

AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
TELECARE CORPORATION

THIS AGREEMENT, entered into this _____ day of _____,
2004, 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
Exhibit C—Budget
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, 2004, through June 30, 2005.

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. Subject 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. Mutual Hold Harmless.

- (1) Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings under this Agreement, or (D) any sanctions, penalties or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (E) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not

apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

- (2) 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.
- (3) County shall indemnify and save harmless Contractor, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including County, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any sanctions, penalties or claims of damages resulting from County's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of Contractor, its officers, agents, employees, or servants, resulting from the performance of any work required of County, provided that this shall not apply to injuries or damage for which Contractor has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.
- (4) The duty of County to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

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 Contractors 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.

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 States 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: _____
Mark Church, President

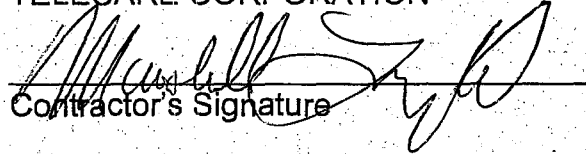
Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

TELECARE CORPORATION


Contractor's Signature

Date: 11/19/07

Long Form Agreement/Non Business Associate

TELECARE CORPORATION: 2004 - 2005
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 provide 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. All furnishings purchased with funds provided under this Agreement 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. After hours calls will be answered promptly and effectively. 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 ACT team will also actively engage all individuals referred by the County's "Outreach and Support Team", and will work closely with the supported housing program to provide assistance to enrollees in their respective housing situations.

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.

I. Money management.

II. Records and Administrative Requirements

- A. Paragraph 12 of the Agreement and Paragraph M.4 of Exhibit B notwithstanding, 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 a licensing agency to County Mental Health Division Adult Services Deputy Director within 10 business days of Contractor's receipt of any such licensing report.
- 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. Cultural Competency
1. All program staff shall receive at least one (1) in-service training per year on some aspect of providing culturally and linguistically appropriate services. At least once per year and upon request, Contractor shall provide County with a schedule of in-service training(s) and a list of participants at each such training.
 2. Contractor shall use good faith efforts to translate health-related materials in a culturally and linguistically appropriate manner. At least once per year and upon request, Contractor shall provide to County copies of Contractor's health-related materials in English and as translated.
 3. Contractor shall use good faith efforts to hire clinical staff members who can communicate with clients in a culturally and linguistically appropriate manner. At least once per year and upon request, Contractor shall submit to County the cultural composition and linguistic fluencies of Contractor's staff.
- E. Contractor shall provide all pertinent documentation required for federal Medi-Cal reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes).

- F. Contractor shall complete all State evaluation requirements.
- G. Contractor shall maintain certification through San Mateo County to provide Short-Doyle Medi-Cal reimbursable services.
- H. Contractor shall submit to County the cultural composition of Contractor's staff in the third (3rd) quarter of the contract year.
- I. Contractor may not employ any persons deemed an Ineligible Person by the Office of the Inspector General in the provision of services for the County through this agreement. Any employee(s) of contractor determined to be an Ineligible Person will be removed from responsibility for, or involvement with County clients or operations. An "Ineligible Person" is an individual who (1) is currently excluded, suspended, debarred or otherwise ineligible to participate in Federal health care programs, or (2) has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the Federal health care programs after a period of exclusion, suspension, debarment or ineligibility. Ineligibility may be verified by checking: www.Exclusions.OIG.HHS.Gov.

J. Advance Directives

Contractor will comply with County policies and procedures relating to advance directives.

K. Beneficiary Rights

Contractor will comply with County policies and procedures relating to beneficiary's rights and responsibilities.

L. Physician Incentive Plans

Contractor shall obtain approval from County prior to implementing a Physician Incentive Plan as described by Title 42, CFR, Section 438.6(h). The County will submit the Physician Incentive Plan to the State for approval. The State shall approve the Contractor's request for a Physician Incentive Plan only if the proposed Physician Plan complies with all applicable federal and state regulations.

