

SERVICE AGREEMENT

THIS SERVICE AGREEMENT (hereinafter referred to as the "AGREEMENT") is entered into this ____th day of _____ 2010, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and SAN MATEO HEALTH COMMISSION, DBA HEALTH PLAN OF SAN MATEO, hereinafter called "HPSM";

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 County be performing the professional services hereinafter described for HPSM.

NOW THEREFORE, in consideration of the mutual promises and Agreement herein contained, HPSM and County hereby agree as follows:

1. Provision of Services. HPSM shall provide to County the services listed in Exhibit A, attached hereto and incorporated herein as referenced. HPSM's services shall be provided at the agreed upon rates listed in Exhibit B, attached hereto and incorporated herein as referenced.
2. Compliance with laws and regulation. All services to be performed by HPSM 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, and comply with CMS Publication 15-1, Section 2300 et seq., Social Security Act Title XIX, Section 1900 et seq., Form CMS-64, Title 42 of the United States Code Section 1396 et seq., Title 42 of the Code of Federal Regulations (CFR) Part 400 et seq. and 45 CFR, Part 95, California Welfare and Institutions Code, Division 9, Part 3, Chapter 7 (commencing with Section 14000) and Chapter 8 (commencing with Section 14200), and Title 22 California Code of Regulations CCR, Division (3 (commencing with Section 50000), all as periodically amended; and Federal Office of Management and Budget (OMB) Circular A-87, as periodically amended. Such acts 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. 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, HPSM certifies that HPSM 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 the 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.

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

HPSM shall provide services in manner prescribed by the laws of California, in accord with current applicable laws, titles, rules, and regulations, including quality improvement requirements of the Medi-Cal Program, and in accord with current applicable federal laws, titles, rules, regulations, policies, and procedures.

PAYMENT DUE COUNTY AND HPSM

3. Payment to County. In consideration of the services provided by County in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," the amount that County shall be entitled to retain for services rendered under this Agreement shall not exceed five percent (5%) of the HPSM's annual Medi-Cal Administrative Activities Claim in the manner specified in Exhibit "B."
4. Payment to HPSM. In consideration of the services provided by HPSM in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," the amount that County shall be obligated to pay is specified in Exhibit "B." In no event shall County's payments under the Agreement exceed one million dollar, \$1,000,000.00.
5. Rate of Payment. The rate and terms of payment shall be as specified in Schedule B, attached hereto and incorporated herein. Any rate increase is subject to the mutual approval of the parties, and shall not be binding on HPSM unless so approved in writing.

RECORDS

6. Right to Audit Claims and Business Records. HPSM shall maintain all required records for ten (10) years after the Agreement is fully performed and all payments have been made or, if an audit is in progress, until the completion of the audit or the final resolution of all audit exceptions, deferrals, and/or disallowances, whichever is later, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.

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

7. Use of Information. County and HPSM may use, reproduce, or adapt information obtained in connection with this Agreement, including Claims data information and eligibility information, in any manner they deem appropriate.
8. Maintenance of Records. HPSM shall comply with all program and fiscal reporting requirements set forth by appropriate Federal, State, and local agencies, and as required by the County.
9. Accounting of Fees. County shall provide an accounting of the fees retained in accordance with the provisions of Schedule B.

INDEMNIFICATION

10. Hold Harmless. HPSM shall indemnify and hold harmless County from and against all third party claims, demands, losses, damages and reasonable expenses, arising from or in connection with the performance of the terms of this Agreement, including all claims and damages related to audits performed pursuant to HPSM's obligations under federal and state law, except to the extent that such claims, demands, losses, damages, and expenses result from the negligence of the other.
11. Concurrent Negligence. In the event of concurrent negligence of HPSM, its officers and/or employees, and County, its officers and/or employees, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of terms and conditions of this Agreement shall be apportioned according to the California theory of comparative negligence.

NON-DISCRIMINATION

12. Non-Discrimination.

- A. HPSM 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 Agreement.
 - 1) *General non-discrimination.* No person shall, on the grounds of race, color, ethnicity, 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, claims experience, medical history, evidence of insurability, genetic information, source of payment, or political affiliation be denied any benefits or subject to discrimination under this Agreement.
 - 2) *Equal employment opportunity.* HPSM 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. HPSM's equal employment policies shall be made available to County upon request.

- 3) *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject HPSM to penalties, to be determined by the County Manager, including but not limited to:
 - i. termination of this Agreement;
 - ii. disqualification of HPSM 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 HPSM's 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 HPSM under the Contract or any other Contract between HPSM and County.

HPSM 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 HPSM 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. HPSM shall provide County with a copy of their response to the Complaint when filed.

