

AGREEMENT FOR SERVICES 184-S1110
AMENDMENT I

This Amendment I to that Agreement for Services 184-S1110, made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and BHC Heritage Oaks Hospital, Inc., a Tennessee Corporation dba Heritage Oaks Hospital, duly qualified to conduct business in the State of California, whose principal place of business is 4250 Auburn Boulevard, Sacramento, CA 95841(hereinafter referred to as "Contractor") and whose Agent for Service of Process is C.T. Corporation System, 818 W Seventh Street, Los Angeles, CA 90017.

RECITALS

WHEREAS, Contractor has been engaged by County to provide mental health services on an "as requested" basis to clients referred by the County in accordance with Agreement for Services 184-S1110 dated May 25, 2011, incorporated herein and made by reference a part hereof; and

WHEREAS, the Health Services Department been reorganized and is now known as Health Services, a Department of the Health and Human Services Agency; and

WHEREAS, the parties hereto have mutually agreed to amend **Article III – Compensation for Services, Article XVI - Notice to Parties, Article XVII – Indemnity, Article XVIII – Insurance, and Article XXV - Administrator;** and

WHEREAS, the parties hereto have mutually agreed to amend and replace **Exhibit B** of said Agreement;

NOW THEREFORE, the parties do hereby agree that Agreement for Services 184-S1110 shall be amended a first time as follows:

- 1) All references in the original agreement to the "County Health Services Department" or "HSD" shall be deemed to refer to Health Services, a Department of the Health and Human Services Agency.

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2) ARTICLE III, Section 3.07 shall be amended in its entirety to read as follows:

Section 3.07	The not-to-exceed amount of this Agreement shall be as follows:
For Services provided during the time period:	Amount
July 1, 2010 through June 30, 2012	\$153,500
July 1, 2012 through June 30, 2013	273,000
Total not-to-exceed for the term of this Agreement:	\$426,000

3) ARTICLE XVI shall be amended in its entirety to read as follows:

ARTICLE XVI -

Notice to Parties: All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be addressed as follows:

COUNTY OF EL DORADO
HEALTH & HUMAN SERVICES AGENCY
670 PLACERVILLE DRIVE
PLACERVILLE, CA 95667
ATTN: ROBERT EVANS, MFT, MENTAL HEALTH PROGRAMS MANAGER

with a copy to:

COUNTY OF EL DORADO
PROCUREMENT AND CONTRACTS DIVISION
360 FAIR LANE, LOWER LEVEL
PLACERVILLE, CA 95667
ATTN: TERRI DALY, PURCHASING AGENT

or to such other location as the COUNTY directs.

Notices to Contractor shall be addressed as follows:

HERITAGE OAKS HOSPITAL
4250 AUBURN BOULEVARD
SACRAMENTO, CA 95841
ATTN: SHAWN SILVA, CHIEF EXECUTIVE OFFICER

or to such other location as the CONTRACTOR directs.

4) ARTICLE XVII shall be amended in its entirety to read as follows:

ARTICLE XVII

Indemnity: Contractor to the fullest extent permitted by law, shall hold harmless, defend at its own expense, and indemnify the County of El Dorado, its officers, officials, employees, agents, and volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees, arising from all acts or omissions to act of Contractor, or its offers, agents, or employees in rendering services under this Agreement; excluding, however, such liability, claims, losses, damages, or expenses arising from County of El Dorado's sole negligence or willful acts.

5) ARTICLE XVIII shall be amended in its entirety to read as follows:

ARTICLE XVIII

Insurance: Contractor shall provide proof of a policy of insurance satisfactory to the County of El Dorado Risk Manager and documentation evidencing that Contractor maintains insurance that meets the following requirements:

- (a) Full Workers' Compensation and Employers' Liability Insurance covering all employees of Contractor as required by law in the State of California.
- (b) Commercial General Liability Insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
- (c) Automobile Liability Insurance of not less than \$1,000,000 is required in the event motor vehicles are used by the Contractor in the performance of the Agreement.

Contractor shall provide insurance covering Professional Liability claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.

