

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
TELECARE CORPORATION**

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

W I T N E S S E T H:

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;

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.

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

1. Exhibits.

The following exhibits are attached hereto and incorporated by reference herein:

Exhibit A—Services
Exhibit B—Payments and rates
Attachment I—§504 Compliance

2. Services to be performed by Contractor.

In consideration of the payments set forth herein and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

3. Payments.

In consideration of the services provided by contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A", County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this contract exceed ONE MILLION ONE HUNDRED FORTY-NINE THOUSAND TWO HUNDRED SEVENTY-FOUR DOLLARS (\$1,149,274).

4. Term and Termination.

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

This Agreement may be terminated by Contractor, the Director of Health Services or his/her designee at any time without a requirement of good cause upon thirty (30) days' written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the County and shall be promptly delivered to the County. Upon termination, the Contractor may make and retain a copy of such materials. to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

5. Availability of Funds.

The County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State or County funds, by providing written notice to Contractor as soon as is reasonably possible after the county learns of said unavailability of outside funding.

6. Relationship of Parties.

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent Contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers or advantages of County employees.

7. 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, (C) 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 (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

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

8. Assignability and Subcontracting.

Contractor shall not assign this Agreement or any portion thereof to a third party, or subcontract with a third party to provide services required by contractor under this agreement without the prior written consent of County. Any such assignment or subcontract without the county's prior written consent shall give County the right to automatically and immediately terminate this Agreement.

9. Insurance.

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by the County Manager, and Contractor shall use diligence to obtain such issuance and to obtain such approval. The Contractor shall furnish the County Manager with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the 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 County Manager of any pending change in the limits of liability or of any cancellation or modification of the policy.

- (1) **Worker's Compensation and Employer's Liability Insurance.** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's 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.
- (2) **Liability Insurance.** The 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/her 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 contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor 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 be not less than the amount specified below.

Such insurance shall include:

- (a) Comprehensive General Liability \$1,000,000
- (b) Motor Vehicle Liability Insurance \$1,000,000
- (c) Professional Liability \$1,000,000

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 the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the 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.

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, the County of San Mateo 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.

10. Compliance with laws payment of Permits Licenses.

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.

In the event of a conflict between the terms of this agreement and state, federal, county or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

11. Non-Discrimination.

- A. *Section 504 applies only to Contractor who are providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this contract (this paragraph needed only if services provided to members of the public).
- B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this agreement.
- C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.
- D. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to
 - i) termination of this Agreement;
 - ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
 - iii) liquidated damages of \$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 section, the County Manager shall have the authority to examine Contractors employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contractor between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 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 their response to the Complaint when filed.

- E. *Compliance with Equal Benefits Ordinance.* 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.

- F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

12. Retention of Records.

Contractor shall maintain all required records for three years after the County makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.

13. Merger Clause.

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

14. 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.

15. Notices.

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

In the case of County, to:
San Mateo County
Mental Health Services Division
225 37th Avenue
San Mateo, California 94403

In the case of Contractor, to:
Telecare Corporation
1100 Marina Village Parkway, Suite 100
Alameda, California 94501

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

COUNTY OF SAN MATEO

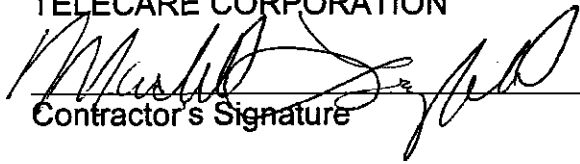
By: _____
Rose Jacobs Gibson, President
Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

TELECARE CORPORATION


Contractor's Signature

Date: 11/3/03

Long Form Agreement/Non Business Associate

**TELECARE CORPORATION: 2003 - 2004
EXHIBIT A**

In consideration of the payments set forth in Exhibit "B", Contractor shall provide the following services:

I. Integrated Services to Homeless Mentally Ill Program (AB 2034)

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

A. Target Population

Telecare shall enroll and serve seventy-five (75) adult San Mateo County residents who are seriously and persistently mentally ill (SPMI) and who are homeless or at risk of being homeless. Ten (10) of the enrollees will be youth transitioning to adulthood. It is estimated that a significant percentage of the enrollees will have co-occurring substance abuse problems.

B. Enrollment

Enrollment in the Integrated Services Program is voluntary. Disenrollment from the program can occur only when it is deemed likely that an enrollee will require locked placement (jail, locked mental health rehab facility, state hospital) for longer than 90 days.

