement shall be with the Project Coordinator.

- B. No amendment or modification to the terms and conditions of this Agreement, whether written or verbal, shall be valid unless made in writing and formally executed by both parties and approved by DMH.

Any amendments to this Agreement may include increases or decreases in the number of beds purchased within a cost center for the remainder of the current contract term. In the case of a decrease in the number of beds purchased within a cost center, the County will remain responsible for the fixed costs of the beds which are eliminated pursuant to such contract amendment, unless the State contracts these bed(s) to another entity, in which case the County shall be absolved of all charges for such bed(s). In the case of an increase in the number of beds purchased within a cost center, the purchase cost shall be the rate established for those beds for the current fiscal year.

- C. The parties understand and agree that this Agreement shall not be terminated during its term. The provisions for altering this Agreement during its life are articulated in "B.," above.

Section 4331 of the WIC defines the process to be followed in renewing the County's Agreement for state hospital services. The parties understand that this annual renewal process is for the purpose of ensuring an orderly adjustment in the use of state hospitals by the counties.

- D. Should the State's ability to meet its obligations under the terms of this Agreement be substantially impaired due to loss of license to operate, damage or malfunction of the physical facilities, labor unions, or other cause, the State and the County shall negotiate modifications to the terms of this Agreement which ensure the safety and health of County patients.

## **EXHIBIT B**

### **STATE HOSPITAL BED PURCHASE AND USAGE**

#### **BUDGET DETAIL AND PAYMENT PROVISIONS**

##### **I. CONTRACT AMOUNT AND PAYMENT PROVISIONS**

- A. The amount payable by the Contractor to the State concerning all aspects of this Agreement shall be \$844,249. The Agreement amount reflected here was computed based on the information contained in the Exhibit B-Attachment. The amount represents the application of the "2002-03 Gross Rate to Counties", as published in a letter from DMH to Local Mental Health Directors dated August 9, 2002, entitled "STATE HOSPITAL RATES AND PLANNING ASSUMPTIONS FOR FISCAL YEAR 2002-03" which by this reference is made a part hereof, to the County's contracted beds, less \$24.71 per day to reflect the application of anticipated revenue.
- B. Any County bed use in excess of the contracted amount, as defined in Exhibit A, I. (Bed Usage), item 3 or R. (Small County Bed Pool), item 4 of Exhibit A, for the SCBP, during the 2002-03 fiscal year, shall be an additional cost to the County and collected by adjusting the State Controller's Schedule "B" in February 2003 and August 2003.
- C. To the degree that revenue projections are not realized, the County shall be responsible for the cost of its state hospital use up to the "2002-03 Gross Rate to Counties" published in Enclosure A of the DMH letter referenced in A., above. Determination of available revenue shall be completed by the State by September 30, 2002.
- D. If the pro rata share payments do not equal the total contract amount, the County shall pay the difference to the State for deposit to the State Hospital Account of the Mental Health Facilities Fund. The Final County payment is due after adjustments are made according to WIC 4330(d) "Distribution of Unencumbered funds." See Exhibit D.
- E. If the State borrows money because a County elects a pro rata share, there may be an interest charge levied against the County. Interest charged by the State Controller for the loan of money is in addition to and separate from this Agreement which encompasses state hospital services.

##### **II. BUDGET CONTINGENCIES**

- A. This Agreement is subject to any restrictions, limitations, or conditions enacted by the Legislature and contained in the Budget Act or any statute enacted by the Legislature which may affect the provisions, terms, or funding of this Agreement in any manner. The State and the County mutually agree that if statutory or regulatory changes occur during the term of this Agreement which affect this Agreement, both parties may renegotiate the terms of this Agreement affected by the statutory or regulatory changes.

B. This Agreement may be amended upon mutual consent of the parties. A duly authorized representative of each party shall execute such amendments.

