

AGREEMENT WITH CALIFORNIA PSYCHIATRIC TRANSITIONS
FOR MENTAL HEALTH REHABILITATION SERVICES

THIS AGREEMENT, entered into this ____ day of _____, 2003, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and CALIFORNIA PSYCHIATRIC TRANSITIONS, hereinafter called "Contractor";

W I T N E S S E T H:

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

WHEREAS, this agreement supercedes the interim agreement signed on January 31, 2003, and

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

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

1. Services to be Performed by Contractor

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

2. Payments

A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed FIVE HUNDRED EIGHTY SEVEN THOUSAND SIX HUNDRED EIGHTY DOLLARS (\$587,680) for the contract term.

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

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

3. Relationship of Parties

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

4. Mutual Hold Harmless

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

under this Agreement, or (D) any sanctions, penalties or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (E) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

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

County shall indemnify and save harmless Contractor, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including County, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any sanctions, penalties or claims of damages resulting from County's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of Contractor, its officers, agents, employees, or servants, resulting from the performance of any work required of County, provided that this shall not apply to injuries or damage for which Contractor has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

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

5. Insurance

Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the

Director of Health Services. Contractor shall furnish the Health Services Agency with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Health Services Agency of any pending change in the limits of liability or of any cancellation or modification of the policy.

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

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

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

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

Such insurance shall include:

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

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

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

6. Non-Discrimination

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

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

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

- i. termination of this Agreement;
- ii. disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;

iii. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;

iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

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

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

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

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

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

7. Assignments and Subcontracts

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

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

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

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

8. Amendment of Agreement

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

9. Records

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

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

10. Compliance with Applicable Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, and the Americans with Disabilities Act

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

11. Interpretation and Enforcement

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

1) In the case of County, to:

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

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

2) In the case of Contractor, to:

California Psychiatric Transitions
P.O. Box 339
Delhi, CA 95315

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

12. Term of the Agreement

This agreement supercedes the interim agreement between the two parties signed on January 31, 2003. Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from January 31, 2003, through June 30, 2005. This Agreement

may be terminated by Contractor, Director of Health Services or her designee at any time upon thirty (30) days' written notice to the other party.

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

COUNTY OF SAN MATEO

CALIFORNIA PSYCHIATRIC TRANSITIONS

By: _____
Rose Jacobs Gibson, President
Board of Supervisors, San Mateo County

By: Michael A. Juss

Date: _____

Date: 4.3.03

ATTEST:

By: _____
Clerk of Said Board

Date: _____

Attachment I

(Required only from Contractors who provide services directly to the Public on County's behalf.)

Assurance of Compliance with Section 504 of the
Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- a. employs fewer than 15 persons.
- b. employs 15 or more persons and, pursuant to Section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

Michael Suggs, Program Director

Name of 504 Person - Type or Print

California Psychiatric Transitions
Name of Contractor(s) - Type or Print

PO Box 339
Street Address or PO Box

Delhi,
City

CA 95315
State Zip Code

I certify that the above information is complete and correct to the best of my knowledge.

4.3.03
Date

Michael A. Suggs SECRETARY/TREASURER
Signature and Title of Authorized Official
CPT INC.

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with (the facility accessibility regulations)...other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."

SCHEDULE C

Contract between County of San Mateo and CALIFORNIA PSYCHIATRIC TRANSITIONS, hereinafter called "Contractor."

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

SCHEDULE A

CALIFORNIA PSYCHIATRIC TRANSITIONS: 2003-2005

PROGRAM SERVICES

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

I. MENTAL HEALTH PROGRAM SERVICES

For the term of this Agreement as herein specified, Contractor shall provide to the Mental Health Services Division up to 3 beds for San Mateo County residents who are seriously mentally ill and in need of mental health rehabilitation, treatment and long term care.

A. Admissions

All admissions shall be subject to screening procedures and standards mutually agreeable to Contractor and Director, subject to the provisions in Section 2 below.

The admission of all persons receiving services under this Agreement must receive the approval of the Director or her designee. Such approval shall be indicated by a signed authorization form.