C. Referrals

The Mental Health Services Division's Outreach and Support Team will be the entry point for all referrals to the Integrated Services Program. The Outreach and Support Team provide outreach, engagement and linkage case management services to homeless SPMI adults presenting to Psychiatric Emergency Services (PES) who do not require acute admission, who are on the streets or in the homeless shelters, who are incarcerated in the jail, and/or who are on acute psychiatric inpatient units. Potential young adult clients may also be identified through youth serving agencies/services. The "Outreach and Support Team" will identify potential program enrollees who are "new" (not currently opened) to the County Adult System of Care or intermittent users of services who have not achieved individual positive outcomes in the past.

D. Program Principles

The framework for the Integrated Services Program will be based on the following principles:

- ◆ Services are accessible (24 hour, 7 days a week capability)
- ◆ Services are integrated
- ◆ Services are flexible and approached with a “whatever it takes” philosophy
- ◆ Services are strengths-based fostering *Hope, Wellness and Recovery*
- ◆ Service delivery is based on building relationships with individuals through a process of outreach, engagement and engendering trust
- ◆ Services are consumer directed
- ◆ Services are culturally competent

E. Services

Telecare will establish and operate two (2) services: 1) a supported housing service in Unit A-7, Building 323 of VA Menlo Park campus for forty (40) adult residents; 2) an Assertive Community Treatment (ACT) Team for seventy-five (75) clients who are homeless or at risk of being homeless and who are seriously and persistently mentally ill.

1. Supported Housing Service

The Supportive Housing Service will house forty (40) adults who are seriously and persistently mentally ill and who are homeless or at risk of becoming homeless. This program, located in Unit A-7, Building 323 of the VA Menlo Park campus will provide the following services:

- a. On-site staff support in Unit A-7, Building 323 of the VA Menlo Park campus 24 hours a day, 7 days a week, 365 days a year.
- b. Medication support including storage of medications for Unit A-7 residents and daily reminders to take medications.
- c. Assessment of health and mental health status at time of entry into Unit A-7 supported housing program.
- d. Room and board in Unit A-7; food for breakfast and lunch will be available in the residence kitchen and one hot meal will be provided for dinner. Contractor will provide all food items for breakfast and lunch meals for Unit A-7 residents. The County will purchase the daily hot meal for Unit A-7 residents as part of the lease agreement with the VA Palo Alto Healthcare System.
- e. Contractor will purchase furnishings (beds, dressers, bedding, towels, window coverings, day room furniture, tables, chairs, washer, dryer, two (2) refrigerators, two microwave ovens) for Unit A-7. All furnishings purchased shall remain the property of San Mateo County

- f. Contractor will establish a “flexible fund” to purchase interim housing resources (hotel/motel vouchers) for enrollees who do not reside in Unit A-7 on the VA Menlo Park campus.
- g. Coordination with the ACT Team and other community providers regarding needed services and referrals that promote skill building, maintenance of health and mental health, and transition to more independent living situations.

2. Assertive Community Treatment (ACT) Team

An Assertive Community Treatment (ACT) Team will serve seventy-five (75) adults who are homeless or at risk of becoming homeless and who are seriously and persistently mentally ill. Program enrollees shall have access to the ACT Team 24 hours a day, 7 days a week. Each enrollee shall have a clearly designated mental health “personal services coordinator”, who is part of a multidisciplinary treatment team responsible for providing or assuring needed services. Responsibilities of the ACT Team include: complete assessment of the enrollee’s needs, development of a personal services plan; assistance with securing benefits; linkage with all appropriate community services; monitoring of the quality and follow through of services; and, necessary advocacy to ensure that each enrollee receives those services which are agreed to in the personal services plan. Each enrollee shall participate in the development of his or her personal services plan.

The services provided by the ACT Team will include, but not be limited to, the following.

- a. Outreach services.
- b. Outpatient services.
- c. Assessment.
- d. Medication.
- e. Crisis intervention.
- f. Case management.
- g. Dual Diagnosis services.
- h. 24-hour services.
- i. Assistance with basic living skills.
- j. Vocational services.
- k. Socialization services.
- l. Money management.