## EXHIBIT B-ATTACHMENT

### SAN MATEO COUNTY STATE HOSPITAL COST COMPUTATION July 1, 2002, through June 30, 2003

**1. BEDS REQUESTED BY HOSPITAL, BY COST CENTER**

Cost Center	Metropolitan	Napa	Total
Acute Psychiatric/Spec.	0	0	0
Youth Services	0	0	0
Continuing Medical Care (SNF)	0	0	0
ICF-Psychiatric Subacute	0	7	7
<b>Total Beds Requested</b>	<b>0</b>	<b>7</b>	<b>7</b>

**2. COUNTY NET RATE FOR 2002-03**

Cost Center	Metropolitan	Napa
Acute Psychiatric/Spec.	\$375.14	\$0.00
Youth Services	\$385.32	\$0.00
Continuing Medical Care (SNF)	\$324.67	\$364.18
ICF-Psychiatric Subacute	\$346.45	\$330.43

**3. TOTAL COMPUTED COSTS FOR CONTRACTED BEDS**

Methodology: Multiply the county net rate times 365 to find the annualized cost for the cost center. Multiply the annualized cost times the number of beds requested in the cost center to find the annual total cost per cost center.

Cost Center	Metropolitan	Napa	Total
Acute Psychiatric/Spec.	\$0	\$0	\$0
Youth Services	\$0	\$0	\$0
Continuing Medical Care (SNF)	\$0	\$0	\$0
ICF-Psychiatric Subacute	\$0	\$844,249	\$844,249
<b>Total County Costs</b>	<b>\$0</b>	<b>\$844,249</b>	<b>\$844,249</b>

## **EXHIBIT B-ATTACHMENT**

### **SAN MATEO COUNTY STATE HOSPITAL COST COMPUTATION July 1, 2002, through June 30, 2003**

#### **4. NET UTILIZATION CALCULATION METHODOLOGY**

For the 2002-03 State Hospital Bed Purchase and Usage Standard Agreement the following methodology will be used to calculate the County's use of state hospital resources, if any, in excess of the contract amount specified in this Agreement.

- A. Excess use will be calculated twice during the fiscal year, once in January 2003 for the first six (6) month period and again in July 2003 for the second six (6) month period. The State Controller will be directed to make an adjustment in the Schedule "B" for the county to reflect any excess use charge.
- B. The total cost of the County's actual use in all cost centers at Napa and Metropolitan State Hospitals for the six-month period will be calculated. County LPS patients at Atascadero or Patton State Hospitals are charged to the ICF-Psychiatric Subacute cost center at the County's hospital of primary use – Metropolitan or Napa State Hospital. The County will be charged the contract amount or the actual cost of the County's state hospital use whichever is greater.

#### **5. BASE CONTRACT AMOUNT**

The total of item #3 on page 1 is \$844,249. This amount appears in I., A. of Exhibit B. This amount may be increased as indicated above and to reflect any required adjustment in the \$24.71 per day offset as described in Exhibit B.

## EXHIBIT D

### SPECIAL TERMS AND CONDITIONS

#### Termination

Either party may terminate this Contract by giving 30 days written notice to the other party. The notice of termination shall specify the effective date of termination.

Upon the Contractor's receipt of notice of termination from the Department of Mental Health (DMH), and except as otherwise directed in the notice, the Contractor shall:

1. Stop work on the date specified in the notice.
2. Place no further orders or enter into any further subcontracts for materials, services or facilities except as necessary to complete work under the Contract up to effective date of termination.
3. Terminate all orders and subcontracts;
4. Promptly take all other reasonable and feasible steps to minimize any additional cost, loss, or expenditure associated with work terminated, including, but not limited to reasonable settlement of all outstanding liability and claims arising out of termination of orders and subcontracts;
5. Deliver or make available to DMH all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Contractor under this Contract, whether completed, partially completed, or in progress.

In the event of termination, an equitable adjustment in the price provided for this Contract shall be made. Such adjustment shall include reasonable compensation for all services rendered, materials supplies, and expenses incurred pursuant to this Contract prior to the effective date of termination.

#### Subcontracts

Contractor shall submit any subcontractors to the Department of Mental Health for approval by the Department of Mental Health prior to implementation of the contract. Upon termination of any subcontract, the Department of Mental Health shall be notified immediately.

