

AGREEMENT WITH MILLS-PENINSULA HOSPITALS
FOR ACUTE INPATIENT PSYCHIATRIC SERVICES

THIS AGREEMENT, entered into this ____ day of _____, 2003, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and MILLS-PENINSULA HOSPITALS, hereinafter called "Contractor";

W I T N E S S E T H:

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

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

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

1. Services to be Performed by Contractor

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Director of Health Services, or her designee, with respect to the product or result of Contractor's services, shall provide 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 ONE MILLION TWO HUNDRED NINETY TWO THOUSAND DOLLARS (\$1,292,000) for the contract term collectively with all other acute care psychiatric hospitals and free-standing psychiatric hospitals which have contracted with County to provide psychiatric care for the contract term.

B. Rate of Payment. The rate and terms of payment shall be as specified in Schedule B, attached hereto and incorporated herein. Any rate increase is subject to the approval of the Director of Health Services or her designee, and shall not be binding on County unless so approved in writing. In no event may the rates established in Schedule B be increased to the extent that 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. Submitting Invoices. Contractor shall submit an invoice for services to County for payment in accordance with the provisions of Schedule B. County shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one hundred eighty (180) days after the date Contractor renders the services, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

3. Relationship of Parties

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

4. Hold Harmless

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

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 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 from all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below.

Such insurance shall include:

- 1) Comprehensive General Liability \$ 5,000,000
- 2) Motor Vehicle Liability Insurance \$ 0
- 3) Professional Liability \$ 5,000,000

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: shall provide County with a copy of its response to the complaint when filed.

With respect to the provision of employee benefits, Contractor shall . . . 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. ASSIGNMENT OF RESPONSIBILITIES

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.

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:

Bob Hortop, VP, Strategic Development
Mills-Peninsula Hospitals
Behav. Health Administration, 3rd Fl.
1783 El Camino Real
Burlingame, CA 94010

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

12. Term of the Agreement


Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from July 1, 2003 through June 30, 2004. 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:

CONTRACTOR:

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

By:  _____

Date: _____

Date: JUNE 21, 2003

ATTEST:

By: _____
Clerk of Said Board

Date: _____

SCHEDULE A

MILLS-PENINSULA HOSPITALS: 2003-2004

A. Program Services

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

B. Authorization

1. Psychiatric Inpatient Hospital Services

County is responsible for authorization for payment of medically necessary, acute psychiatric inpatient hospital services and associated administrative days for Medi-Cal beneficiaries, and uninsured clients who are referred by San Mateo Medical Center (SMMC) Psychiatric Emergency Services (PES). Uninsured individuals who present directly to the hospital may be authorized for payment by County if they are already receiving services through the County. Contractor shall communicate with PES open to County, and submit notifications and other documentation in accordance with the MHP Inpatient Manual. All inpatient services are retrospectively reviewed for medical necessity and payment by the County.

2. Crisis Intervention Services

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

C. Quality Management and Utilization Review

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

Contractor shall comply with existing federal regulations for utilization review pursuant

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

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

D. Records

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

E. Assurances

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

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

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

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

F. Outcome Objectives

1. For completed episodes, there will be no more than ten percent (10%) recidivism

of adult clients and no more than ten percent (10%) recidivism of youth clients within thirty (30) days following discharge.

2. For completed episodes, Contractor shall maintain or reduce the 2003-04 combined average length of stay.

G. Definitions

The following definitions apply to this Agreement:

1. **Acute Psychiatric Inpatient Hospital Services:** Those routine hospital services and hospital-based ancillary services provided by a hospital to eligible beneficiaries for whom the facilities, services and equipment are medically necessary for diagnosis or treatment of a mental disorder.
2. **Administrative Days:** Those services provided to a beneficiary who has been admitted to the hospital for acute psychiatric inpatient services, and the beneficiary's stay at the hospital must be continued beyond the beneficiary's need for acute psychiatric inpatient hospital services due to a temporary lack of residential placement options at appropriate, non-acute treatment facilities.
3. **Hospital-based Ancillary Services:** Those services including but not limited to prescription drugs, laboratory services, x-ray, electroconvulsive therapy (ECT) and magnetic resonance imaging (MRI), that are received by a beneficiary admitted to a hospital, other than routine hospital services.
4. **Medi-Cal Beneficiary:** Any person certified as eligible for Medi-Cal in San Mateo County according to Section 51001, Title 22, Code of California Regulations and as indicated by a number 41 County code in their Medi-Cal identification number.
5. **Crisis Intervention Services:** A service lasting less than twenty-four (24) hours to a client for a condition, which requires more timely response than a regularly scheduled visit. Service activities may include, but are not limited to, assessment, collateral, and therapy.

H. Crisis Intervention Protocol

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

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

San Mateo County Psychiatric Emergency Services (PES) shall be informed by a notification form within three (3) hours of beneficiary admission to Contractor's Emergency Service; PES determines where admission should occur.

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

SCHEDULE B

MILLS-PENINSULA HOSPITALS: 2003-2004

PAYMENTS

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

1. Acute Psychiatric Inpatient Hospital Services (Adult)
(Hospital Inpatient Uniform Billing Codes 204, 114,
124, 134, or 154) \$563.10
2. Acute Psychiatric Inpatient Hospital Services (Adolescent)
(Hospital Inpatient Uniform Billing Code 097) \$592.56
3. Acute Psychiatric Inpatient Hospital Services - (Adult - Uninsured) \$591.43
(Hospital Inpatient Uniform Billing Code 999)
4. Acute Psychiatric Inpatient Hospital Services - (Adolescent - Uninsured) \$620.88
(Hospital Inpatient Uniform Billing Code 888)
5. Acute Psychiatric Inpatient Hospital Services (Adult and Adolescent)
(Hospital Inpatient Uniform Billing Code 098) \$295.48
6. Crisis Intervention (Adolescent) \$72.00/hour
with a cap of \$592.56
7. Crisis Intervention (Adult) \$72.00/hour
with a cap of \$563.10

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

beneficiaries under this Agreement, or transportation services. The rates set forth in A6 and A7 are consistent with the descriptions in Schedule A.

- C. The services provided must be authorized in the prescribed manner by the San Mateo County Health Services staff. County indigents who present at Contractor's facility without being authorized in the prescribed manner are expressly excluded from the terms of this Agreement.
- D. Contractor shall bill its customary charges and submit claims to County for all psychiatric inpatient services rendered in accordance with existing Medi-Cal billing requirements as evidenced in Title 22, MHP Inpatient Manual and MHP Bulletins. Contractor shall bill for crisis intervention services rendered according to the term of this Agreement.
- E. Upon mutual agreement of County and Contractor, County may refer County indigent clients to Contractor, and in this event, all terms of this Agreement pertain.
- F. Contractor shall bill any third party payer financially responsible for a client's health care services. County shall only bear financial responsibility for the negotiated rates set forth in Section A of Schedule B for third-party payments, and to the extent that County inadvertently makes payments to Contractor above this level, County shall be entitled to recoup such reimbursement.
- G. It is expressly understood and agreed between the parties hereto that County shall not authorize payment to Contractor unless Contractor adheres to the policies and procedures specified in the MHP Inpatient Manual. It is further agreed that County shall not authorize payment for services unless Contractor has provided County with evidence of insurance coverage as outlined in Section 5.B. of this Agreement.
- H. It is understood that any payments received from County or third party insurers for services rendered under this Agreement shall be considered as payment in full and Contractor cannot look to the client for reimbursement for the units of service provided under this Agreement, except as provided for under Medi-Cal Share of Cost regulations.
- I. County and/or its appropriate audit agency or any other authorized state or federal agency shall have the right to inspect all records to evaluate the cost, quality, appropriateness, and timeliness of services. When an audit discloses that Contractor has been overpaid under this Agreement, any such overpayment or excess payments over liability may be recouped by the state and/or County by withholding the amount due from future payments or by cash payment by Contractor. Contractor has the right to appeal such findings according to applicable procedural requirements of the regulations adopted pursuant to Sections 5775, et seq. and 14680, et seq. of the Welfare and Institutions Code.
- J. An inpatient day of service shall be billed for each beneficiary who meets admission and/or continued stay criteria, documentation requirements, treatment and discharge planning requirements and occupies a psychiatric inpatient hospital bed at 12:00 midnight in the facilities of However, a day of service may be billed if the beneficiary