F. Outcomes and Evaluation

Contractor will complete and submit to the County data forms that are necessary to fulfill the AB 2034 reporting requirements as well as meet County program evaluation needs. Contractor will incorporate the information and general outcome parameters established by AB 2034 as follows:

1. The number of persons served, and of those, the number who are able to maintain housing, and the number who receive extensive community mental health services.
2. The number of persons with contacts with local law enforcement and the extent to which local and State incarceration has been reduced or avoided.
3. The number of persons participating in employment service programs including competitive employment.
4. The number of persons contacted in outreach efforts who appear to be severely mentally ill, as described in proposals submitted to State Department of Mental Health, who have refused treatment after completion of all applicable outreach measures.
5. The amount of hospitalizations that have been reduced or avoided.

II. Records and Administrative Requirements

- A. 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.
- B. Contractor shall submit a copy of any licensing report issued by licensing agency to County Mental Health Adult Services Deputy Director within three (3) days from date received.
- C. Contractor agrees to administer/utilize any and all survey instruments as directed by the County Mental Health Services Division, including outcomes and satisfaction measurement instruments.
- D. Contractor shall provide all pertinent documentation required for federal Medi-Cal reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes).
- E. Contractor shall complete all State evaluation requirements.
- F. Contractor shall maintain certification through San Mateo County to provide Short-Doyle Medi-Cal reimbursable services.

- G. Contractor shall submit to County the cultural composition of Contractor's staff in the third (3rd) quarter of the contract year.

III. OBJECTIVES

A. Supported Housing

1. The residence will maintain a ninety percent (90%) occupancy rate.
2. Residents will be able to maintain this level of independence. Drop-out rates will not exceed twenty percent (20%) of the total number of residents each year.
3. Eighty-five percent (85%) of residents will verbalize that they are satisfied with the services and support received.
4. Residents who do leave the residence will graduate to more independent residential settings. Of those individuals leaving the residence, seventy-five percent (75%) will move to more independent residential settings.

B. ACT Team

1. The ACT Team will actively engage individuals referred by the County's "Outreach and Support Team".
2. Drop out rates from the program will not exceed fifteen percent (15%) of the total number of enrollees each year.
3. The ACT Team will advocate for each enrollee's entitlements.
4. The ACT Team will have 24/7/365 capability; after hours calls will be answered promptly and effectively.
5. Eighty-five percent (85%) of the enrollees will verbalize that they are satisfied with the services provided.
6. The ACT Team will work closely with the supported housing program and will provide assistance to enrollees in their respective housing situations.

**TELECARE CORPORATION: 2003 – 2004
EXHIBIT B**

In consideration of the services provided by Contractor in Exhibit "A", County shall pay Contractor based on the following fee schedule:

I. PAYMENTS

In full consideration of the supported housing services and assertive community treatment 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.

A. Payment Terms

1. The total program cost is \$1,249,274. Member SSI payments will cover \$100,000 which brings the net cost of this agreement to \$1,149,274. Notwithstanding the method of payment set forth herein, in no event shall County pay or be obligated to pay Contractor, more than the sum of ONE MILLION ONE HUNDRED FORTY-NINE THOUSAND TWO HUNDRED SEVENTY-FOUR DOLLARS (\$1,149,274) for services provided under this Agreement for the period of July 1, 2003, through June 30, 2004. Payments will be made monthly in the amount of NINETY-FIVE THOUSAND SEVEN HUNDRED SEVENTY-TWO DOLLARS AND EIGHTY-THREE CENTS (\$95,772.83) per month.
2. Unless otherwise authorized by the Director of Health Services or her designee, the rate of payment by County to Contractor shall be one-twelfth (1/12) of the total obligation per month for the term of this Agreement. Budget modifications may be approved by the Director of Health Services or her designee, subject to the maximum obligation set forth in Paragraph 3 of this Agreement.
3. Payment by County to Contractor shall be monthly unless agreed otherwise. Contractor shall bill County on or before the tenth (10th) working day of each month for the current month. All claims shall clearly reflect and in reasonable detail give information regarding the services for which claim is made.
4. A completed service reporting form will accompany the invoice and provide back-up detail for the invoiced services ("Service Reporting Form"). The Service Reporting Form will be provided by County, and will be completed by Contractor according to the instructions accompanying the Service Reporting Forms.