#### Disputes

Any dispute concerning a question of fact arising under this contract, that is not disposed of by agreement, shall be decided by the Deputy Director of Administration. All issues pertaining to this dispute will be submitted in written statements and addressed to the Deputy Director of Administration, Division of Administration, Department of Mental Health, 1600 Ninth Street, Room 150, Sacramento, CA 95814. Such written notice must contain the Contract Number. The Deputy Director's decision shall be final and binding to all parties. Within ten days of receipt of such notice, the Deputy Director, Division of Administration shall advise the Contractor of his/her findings. These findings do not preclude Contractor from any other resolution allowed by the laws of the State of California. (Public Contract Code Section 10381)

Neither the pendency of a dispute nor its consideration by the Deputy Director of Administration will excuse the Contractor from full and timely performance in accordance with the terms of the contract.

#### Law Governing

It is understood and agreed that this Contract shall be governed by the laws of the State of California both as to interpretation and performance.

#### Contract Manager

The Department of Mental Health may change its Contract Manager by written notice given to the Contractor at any time.

#### Confidentiality of Data and Documents

1. Contractor will not disclose data or documents or disseminate the contents of the final or any preliminary report without express permission of the Contract Manager.
2. Permission to disclose information or documents on one occasion or at public hearings held by the Department of Mental Health relating to the same shall not authorize Contractor to further disclose such information or documents on any other occasion.
3. Contractor will not comment publicly to the press or any other media regarding the data or documents generated, collected, or produced in connection with this contract, or the Department of Mental Health's actions on the same, except to the Department of Mental Health staff, Contractor's own personnel involved in the performance of this Contract, at a public hearing, or in response to questions from a legislative committee.

4. If requested by the Department of Mental Health, Contractor shall require each of its employees or officers who will be involved in the performance of this Contract to agree to the above terms in a form to be approved by the Department of Mental Health and shall supply the Department of Mental Health with evidence thereof.
5. Each subcontract shall contain the foregoing provisions related to the confidentiality of data and nondisclosure of the same.
6. After any data or documents submitted has become a part of the public records of the State, Contractor may, if it wishes to do so, at its own expense and upon approval by the Contract Manager, publish or utilize the same but shall include the following legend:

#### LEGAL NOTICE

This report was prepared as an account of work sponsored by the Department of Mental Health, but does not necessarily represent the views of the Department or any of its employees except to the extent, if any, that it has formally been approved by the Department. For information regarding any such action, communicate directly with the Department at P.O. Box 952050, Sacramento, California, 94252-2050. Neither said Department nor the State of California, nor any officer or employee thereof, or any of its contractors or subcontractors makes any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document. Nor does any party represent that use of the data contained herein would not infringe upon privately owned rights without obtaining permission or authorization from any party who has any rights in connection with the data.

#### Provisions Relating to Data

1. "Data" as used in this Contract means recorded information, regardless of form or characteristics, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work; or be usable or be used to define a design or process; or support a premise or conclusion asserted in any deliverable document called for by this Contract. The data may be graphic or pictorial delineations in media, such as drawings or photographs, charts, tables, mathematical modes, collections or extrapolations of data or information, etc. It may be in machine form, as punched cards, magnetic tape, computer printouts, or may be retained in computer memory.
2. "Proprietary data" is such data as the Contractor has identified in a satisfactory manner as being under Contractor's control prior to commencement of performance of this Contract and which has been reasonably demonstrated as being of a proprietary force and effect at the time this Contract is commenced.
3. "Generated data" is that data which a Contractor has collected, collated, recorded, deduced, read out or postulated for utilization in the performance of this Contract. Any electronic data processing program, model or software system developed or substantially modified by the Contractor in the performance of this Contract at State expense, together with complete documentation thereof, shall be treated in the same manner as generated data.
4. "Deliverable data" is that data which under terms of this Contract is required to be delivered to the Department of Mental Health. Such data shall be property of the Department of Mental Health.
5. "Generated data" shall be the property of the Department of Mental Health unless and only to the extent that it is specifically provided otherwise herein.
6. The title to Contractor's proprietary data shall remain in the Contractor's possession throughout the term of this Contract and thereafter. As to generated data which is reserved to the Contractor by express terms of this Contract and as to any preexisting or proprietary data which has been utilized to support any premise, postulate or conclusion referred to or expressed in any deliverable hereunder, Contractor shall preserve the same in a form which may be introduced in evidence in a court of competent jurisdiction at Contractor's own expense for a period of not less than three years after receipt by the State of the final report or termination of this Contract and any and all amendments hereto, or for three years after the conclusion or resolution of any and all audits or litigation relevant to this Contract, whichever is later.
7. Prior to the expiration of such time, and before changing the form of or destroying any such data, Contractor shall notify the Department of Mental Health of any such contemplated action; and the Department of Mental Health may, within 30 days after said notification, determine whether it desires said data to be further preserved and, if the Department of Mental Health so elects, the expense of further preservation of said data shall be paid for by the Department of Mental Health. Contractor agrees that Department of Mental Health shall have unrestricted reasonable access to the same during said three-year period and throughout the time during which said data is preserved in accordance with this Contract, and Contractor agrees to use best efforts to furnish competent witnesses or to identify such competent witnesses to testify in any court of law regarding said data.

