



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**DATE:** May 13, 2011  
**BOARD MEETING DATE:** June 7, 2011  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors

**FROM:** Jean S. Fraser, Chief, Health System  
Stephen Kaplan, Interim Director, Behavioral Health & Recovery Services

**SUBJECT:** Agreement with 7<sup>th</sup> Avenue Center, LLC

**RECOMMENDATION:**

Adopt a Resolution authorizing the:

- A) President of the Board to execute an Agreement with 7<sup>th</sup> Avenue Center, LLC for the provision of locked psychiatric care for clients for the term July 1, 2011 through June 30, 2014, for a maximum obligation of \$1,457,680; and
- B) Chief of the Health System or designee 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.

**BACKGROUND:**

Mental Health Rehabilitation Centers (MHRC) such as 7<sup>th</sup> Avenue Center, LLC, (7<sup>th</sup> Avenue) provide locked psychiatric care for adults with serious and persistent mental illness. Counties are required by the State Department of Mental Health to pay a "basic rate" for skilled nursing/basic care for adults 18-64 years of age who are housed in MHRC facilities. The basic rates vary by geographic region and are set annually by the State Department of Health Services. Medi-Cal provides basic rate funding for individuals in locked facilities who are age 65 years and older. In addition to the basic rate, selected San Mateo County clients at MHRC facilities may be authorized for supplemental payments, often referred to as "patches" or "enhanced rates" in order to provide augmented services based on the severity of an individual's illness. 7<sup>th</sup> Avenue has contracted with Behavioral Health and Recovery Services (BHRS) since 2002. Under the B-1 Administrative Memorandum, the selection of providers for these long-term locked facility services is exempt from the Request for Proposals requirement.

**DISCUSSION:**

The Agreement with 7<sup>th</sup> Avenue Center, LLC is for the provision of seven beds for San Mateo County residents. Efforts over the last several years to decrease the length of

stay at Napa State Hospital and at Cordilleras have resulted in an increased use of community placements like 7<sup>th</sup> Avenue. For severely mentally ill clients, 7<sup>th</sup> Avenue is a less expensive alternative placement than Napa State Hospital. 7<sup>th</sup> Avenue has been willing to work with clients with very difficult behavioral problems who are placed directly from the State Hospital.

The Agreement and Resolution have been reviewed and approved by County Counsel. The Contractors insurance has been reviewed and approved by Risk Management.

The Contractor has assured compliance with the County's Contractor Employee Jury ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

This Agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing locked psychiatric care for San Mateo County adults with serious and persistent mental illness. The provision of locked psychiatric care for San Mateo County clients is one established level of care. The services provided contribute to this measure. It is anticipated that 68% of clients who receive locked psychiatric care will be maintained at the current level of care or discharged to a lower level of care.

**Performance Measure:**

Measure	FY 2010-11 Estimate	FY 2011-12 Projected
Percentage of clients maintained at a current or lower level of care	68%	68%

**FISCAL IMPACT:**

The term of this Agreement is July 1, 2011 through June 30, 2014. The Agreement maximum is \$1,457,680 for the three-year term. The budgeted maximum for FY 2011-12 is \$486,780, which is included in the BHRS FY 2011-12 Recommended Budget. Of that amount, sales tax through Realignment will fund \$438,102, and the remaining \$48,678 represents Net County Cost. Similar arrangements will be in place for FY 2012-13 and FY 2013-14.

**RESOLUTION NO. \_\_\_\_\_**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

\* \* \* \* \*

**RESOLUTION AUTHORIZING THE: A) PRESIDENT THE BOARD TO EXECUTE AN AGREEMENT WITH 7<sup>TH</sup> AVENUE CENTER, LLC FOR THE PROVISION OF LOCKED PSYCHIATRIC CARE FOR CLIENTS FOR THE TERM JULY 1, 2011 THROUGH JUNE 30, 2014, FOR A MAXIMUM OBLIGATION OF \$1,457,680; AND B) CHIEF OF THE HEALTH SYSTEM OR DESIGNEE 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**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, there has been presented to this Board of Supervisors for its consideration and acceptance an Agreement, reference to which is hereby made for further particulars, whereby 7<sup>th</sup> Avenue Center, LLC, shall provide locked psychiatric services for seriously and persistently mentally ill adults for the term July 1, 2011 through June 30, 2014, for a total obligation of \$1,457,680; and

**WHEREAS**, this Board has approved the Agreement as to both form and content and desires to enter into the Agreement.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the President of this Board of Supervisors be and is hereby authorized and directed to execute said Agreement for and on behalf of the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto.