5. Each month Contractor will provide a written summary of services rendered each such month ("Summary"). The Summary shall include data on caseload, units of service, type of housing provided, vacancy rate, and other evaluative information as requested by County. Such Summary will accompany the invoice described above. The Summary shall become incorporated into an annual (fiscal year-end) report which shall include such information as the Director requires to permit reporting, monitoring, and evaluation of Contractor's program pursuant to this Agreement.
6. In the event that funds provided under this Agreement are expended prior to the end of the contract period, Contractor shall provide ongoing services under the terms of this Agreement through the end of the contract period without further payment from County.
7. In the event this Agreement is terminated prior to June 30, 2004, 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.
8. Contractor shall comply with the following requirements in the provision of mental health services.
 - a. Contractor shall comply with all state and federal statutory and regulatory requirements for certification of claims, including Title 42, Code of Federal Regulations (CFR) Part 438, Sections 438.604, 438.606, and, as effective August 13, 2003, Section 438.608, as published in the June 14, 2002 Federal Register (Vol. 67, No. 115, Page 41112), which are hereby incorporated by reference.
 - b. Contractor shall certify to the County, in writing under penalty of perjury, for each monthly claim when submitted to the County for reimbursement. Contractor shall use the service reporting form provided by the County. The certification shall attest to the following for each beneficiary with services included in the claim:
 1. An assessment of the beneficiary was conducted in compliance with the requirements established in this agreement.
 2. The beneficiary was eligible per this Agreement to receive services at the time the services were provided to the beneficiary.
 3. The services included in the claim were actually provided to the beneficiary.

4. Medical necessity was established for the beneficiary as defined under California Code of Regulations, Title 9, Division 1, Chapter 11, for the service or services provided, for the timeframe in which the services were provided.
 5. A client plan was developed and maintained for the beneficiary that met all client plan requirements established in this agreement.
 6. Services are offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.
- c. Except as provided in Paragraph II.A. of Exhibit A relative to medical records, Contractor agrees to keep for a minimum period of three years from the date of service a printed representation of all records which are necessary to disclose fully the extent of services furnished to the client. Contractor agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California, to the California Department of Health Services; the Medi-Cal Fraud Unit; California Department of Mental Health; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services, Managed Risk Medical Insurance Board or their duly authorized representatives, or the County.
9. If the annual Cost Report provided to County shows that total payment to Contractor exceed the total actual costs for all of the services rendered by Contractor to eligible patients during the reporting period, a single payment in the amount of the contract savings shall be made to County by Contractor, unless otherwise authorized by the Director of Health Services or her designee. By mutual agreement of County and Contractor, contract savings or "rollover" may be retained by Contractor and expended the following year, provided that these funds are expended for mental health services approved by County and are retained in accordance with Paragraph 12 of this Exhibit B.
 10. Where discrepancies between costs and charges are found on the Cost Report to County, Contractor shall make a single payment to County when the total charges exceed the total actual costs for all of the services rendered to eligible patients during the reporting period. Likewise, a single payment shall be made to Contractor by County when the total actual costs exceed the total charges made for all of the services rendered to eligible patients during the reporting period and shall not exceed the total amount in Paragraph C above.

11. If County finds that performance is inadequate, a meeting may be called to discuss the causes for the performance problem, and this Agreement may either be renegotiated, allowed to continue to end of term, or terminated, subject to the provisions of Paragraph 4, of this Agreement. Any unspent monies due to performance failure may reduce the following year's agreement.
12. Contractor may rollover unspent funding from the County according to the following procedures.
 - a. Contractor shall submit a summary calculation of any savings 90 days after end of the fiscal year. The summary calculation will be a separate report from the year-end cost report. With the summary calculation Contractor shall return the amount of the savings.
 - b. At the time of the submission of the summary calculation Contractor may request to rollover some or all of any savings. The request must be made in writing to the Director of Mental Health Services or her designee. The request shall identify specifically how the rollover funds will be spent, including a detailed budget. Savings shall not be spent until Contractor receives a written approval of the request. Approved rollover funds shall be spent only for the succeeding fiscal year and only for the specific purpose(s) requested and approved.
 - c. Contractor shall submit an accounting report of the rollover savings. This report shall include copies of the detailed expenses. The report is due 90 days after the specific purpose has been completed, or 90 days after the end of the fiscal year, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.
 - d. If the specific purpose is not yet complete as of the end of the first succeeding fiscal year, contractor may make subsequent request(s) to rollover the unspent funds to the succeeding fiscal year(s) by submitting a written request with the accounting report. The unspent rollover funds shall not be spent until the Director of Mental Health Services or her designee approves the request.
 - e. A final accounting of the rollover funds shall be submitted 90 days after the specific purpose has been completed, or 90 days after the end of the fiscal year in which rollover funds are spent, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.