is admitted and discharged during the same day provided that such admission and discharge is not within twenty-four (24) hours of a prior discharge.

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

SCHEDULE C

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

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

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.

Ron Kemper, Director of Business Development

Name of 504 Person - Type or Print

Burlingame, CA
Name of Contractor(s) - Type or Print

1783 El Camino Real
Street Address or PO Box

Burlingame,
City

CA 94010
State Zip Code

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

6/2/03
Date

Ron Kemper, Dir. Business Dev't
Signature and Title of Authorized Official

*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."

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I. Vendor Identification

Name of Contractor: Mills - Peninsula Behavioral Health Services
Contact Person: Ron Kemper, Director of Business Development
Address: 1783 El Camino Real
Burlingame, CA. 94010
Phone Number: 650-696-5902 Fax Number: 650-696-5901

II. Employees

Does the Contractor have any employees? [x] Yes ___ No
Does the Contractor provide benefits to spouses of employees? [x] 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)

- [x] 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 2 day of June, 2003 at Burlingame, CA
(City) (State)

Ron Kemper
Signature

Ron Kemper
Name (Please Print)

Director of Business Development
Title

[Redacted]
Contractor Tax Identification Number

COUNTY OF SAN MATEO
HEALTH SERVICES ADMINISTRATION

MEMORANDUM

DATE: June 10, 2003
TO: Priscilla Morse, Risk Management/Insurance Division
FROM: Barbara DeBord, Mental Health Services/PONY #MLH 322

CONTRACTOR: Mills-Peninsula Hospitals

DO THEY TRAVEL: No

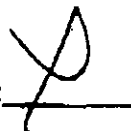
PERCENT OF TRAVEL TIME: N/A

NUMBER OF EMPLOYEES: N/A

DUTIES (SPECIFIC): See attached agreement

COVERAGE:

| | |
|----------------------------------|----------------|
| Comprehensive General Liability: | \$5,000,000.00 |
| Motor Vehicle Liability: | \$N/A |
| Professional Liability: | \$5,000,000.00 |
| Worker's Compensation: | \$Self-Insured |

APPROVE  WAIVE _____ MODIFY _____

REMARKS/COMMENTS:



SIGNATURE

SUTTER INSURANCE SERVICES CORPORATION

Grosvenor Center, Mauka Tower

737 Bishop Street #2100

Honolulu, HI 96813

For further information referencing this Certificate, contact:
Sutter Health Risk Management Department (916) 286-6520

CERTIFICATE OF COVERAGE

CERTIFICATE NO. 03-1-256

ISSUE DATE: January 1, 2003

NAME OF INSURED

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

COVERAGE

This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated, 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.

TYPE OF COVERAGE

Healthcare Professional Liability & Commercial General Liability

SISCO (Claims made):

LIMIT:

Primary: SIS 2003-1

\$5,000,000/Claim

Excess: SIS 2003-2

\$5,000,000/Claim

Retroactive Date: 4/1/94 (MPHS)