B. Patient Eligibility

All admissions are subject to prior authorization by County. The following individuals shall be considered acceptable for admission:

- individuals with a DSM-IV diagnosis in need of twenty-four (24) hour skilled nursing services and
- individuals who may have histories of and, without adequate treatment, are at risk of displaying behavioral symptoms (such as combativeness, elopement risk, suicide risk, and excessive verbal abusiveness), which preclude them from being admitted into a lower level care facility.

Frequency of these behaviors is a determining factor to be negotiated on an individual patient basis between County and Contractor. County may grant individual exceptions to these admission criteria. It is agreed by County and Contractor that individuals whose mental illness is deemed appropriate for acute care, as well as individuals suffering exclusively from developmental disability, mental retardation, or physical illnesses (without a psychiatric component), shall not be considered for admission.

C. MHRC Service Levels

It is agreed by both Contractor and County that the basic service level fully complies with Title 22 of the California Code of Regulations, Section 72445, or Title 9 of the California Code of Regulations, which includes life skills training, money management, training on accessing community services, transitional programs, and discharge planning with County staff. It is further agreed by Contractor that basic services will also include reasonable access to medical treatment and up-to-date psychopharmacology, reasonable transportation to needed off-site services, and bilingual/bicultural programming.

Reimbursement is determined by the rehabilitative services provided:

Service Level	Rate	Description
MHRC Level 1	\$160/day	Residents are integrated with only minor to moderate deviations from the structured program.
MHRC Level 2	\$200/day	Residents require specialized services such as forensic competency training, management of frequent behavioral episodes or medical complications.
MHRC Level 3	\$240/day	Step down level of care for residents admitted directly from the State Hospital for an intensive evaluation period.
1:1 Supervision	\$20/hour	Focused supervision charged at an hourly rate in addition to the daily rate, preauthorized by County Program Manager.

The County shall clients review monthly. Service levels will be adjusted according to the level of care required. Mental Health clients shall not be moved to a higher level of service without the approval the Mental Health Director or her designee.

D. Reporting

1. The Mental Health Services Division's Management Information System (MIS) unit will complete state-required Client Data System (CDS) reports. Contractor shall cooperate with County requests for information on patients placed under the terms of this contract.
2. Contractor shall provide on request reasonable information on medications prescribed and administered to patients placed under this Agreement.

3. Contractor will provide to the Director of Health Services or her designee a photocopy of each unusual occurrence report filed with the State Department of Health Services, as defined in Section 72541 of Division 5, Title 22, California Code of Regulations.
4. County shall have reasonable access to all areas of the facility during business hours and to such data as will allow for the meaningful evaluation and monitoring of quality of care.
5. Contractor shall provide a quarterly report on restraint/seclusion use on patients placed under this Agreement.

II. GOALS AND OBJECTIVES

A. Goals

1. To minimize inappropriate or unnecessary acute hospitalization to the extent clinically appropriate by providing quality twenty-four (24) hour sub-acute care.
2. To modify clients' dysfunctional behavioral patterns and enable them to live in a less restrictive, more independent setting.

B. Objectives

The following objectives will be achieved during the contract years 2002-2003 and 2003-2004:

1. Sixty-six percent (66%) of clients will show a decrease in the number of hospital days compared to the year prior to their admission.
2. A minimum of 33% of clients will be discharged to a lower level of care.

SCHEDULE B

CALIFORNIA PSYCHIATRIC TRANSITIONS: 2003-2005

PAYMENTS

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 such payments shall be subject to the conditions contained in this Agreement.