Contractor shall furnish a certificate of insurance satisfactory to the County of El Dorado Risk Manager as evidence that the insurance required above is being maintained.

The insurance will be issued by an insurance company acceptable to Risk Management, or be provided through partial or total self-insurance likewise acceptable to Risk Management.

Contractor agrees that the insurance required above shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the Agreement, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of Risk Management and Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event the Contractor fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

The certificate of insurance must include the following provisions stating that:

- (a) The insurer will not cancel the insured's coverage without thirty (30) days prior written notice to County, and;
- (b) The County of El Dorado, its officers, officials, employees, and volunteers are included as additional insured (on the additional insured endorsement for the umbrella policy), but only insofar as the operations under this Agreement are concerned.

The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Any deductibles or self-insured retentions must be declared to and approved by the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees, and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or volunteers.

The insurance companies shall have no recourse against the County of El Dorado, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.

Contractor's obligations shall not be limited by the foregoing insurance requirements and shall survive expiration of this Agreement.

In the event Contractor cannot provide an occurrence policy, Contractor shall provide insurance covering claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.

Certificate of insurance shall meet such additional standards as may be determined by the contracting County Department either independently or in consultation with Risk Management, as essential for the protection of the County.

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6) ARTICLE XXV shall be amended in its entirety to read as follows:


ARTICLE XXV

Administrator: The County Officer or employee with responsibility for administering this Agreement is Robert Evans, MFT, Mental Health Programs Manager, Health and Human Services Agency, Mental Health Division, or successor.

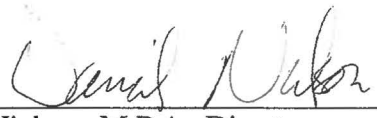
7) Exhibit B – Fiscal Provisions shall be replaced in its entirety by Exhibit B (amended) – Fiscal Provisions attached hereto and incorporated by reference herein.

Except as herein amended, all other parts and sections of that Agreement #184-S1110 shall remain unchanged and in full force and effect.

REQUESTING CONTRACT ADMINISTRATOR CONCURRENCE:

By:  Dated: 8/15/12
Robert Evans, MFT, Mental Health Programs Manager
Health and Human Services Agency

REQUESTING DEPARTMENT HEAD CONCURRENCE:

By:  Dated: 8-16-2012
Daniel Nielson, M.P.A., Director
Health and Human Services Agency

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IN WITNESS WHEREOF, the parties hereto have executed this first Amendment to that Agreement for Services 184-S1110 on the dates indicated below.

-- COUNTY OF EL DORADO --

Dated: 3/12/13

By:  RON BRIGGS, Chair
Board of Supervisors
"County"

ATTEST:
James S. Mitrisin, Clerk
of the Board of Supervisors

By:  Marcie MacFarland
Deputy Clerk

Dated: 3/12/13

-- CONTRACTOR --

BHC HERITAGE OAKS HOSPITAL, INC.
A TENNESSEE CORPORATION DBA
HERITAGE OAKS HOSPITAL

By:  Shawn Silva, Chief Executive Officer
"Contractor"

Dated: 1/30/13

EXHIBIT B (AMENDED)

FISCAL PROVISIONS

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

A. Reimbursement Rates:

1. **Inpatient Hospital Medi-Cal Rate:** The per-diem rate established through negotiations between the provider and the MHP in the county in which the Contractor is located (Host County) pursuant to Title 9 of the California Code of Regulations (CCR), Section 1751. Contractor shall provide County with a copy of this negotiated rate agreement with the host county annually, and that rate shall be effective concurrent with the dates specified in that agreement. This rate shall not include Inpatient Psychiatric Professional Fees.
2. **Inpatient Hospital Short Doyle/Uninsured Rate:** The per-diem rate established through negotiations between the provider and the MHP in the county in which the Contractor is located (Host County) pursuant to Title 9 CCR, Section 1751. Contractor shall provide County with a copy of this negotiated rate agreement with the host county annually, and that rate shall be effective concurrent with the dates specified in that agreement. Psychiatric Professional Fees shall be included in the charges for Inpatient Hospital Rates.
 - a. County will authorize payment for non-Medi-Cal Clients only if one of the following conditions is met:
 - County initially assesses and refers Client for admission, or
 - Client presents at the Contractor's facility and Contractor contacts County Utilization Review Coordinator during regular business hours or Psychiatric Emergency Services during non-business hours and receives County written authorization prior to admission.
 - b. County will reimburse Contractor for any difference between the portion paid by a third party insurer and the Short Doyle/Uninsured rate.
3. **Hospital Administrative Day Rate:** The rate established by the California Department of Mental Health as specified in Title 22 CCR, Section 51542(a)(3) for Fee-For-Service/Medi-Cal hospitals. All rates shall be as evidenced in a duly issued California Department of Mental Health Information Notice and shall be effective upon the date specified in said Notice.

