

**AMENDMENT ONE TO AGREEMENT 69528
BETWEEN THE COUNTY OF SAN MATEO AND
TELECARE CORPORATION**

THIS AMENDMENT TO THE AGREEMENT, entered into this ____ day of _____, 2009, 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, the parties entered into an Agreement on June 24, 2008, for the purpose of providing inpatient and residential psychiatric treatment services and direct observation therapy services for non-adherent tuberculosis patients at Cordilleras Mental Health Center; and

WHEREAS, the parties wish to execute an Amendment to the Agreement to increase the Agreement maximum by \$101,460 for additional bed space for non-adherent tuberculosis patients at the Cordilleras Mental Health Center, and to increase the rate that the County shall pay per bed from \$236 to \$240 per day, to a new maximum of \$7,398,510.

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

- 1) Paragraph 3 is hereby deleted and replaced with the following:

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 Agreement exceed SEVEN MILLION THREE HUNDRED NINETY-EIGHT THOUSAND FIVE HUNDRED TEN DOLLARS (\$7,398,510).

2) Paragraph 13 is hereby deleted and replaced with the following:

13. **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. Further, Contractor certifies that the Contractor and all of its subcontractors will adhere to all applicable provisions of Chapter 4.106 of the San Mateo County Ordinance Code, which regulates the use of disposable food service ware.

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.

3) Exhibit B of the original Agreement is deleted in its entirety and replaced with the version of Exhibit B that is attached.

4) **All other terms and conditions of the agreement dated June 24, 2008 between the County and Contractor shall remain in full force and effect.**

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

COUNTY OF SAN MATEO

By: _____
President, Board of Supervisors, San Mateo County

Date: _____

TELECARE CORPORATION

Contractor's Signature

Date: _____

TELECARE CORPORATION: 2008 – 2009
Exhibit “B”

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

I. Total Maximum Obligation

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 exceed SEVEN MILLION THREE HUNDRED NINETY-EIGHT THOUSAND FIVE HUNDRED TEN DOLLARS (\$7,398,510) for services provided under this Agreement for the period of July 1, 2008, through June 30, 2009. This amount includes payment for the service components described more fully below.

II. Payments - Care for Patients in the State/Local Program for Regional Civil Detention of Persistently Non-Adherent Tuberculosis Patients

A. Payment for services as described in Paragraph I. of Exhibit A shall be contingent upon receipt of funding designated for these services from the California Department of Health Services, subject to the program terms and conditions as established by California Department of Health Services, Tuberculosis Control Branch. It is the intention of both parties to amend this agreement as necessary to maintain compliance with these same terms and conditions.

B. Contractor agrees to make all efforts to bill any eligible third-party payor, including Medi-Cal and Medicare, for these services. The payments made under the terms of this Agreement are designed to assure that there is a fair minimum payment made to the Contractor for services.

C. Room and Board:

1. County shall pay for the one bed reserved for the State/Local Program for Regional Civil Detention of Persistently Non-Adherent Tuberculosis Patients at a rate of TWO HUNDRED FORTY DOLLARS (\$240) per day, not to exceed EIGHTY-SEVEN THOUSAND SIX HUNDRED DOLLARS (\$87,600).

2. Quarterly invoices for the bed will be sent to: Public Health Director, San Mateo County Health Department, 225 37th Avenue, Disease Control & Prevention, Elizabeth Schulz, San Mateo CA, 94403.