I. Payment Terms

- A. For the period January 31, 2003 through June 30, 2005, Contractor shall be paid on a negotiated rate basis at the following rates:

Service Level	Rate
MHRC Level 1	\$160/day
MHRC Level 2	\$200/day
MHRC Level 3	\$240/day
1:1 Supervision	\$20/hour

1. County shall be responsible for billing and collecting Share of Cost (SOC) and Supplemental Security Income (SSI) revenue, and any such collections shall be retained by County to offset the cost of providing these services. Contractor shall facilitate such collections and remit any revenue received to County.
 2. San Mateo County residents who are eligible for reimbursement from the Veteran's Administration or other private resources are not billable under this contract.
 3. Payment by County to Contractor shall be monthly. Contractor shall bill San Mateo County mental Health Division on or before the tenth (10th) working day of each month. This invoice shall include the guaranteed minimum payment for the current month and the negotiated rate billings for any additional patient days from the previous month. All claims shall clearly reflect patient names, number of patient days, and daily negotiated rate. Non-billable clients referenced in Section I.A.3. must be included in the monthly claim with a daily rate of ZERO DOLLARS (\$0) and the source of reimbursement indicated.
- B. Notwithstanding the method of payment set forth within, in no event shall County pay or be obliged to pay Contractor more than the sum of FIVE HUNDRED EIGHTY-SEVEN THOUSAND SIX HUNDRED EIGHTY DOLLARS (\$587,680).

1. For the first year of the contract term (January 31, 2003 - June 30, 2003) in no event shall the County pay or be obliged to pay more than the sum of EIGHTY THOUSAND FOUR HUNDRED EIGHTY DOLLARS (\$80,480).
 2. For FY 2003-04 in no event shall the County pay or be obliged to pay more than the sum of TWO HUNDRED FIFTY-THREE THOUSAND SIX HUNDRED DOLLARS (\$253,600).
 3. For FY 2004-05 in no event shall the County pay or be obliged to pay more than the sum of TWO HUNDRED FIFTY-THREE THOUSAND SIX HUNDRED DOLLARS (\$253,600).
- C. In the event this Agreement is terminated prior to June 30, 2005, Contractor shall be paid on a prorated basis for only that portion of the contract term during which Contractor provided services pursuant to this Agreement. Such billing shall be subject to the approval of the Director.
- D. Per DMH letter #84-10, this negotiated rate contract will require no cost reconciliation.
- E. In the event Contractor claims or receives payment from County for a service, reimbursement for which is later disallowed by County or the State of California or the United States Government, then Contractor shall promptly refund the disallowed amount to County upon request, or, at its option, County may offset the amount disallowed from any payment due or become due to Contractor under this Agreement or any other agreement.

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: California Psychiatric Transitions
Contact Person: Michael Suggs
Address: PO Box 339
Delhi, CA 95315
Phone Number: 209-667-9304 Fax Number: 209-669-3978

II Employees

Does the Contractor have any employees? Yes ___ No
Does the Contractor provide benefits to spouses of employees? Yes ___ No

~~If the answer to one or both of the above is no, please skip to Section IV.~~

III Equal Benefits Compliance (Check one)

- Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
- Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- No, the Contractor does not comply.
- The Contractor is under a collective bargaining agreement, which began on _____ (date) and expires on _____ (date).

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 3 day of APRIL, 2003 at Delhi, CA.
(City) (State)

Michael A. Suggs
Signature
SECRETARY / TREASURER
Title

MICHAEL A. SUGGS
Name (Please Print)
77-0467252
Contractor Tax Identification Number

COUNTY OF SAN MATEO
HEALTH SERVICES ADMINISTRATION

MEMORANDUM

DATE: May 14, 2003

TO: Priscilla Morse, Risk Management/Insurance Division

FROM: John Klyver, Mental Health Services/PONY #MLH 322

CONTRACTOR: California Psychiatric Transitions

DO THEY TRAVEL: Yes

PERCENT OF TRAVEL TIME:

NUMBER OF EMPLOYEES: Yes

DUTIES (SPECIFIC): See attached

COVERAGE:

Comprehensive General Liability:	\$1,000,000
Motor Vehicle Liability:	\$1,000,000
Professional Liability:	\$1,000,000
Worker's Compensation:	\$Yes

APPROVE _____ WAIVE _____ MODIFY _____

REMARKS/COMMENTS:


SIGNATURE

PRODUCER (949)582-5220 FAX (949)367-2933
 are Providers Insurance Brokers Inc.
 license Number OC03992
 3441 Crown Valley Parkway
 Mission Viejo, CA 92691
 Attn: Jeremy Roach Ext 3842
 California Psychiatric Transitions
 9234 Hinton ave.
 Delhi, CA 95315

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE
 COMPANY A Affiliated FM Insurance Company
 COMPANY B
 COMPANY C
 COMPANY D

COVERAGES
 THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING 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.