#### Changes in Time for Performance of Tasks

The time for performance of the tasks and items within the budget, but not the total contract price, may be changed with the prior written approval of the Contract Manager. However, the date for completion of performance and the total contract price, as well as all other terms not specifically accepted may be altered only by formal amendment of this Contract.

#### Approval of Product

Each product to be approved under this Contract shall be approved by the Contract Manager. The Department of Mental Health's determination as to satisfactory work shall be final absent fraud, mistake or arbitrariness.



**Waiver**

No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Contract shall be taken and construed as cumulative; that is, in addition to every other remedy provided therein or by law. The failure of the Department of Mental Health to enforce at any time the provisions of this Contract, or to require at any time performance by the Contractor of any of the provisions, shall in no way be construed to be a waiver of such provisions not to affect the validity of this Contract or the right of the Department of Mental Health to enforce said provisions.

**Contract is Complete**

Other than as specified herein, no document or communication passing between the parties hereto shall be deemed a part of this Contract.

**Captions**

The clause headings appearing in this Contract have been inserted for the purpose of convenience and ready reference. They do no purport to and shall not be deemed to define, limit or extend the scope or intent of the clauses to which they pertain.

**Public Hearings**

If public hearings on the subject matter dealt with in this Contract are held within one year from the contract expiration date, Contractor will make available to testify the personnel assigned to this Contract at the hourly rates specified in the Contractor's

**Force Majeure**

Neither the State nor the Contractor shall be deemed to be in default in the performance of the terms of this Contract if either party is prevented from performing the terms of this Contract by causes beyond its control, including without being limited to: acts of God, interference, rulings or decision by municipal, Federal, State or other governmental agencies, boards or commissions; any laws and/or regulations of such municipal, State, Federal, or other governmental bodies; or any catastrophe resulting from flood, fire, explosion, or other causes beyond the control of the defaulting party. If any of the stated contingencies occur, the party delayed by force majeure shall immediately give the other parties written notice of the cause of delay. The party delayed by force majeure shall use reasonable diligence to correct the cause of the delay, if correctable, and if the condition that caused the delay is corrected, the party delayed shall immediately give the other parties written notice thereof and shall resume performance under this Contract.

**Permits and Licenses**

The Contractor shall procure and keep in full force and effect during the term of this Contract all permits, registrations and licenses necessary to accomplish the work specified in this Contract, and give all notices necessary and incident to the lawful prosecution of the work.

The Contractor shall keep informed of, observe, comply with, and cause all of its agents and employees to observe and comply with all prevailing Federal, State, and local laws, and rules and regulations made pursuant to said Federal, State, and local laws, which in any way affect the conduct of the work of this Contract. If any conflict arises between provisions of the plans and specifications and any such law above referred to, then the Contractor shall immediately notify the Department of Mental Health in writing.

**Litigation**

The Department of Mental Health, promptly after receiving notice thereof, shall notify the Contractor in writing of the commencement of any claim, suit, or action against the Department of Mental Health or its officers or employees for which the contractor must provide indemnification under this Contract. The failure of the Department of Mental Health to give such notice, information, authorization or assistance shall not relieve the Contractor of its indemnification obligations. The Contractor shall immediately notify the Department of Mental Health of any claim or action against it which affects, or may affect, this Contract, the terms and conditions hereunder, or the Department of Mental Health, and shall take such action with respect to said claim or action which is consistent with the terms of this Contract and the interest of the Department of Mental Health.