M. Availability and Accessibility of Service

Contractor shall offer hours of operation that are no less than the hours of operation offered to commercial enrollees, if the Contractor also serves enrollees of a commercial plan, or that are comparable to the hours the Contractor makes available for Medi-Cal services that are not covered by the County or another Mental Health Plan, if the Contractor serves only Medi-Cal clients.

N. Compliance Plan and Code of Conduct

Contractor shall read and be knowledgeable of the compliance principles contained in the Mental Health Compliance Plan and Code of Conduct. In addition, Contractor shall assure that Contractor's workforce is aware of compliance mandates, and are informed of the existence and how to use the Compliance Improvement Hotline Telephone Number (650) 573-2695.

O. Beneficiary Brochure and Provider Lists

Contractor agrees to provide Medi-Cal clients who are new to the Mental Health System with a brochure (an original of which shall be provided by County) when a client first receives a specialty mental health service from the Contractor. Such brochure shall contain a description of County services available; a description of the process for obtaining County services, including the County's state-wide toll-free telephone number; a list of the County's providers; a description of the County's beneficiary problem resolution process, including the complaint resolution and grievance processes; and a description of the beneficiary's right to request a fair hearing at any time before, during or within 90 days after the completion of the beneficiary problem resolution process.

III. OBJECTIVES AND REPORTING

A. Program Objectives

1. Supported Housing

- a. The residence will maintain a ninety percent (90%) occupancy rate.
- b. Dropout rates will not exceed twenty percent (20%) of the total number of residents each year.
- c. Eighty-five percent (85%) of residents will verbalize that they are satisfied with the services and support received.
- d. Of those individuals leaving the residence, seventy-five percent (75%) will move to more independent residential settings.

2. ACT Team

- a. Drop out rates from the program will not exceed fifteen percent (15%) of the total number of enrollees each year.
- b. Eighty-five percent (85%) of the enrollees will verbalize that they are satisfied with the services provided.

B. Reporting

1. 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:
 - a. 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.
 - b. The number of persons with contacts with local law enforcement and the extent to which local and State incarceration has been reduced or avoided.
 - c. The number of persons participating in employment service programs including competitive employment.
 - d. 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.
 - e. The amount of hospitalizations that have been reduced or avoided.

2. Supported Housing

Contractor shall provide the following data to County annually:

- a. Residency rate.
- b. Dropout rate.
- c. Percentage of residents who verbalize that they are satisfied with services received.
- d. Percentage of residents who leaving the residence who have moved to more independent settings.

3. ACT Team

Contractor shall provide the following data to County annually:

- a. Dropout rate.
- b. Percentage of residents who verbalize that they are satisfied with services received.

TELECARE CORPORATION: 2004 – 2005
EXHIBIT B

In consideration of the services provided by Contractor in Exhibit "A", County shall pay Contractor based on the following terms and conditions.

I. PAYMENTS

In full consideration of the supported housing services and assertive community treatment services provided by Contractor pursuant to this Agreement and subject to Paragraph 3 ("Payments") of 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. 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, 2004, through June 30, 2005.
- B. 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. Payments will be made in the amount of NINETY-FIVE THOUSAND SEVEN HUNDRED SEVENTY-TWO DOLLARS AND EIGHTY-THREE CENTS (\$95,772.83) 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.
- C. Monthly Reporting
 - 1. Payment by County to Contractor shall be monthly. Contractor shall bill County on or before the tenth (10th) working day of each month for the prior month. The invoice shall include a summary of services and changes for the month of service. In addition contractor shall provide back up to the invoice. Such back-up shall be in the form of:
 - a. County provided service reporting form(s) ("Service Reporting Form(s)") completed by Contractor according to the instructions accompanying the Service Reporting Form(s), or