- 4) *Compliance with Equal Benefits Ordinance.* With respect to the provision of employee benefits, HPSM 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.
- 5) Where applicable, HPSM 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.
- 6) *Jury Service.* HPSM shall comply with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees shall receive from HPSM, on an annual basis, no less than five days of regular pay for actual jury service in San Mateo County. The policy may provide that employees deposit any fees received for such jury

service with HPSM or that HPSM deduct from the employees' regular pay the fees received for jury service.

Merger Clause

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. In the event that any term, condition, provision, requirement or specification set forth in this body of the Agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to the Agreement, the provisions of this body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. This Agreement is intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third party beneficiary rights, and this Agreement does not confer any such rights, upon any other third party. All subsequent modifications shall be in writing and signed by the parties.

TERM AND TERMINATION

14. Term. Subject to compliance with all terms and conditions, the term of this Agreement shall be from July 1, 2010 through June 30, 2013.
15. Termination With Cause. This Agreement may be terminated by HPSM, the Health System Chief, 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.

GENERAL PROVISIONS

16. Use of County Software. HPSM acknowledges that County owns, or possesses license rights (including off-the-shelf vendor agreements) from certain third parties to the entire software system used by County in processing Claims and preparing reports including computer programs, system and program documentation, and other documentation relating thereto (collectively, including certain license rights, the "County Software System"), and that

County Software System is the exclusive and sole property of County. HPSM disclaims any rights to County Software System as described above (including access to any applicable source codes), any procedures or forms developed by County, as well as development or modification of County Software System as a result of any customization performed by any party.

17. Insurance. HPSM 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 Risk Management, and HPSM shall use diligence to obtain such insurance and to obtain such approval. HPSM shall furnish County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending HPSM's coverage to include the contractual liability assumed by HPSM pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to County of any pending change in the limits of liability or of any cancellation or modification of the policy.
18. Worker's Compensation and Employer's Liability Insurance. HPSM 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, HPSM 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.
19. Liability Insurance. HPSM 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 HPSMs 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

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

20. Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either party hereto (whether by operation of law or otherwise) without the prior written consent of the other party hereto. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns. Notwithstanding anything to the contrary contained in this Agreement (including this Section 11.3), no consent shall be required and this Agreement will apply to, be binding in all respects upon, and inure to the benefit of any successors of County to this Agreement resulting from a Change of Control. A "Change of Control" shall occur if as a result of one or a series of related transactions: (i) all or substantially all the assets of SMMC are disposed of to any entity not wholly owned and controlled by County, outside the ordinary course of business; (ii) SMMC effects a merger with one or more other entities in which County is not the surviving entity; or (iii) County engages in a transaction that results in any entity holding securities possessing a majority of the voting power that does not hold such voting power as of the time of this Agreement. County shall provide HPSM with thirty (30) days' advance written notice in the event of any transaction(s) resulting in a Change of Control, as well as an Officer's Certificate from the successor entity, agreeing to be bound by the terms and conditions of this Agreement.
21. Waiver. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or other term or condition of this Agreement on any future occasion.
22. Severability. In the event that any provision of this Agreement shall be determined to be invalid, unlawful, void, or unenforceable to any extent, the remainder of this Agreement, and the application of such provision other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.
23. Further Assurances Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (at or after the date hereof) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

24. Controlling Law and Venue: 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. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or the United States District Court for the Northern District of California.

25. Notice. Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when both (1) transmitted via facsimile to the telephone number listed below and (2) either deposited in the United States mail, postage prepaid, or when deposited for overnight delivery with an established overnight courier that provides a tracking number showing confirmation of receipt for transmittal, charges prepaid, addressed to:

To: County Jean Fraser, Chief
 San Mateo County Health System
 225 37th Avenue
 San Mateo, CA 94403

To: HPSM Maya Altman, Executive Director
 Health County of San Mateo
 701 Gateway Blvd., Suite 400
 South San Francisco, CA 94080

Any party may at any time change its address for notification purposes by mailing a notice stating the change and setting forth the new address.

26. Independent Contractors. 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.

COUNTY OF SAN MATEO

SAN MATEO HEALTH COMMISSION
d.b.a. HEALTH PLAN OF SAN MATEO

BY
**PRESIDENT, BOARD OF
SUPERVISORS**

BY
**MAYA ALTMAN
EXECUTIVE DIRECTOR**

DATE

DATE

ATTEST:

By: _____
Clerk of Said Board

Health Plan of San Mateo Medi-Cal Administrative Activities
Exhibit "A"

In consideration of the service arrangements set forth in Exhibit "B", HPSM and County shall provide the following services:

HPSM, shall participate in County Medi-Cal Administrative Activities (CMAA) as a distinct and separate claiming unit and County shall act as the Local Governmental Agency (LGA/COUNTY OF SAN MATEO). Claimable activities in the program include: Medi-Cal Outreach, Facilitating Medi-Cal Applications, Program Planning and Policy Development, Medi-Cal Administrative Activities Program Coordination and Claims Administration as defined in the contract between the County and the State of California attached hereto as Exhibit C.