**Severability**

If any provision of this Contract is held invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision of this Contract and remainder of this Contract shall remain in full force and effect. Therefore, the provisions of this Contract are and shall be deemed to be severable.

**Budget Disclaimer**

If this Contract overlaps State fiscal years, should funds not be appropriated by the Legislature for the fiscal year(s) following that during which this Contract was executed, the State may exercise its option to cancel this Contract or reduce funding and make appropriate line item changes upon providing reasonable notice thereof.

If this Contract overlaps Federal and State fiscal years, should funds not be appropriated by Congress and approved by the Legislature for the fiscal year(s) following that during which this Contract was executed, the State may exercise its option to cancel this Contract.

In addition, this Contract is subject to any additional restrictions, limitations, or conditions enacted by Congress or the Legislature which may affect the provisions or terms of funding of this Contract in any manner.

**Public Contract Code**

Contractor is advised that provisions of Public Contract Code Sections 10355 through 10382 pertaining to the duties, obligations and rights of a consultant service contractor are applicable to this Contract.

**Client Confidentiality**

1. For contract involving clients and information regarding clients, the Contractor shall protect from unauthorized disclosure, names and other identifying information concerning persons receiving services pursuant to this contract, except for statistical information not identifying any client. Client is defined as "those persons receiving services pursuant to a Department of Mental Health funded program." Contractor shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this contract.

2. Contractor shall promptly transmit to the Department of Mental Health all requests for disclosure of such identifying information not emanating from the client.

3. Contractor shall not disclose, except as otherwise specifically permitted by this contract or authorized by the client, any such identifying information to anyone other than the Department of Mental Health without prior written authorization from DMH.

4. For purposes of this section, identity shall include but not be limited to name, identifying number, symbol or other identifying piece of information assigned to the individual, such as a finger or voice print or a photograph which can be used to identify the individual person.

**Conflict of Interest Certification**

In accordance with State laws and Departmental policy, no employees (including contractors) shall participate in incompatible activities which are in conflict with their job duties. In addition, State law requires employees whose positions are designated in the Department's Conflict of Interest Code to file statements of economic interest. Employees whose positions have been designated will be notified by the department if a statement is required.

In signing this contract, I certify that I have read and understand the following:

**GOVERNMENT CODE 19990**

A state officer or employee shall not engage in any employment, activity, or enterprise, which is clearly inconsistent, incompatible, in conflict with, or inimical to his or her duties as a state officer or employee.

Each appointing power shall determine, subject to approval of the department, those activities which, for employees under its jurisdiction, are inconsistent, incompatible or in conflict with their duties as state officers or employees. Activities and enterprises deemed to fall in these categories shall include, but not be limited to all of the following:

1. Using the prestige or influence of the state or the appointing authority for the officer's or employee's private gain or advantage or the private gain of another.
2. Using, or having access to, confidential information available by virtue of state employment for private gain or advantage or providing confidential information to persons to whom issuance of this information has not been authorized.
3. Receiving or accepting money or any other consideration from anyone other than the state for the performance of his or her duties as a state officer or employee.
4. Performance of an act in other than his or her capacity as a state officer or employee knowing that the act may later be subject, directly or indirectly to the control, inspection, review, audit, or enforcement by the officer or employee.
5. Receiving or accepting, directly or indirectly, any gift, including money, or any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is doing or is seeking to do business of any kind with the officer's or employee's appointing authority or whose activities are regulated or controlled by the appointing authority under circumstances from which it reasonably could be substantiated that the gift was intended to influence the officer or employee in his or her official duties or was intended as a reward for any official actions performed by the officer or employee.
6. Subject to any other laws, rules, or regulations as pertain thereto, not devoting his or her full time, attention, and efforts to his or her state office or employment during his or her hours of duty as a state officer or employee.

## **EXHIBIT E**

### **STATE HOSPITAL BED PURCHASE AND USAGE**

#### **SPECIAL TERMS AND CONDITIONS**

##### **I. TERM**

The term of the Fiscal Year 2002-03 County Agreement shall be July 1, 2002, through June 30, 2003.