CERTIFICATE EFFECTIVE DATE: 01/01/03

CERTIFICATE EXPIRATION DATE: 01/01/04

REASON FOR INTEREST

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

CERTIFICATE HOLDER

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

CANCELLATION

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



Authorized Representative

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS

OFFICE OF THE DIRECTOR

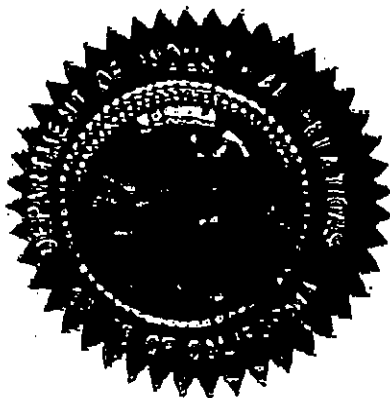
NUMBER 1993-K

CERTIFICATE OF CONSENT TO SELF-INSURE

THIS IS TO CERTIFY, That MILLS-PENINSULA HEALTH SERVICES (a California corporation)
Subsidiary of Sutter Health

has complied with the requirements of the Director of Industrial Relations under the provisions of Sections 3700 to 3705, inclusive, of the Labor Code of the State of California and is hereby granted this Certificate of Consent to Self-Insure.

This certificate may be revoked at any time for good cause shown.*



EFFECTIVE:

THE 1st DAY OF February 19 2000

DEPARTMENT OF INDUSTRIAL RELATIONS
OF THE STATE OF CALIFORNIA

Stephen J. Smith
STEPHEN J. SMITH DIRECTOR

Mark B. Ashcraft
MARK B. ASHCRAFT MANAGER

* Revocation of Certificate.—“A certificate of consent to self-insure may be revoked by the Director of Industrial Relations at any time for good cause after a hearing. Good cause includes, among other things, the impairment of the solvency of such employer, the inability of the employer to fulfill his obligations, or the practice by such employer or his agent in charge of the administration of obligations under this division of any of the following: (a) Habitually and as a matter of practice and custom inducing claimants for compensation to accept less than the compensation due or making it necessary for them to resort to proceedings against the employer to secure the compensation due; (b) Discharging his compensation obligations in a dishonest manner; (c) Discharging his compensation obligations in such a manner as to cause injury to the public or those dealing with him.” (Section 3702 of Labor Code.) The Certificate may be revoked for noncompliance with Title 8, California Administrative Code, Group 2—Administration of Self-Insurance.

AGREEMENT WITH MT. DIABLO MEDICAL PAVILION
FOR ACUTE INPATIENT PSYCHIATRIC SERVICES

THIS AGREEMENT, entered into this _____ day of _____, 2003, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and MT. DIABLO MEDICAL PAVILION, hereinafter called "Contractor";

W I T N E S S E T H:

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

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

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

1. Services to be Performed by Contractor

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Director of Health Services, or her designee, with respect to the product or result of Contractor's services, shall provide 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 ONE MILLION TWO HUNDRED NINETY TWO THOUSAND DOLLARS (\$292,000.00) for the contract term collectively with all other acute care psychiatric hospitals and free-standing psychiatric hospitals which have contracted with County to provide psychiatric care for the contract term.

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

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

3. Independent Contractor Status of Parties

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

4. Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, damages, and 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.

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

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

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

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

Such insurance shall include:

- 1) Comprehensive General Liability \$ 40,000,000
- 2) Motor Vehicle Liability Insurance\$ 0
- 3) Professional Liability\$ 40,000,000

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.

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 state agencies, upon request, all records, reports, and information in its possession or control

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 if they were a part hereof, 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:

Elizabeth Stallings, COO
C/O Katy Becky
Mt. Diablo Medical Pavilion
2740 Grant St.
Concord, CA 94520

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

12. Term of the Agreement

Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from July 1, 2003 through June 30, 2004. 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:

CONTRACTOR:

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

By: Estallings

Date: _____

Date: 5/9/03

ATTEST:

By: _____
Clerk of Said Board

Date: _____

SCHEDULE A
MT. DIABLO MEDICAL PAVILION: 2003-2004

A. Program Services

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

B. Psychiatric Inpatient Hospital Services

Psychiatric Inpatient Hospital Services

County is responsible for authorization for payment of medically necessary, acute psychiatric inpatient hospital services and associated administrative days for Medi-Cal beneficiaries, and uninsured clients who are referred by San Mateo Medical Center (SMMC) Psychiatric Emergency Services (PES). Uninsured individuals who present directly to the hospital may be authorized for payment by County if they are already receiving services through the County. Contractor shall communicate with PES to determine if client is already open to County, and submit notifications and other documentation in accordance with the MHP Inpatient Manual. All inpatient services are retrospectively reviewed for medical necessity and payment by the County.