County, as the LGA, shall do the following:

1. Enter into contracts with the State on behalf of the HPSM for the reimbursement of costs of providing CMAA services at a reimbursement rate prescribed by Centers of Medicare and Medicaid Services (CMS);
2. Provide CMAA time survey training session(s) and time survey quality assurance session(s) and review the HPSM's time surveys for quality assurance;
3. Certify that the HPSM has funded 100-percent of amount claimed for performing CMAA using allowable public funds;
4. Review invoices prepared by HPSM and any necessary supporting documentation, and if appropriate, process that invoice and submit it to the State for payment;
5. If funds are received from the State as a result of Claiming Unit's invoice, disburse said funds in accordance with this Agreement, less an administrative fee as described in Exhibit B. The LGA has no obligation to pay HPSM any other funds, including but not limited to any LGA funds;
6. Review the HPSM's Claim Plan and subsequent amendments to the State for review and approval;
7. Retain all necessary records for a minimum of ten (10) years after the date of invoice submission and, if an audit is in progress, maintain all records relevant to the audit until the completion of the audit or the final resolution of all audit exceptions, deferrals and/or disallowances, whichever is later;
8. Make available the State CMAA Manual, State Policy and Procedure Letters (PPLs), and template, forms, information supplied by the State and the LGA; provide training and technical support as requested by the HPSM; and provide opportunities to attend State, regional, and local trainings, meetings, and conferences regarding CMAA;

9. Designate a liaison, the LGA Coordinator, with HPSM for issues regarding this Contract. All such issues shall be directed to the LGA Coordinator;
10. Regularly attend and participate in the LGA Consortium to ensure compliance across the state;
11. Advise or request the assistance of the LGA Consortium's Consultant or an outside vendor in situations that require added assistance; and
12. Be available for any state, or federal site reviews or audits.

The HPSM as the Claiming Unit shall:

1. Provide to County, a comprehensive Medi-Cal Administrative Claiming Plan, in the format specified by the State. The claiming plan must be approved by the State and this Agreement must be signed by both parties prior to the payment of CMAA invoices. Subsequent to the initial approved claim plan, the claiming unit shall prepare and submit to County any claim plan amendment with changes in claimable activities, claimable staff, duty statements, organization charts, and Medi-Cal discount methodologies according the State regulation by July 1 of each fiscal year.
2. Use the State Department of Health Care Services Time Survey form for Employees Performing Medi-Cal Administrative Activities (DHCS 7093), which will be disseminated through policy directives, issued by the State. The time survey will identify all time spent on each of the allowable CMAA, non-claimable activities, and general administration and paid time off, which are proportionately allocated to all activities based on section II. The activities of staff providing Medi-Cal administration must be documented in accordance with the provisions of the Social Securities Act Title XIX, Section 1903(a)(2), 42 CFR, Sections 432.50, 433.15, 433.32, and 433.34, and 45 CFR, Parts 74 and 95, and OMB Circular A-87. Staff who time survey must document attendance and receipt of time survey training and also submit at least two secondary documents examples per claimable activity supporting the time survey. Time Surveys shall be submitted meeting all local, state, and federal requirements or are subject to disallowance from payment.
3. Submit fiscal documentation verifying that is has funded 100-percent of the amount claimed for performing CMAA using allowable public funds. Certified Public Expenditure (CPE) is an expenditure of non-federal public funds, as defined by federal regulations 45 CFR 95, 42 CFR 413.20, 413.24, 433.51, 433.41, CMS Pub. 15-1 2300 and 2304 that are used to support the performance of CMAA within the claiming unit; as defined in Exhibit B.
4. Provide documentation that the HPSM does not seek reimbursement of costs included in the CMAA program that the Federal government has paid for under another program, based on the scope of work and the contract documents to the other funding sources.

It is understood and agreed that failure by HPSM to ensure all applicable Local, State and Federal requirements not met in performing CMAA under the Agreement shall be sufficient cause for County to deny to or recoup payments from HPSM and/or to terminate the Agreement.

Upon receipt of a notice of termination or cancellation from County, HPSM shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.

HPSM shall be responsible for any payback, overpayment, or audit returns based on local, State, or Federal regulation attributable to the claiming unit even after termination from this contract. If, at any time, the State reduces County's revenue as a result of a pending audit/claim on behalf of HPSM, HPSM must make payment to County in said amount to make County whole while the audit is being adjudicated.