CO. TR.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
X	PROPERTY	TE201	01/01/2003	01/01/2004	X BUILDING	\$ 2,040,000
	CAUSES OF LOSS				X PERSONAL PROPERTY	\$ 400,000
	BASIC				X BUSINESS INCOME	\$ 2,250,000
	BROAD				X EXTRA EXPENSE	\$ included
A	X SPECIAL				BLANKET BUILDING	\$
	EARTHQUAKE				BLANKET PERB PROP	\$
	FLOOD				BLANKET BLDG & PP	\$
	X Replacement Cost					\$
	INLAND MARINE					\$
	TYPE OF POLICY					\$
	CAUSES OF LOSS					\$
	NAMED PERILS					\$
	OTHER					\$
	CRIME					\$
	TYPE OF POLICY					\$
	BOILER & MACHINERY					\$
	OTHER					\$

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY
 9234 Hinton Delhi, CA 95315 - Included building #1 and building #2

SPECIAL CONDITIONS/OTHER COVERAGES
 PROOF OF INSURANCE FOR THE LOCATION LISTED ABOVE-INCLUDES TERRORISM & MECHANICAL EQUIPMENT BREAKDOWN
 EXCEPT 10 DAYS NOTICE OF CANCELLATION FOR NONPAYMENT OF PREMIUM

CERTIFICATE HOLDER FAX (925) 913-6321
 Contra Costa County
 Department of Mental Health
 Matt - Contracts and Grants
 597 Center Street
 Suite #255
 Martinez, CA 94553

CANCELLATION
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED 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
 Hal Roach

PLEASE READ YOUR POLICY

POLICY NUMBER CA 0-46-99-514-1

This declarations Page/Amended Declaration page with the policy jacket identified by the form and edition date indicated completes the above numbered policy.

Previous policy no

Form 1050

Ed. 1194

RESIDENTIAL CARE

DECLARATIONS
NAMED INSURED

CALIFORNIA PSYCHIATRIC
TRANSITIONS INC
P O BOX 339
DELHI

PAGE 3 OF 3

CA 95315

POLICY TERM: NOV 14, 2002 TO NOV 14, 2003

CARE PROVIDERS INS
PO BOX 9055
MISSION VIEJO CA 92691

This policy incepts the later of: 1. the time the application for insurance is executed on the first day of the policy period; or 2. 12:01 a.m. on the first day of the policy period. This policy shall expire at 12:01 a.m. on the last day of the policy period.

CA-09396
PROGRESSIVE CASUALTY INS. CO.
P.O. BOX 94739, CLEVELAND, OHIO 44101 1-800-444-4487



The following coverage and limits apply to the described vehicle as shown below. Coverages are defined in the policy and are subject to the terms and conditions contained in the policy, including amendments and endorsements. No changes will be effective prior to the time changes are requested.

SCHEDULE OF COVERED VEHICLES

VEH NO	DR NO	TRADE YR	NAME	BODY TYPE	SERIAL NO	VEH CLS	TER NO	RAD ZIP	DSC IUS	DSC COD	PCT
1-01	10	96	FORD	PASSENGER V	1FDJS31G5THAS1760	A91	14	95315	50	672	
2-02	8	92	FORD AEROSTAR	PASSENGER V	1FMDA41X8M2A20107	A91	14	95315	50	672	
3-03	7	98	ISUZU	SUV	JACD58X6W7912708	N32	14	95315	50	672	
4-04	4	74	DODGE	PICKUP	W17AT4S062200	S5A	14	95315	50	672	
5-05	1	95	INFINITI	PASS AUTO	JNKCP01D8ST512499	C30	14	95315	50	672	