- b. County approved form(s) or electronic submission of backup data which provide detailed description of services provided including but not limited to: client name, mental health ID#, service date, type of service provided (Ex: TBS, Intensive Day Treatment, etc.), and duration of service (hour/minute format).
2. County reserves the right to change the Service Report Forms, instructions, and/or require the Contractor to modify their description of services as the County deems necessary.
- D. 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.
 - E. Contractor's annual 2004-2005 budget is attached and incorporated into this Agreement as Exhibit C.
 - F. Budget modifications may be approved by the Director of Health Services or her designee, subject to the maximum amount set forth in Paragraph 3.
 - G. 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.
 - H. In the event this Agreement is terminated prior to June 30, 2005, Contractor shall be paid on a prorated basis for only that portion of the contract term during which Contractor provided services pursuant to this Agreement. Such billing shall be subject to the approval of the Director.
 - I. In the event Contractor claims or receives payment from County for a service, reimbursement for which is later disallowed by County or the State of California or the United States Government, then Contractor shall promptly refund the disallowed amount to County upon request, or, at its option, County may offset the amount disallowed from any payment due or become due to Contractor under this Agreement or any other agreement.
 - J. County May Withhold Payment

Contractor shall provide all pertinent documentation required for federal Medical reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes) as requested by County. The County may withhold payment for any and all services for which the requested documentation is not provided, or if the documentation provided does not meet professional standards as determined by the Quality Improvement Manager of the San Mateo County Mental Health Services Division of the Health Services Agency.

K. Contractor shall submit to County a year-end cost report no later than ninety (90) days after the expiration date of this Agreement. This report shall be in accordance with the principles and format outlined in the Cost Reporting/Data Collection (CR/DC) Manual. Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report shall be submitted along with the Cost Report.

1. 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 I.O. of this Exhibit B.

2. 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 I.A. of this Exhibit B.

L. Beneficiary Billing

Contractor shall not submit a claim to, demand or otherwise collect reimbursement from, the beneficiary or persons acting on behalf of the beneficiary for any specialty mental health or related administrative services provided under this contract except to collect other health insurance coverage, share of cost and co-payments. The Contractor shall not hold beneficiaries liable for debts in the event that the County becomes insolvent, for costs of covered services for which the State does not pay the County, for costs of covered services for which the State or the County does not pay the Contractor, for costs of covered services provided under this or other contracts, referral or other arrangement rather than from the County, or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary with an emergency psychiatric condition.

M. Claims Certification and Program Integrity

1. 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.
2. Anytime Contractor submits a claim to the County for reimbursement for services provided under Exhibit A of this Agreement, Contractor shall certify by signature that the claim is true and accurate by stating the claim is submitted under the penalty of perjury under the laws of the State of California.

The claim must include the following language and signature line at the bottom of the form(s) and/or cover letter used to report the claim.

"Under the penalty of perjury under the laws of the State of California, I hereby certify that this claim for services complies with all terms and conditions referenced in the Agreement with San Mateo County.

Executed at _____ California, on _____, 200__

Signed _____ Title _____

Agency _____"

3. The certification shall attest to the following for each beneficiary with services included in the claim:
 - a. An assessment of the beneficiary was conducted in compliance with the requirements established in this agreement.

- b. The beneficiary was eligible to receive services described in Exhibit A of this Agreement at the time the services were provided to the beneficiary.
 - c. The services included in the claim were actually provided to the beneficiary.
 - d. 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.
 - e. A client plan was developed and maintained for the beneficiary that met all client plan requirements established in this agreement.
 - f. For each beneficiary with mental health services included in the claim, all requirements for Contractor payment authorization for were met, and any reviews for such service or services were conducted prior to the initial authorization and any re-authorization periods as established in this agreement.
 - g. Services are offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.
4. Except as provided in Paragraph 12 of the Agreement and 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, and/or the County.
- N. 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.
- O. Contractor may rollover unspent funding from the County according to the following procedures:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.