HPSM is responsible for the acts or omissions of its employees. Submission of a falsified Summary Invoice or Detailed Invoice by HPSM shall constitute a breach of contract. Submission of a Summary Invoice or Detailed Invoice for which there is no supporting documentation by HPSM may constitute a breach of contract.

The conviction of an employee of HPSM, of any felony or of a misdemeanor involving fraud, abuse of any Medi-Cal applicant or beneficiary, or abuse of the Medi-Cal Program, shall result in the exclusion of that employee or HPSM, from participation in the Medi-Cal Administrative Claiming process. Failure of a HPSM to exclude a convicted individual from participation in the Medi-Cal Administrative Claiming process shall constitute a breach of contract.

Health Plan of San Mateo Medi-Cal Administrative Activities

Exhibit "B"

In consideration of the services provided by HPSM and County in Exhibit "A":

County shall be entitled to retain 5% of revenue generated by the HPSM through the CMAA program for participation from FY 2008-09 through FY 2012-13. Revenue is currently estimated at \$320,000 annually or \$80,000 per quarter. Upon receipt of funds from the State, County will forward the revenue to the HPSM within 60 days minus 5% of the funds as an Administrative Fee and will include an invoice showing the breakout of the fee and revenue received.

As stated above, if the state and/or federal government audits any claims related to the HPSM activities and subsequently withholds revenue from County on behalf of those claims, the HPSM agrees to make County whole for such funds that have already been paid to HPSM within 60 days of notice of said revenue shortfall.

Exhibit C
Scope of Work

1. Service Overview

Contractor agrees to provide to the California Department of Health Care Services (DHCS) the services described herein:

Contractor shall perform Medi-Cal Administrative Activities (MAA) on behalf of DHCS to assist in the proper and efficient administration of the Medi-Cal Program by improving the availability and accessibility of Medi-Cal Services to Medi-Cal eligible and potentially eligible individuals and their families. These activities include: Medi-Cal Outreach, Facilitating Medi-Cal Application, Medi-Cal Non-Emergency Transportation, Contracting for Medi-Cal Services, Program Planning and Policy Development, Medi-Cal Administrative Activities Coordination and Claims Administration and Training.

2. Service Location

The activities shall be performed at applicable facilities within the San Mateo County geographic region.

3. Service Hours

The services shall be provided during normal Contractor working hours and days.

4. Project Representatives

A. The project representatives during the term of this Agreement will be:

Department of Health Care Services

Linda Hayes, Chief
County-Based Administrative Activities Unit
Telephone: (916) 341-3969
Fax: (916) 324-0738
E-Mail: linda.hayes@dhcs.ca.gov

San Mateo County

Charlene Silva,
Director of Health Services
Telephone: (650) 573-2585
Fax: (650) 573-2116
E-Mail: csilva@co.sanmateo.ca.us

B. Direct all inquiries to:

Department of Health Care Services

Administrative Claiming Local & Schools
Services Branch

Attention: Andrej Delich
1501 Capitol Ave., MS 4603
P.O. Box 997436
Sacramento, CA 95899-7436

Telephone: (916) 440-7812
Fax: (916) 324-0738
E-Mail: andrej.delich@dhcs.ca.gov

San Mateo County

Attention: Diana Chung
225 37th Ave
San Mateo, CA 94403

Telephone: (650) 573-3529
Fax: (650) 573-2116
E-Mail: dchung@co.sanmateo.ca.us

Exhibit C
Scope of Work

- C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

5. Services to be Performed

- A. The following Medi-Cal Administrative Activities (MAA) are *eligible* for Federal Financial Participation (FFP) only when they are identified in a MAA Claiming Plan approved by the State and the Centers for Medicare and Medicaid Services (CMS):

- 1) **Allowable Medi-Cal Outreach:** This activity may consist of discrete campaigns or may be an ongoing activity. This activity is directed to groups or individuals targeted to two goals:
- a. Bringing potential eligibles into the Medi-Cal system for the purpose of determining Medi-Cal eligibility.
 - b. Bringing Medi-Cal eligibles into Medi-Cal services.

Outreach may consist of discrete campaigns or may be an ongoing activity, such as: sending teams of employees into the community to contact homeless alcoholics or drug abusers; establishing a telephone or walk-in service for referring persons to Medi-Cal services or eligibility offices; operating a drop-in community center for underserved populations, such as minority teenagers where Medi-Cal eligibility and service information is disseminated.

NOTE: Public health outreach conducted by LGAs shall not duplicate the requirements on Medi-Cal managed care providers to pursue the enrollment of Medi-Cal eligibles in their service areas.