**BE IT FURTHER RESOLVED** that the Chief of the Health System or designee is hereby 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.

\* \* \* \* \*

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND  
7<sup>TH</sup> AVENUE CENTER, LLC**

THIS AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_ ,  
20\_\_\_\_, by and between the COUNTY OF SAN MATEO, hereinafter called  
"County," and 7<sup>TH</sup> AVENUE CENTER, LLC, 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 professional services.

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

**1. Exhibits and Attachments**

The following exhibits and attachments are included hereto and incorporated by reference herein:

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

**2. Services to be performed by Contractor**

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

**3. Payments**

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this Agreement exceed ONE MILLION FOUR HUNDRED FIFTY-SEVEN THOUSAND SIX HUNDRED EIGHTY DOLLARS (\$1,457,680).

**4. Term and Termination**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from July 1, 2011 through June 30, 2014.

This Agreement may be terminated by Contractor, the Chief of the Health System or 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. Hold Harmless**

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

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

**8. Indemnification Clause**

County should indemnify, defend and hold harmless Contractor, its officers, employees or agents, against any and all claims, suits, actions, costs, counsel fees, expenses, damages, judgments or decrees by reason of any person's bodily injury, including death or property damage, which occurs as a result of any performance, neglect of any employed by County during the term of this Contract or in any capacity during the progress of the work.

**9. 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.

**10. 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 Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. The Contractor shall furnish the County 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 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.

**11. 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.



## **12. Non-Discrimination and Other Requirements**

- A. Section 504 applies only to Contractor who are providing services to members of the public. Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.
- 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 Contractor'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 Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

- E. Compliance with Equal Benefits Ordinance. With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which

- prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.
- F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

**13. Compliance with Contractor Employee Jury Service Ordinance**

Contractor 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 the Contractor, 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 the Contractor or that the Contractor deduct from the employees' regular pay the fees received for jury service.

**14. Retention of Records, Right to Monitor and Audit**

(a) CONTRACTOR shall maintain all required records for three (3) 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.

(b) Reporting and Record Keeping: CONTRACTOR shall comply with all program and fiscal reporting requirements set forth by appropriate Federal, State and local agencies, and as required by the COUNTY.

(c) CONTRACTOR agrees to provide to COUNTY, to any Federal or 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.

**15. 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 this 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. All subsequent modifications shall be in writing and signed by the parties.

**16. 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.

**17. Notices**

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:

In the case of County, to:  
San Mateo County  
Behavioral Health and Recovery Services  
225 37<sup>th</sup> Avenue  
San Mateo, CA 94403

In the case of Contractor, to:  
7<sup>th</sup> Avenue Center, LLC  
1171 7<sup>th</sup> Avenue  
Santa Cruz, CA 95962

In the event that the facsimile transmission is not possible, notice shall be given both by United States mail and an overnight courier as outlined above.

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: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board

7<sup>TH</sup> AVENUE CENTER, LLC

\_\_\_\_\_  
Contractor's Signature

Date: \_\_\_\_\_

Long Form Agreement/Non Business Associate v 8/19/08

EXHIBIT A – SERVICES  
7<sup>TH</sup> AVENUE CENTER, LLC  
2011-2014

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

I. MENTAL HEALTH PROGRAM SERVICES

For the term of this Agreement as herein specified, Contractor shall provide to the County Behavioral Health and Recovery Services Division (BHRS) up to seven (7) beds for San Mateo County clients who are seriously and persistently mentally ill and in need of mental health rehabilitation, treatment and long term care.