The Hospital Administrative Day Rate listed in the negotiated rate agreement between the host county and Contractor shall be considered illustrative only. The

Hospital Administrative Day Rate shall be as promulgated by the California Department of Mental Health pursuant to Title 22, CCR Section 51542(a)(3).

4. **Inpatient Psychiatric Professional Rate:** Shall be no greater than the daily rate negotiated between the Contractor and the Host County for the period of service. Contractor shall provide County with a copy of this negotiated rate agreement with the Host County annually, and that rate shall be effective concurrent with the dates specified in that agreement.
- B. County anticipates revenues from various sources to be used to fund services provided by Contractor through this Agreement. Should actual revenues be less than the amounts anticipated for any period of this Agreement, the maximum payment obligation and/or payment obligations for specific services may be reduced at the discretion of the Director of Health Services or designee.
 - C. The Hospital Inpatient and Hospital Administrative Day Medi-Cal Rates, as negotiated between the Contractor and the host county, are inclusive of all inpatient hospital services including hospital based ancillary services and routine hospital services, but do not include psychiatrist or psychologist services rendered to Clients under this Agreement. The Inpatient Psychiatric Professional rate is intended to cover psychiatrist or psychologist services rendered to clients under this Agreement. **It is the responsibility of Contractor to pay psychiatrists and psychologists rendering services under this Agreement. Reimbursement by County to Contractor may then occur pursuant to the terms specified in Article III of this Agreement.**
 - D. The services provided for Medi-Cal beneficiaries will be authorized retroactively by the County of El Dorado Health Services Department, Mental Health Division staff. County Short Doyle/Uninsured Clients who may present at Contractor's facility without being pre-authorized by County per paragraph A above and other applicable terms of this Agreement are expressly excluded from reimbursement by County.
 - E. Contractor shall bill its customary charges and submit claims to the State Department of Health Services fiscal intermediary (currently EDS – Electronic Data Systems) for claims payment for all Medi-Cal psychiatric inpatient services rendered in accordance with existing Medi-Cal billing requirements as evidenced in Title 22 CCR and this Agreement.
 - F. Contractor shall submit invoices directly to the County for any Inpatient Psychiatric Professional Services provided to Medi-Cal Clients, which may include services rendered on the date of discharge.
 - G. County may refer County Short Doyle/Uninsured Clients to Contractor, and in this event, all terms of this Agreement pertain except that the Client is not required to be a Medi-Cal beneficiary. The rates identified as the Inpatient Hospital Short Doyle/Uninsured Rates, as negotiated between the Contractor and the host county, are inclusive of all inpatient hospital services including hospital based ancillary services and routine hospital services. The Hospital Inpatient and Hospital Administrative Day Short Doyle/Uninsured rates, which

include Inpatient Psychiatric Professional Fees, are intended to cover days that include psychiatrist or psychologist services rendered to clients under this Agreement and the rates that exclude these Psychiatric Professional Fees will cover days not involving psychiatrist or psychologist services. **It is the responsibility of Contractor to pay psychiatrists and psychologists rendering services under this Agreement. Reimbursement by County to Contractor may then occur pursuant to the terms specified in Article III of this Agreement.**