- c. Allowable outreach activities shall be discounted by the Medi-Cal percentage or not discounted as follows:
 - (1) Not Discounted: Outreach campaigns directed to the entire population to encourage potential Medi-Cal eligibles to apply for Medi-Cal are allowable, and the costs do not have to be discounted by the Medi-Cal percentage. These campaigns are Medi-Cal only eligibility outreach campaigns:
 - a) Outreach campaigns directed toward bringing Medi-Cal eligibles into Medi-Cal covered services are allowable and the costs do not have to be discounted by the Medi-Cal percentage. In such campaigns, the language should clearly indicate that the message is directed only to persons eligible for Medi-Cal, and not the general public. These campaigns are service campaigns, targeted on specific Medi-Cal services, such as Early and Periodic Screening, Diagnosis and Treatment (EPSDT).
 - b) A health education program or campaign may be allowable as a Medi-Cal administrative cost if it is targeted specifically to Medi-Cal services and for Medi-Cal eligible individuals, such as an educational campaign on immunization addressed to parents of Medi-Cal children. If the entire campaign is focused on Medi-Cal, the costs need not be discounted.

- (2) Discounted: Outreach campaigns directed towards bringing specific high risk populations (including both Medi-Cal and non-Medi-Cal persons) into health care services are only allowable to the extent they bring Medi-Cal eligibles into Medi-Cal

Exhibit C
Scope of Work

services. The costs of these activities are claimable but discounted by the Medi-Cal percentage.

- a) If a specific Medi-Cal health education program is included as part of a broader general health education program, the Medi-Cal portion may be allowable if the cost of the general health education program is discounted according to the Medi-Cal percentage. Telephone, walk-in, or drop-in services for referring persons to Medi-Cal services, sometimes called "Information and Referral" are also allowable and discounted by the Medi-Cal percentage.
 - b) Discount methods approved by DHCS and CMS for calculating the Medi-Cal percentage discount may be utilized.
 - c) The Contractor may contract with non-governmental agencies or programs to conduct outreach activities. The subcontracted providers of TCM services, except in local education agencies, may conduct outreach activities, so long as the TCM service(s) and outreach activities are not performed by the same subcontractor employee. The subcontracted providers shall maintain an accurate accounting and reporting of the time spent on providing TCM services and performing allowable MAA outreach activities.
- 2) **Not-Allowable Medi-Cal Outreach:** Some activities that are not considered Medi-Cal outreach under any circumstances are:
- a. General preventive health education programs or campaigns addressed to lifestyle changes in the general population (e.g., Substance Abuse Narcotics Education (SANE), Drug Abuse Resistance Education (DARE), dental prevention, antismoking, alcohol reduction, etc.) are not allowable MAA.
 - b. Outreach campaigns directed toward encouraging persons to access social, educational, legal or other services not covered by Medi-Cal are not allowable.
- 3) **Facilitating Medi-Cal Application (Eligibility Intake):** This activity includes explaining Medi-Cal eligibility rules and the Medi-Cal eligibility process to prospective applicants; assisting an applicant to fill out a Medi-Cal eligibility application; gathering information related to the application and eligibility determination or re-determination from a client, including resource information and third party liability information, as a prelude to submitting a formal Medi-Cal application to the county welfare department; and/or providing necessary forms and packaging all forms in preparation for the Medi-Cal eligibility determination. This activity does not include the eligibility determination itself. These costs do not have to be discounted. The Contractor may contract with non-governmental agencies or programs to conduct eligibility intake activities. Providers of TCM services may conduct eligibility intake, so long as the service(s) and eligibility intake are not performed by the same employee. The non-governmental agencies or programs shall maintain an accurate accounting and reporting of the time spent on providing TCM services and performing Medi-Cal eligibility intake activities.
- 4) **Non-Emergency, Non-Medical Transportation:** The actual costs of arranging and providing non-emergency, non-medical transportation, and accompaniment, when medically necessary, by an attendant (not a TCM case manager) of Medi-Cal eligibles to Medi-Cal services are allowable as a Medi-Cal administrative cost to the extent that such costs are actually borne by the Contractor in accordance with 42 Code of Federal Regulations, Section 440.170. Examples of

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allowable non-emergency, non-medical transportation costs include: taxi vouchers, bus tokens, mileage etc. The cost of mileage, meals and lodging will be no higher than allowed for travel by the federal General Services Administration. The cost of providing non-emergency, non-medical transportation for which no actual cost is borne by the State or Contractor is not an allowable MAA cost.