A. Admissions

All admissions are subject to prior authorization by the County. The admission of all persons receiving services under this Agreement must receive the approval of the Deputy Director of BHRS or designee. A signed “Authorization for Admission to IMD/State Hospital Placement” form shall indicate such approval.

B. Patient Eligibility

Contractor shall admit clients with a DSM-IV diagnosis. Individuals in need of twenty-four (24) hour skilled nursing services, clients who may have histories of and, without adequate treatment, are at risk of displaying behavioral symptoms (such as combativeness, elopement risk, suicide risk, and excessive verbal abusiveness) which preclude them from being admitted into a lower level care facility, shall be considered acceptable for admission. Contractor may grant individual exceptions to these admission criteria. It is agreed by County and Contractor that individuals whose mental illness is deemed appropriate for acute care, as well as individuals suffering exclusively from dementia, developmental disability, mental retardation, or physical illness (without a psychiatric component), shall not be considered for admission.

C. MHRC Service Levels

1. Basic Services

Contractor shall provide basic service level that fully complies with Title 22 of the California Code of Regulations, Section 72445, or Title 9 of the California Code of Regulations, which includes life skills training, money management, training on accessing community services, transitional programs, and discharge planning with County staff. Basic services shall also include reasonable access to medical treatment and up-to-date psychopharmacology including Clozapine, reasonable transportation to needed off-site services, and bilingual/bicultural programming.

2. Enhanced Services

Contractor shall provide enhanced services such as experienced clinical and rehabilitative staff such as, but not limited to, psychiatric technicians, vocational and rehabilitative counselors and recreational therapists. Programs shall target enhanced services delivery for those clients whose mental health symptoms become so severe that they are at high risk of being discharged from the facility.

D. Patient Discharge Planning and Placement

Contractor shall keep a County-designated person fully informed of discharge plans and shall collaborate in pre-discharge program planning. County shall designate a facility liaison who shall be responsible for arranging community support necessary for patient discharge.

E. Reporting

1. Upon request Contractor shall provide information on medications prescribed and administered to clients placed under this Agreement.
2. Contractor will provide to the Director of Health or designee a photocopy of each unusual occurrence report filed with the State Department of Health Services, as defined in Section 72541 of Division 5, Title 22, California Code of Regulations.
4. County shall have reasonable access to all areas of the facility during business hours and to such data as will allow for the meaningful evaluation and monitoring of quality of care.
5. Contractor shall provide a quarterly report on restraint/seclusion use on clients placed under this Agreement.

## II. ADMINISTRATIVE REQUIREMENTS

A. Paragraph 13 of the Agreement 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 (18<sup>th</sup>) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.

### B. Administering Satisfaction Surveys

Contractor agrees to administer/utilize any and all survey instruments as directed by BHRIS, including outcomes and satisfaction measurement instruments.

### C. 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.

D. Contractor shall submit a copy of any licensing report issued by a licensing agency to the BHRIS Adult Services Deputy Director within ten (10) business days of Contractor's receipt of any such licensing report.

## III. GOALS AND OBJECTIVES

Goal 1: To minimize inappropriate or unnecessary state and local acute hospitalization to the extent clinically appropriate.

Objective 1: No more than ten percent (10%) of all admissions will be discharged to an acute psychiatric level of care.

Data to be collected by County in cooperation with Contractor.

Objective 2: At least sixty-six percent (66%) of clients will show a decrease in the percentage of hospital days compared to the year prior to their admission.

Data to be collected by County in cooperation with Contractor.

Goal 2: To modify clients' dysfunctional maladaptive behavioral patterns and develop daily living skills which will enable them to live in a less restrictive, more independent setting.

Objective 1: At least sixty-eight percent (68%) of all discharged clients will be discharged to a less restrictive, more independent level of care, which shall include all community-based supported housing.

Data to be collected by County in cooperation with Contractor.

Goal 3: To maintain or improve clients' level of functioning.