LIABILITY PREMIUM BY VEHICLE

VEH NO	LIAB	MED PAY	UM/UIM BI	UM/PD
1	\$1,219	\$50	\$37	\$33
2	\$1,402	\$57	\$37	
3	\$858	\$30	\$37	\$33
4	\$894	\$30	\$37	
5	\$849	\$30	\$37	\$33

PHYSICAL DAMAGE PREMIUM BY VEHICLE

VEH NO	COMP TYPE	OR FT/CAC DED	PREM	COLLISION DED	PREM	ON-HOOK LIMIT	DED	PREM	VEH TOTAL
1	COMP	\$500	\$76	\$500	\$396				\$1,811
2									\$1,496
3	COMP	\$500	\$85	\$500	\$454				\$1,497
4									\$961
5	COMP	\$500	\$49	\$500	\$262				\$1,260

Any loss under Part III is payable as interest may appear to named insured and above loss payee:

Prog Premium Budget: C8

Fin. Rcp. Filed: G2 BGO 02322 XXXX

For Whom:

B.O CAICS11C

Case No.

R/R 100% Factor Used:

F/R 062002

Countersigned:

1113 (12-92)

INSURED COPY

CVWE0918011217L111303

STATE
 COMPENSATION
 INSURANCE
FUND

HOME OFFICE SAN FRANCISCO

POLICY DECLARATIONS

CALIFORNIA WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY POLICY
 THESE DECLARATIONS ARE A PART OF THE WORKERS' COMPENSATION POLICY INDICATED HEREON.

THIS INSURANCE IS EFFECTIVE FROM
 2:01 A.M., PACIFIC STANDARD TIME
 1-01-00 TO 11-01-01 AND SHALL
 AUTOMATICALLY RENEW EACH 11-01
 UNTIL CANCELLED

CONTINUOUS POLICY 1599441-00

CALIFORNIA PSYCHIATRIC TRANSITIONS INC P O BOX 339 DELHI, CALIF 95315	DEPOSIT PREMIUM	\$16,606.00
	MINIMUM PREMIUM	\$200.00
	PREMIUM ADJUSTMENT PERIOD	MONTHLY
	REP 09	N NK

NAME OF EMPLOYER- CALIFORNIA PSYCHIATRIC TRANSITIONS, INC
 (A CORPORATION)

TRADE NAMES- CALIFORNIA PSYCHIATRIC TRANSITIONS, INC

LOCATIONS- 9234 NORTH HINTON AVE DELHI CA 95315

1. WORKERS' COMPENSATION INSURANCE - PART ONE OF THIS POLICY APPLIES TO THE WORKERS' COMPENSATION LAWS OF THE STATE OF CALIFORNIA.
2. EMPLOYER'S LIABILITY INSURANCE - PART TWO OF THIS POLICY APPLIES TO LIABILITY UNDER THE LAWS OF THE STATE OF CALIFORNIA. THE LIMIT OF OUR LIABILITY INCLUDING DEFENSE COSTS UNDER PART TWO IS,

\$1,000,000

CODE NO. PRINCIPAL WORK AND RATES EFFECTIVE FROM 11-01-00 TO 11-01-01

		BASE RATE	INTERIM BILLING RATE*
8804	SOCIAL REHABILITATION FACILITIES FOR ADULTS--ALL EMPLOYEES--N.P.D. WITH 9070(1), "RESIDENTIAL CARE FACILITIES FOR THE ELDERLY", 9070(3), "RESIDENTIAL CARE FACILITIES FOR ADULTS", 8823, "RESIDENTIAL CARE FACILITIES FOR CHILDREN", OR 8851, "CONGREGATE LIVING FACILITIES FOR THE ELDERLY"	7.87	6.22

EXPERIENCE MODIFICATION
 11-01-00 TO 11-01-01 96 %

*****BUREAU NOTE INFORMATION*****

TOTAL ESTIMATED ANNUAL PREMIUM \$12,600

UNTERSIGNED AND ISSUED AT SAN FRANCISCO DECEMBER 8, 2000 POLICY FORM L 1