##### **II. SETTLEMENT OF DISPUTE**

Should a dispute arise relating to any issue within this Agreement, the County shall provide written notice specifying the details of the dispute to:

Deputy Director, Long Term Care Services  
Department of Mental Health  
1600 9th Street  
Sacramento, CA 95814

Such written notice shall reference this Agreement, including the contract number. The Deputy Director, or his designee, will consult with the County and review the factors in the dispute before providing a written response to County. The County shall complete this dispute resolution process prior to exercising any other remedies which may be available, except those described in Exhibit B, I, Item B (Contract Amount and Payment Provisions).

##### **III. INDEMNIFICATION AND INSURANCE**

- A. Except as provided in the following paragraph (B) and to the extent authorized by law, and as provided for in Section 895 of the California Government Code the State shall indemnify and hold harmless the County, its officers, agents and employees from all claims, losses and demands or actions for injury or death of persons or property damage arising out of acts or omissions of the State, its officers, agents or employees in performance related to the provisions of this Agreement.
- B. County warrants that it is self-insured or maintains policies of insurance placed with *reputable insurance companies licensed to do business in the State of California* which insure the perils of bodily injury, medical, professional liability and property damage. The County shall indemnify and hold harmless and defend the State, its officers, agents and employees from all claims, losses and demands or actions for injury or death of persons or damages to property arising out of acts or omissions of the County, its officers, agents or employees in performance related to this Agreement.

#### **IV. CONFIDENTIALITY**

- A. The parties to this Agreement shall comply with applicable laws and regulations, including but not limited to Section 5328 et seq. of the WIC regarding the confidentiality of patient information.
- B. The parties shall protect, from unauthorized disclosure, names and other identifying information concerning persons receiving services pursuant to this Agreement, except for statistical information.
- C. The County agrees to comply with the provisions of Public Law 104-191 known as The Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the HIPAA Business Associate addendum to this Exhibit.

#### **V. NONDISCRIMINATION**

The State and the County shall not employ any unlawful discriminatory practices in the admission of patients, assignment of accommodations, treatment, evaluation, employment of personnel, or in any other respect on the basis of race, color, gender, religion, marital status, national origin, age, sexual preference, or mental or physical handicap, in accordance with the requirements of applicable Federal or State law.

#### **VI. STATEMENT OF COMPLIANCE**

The State and the County agree, unless specifically exempted, to comply with Government Code Section 12900 (a-f) and Title 2, Division 4, Chapter 5 of the CCR in matters relating to reporting requirements and the development, implementation and maintenance of a Nondiscrimination Program.

#### **VII. PATIENT'S RIGHTS**

The parties to this 2002-03 Agreement shall comply with applicable laws, regulations and State policies relating to patients' rights.

#### **VIII. RECORDKEEPING**

- A. The parties agree to maintain books, records, documents, and other evidence necessary to facilitate contract monitoring and audits pursuant to Section 640, Title 9, of the CCR and DMH policy.

#### **IX. RELATIONSHIP OF THE PARTIES**

The State and the County are, and shall at all times be deemed to be, independent agencies. Each party to this Agreement shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Agreement. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between the parties or any of their agents or employees. Each party assumes exclusively the responsibility for the acts of its employees or agents as they relate to the services to be provided during the

course and scope of their employment. The State, its agents and employees, shall not be entitled to any rights or privileges of County employees and shall not be considered in any manner to be County employees. The County, its agents and employees, shall not be entitled to any rights or privileges of State employees and shall not be considered in any manner to be State employees.

#### **X. SEVERABILITY**

If any provision of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction, or is found by a court to be in contravention of any Federal or State law or regulation, the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect, and to that extent the provisions of this Agreement are declared severable.

#### **XI. WAIVER OF DEFAULT**

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement.

## **EXHIBIT E STATE HOSPITAL BED PURCHASE AND USAGE**

### **HIPAA BUSINESS ASSOCIATE AGREEMENT**

Except as otherwise provided in this Agreement, Contractor, hereafter know as the Business Associate, may use or disclose protected health information to perform functions, activities or services for or on behalf of the DMH, as specified in this agreement, provided that such use or disclosure would not violate the Health Insurance Portability and Accountability Act (HIPAA), U.S.C. 1320d et seq., and its implementing regulations including but not limited to 45 C.F.R. Parts 142, 160, 162, and 164, hereafter know as the Privacy Rule. The uses and disclosures of PHI may not be more expansive than those applicable to the DMH under the regulations except as authorized for management, administrative or legal responsibilities of the Business Associate.