Objective 1: At least eighty percent (80%) of clients will improve or maintain their level of functioning as measured by a standardized outcome instrument designated by the State.

Data to be collected by County in cooperation with Contractor.

Goal 4: To enhance clients' satisfaction with the services provided.

Objective 1: At least ninety percent (90%) of customer survey respondents will rate services as good or better.

Data to be collected by County in cooperation with Contractor.

Objective 2: At least eighty-five percent (85%) of customer survey respondents will rate access to mental health services as good or better.

Data to be collected by County in cooperation with Contractor.



EXHIBIT B – PAYMENTS AND RATES  
7<sup>TH</sup> AVENUE CENTER, LLC  
2011-2014

I. PAYMENTS

In full consideration of the 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. 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 ONE MILLION FOUR HUNDRED FIFTY-SEVEN THOUSAND SIX HUNDRED EIGHTY DOLLARS (\$1,457,680) for services provided under Exhibit A, of this Agreement for the term July 1, 2011 through June 30, 2014.

B. Payment Terms

1. MHRC Program Services

- a. Subject to adjustment by the State Department of Health Services, for the period July 1, 2011, through June 30, 2014, Contractor shall be paid at the negotiated rate of: ONE HUNDRED NINETY DOLLARS (\$190) per bed per day for MHRC Services.
- b. Rates for Enhanced Services as described in paragraph I.C. of Exhibit A shall be an additional THIRTY-FIVE DOLLARS to TWO HUNDRED DOLLARS (\$35 to \$200) per client per day over and above the basic daily rate of ONE HUNDRED NINETY DOLLARS (\$190). Enhanced Services must be authorized by County in advance. Should a client require one-on-one supervision for longer than twenty-four (24) hours while awaiting return to his/her home community, there will be an additional charge of TWO HUNDRED DOLLARS (\$200) per day for a period not to exceed five (5) days.

- c. Under the terms of Title 22, Division 5, Section 72520, California Code of Regulations, Contractor shall be reimbursed for bed-hold days. The bed-hold rate shall be equal to the negotiated rate minus Department of Health Services food cost rate.
  - d. County shall be responsible for billing and collecting Share of Cost (SOC) and Supplemental Security Income (SSI) revenue, and any such collections shall be retained by County to offset the cost of providing these services. Contractor shall facilitate such collections and remit any revenue received to County.
- 2. San Mateo County clients who are eligible for reimbursement from the Veteran's Administration or other private resources are not billable under this contract.
  - 3. The Contractor shall not hold beneficiaries liable for debts in the event that the County becomes insolvent, for costs of covered services provided under this or other contracts, referral or other arrangement rather than from the County.

C. Monthly Reporting

- 1. Payment by County to Contractor shall be monthly. Contractor shall bill County on or before the tenth (10<sup>th</sup>) working day of each month for the prior month. The invoice shall include a summary of services and charges for the month of service. All claims shall clearly reflect patient names, number of patient days, and daily negotiated rate. Non-billable clients referenced in Paragraph B.6. of this Exhibit B must be included in the monthly claim with a daily rate of ZERO DOLLARS (\$0) and the source of reimbursement indicated. 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) which provide detailed description of services provided including but not limited to: client name, mental health ID#, service date, type of service provided (Ex: enhanced rate, one-to-one supervision, 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. 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.
- E. 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.

Documentation shall be maintained in compliance with the BHRS Documentation Manual, which is included by reference herein.

- F. County anticipates the receipt of revenues from various sources to be used to fund services provided by Contractor through this Agreement. Should planned or actual revenues be less than the amounts anticipated at the time of the signing 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.

G. In the event this Agreement is terminated prior to June 30, 2014, the Contractor shall be paid for services already provided pursuant to this Agreement.

H. Claims Certification and Program Integrity

Anytime Contractor submits a claim to the County for reimbursement for services provided under Schedule 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 \_\_\_\_\_, 20\_\_

Signed \_\_\_\_\_ Title \_\_\_\_\_

Agency \_\_\_\_\_”