- a. **Separate Transportation Unit or Service:** In situations where a Contractor operates a separate transportation unit or contracts for the provision of transportation services, the costs of the unit or the contractor of actually providing the Medi-Cal non-emergency, non-medical transportation services for Medi-Cal eligibles to Medi-Cal covered services are an allowable Medi-Cal administrative cost. Costs may be calculated on a per mile or per trip basis for each Medi-Cal client transported, or by any other method allowed by Federal Law and Regulation.
 - b. **Transportation Costs and TCM:** The costs of arranging for transportation of Medi-Cal eligibles to Medi-Cal services are part of the TCM rate. Therefore, the costs incurred by TCM case managers in arranging transportation for Medi-Cal eligibles to Medi-Cal services are not claimable as Medi-Cal administration. The TCM rate includes the travel costs incurred by the TCM case manager in providing the TCM services. A TCM case manager may transport or accompany a Medi-Cal eligible to a Medi-Cal service appointment only if the case manager is performing case management functions while actually accompanying the client. In such situations, the costs of the accompanying and transportation will be in the TCM rate and should not be claimed separately as an administrative activity.
- 5) **MAA Implementation Training:** Activities include the giving or receiving of training related to the overall implementation of the MAA program.
- 6) **Other Training:** Training activities shall be time studied in accordance with the purpose of the training. For example, training related to Medi-Cal outreach shall be claimed as "Outreach"; training related to assisting a potential applicant complete a Medi-Cal application shall be claimed as "Facilitating Medi-Cal Application", etc. Training that is unrelated to MAA is not allowable.
- 7) **Contracting for Medi-Cal Services:** This activity involves entering into agreements with community based organizations or other provider agencies for the provision of Medi-Cal services other than TCM and/or MAA. The costs of TCM subcontract administration should be included in the TCM rate.

NOTE: A Contractor has the option of claiming the costs of contract administration for allowable MAA, such as Outreach, under that activity or the costs may be claimed under Contract Administration. Under no circumstances are the costs of contract administration for allowable MAA to be claimed under both Contract Administration and the activity, such as Outreach. Contracting for Medi-Cal services may only be claimed under Contract Administration.

Contracting for Medi-Cal services and/or MAA is claimable as an administrative activity when the administration of those agreements meets all of the following criteria:

- a. The contract administration is performed by an identifiable unit of one or more employees, whose tasks officially involve contract administration, according to the duty statements or job descriptions of the employees being claimed.

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- b. The contract administration involves contractors that provide Medi-Cal services and/or MAA. The costs of contracting for TCM services with non-LGA providers should be claimed as part of the TCM rate. These costs cannot be separately claimed as MAA.
- c. TCM case managers and LGA subcontractors cannot claim for contract management. It is claimable only when performed by an LGA.
- d. The administrative costs of contracting by LGAs as service providers under managed care arrangements may not be claimed administratively and are considered to be in the managed care capitation payment to the LGA.
- e. The contract administration must be directed to one or more of the following goals:
 - (1) Identifying, recruiting, and contracting with community agencies as Medi-Cal service contract providers;
 - (2) Providing technical assistance to Medi-Cal subcontractors regarding County, State and Federal regulations;
 - (3) Monitoring provider agency capacity and availability; and
 - (4) Ensuring compliance with the terms of the agreement.

The contracts being administered must be for Medi-Cal services and/or MAA and may involve Medi-Cal populations only or may be general medical service agreements involving Medi-Cal and other indigent, non-Medi-Cal populations. When the contract involves a Medi-Cal and non-Medi-Cal population, the costs of contract administration shall be **discounted** by the Medi-Cal percentage.

- 8) **Program Planning and Policy Development (PP&PD):** This activity may be claimed at the enhanced rate (75 percent FFP) if performed by a Skilled Professional Medical Personnel (SPMP), or the non-enhanced rate (50 percent FFP) if performed by a non-SPMP.
- a. Allowable: This activity is claimable when performed, either part-time or full-time, by one or more Contractor employees and subcontractors whose tasks officially involve PP&PD. Contractor employees performing this activity must have the tasks identified in the employee's position descriptions/duty statements. If the programs serve both Medi-Cal and non-Medi-Cal clients, the costs of PP&PD activities must be allocated according to the Medi-Cal percentages being served by the programs.

This activity is claimable as a direct charge for Medi-Cal administration only when PP&PD is performed by a unit of one or more Contractor employees who spend 100 percent of their paid working time performing this activity. This activity is claimable only if the administrative amounts being claimed for PP&PD persons and activities are not otherwise included in other claimable cost pools; and the amounts being claimed for such persons employed by (and activities taking place in) a service provider setting are not otherwise being reimbursed through the billable service rate of that provider. Costs for persons performing this activity less than 100 percent of their time will be based on a time-survey.