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.

Marshall Langfeld

Name of 504 Person - Type or Print

Telecare Corporation

Name of Contractor(s) - Type or Print

1100 Marina Village Parkway, #100

Street Address or PO Box

Alameda

City

CA

State

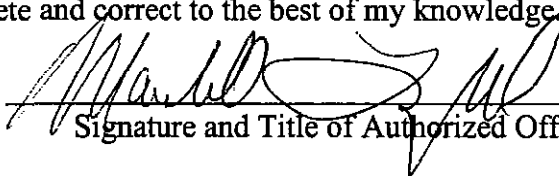
94501

Zip Code

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

11/3/03

Date



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: Telecare Corporation

Contact Person: Marshall Langfeld

Address: 1100 Marina Village Parkway, Suite 100

Alameda, CA 94501

Phone Number: 510-337-7950 Fax Number: 510-337-7969

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 27th day of October, 2003 at Alameda, CA.
(City) (State)

Carol Caputo
Signature

Carol Caputo
Name (Please Print)

V P H R
Title

94-1735271
Contractor Tax Identification Number

COUNTY OF SAN MATEO

MEMORANDUM

DATE: September 25, 2003

TO: Priscilla Morse, Risk Management/Insurance Division
FROM: Mary Vozikes, Mental Health/FAX x2841/PONY #MLH 322
SUBJECT: Contract Insurance Approval

CONTRACTOR NAME: Telecare Corporation

DOES THE CONTRACTOR TRAVEL AS PART OF CONTRACT SERVICES: Yes

NUMBER OF EMPLOYEES WORKING FOR THE CONTRACTOR: Yes

DUTIES TO BE PERFORMED BY CONTRACTOR FOR COUNTY: See attached

<u>COVERAGE:</u>	<u>Amount</u>	<u>Approve</u>	<u>Waive</u>	<u>Modify</u>
Comprehensive General Liability:	\$1,000,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motor Vehicle Liability:	\$1,000,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional Liability:	\$1,000,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Worker's Compensation:	\$ Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS/COMMENTS:


SIGNATURE

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
SEA-000394050-04

PRODUCER
 MARSH RISK & INSURANCE SERVICES
 P.O. BOX 193880
 SAN FRANCISCO, CA 94119-3880
 CALIFORNIA LICENSE NO. 0437153

072624-CAS--2004 GLAL WCPL

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

INSURED
 TELECARE CORPORATION
 1100 MARINA VILLAGE PARKWAY, SUITE 100
 ALAMEDA, CA 94501

COMPANY
A LEXINGTON INSURANCE COMPANY

COMPANY
B AMERICAN HOME ASSURANCE CO

COMPANY
C ZURICH AMERICAN INS.CO

COMPANY
D

COVERAGES

This certificate upgrades and replaces any previously issued certificate for the policy period noted below.

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	0314744	07/01/03	07/01/04	GENERAL AGGREGATE \$ 3,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG \$ 1,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 1,000,000
	<input type="checkbox"/> OWNERS & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 100,000
					MED EXP (Any one person) \$ 5,000
B	AUTOMOBILE LIABILITY	CA6459795 (TX)	07/01/03	07/01/04	COMBINED SINGLE LIMIT \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO	CA6459794 (AOS)	07/01/03	07/01/04	BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> NON-OWNED AUTOS				OTHER THAN AUTO ONLY: \$
					EACH ACCIDENT \$
				AGGREGATE \$	
				EACH OCCURRENCE \$	
				AGGREGATE \$	
				\$	
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WC829852000	01/01/03	01/01/04	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	<input type="checkbox"/> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT \$ 1,000,000
					EL DISEASE-POLICY LIMIT \$ 1,000,000
					EL DISEASE-EACH EMPLOYEE \$ 1,000,000
A	OTHER	0314744	07/01/03	07/01/04	AGGREGATE 3,000,000
	PROFESSIONAL LIABILITY CLAIMS MADE				EACH OCCURRENCE 1,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
 EVIDENCE OF COVERAGE.

CERTIFICATE HOLDER

SAN MATEO COUNTY MENTAL HEALTH DIVISION
 225 WEST 37TH AVENUE
 SAN MATEO, CA 94403

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.

BY: Ellen Redell Brown

MM13/02

VALID AS OF: 06/27/03