3. Reimbursement beyond 365 bed days may be possible, but is dependant on availability of funds, approval of patient's admission by CDPH TBCG, and agreement by CMHRC to accept patient(s). Reimbursement per additional patient will be at a rate of TWO HUNDRED FORTY DOLLARS (\$240).
 4. If the number of bed days exceeds 365, Contractor shall bill the sending local health jurisdiction ("LHJ") (including San Mateo County if the TB detention client is a San Mateo County resident) on a quarterly basis at the rate of \$240/day.
 5. In the event that a TB client requires services not covered in Exhibit A, the need for these services must be discussed with and approved in writing by the sending LHJ before such services are rendered. If such services are rendered and the payment by a third party insurer, less deductibles and co-payments, for these services falls below the Medi-Cal rate for such services, the Contractor shall bill and be reimbursed by the sending LHJ. CDHS TBCB may reimburse the sending LHJ up to \$75/per day for such services.
- D. Total Room and Board payments for the services described in Paragraphs II.C.1 and II.C.3 shall not exceed ONE HUNDRED EIGHTY-SEVEN THOUSAND SIX HUNDRED DOLLARS (\$187,600) for the period of July 1, 2008 through June 30, 2009.

III. Payments – Mental Health Services

In full consideration of the mental health treatment services provided by Contractor pursuant to this Agreement it is hereby agreed by the parties hereto that 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. Maximum Obligation

1. 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 SEVEN MILLION TWO HUNDRED TEN THOUSAND NINE HUNDRED TEN DOLLARS (\$7,210,910) for services provided at Cordilleras Mental Health Center for the period of July 1, 2008 through June 30, 2009.

County shall be obligated to pay a negotiated net amount for services described in Exhibit A, Paragraph II, according to the following schedule:

MHRC Services	Adult Residential Facility Services:	Program Total
\$ 5,526,887	\$1,684,023	\$ 7,210,910

2. Psychiatric Services

County shall be obligated to provide funding for psychiatric services described in Exhibit A, Paragraph II.B.4.e. (Program Medical Director) and Exhibit A, Paragraph II.B.4.f. (Physician Services), (collectively “Psychiatric Services”). Funding for Psychiatric Services shall not exceed TWO HUNDRED TWENTY-THREE THOUSAND DOLLARS (\$223,000); however such funding is included in the Maximum Obligation described in Exhibit B, Paragraph III.A.1.a. (above), and County shall not pay nor be obligated to pay additionally for such Psychiatric Services.

3. Gross Operating Income

The Gross Operating Income described in Exhibit D (Budget) shall not exceed THREE HUNDRED NINETY-SEVEN THOUSAND THREE HUNDRED SEVENTY-TWO DOLLARS (\$397,372) without the express written consent of the Director of Health. Funding for such Gross Operating Income is included in the Maximum Obligation set forth in Exhibit B, Paragraph III.A.1.a. (above), and County shall not pay nor be obligated to pay additionally for such Gross Operating Income.

4. Payment for residential treatment services provided at Cordilleras is based on net costs. Contractor may bill and retain any Supplemental Security Income (SSI) or State Supplemental Payment (SSP) income payable by clients for room and board costs.

5. The daily rates for MHRC beds shall be TWO HUNDRED FORTY EIGHT DOLLARS (\$248) for the period of July 1, 2008 through June 30, 2009.

B. Payments

Unless otherwise authorized by the Director of Health or her designee, the rate of payment by County to Contractor for mental health services shall be one-twelfth (1/12) of the maximum obligation, as established in Paragraph III.A.1. of this Exhibit B, per month for the period July 1, 2008 through June 30, 2009. These monthly payments shall be in the amount of SIX HUNDRED THOUSAND NINE HUNDRED NINE DOLLARS AND SIXTEEN CENTS (\$600,909.16).

- C. Budget modifications may be approved by the Director of Health or her designee, subject to the maximum obligation set forth in Paragraph 3 of the Agreement and the Gross Operating Income Limitations.
- D. The Director of Health is authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.
- E. 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, as described in Exhibit A, for which claim is made.
- F. Contractor shall provide a monthly written summary of services provided, including caseload, units of service, and vacancy rates per service. This summary shall be provided on the services reporting form provided by the County, and shall accompany the monthly invoice.
- 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. Contractor shall submit to County a year-end cost report no later than ninety (90) days after the expiration date of each contract year for the term 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 to County along with the Cost Report.