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In LGAs with county-wide managed care arrangements, PP&PD activities are claimable as Medi-Cal administration only for those services that are excluded from the managed care contracts.

Under the conditions specified above, the following tasks are allowable as MAA under this activity:

- (1) Developing strategies to increase Medi-Cal system capacity and close Medi-Cal service gaps. This includes analyzing Medi-Cal data related to a specific program or specific group.
 - (2) Interagency coordination to improve delivery of Medi-Cal services.
 - (3) Developing resource directories of Medi-Cal services/providers.
 - (4) For subcontractors, some PP&PD support services are allowable, e.g., developing resource directories, preparing Medi-Cal data reports, conducting needs assessments, or preparing proposals for expansion of Medi-Cal services.
- b. Not allowable: This activity is not allowable if staff performing this function are employed full-time by service providers, such as clinics. The full costs of the employee's salary are assumed to be included in the billable fee-for-service rate and separate MAA claiming is not allowed.

This activity is not allowable if staff who deliver services part-time in a LGA service provider setting, such as a clinic, are performing PP&PD activities relating to the service provider setting in which they deliver services.

- 9) **General Administration:** This includes activities that are eligible for cost distribution on an OMB Circular A-87 approved cost allocation basis. These costs are to be distributed proportionately to all of the activities performed:
- a. Attend or conduct general, non-medical staff meetings;
 - b. Develop and monitor program budgets;
 - c. Provide instructional leadership, site management, supervise staff, or participate in Employee performance reviews;
 - d. Review departmental or unit procedures and rules;
 - e. Present or participate in, in-service orientations and programs; and
 - f. Participate in health promotion activities for employees of the Contractor.
- 10) **Paid Time Off:** This activity is to be used by all staff involved in MAA to record usage of paid leave, including vacation, sick leave, holiday time and any other employee time off that is paid. This does not include lunch or meal breaks, off payroll time, or Compensatory Time Off (CTO) which shall be allocated as prescribed by the State.

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11) **Compensatory Time Off:**

CTO shall be time surveyed to the activity performed while working the extra hours.

12) **MAA/TCM Coordination and LGA Claims Administration:** Contractor employees whose position description/duty statement includes the administration of MAA and TCM on a Local Governmental Agency (LGA) service region-wide basis, may claim for the costs of these activities on the MAA detailed invoice as a direct charge.

Costs incurred in the preparation and submission of MAA claims at any level, including staff time, supplies, and computer time, may be direct charged. If the MAA/TCM Coordinator and/or claims administration staff are performing this function part-time, along with other duties, they must certify the percentage of total time spent performing the duties of MAA coordination and/or claims administration. The percentage certified for the MAA/TCM Coordinator and/or claims administration staff activities must be used as the basis for federal claiming. Charges for supervisors, clericals, and support staff may be allocated based upon the percentage of certified time of the MAA/TCM Coordinator and claims administration staff.

a. The MAA/TCM Coordinator and claims administration staff may claim the costs of the following activities, as well as any other reasonable activities directly related to the Contractor's administration of TCM services and MAA at the LGA-wide level:

- (1) Drafting, revising, and submitting MAA Claiming Plans, and TCM performance monitoring plans.
- (2) Serving as liaison with and monitoring the performance of claiming programs within the LGA and with the State and Federal Governments on MAA and TCM.
- (3) Administering LGA claiming, including overseeing, preparing, compiling, revising and submitting MAA and TCM invoices on a LGA-wide basis to the State.
- (4) Attending training sessions, meetings, and conferences involving MAA and/or TCM.
- (5) Training Contractor program and subcontractor staff on State, Federal, and Local requirements for MAA and/or TCM claiming.
- (6) Ensuring that MAA and/or TCM invoices do not duplicate Medi-Cal invoices for the same services or activities from other providers. This includes ensuring that services are not duplicated when a Medi-Cal beneficiary receives TCM services from more than one case manager.

NOTE: The costs of the MAA/TCM Coordinator's time and claims administration staff time must not be included in the MAA claiming or in the TCM rate, since the costs associated with the time are to be direct charged. Charges for supervisors, clericals, and support staff for these employees may be allocated based upon the percentage of certified time of the MAA/TCM Coordinator and claims administration staff. The costs of TCM claiming activity at the TCM provider level are to be included in the TCM rate.

b. Using the State Department of Health Care Services Time Survey for Employees Performing Medi-Cal Administrative Activities and/or Targeted Case Management (DHCS 7093), which will

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be disseminated through policy directives, issued by the State, conduct an annual time survey for one month. DHCS has designated the annual MAA time survey to occur in either September or October. The time survey will identify all time spent on each of the above allowable MAA, non-claimable activities, and general administration and paid time off, which are proportionately allocated to all activities. The activities of staff providing Medi-Cal administration must be documented in accordance with the provisions of 42 CFR Sections 432.50, 433.32, and 433.34, and 45 CFR Parts 74 and 95, and OMB Circular A-87.