C. Quality Management and Utilization Review

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

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

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

D. Records

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

E. Assurances

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

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

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

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

F. Outcome Objectives

1. For completed episodes, there will be no more than ten percent (10%) recidivism of clients within thirty (30) days following discharge.
2. For completed episodes, Contractor will maintain or reduce the 2003-2004 combined average length of stay.

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

G. Definitions

The following definitions apply to this Agreement:

1. **Acute Psychiatric Inpatient Hospital Services:** Those routine hospital services and hospital-based ancillary services provided by a hospital to eligible beneficiaries for whom the facilities, services and equipment are medically necessary for diagnosis or treatment of a mental disorder.
2. **Administrative Days:** Those services provided to a beneficiary who has been admitted to the hospital for acute psychiatric inpatient services, and the beneficiary's stay at the hospital must be continued beyond the beneficiary's need for acute psychiatric inpatient hospital services due to a temporary lack of residential placement options at appropriate, non-acute treatment facilities.
3. **Hospital-based Ancillary Services:** Those services including but not limited to prescription drugs, laboratory services, x-ray, electroconvulsive therapy (ECT) and magnetic resonance imaging (MRI), that are received by a beneficiary admitted to a hospital, other than routine hospital services.
4. **Medi-Cal Beneficiary:** Any person certified as eligible for Medi-Cal in San Mateo County according to Section 51001, Title 22, Code of California Regulations and as indicated by a number 41 County code in their Medi-Cal identification number.

SCHEDULE B

MT. DIABLO MEDICAL PAVILION: 2003-2004

PAYMENTS

- A. The following negotiated rates in accordance with State Department of Mental Health Letter No. 84-10 shall apply:
1. Acute Psychiatric Inpatient Hospital Services (Children & Adolescents)
(Hospital Uniform Billing Code 097) \$650.00
 2. Acute Psychiatric Inpatient Hospital Services (Children & Adolescents–Uninsured)
(Hospital Inpatient Uniform Billing Code 097) \$750.00
 3. Administrative Day
(Hospital Inpatient Uniform Billing Code 098) \$295.48
- B. The rates set forth in Sections A.1. above is inclusive of all psychiatric inpatient hospital services including routine services, but does not include physician or psychologist services rendered to beneficiaries under this Agreement, or transportation services. The rate set forth in Section A.2. above is inclusive of all psychiatric hospital inpatient services including routine services, hospital-based ancillary services, and physician or psychologist services rendered under this Agreement. It is the responsibility of Contractor to notify physicians and psychologists that payment for their services will be the responsibility of Contractor. The rate set forth in Section A.3. above is adjusted based on the rate established by the Department of Mental Health Services and is inclusive of all psychiatric inpatient hospital services including routine services, but does not include hospital-based ancillary services, physician or psychologist services rendered to beneficiaries under this Agreement, or transportation services.
- C. The services provided must be authorized in the prescribed manner by the San Mateo County Health Services staff. County indigents who present at Contractor's facility without being authorized in the prescribed manner are expressly excluded from the terms of this Agreement.
- D. Contractor shall bill its customary charges and submit claims to County for all psychiatric inpatient services rendered in accordance with existing Medi-Cal billing requirements as evidenced in Title 22, MHP Inpatient Manual and MHP Bulletins.
- E. County may refer County indigent clients to Contractor, and in this event all terms of this Agreement pertain except that the client is not required to be a Medi-Cal beneficiary.
- F. Contractor shall bill any third party payor financially responsible for a client's health care services. County shall only bear financial responsibility for the negotiated rates set forth in

Section A of this Schedule less third-party payments, and to the extent that County inadvertently makes payments to Contractor above this level, County shall be entitled to recoup such reimbursement.