FY 04-05	FTE's	Budget
<u>PROGRAM REVENUE</u>		
San Mateo County Revenue		1,149,274
Rent -SSI Revenue		175,248
TOTAL		1,324,522
<u>EXPENSES</u>		
Salary	14.2	613,305
Benefits		168,527
Sub-Total Salaries & Benefits		781,832
<u>SERVICES & SUPPLIES</u>		
Community/Clinical		
Members' Expense		21,000
Members' Housing		19,000
Member's Vocational Expense		0
Members Advances		50,000
Members' Expense-Food		1,700
Member/Resident Transportation		3,500
Professional Fee - Therapist		81,411
Professional Fee - Consultant		0
Supplies - Other Medical		913
Supplies - Other		2,084
Purch Svcs-Member Care-ICSS		324
Mileage & Transportation		19,449
Sub-Total Community/Clinical		199,382
Physical Plant		7,379
Dietary Services		52,932
General & Administration		
Other Employee Benefits		7,339
Professional Fee - Audit/Tax		1,808
Office/Computer Supplies		4,513
Supplies - Printing/Photocopy		1,162
Software Upgrade/Maintenance		398
Supplies - Minor Equipment		823
Meals		1,423
Postage/UPS/Federal Express		643
Repairs & Maintenance		1,565
Purchased Services		28
Travel - Regular		2,663
Telephone		8,476
Data Line		3,959
Cellular Phone		5,855
Outside Training/Seminar		1,945
Leased/Rented Equipment		5,886

San Mateo Transitions
Budget FY 2004-2005

FY 04-05	FTE's	Budget
HR Expense Allocation		6,356
Insurance - General Liability		17,056
Payroll Fees		1,225
Mileage & Transportation		2,482
Other Expense		287
Start-Up Costs Non-Capital		-162
Sub-Total G & A		75,729
Medical Records Services		8,328
Property Depreciation & Insurance		23,427
Ancillary		2,750
Total Direct		369,927
Indirect Expenses		
Corporate Services		103,658
Operating Income		69,105
Sub-Total Indirect Expenses		172,763
Total Expenses		1,324,522

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

1100 Marina Village Parkway, Suite 100

Name of Contractor(s) - Type or Print

Street Address or PO Box

Alameda

CA

94501

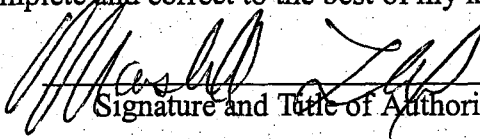
City

State

Zip Code

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

11/19/84
Date



CFO and Vice President

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 11/15/02 (date) and expires on 11/15/05 (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 _____ day of _____, 2004 at Alameda, CA.
(City) (State)

C. Caputo
Signature

Carol Caputo
Name (Please Print)

Vice President of Human Resources
Title

COUNTY OF SAN MATEO
HEALTH SERVICES ADMINISTRATION

MEMORANDUM

DATE: August 24, 2004

TO: Priscilla Morse, Risk Management/Insurance Division
FROM: John Klyver, Mental Health Services/PONY #MLH 322

CONTRACTOR: Telecare Corporation

DO THEY TRAVEL: Yes


PERCENT OF TRAVEL TIME:

NUMBER OF EMPLOYEES:

DUTIES (SPECIFIC): See attached

COVERAGE:

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

APPROVE 

WAIVE _____

MODIFY _____

REMARKS/COMMENTS:


SIGNATURE

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
SEA-000235575-06

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

Attn: 415-743-8000
072624-CAS-04-05 WC CA

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

COMPANY	A	N/A
COMPANY	B	ZURICH AMERICAN INSURANCE COMPANY
COMPANY	C	
COMPANY	D	

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

COVERAGE: This certificate supplements 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	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				GENERAL AGGREGATE	\$
					PRODUCTS - COMP/OP AGG	\$
					PERSONAL & ADV INJURY	\$
					EACH OCCURRENCE	\$
					FIRE DAMAGE (Any one fire)	\$
					MED EXP (Any one person)	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT	\$
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE	\$
					AGGREGATE	\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input checked="" type="checkbox"/> INCL <input type="checkbox"/> EXCL	WC829852002	07/01/04	07/01/05	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
					EL EACH ACCIDENT	\$ 1,000,000
					EL DISEASE-POLICY LIMIT	\$ 1,000,000
					EL DISEASE-EACH EMPLOYEE	\$ 1,000,000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
THIS CERTIFICATE OF INSURANCE PROVIDES EVIDENCE OF COVERAGE.

CERTIFICATE HOLDER

COUNTY OF SAN MATEO
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 *Redell*

MMJ(302) VALID AS OF 07/02/04