All non-Medi-Cal related activities and direct patient care services shall be time surveyed to "Other Programs/Activities" or "Direct Patient Care" on the Time Survey form, as appropriate.

- c. Comply with enabling legislation, regulations, administrative claiming process directives, and the Policy and Procedure Letters of the DHCS Safety Net Financing Division incorporated by reference in Exhibit E, Provision 1, which define program specific allowable MAA.
 - d. Provide to the State, comprehensive Medi-Cal Administrative Claiming Plan, in the format specified by the State. The claiming plan must be approved by the State and this agreement must be signed by both parties prior to the submission of MAA invoices.
 - e. Not discriminate against any eligible person because of race, religion, political beliefs, color, national or ethnic origin, ancestry, mental or physical disability, medical condition, marital status, age or sex.
 - f. Ensure all applicable State and federal requirements, as identified in Exhibit E, Provision 4, are met in performing MAA under this agreement. It is understood and agreed that failure by the Contractor to ensure all applicable State and Federal requirements not met in performing MAA under this agreement shall be sufficient cause for the State to deny or recoup payments to the Contractor and/or to terminate this agreement.
 - g. Submit a letter of intent to participate in the MAA Program six (6) months prior to the termination of this agreement for the purpose of extending the term of the agreement or initiating a new agreement, whichever is preferred by DHCS.
 - h. When an amendment of the contract is necessary because the original projected expenditure (aka: funding) was insufficient, a request must be submitted to DHCS at least 6 months prior to the end of the FY for which additional funding is necessary. If this request is not received timely, the contract will not be amended to address the insufficient funding and subsequent affected invoices will not be paid.
- B. The following MAA are *not eligible* for Federal Financial Participation (FFP) and must be excluded from claims:
- 1) Extensions of Direct Medical Services: Not allowable as MAA are activities that are integral parts or extensions of direct medical services, such as patient follow-up, patient assessment, patient education, or counseling.

ATTACHMENT I

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 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.
- X 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.

Cindy Lem, Human Resources Director
Name of 504 Person - Type or Print

San Mateo Community Health Authority
Name of Contractor(s) - Type or Print

701 Gateway Blvd., Suite 400
Street Address or P.O. Box

South San Francisco, CA 94080
City, State, Zip Code

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

Signature

Maya Altman, Executive Director
Title of Authorized Official

Date

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a disabled 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
Contractor's Declaration Form**

I. CONTRACTOR INFORMATION

Contractor Name:	Health Plan of San Mateo	Phone:	650-616-2145
Contact Person:	Maya Altman	Fax:	650-616-8038
Address:	701 Gateway Blvd, Suite 400 South San Francisco, CA 94080		

II. EQUAL BENEFITS (check one or more boxes)

Contractors with contracts in excess of \$5,000 must treat spouses and domestic partners equally as to employee benefits.

- Contractor complies with the County's Equal Benefits Ordinance by:
 - offering equal benefits to employees with spouses and employees with domestic partners.
 - offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- Contractor does not comply with the County's Equal Benefits Ordinance.
- Contractor is exempt from this requirement because:
 - Contractor has no employees, does not provide benefits to employees' spouses, or the contract is for \$5,000 or less.
 - Contractor is a party to a collective bargaining agreement that began on _____ (date) and expires on _____ (date), and intends to offer equal benefits when said agreement expires.

III. NON-DISCRIMINATION (check appropriate box)

- Finding(s) of discrimination have been issued against Contractor within the past year by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. Please see attached sheet of paper explaining the outcome(s) or remedy for the discrimination.
- No finding of discrimination has been issued in the past year against the Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other entity.

IV. EMPLOYEE JURY SERVICE (check one or more boxes)

Contractors with original or amended contracts in excess of \$100,000 must have and adhere to a written policy that provides its employees living in San Mateo County up to five days regular pay for actual jury service in the County.

- Contractor complies with the County's Employee Jury Service Ordinance.
- Contractor does not comply with the County's Employee Jury Service Ordinance.
- Contractor is exempt from this requirement because:
 - the contract is for \$100,000 or less.
 - Contractor is a party to a collective bargaining agreement that began on _____ (date) and expires on _____ (date), and intends to comply when the collective bargaining agreement expires.

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.

Signature

Maya Altman
Name

Date

Executive Director, Health Plan of San Mateo
Title