- H. Contractor shall bill any third party payor financially responsible for a Client's health care services. County shall only bear financial responsibility for the rates negotiated between the Contractor and the host county, less third-party liability and any Client share of cost, and to the extent that County inadvertently makes payments to Contractor above this level, County shall be entitled to recoup such reimbursement.
- I. It is expressly understood and agreed between the parties hereto that County shall not authorize payment to Contractor unless Contractor adheres to the policies and procedures specified in Exhibit C, marked "State Required Terms and Conditions." It is further agreed that County shall not authorize payment for services unless Contractor has provided County with evidence of insurance coverage as outlined in Section XVIII of this Agreement. COUNTY may provide retroactive authorization when special circumstances exist, as determined by the Health Services Director or the Director's designee.
- J. It is understood that any payments received from County or third party insurers for services rendered under this Agreement shall be considered as payment in full and Contractor cannot look to the Client for reimbursement for the units of service provided under this Agreement, except as provided for under Medi-Cal Share of Cost regulations or third party insurer co-pay/share of cost requirements.
- K. The Inpatient Hospital per-diem rate shall be billed for each Client who meets admission and/or continued stay criteria, documentation requirements, treatment and discharge planning requirements and occupies a psychiatric inpatient hospital bed at 12:00 midnight in the facilities of Contractor. However, a day of service may be billed if the Client is admitted and discharged during the same day provided that such admission and discharge is not within twenty-four (24) hours of a prior discharge.
- L. County will perform eligibility and financial determinations, in accordance with State Department of Mental Health Uniform Method of Determining Ability to Pay, for all Clients.
- M. Claims Certification and Program Integrity - Contractor shall comply with the following requirements in the provision of mental health services:
 - 1. Contractor shall comply with all Federal and State statutory and regulatory requirements for certification of claims, including Title 42, Code of Federal Regulations (CFR) Part 438, Sections 438.604, 438.606, and, as effective August 13, 2003, Section 438.608, as published in the June 14, 2002 Federal Register (Vol. 67, No. 115, Page 41112), which are hereby incorporated by reference.

2. Contractor certifies the following to the County, in writing under penalty of perjury, for each claim submitted for reimbursement for each Medi-Cal beneficiary with services included in the claim:
 - a. An assessment of the beneficiary was conducted in compliance with the requirements established in this Agreement.
 - b. The beneficiary was eligible to receive services at the time the services were provided to the beneficiary.
 - c. The services included in the claim were actually provided to the beneficiary.
 - d. Medical necessity was established for the beneficiary as defined under Title 9 CCR, Division 1, Chapter 11, for the service or services provided, for the timeframe in which the services were provided.
 - e. A Client Plan was developed and maintained for the beneficiary that met all Client Plan requirements established in this Agreement.
 - f. For each beneficiary with specialty mental health services included in the claim, all requirements for Contractor payment authorization for specialty mental health services were met, and any reviews for such service or services were conducted prior to the initial authorization and any re-authorization periods as established in this Agreement.
 - g. Services are offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.
- N. Except as provided in Exhibit A, Section III, Paragraph B, relative to medical records, Contractor agrees to keep for a minimum period of three (3) years from the date of service a printed representation of all records, which are necessary to disclose fully the extent of services furnished to the Client. Contractor agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California, to the California Department of Health Services; the Medi-Cal Fraud Unit; California Department of Mental Health; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services, Managed Risk Medical Insurance Board or their duly authorized representatives, or the County.
- O. Client Billing - Contractor shall not submit a claim to, demand or otherwise collect reimbursement from, the Client or persons acting on behalf of the Client for any specialty mental health or related administrative services provided under this contract except to collect other health insurance coverage, share of cost and co-payments. The Contractor shall not hold Clients liable for debts in the event that the County becomes insolvent, for costs of covered services for which the State does not pay the County, for costs of covered services for which the State or the County does not pay the Contractor, for costs of covered services provided under this or other contracts, referral or other arrangement rather than from the County, or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a Client with an emergency psychiatric condition.

P. County May Withhold Payment - Contractor shall provide all pertinent documentation required for Federal Medi-Cal reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes). The County may withhold payment for any and all services for which the required documentation is not provided, or if the documentation provided, does not meet professional standards as determined by the County Utilization Review Coordinator.