Business Associate shall comply with, and assist DMH in complying with, the privacy requirements of HIPAA. Terms used but not otherwise defined in this Agreement shall have the same meaning as those terms are used in the Privacy Rule.

If DMH becomes aware of a pattern of activity that violates this Agreement and reasonable steps to cure the violation are unsuccessful, DMH must terminate the contract, or if not feasible; report the problem to the Secretary of the U.S. Department of Health and Human Services.

#### **Use and Disclosure of Protected Health Information:**

- Business Associate may use or disclose protected health information (PHI) to perform functions, activities or services for or on behalf of DMH, as specified in this Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by the DMH or the minimum necessary policies and procedures of the DMH.
- The Business Associate may use and disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- Business Associate may use PHI to provide data aggregation services related to the health care operation of the DMH.

### **Further Disclosure of PHI:**

- Business Associate shall not use or further disclose PHI other than as permitted or required by this Agreement, or as required by law.
- The Business Associate may use and disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

### **Safeguard of PHI**

- Business Associate shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement.

### **Unauthorized Use or Disclosure of PHI**

- Business Associate shall report to the DMH any use or disclosure of the PHI not provided for by this Agreement.

### **Mitigation of Disallowed Uses and Disclosures**

- Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by the Business Associate in violation of the requirements of this Agreement.

### **Agents and Subcontractors of the Business Associate**

- Business Associate shall ensure that any agent, including a subcontractor, to which the Business Associate provides PHI received from, or created or received by the Business Associate on behalf of the DMH, shall comply with the same restrictions and conditions that apply through this Agreement to the Business Associate with respect to such information.

### **Access to PHI**

- Business Associate shall provide access, at the request of the DMH, and in the time and manner designated by the DMH, to the DMH or, as directed by the DMH, to PHI in a Designated Record Set, to an Individual in order to meet the requirements of 45 C.F.R. section 164.524.

### **Amendment(s) to PHI**

- Business Associate shall make any amendment(s) to PHI in a Designated Record Set that the DMH directs or at the request of the DMH or an Individual, and in the time and manner designated by the DMH in accordance with 45 C.F.R. section 164.526.

### **Documentation of Uses and Disclosures**

- Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for the DMH to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. section 164.528.

### **Accounting of Disclosure**

- Business Associate shall provide to the DMH or an Individual, in time and manner designated by the DMH, information collected in accordance with 45 C.F.R. section 164.528, to permit the DMH to respond to a request by the Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. section 164.528.

### **Records Available to DMH and Secretary**

- Business Associate shall make internal practices, books and records related to the use, disclosure, and privacy protection of PHI received from DMH, or created or received by the Business Associate on behalf of the DMH, available to the DMH or to the Secretary of the United State Department of Health and Human Services for purposes of the Secretary determining the DMH's compliance with the Privacy Rule, in a time and manner designed by the DMH or the Secretary.

### **Destruction of Information**

- Upon termination of the contract for any reason, Business Associate shall return or destroy all PHI received from the DMH, or created or received by the Business Associate on behalf of the DMH. This provision shall apply to PHI in possession of subcontractors or agents of the Business Associate. Business Associate, its agents or subcontractors shall retain no copies of the PHI.
- In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide the DMH notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that the return of the PHI is not feasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further use and disclosures of such PHI for so long as Business Associate, or any of its agents or subcontractors, maintains such PHI.



### **Amendments to Business Associate Agreement**

- The Parties agree to take such action as is necessary to amend this Agreement as necessary for the DMH to comply with the requirements of the Privacy Rule and its implementing regulations.

### **Material Breach**

- If DHM becomes aware of a pattern of activity that violates this Agreement and reasonable steps to cure the violation are unsuccessful, DMH must terminate the contract, or if not feasible; report the problem to the Secretary of the U.S. Department of Health and Human Services.

### **Survival**

- The respective rights and obligations of Business Associate shall survive the termination of this Agreement.

### **Interpretation**

- Any ambiguity in this Agreement shall be resolved to permit the DMH to comply with the Privacy Rule.