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

SCHEDULE C

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

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

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.

E. Stallings
Name of 504 Person - Type or Print

| | |
|---------------------------------------|--------------------------|
| <u>Mt. Diablo Medical Pavilion</u> | <u>2740 Grant St.</u> |
| Name of Contractor(s) - Type or Print | Street Address or PO Box |
| <u>Concord,</u> | <u>CA 94520</u> |
| City | State Zip Code |

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

5/11/03
Date

E. Stallings
Signature and Title of Authorized Official

*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."

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I. Vendor Identification

Name of Contractor: Mt. Diablo Medical Pavilion
Contact Person: Elizabeth Stallings
Address: 2740 Grant St.
Concord, CA 94520
Phone Number: 925-674-4102 Fax Number: 925-686-2476

II. Employees

Does the Contractor have any employees? [X] Yes ___ No
Does the Contractor provide benefits to spouses of employees? [X] 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)

- [X] 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 9th day of May, 2003 at Concord, CA (City) (State)

Signature: [Handwritten Signature]
Chief Operating Officer
Title

Name (Please Print): Elizabeth Stallings
Contractor Tax Identification Number: [Redacted]

COUNTY OF SAN MATEO
HEALTH SERVICES ADMINISTRATION

MEMORANDUM

DATE: August 7, 2003
TO: Priscilla Morse, Risk Management/Insurance Division
FROM: Barbara DeBord, Mental Health Services/PONY #MLH 322

CONTRACTOR: Mt. Diablo Medical Pavilion

DO THEY TRAVEL: No

PERCENT OF TRAVEL TIME: N/A

NUMBER OF EMPLOYEES:

DUTIES (SPECIFIC): See attached agreement

COVERAGE:

| | |
|----------------------------------|------------------------|
| Comprehensive General Liability: | <u>\$40,000,000.00</u> |
| Motor Vehicle Liability: | <u>\$N/A</u> |
| Professional Liability: | <u>\$N/A</u> |
| Worker's Compensation: | <u>Self-Insured</u> |

APPROVE  WAIVE _____ MODIFY _____

REMARKS/COMMENTS:


SIGNATURE 8-7-03

BETA Healthcare Group, Risk Management Authority
A Public Entity
CERTIFICATE OF COVERAGE

This is to certify that *Healthcare Entity Comprehensive Liability Coverage* is in effect for the Member named below, subject to the provisions of the Coverage Contract designated.

MEMBER: John Muir / Mt. Diablo Health System
RE: Agreement for Psych Inpatient Hosp Svcs - Evidence of Professional Liability, Bodily Injury & Property Damage Liability, Personal Injury and Advertising Injury Liability coverage- County of San Mateo, its officers, agents and employees & servants is a Supplemental Member.
Certificate Number: NP-C-03-074
Effective Date: 7/1/2003 at 12:01 a.m.
Expiration Date: 7/1/2004 at 12:01 a.m.
Retroactive Date: 10/1/1984
Coverage Form: Claims Made And Reported

LIMIT OF LIABILITY

Healthcare Entity Comprehensive Liability Coverage

\$40,000,000 Per Claim (except as provided by Amendment)
\$40,000,000 Aggregate

DEDUCTIBLE

\$5,000 Per Claim (except as provided by Amendment)
NONE Aggregate

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 under the Coverage Contract.

CERTIFICATE HOLDER

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

CANCELLATION

Should the above described Coverage Contract be canceled by BETA HEALTHCARE GROUP before the expiration date thereof, BETA HEALTHCARE GROUP will endeavor to mail 30 days written notice to the Certificate Holder named to the left, but the failure to mail such notice shall impose no obligation or liability of any kind upon BETA HEALTHCARE GROUP, its agents or representatives.

By 
Authorized Representative of BHG

BETA Healthcare Group 1443 Danville Boulevard Alamo, CA 94507-1973 (925) 838-6070

BETA & LICON C.O.C.

Date: August 5, 2003