- I. If the annual Cost Report provided to County reveals that total payments to contractor, less the Gross Operating Income as established in Paragraph III.A.3. of this Exhibit B, exceed the total allowable costs for all of the services rendered by Contractor to eligible clients during the reporting period, a single payment in the account of the contract savings shall be made to County by Contractor, unless otherwise authorized by the Director of Health or her designee.
- J. County anticipates revenues from various sources to be used to fund services provided by Contractor through this Agreement. Should actual revenues be less than the amounts anticipated for any period of this Agreement, the maximum payment obligation and/or payment obligations for specific services may be reduced at the discretion of the Director of Health or designee.
- K. If County or Contractor finds that performance is inadequate, at the County's discretion, 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 pursuant to Paragraph 4 of this Agreement. Any unspent monies due to performance failure may reduce the following year's agreement, if any.
- L. 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.
- M. Contractor shall provide all pertinent documentation required for federal Medi-Cal reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes). The County may withhold payment for any and all services for which the required 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 Behavioral Health and Recovery Services.
- N. In the event this Agreement is terminated prior to June 30, 2009, 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 of Mental Health Services.

O. Contractor may rollover unspent funding from the County according to the following procedures.

1. Contractor shall submit a summary calculation of any savings ninety (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 ninety (90) days after the specific purpose has been completed, or ninety (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 succeeding fiscal year, contractor may request to rollover the unspent funds to the succeeding second fiscal year by submitting a written request with the accounting report. The unspent rollover funds shall not be spent until the request is approved by the Director of Mental Health Services or her designee.
5. A final accounting of the rollover funds shall be submitted ninety (90) days after the specific purpose has been completed, or ninety (90) days after the end of the second fiscal year, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.

P. 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.

Q. Election of Third Party Billing Process

Contractor shall select an option for participating in serial billing of third-party payors for services provided through this Agreement through the completion of Attachment C – Election of Third Party Billing Process. The completed Attachment C shall be returned to the County with the signed Agreement. Based upon the option selected by the Contractor the appropriate following language shall be in effect for this Agreement.

1. Option One

- a. Contractor shall bill all eligible third-party payors financially responsible for a beneficiary's health care services that Contractor provides through this Agreement. Within ten (10) days of the end of each month, Contractor shall provide to County copies of the Explanation of Benefits or other remittance advice for every third-party payment and/or denial of such third-party payments for services provided by Contractor during such month. The amount of any such third-party payment shall be deducted from the total actual costs for all services rendered by Contractor as reflected on the Cost Report as defined in Paragraph M. of this Exhibit B. County accepts no financial responsibility for services provided to beneficiaries where there is a responsible third-party payor, and to the extent that County inadvertently makes payments to Contractor for such services rendered, County shall be entitled to recoup such reimbursement, through the Cost Report reconciliation.

- b. Contractor shall provide a copy of each completed Payor Financial Form (Attachment D) and subsequent annual updates for all clients who receive services through this Agreement. For clients who begin to receive services during the term of this Agreement, completed Payor Financial Forms shall be provided to the County with client registration forms. For clients who were receiving services prior to the start date of this Agreement and who continue to receive services through this Agreement, completed Payor Financial Forms are due within ten (10) days of the end of the first month of the Agreement.

2. Option Two

- a. Contractor shall provide information to County so that County may bill applicable/eligible other third-parties for services provided by Contractor through this Agreement. County shall retain these revenues and shall not offset these revenues against payments to Contractor.
- b. Contractor shall provide a copy of the completed Payor Financial Form (Attachment D) and subsequent annual updates for all clients who receive services through this agreement. For clients who begin to receive services during the term of this Agreement, completed Payor Financial Forms shall be provided to the County with client registration forms. For clients who were receiving services prior to the start date of this Agreement and who continue to receive services through this Agreement, completed Payor Financial Forms are due within ten (10) days of the end of the first month of the Agreement.

R. 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 the above 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 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 supplemental specialty mental health services included in the claim, all requirements for Contractor payment authorization for supplemental specialty mental health services 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; and
 - 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 Exhibit A, Paragraph IV.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.