

Amendment II
**AMENDMENT TO THE
EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT
BETWEEN
MANAGED HEALTH NETWORK
AND
COUNTY OF EL DORADO
GROUP # 6178**

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The Employee Assistance Program Services Agreement effective July 1, 2005, ("Agreement") by and between **MANAGED HEALTH NETWORK** ("MHN"), a California corporation and **COUNTY OF EL DORADO** ("Client"), a California corporation, is hereby amended by both Parties (hereinafter referred to as "Amendment").

RECITALS

WHEREAS, in order to continue their existing relationship, the Parties desire to amend the Agreement;

NOW THEREFORE, in consideration of the premises, terms, and conditions set forth herein, the Parties agree to amend the Agreement as follows:

1. Section IV, "Compensation of MHN", paragraph 4.1, "Monthly Fee", the first sentence shall be deleted and replaced with:

"Client shall pay to MHN a Monthly Fee equal to nine dollars and eighty-two cents (\$9.82) per Subscriber."

2. Section V, "Term and Termination", paragraph 5.1, "Term", shall be deleted and replaced with:

"This Agreement shall commence upon the 1st day of July, 2008 (the "Effective Date"), and shall initially continue in effect for a period of twelve (12) months, through the 30th day of June, 2009, following which it shall be automatically extended for successive periods of one (1) year, subject to section 4.3, "Adjustment of Fees", unless either party terminates this Agreement in writing at least sixty (60) days prior to the end of the then current Term, or unless otherwise terminated in accordance with the provisions hereof."

3. Exhibit 2.5, "Work & Life Services", shall be deleted and replaced with the attached updated Exhibit 2.5.

4. Section 8.1 "MHN Materials" is hereby deleted and replaced with:

8.1 MHN Materials. Client acknowledges that MHN has developed and will develop in connection with this Agreement, certain symbols, trademarks, service marks, designs, data, processes, plans, procedures and information, all of which are proprietary information and trade secrets of MHN (Collectively referred to as "Materials"). Such Materials include, without limitation, Materials relating to MHN's Quality Management/Utilization Management Program, the Intake Line and all Materials prepared and distributed by MHN in connection with its Employee Assistance Programs. Client shall not use any of MHN's proprietary Materials, except as expressly contemplated by this Agreement, without the prior written consent of MHN, and shall cease any and all usage of Materials immediately upon the termination of this Agreement or at MHN's request. Notwithstanding the foregoing, both parties agree that this Agreement shall not be considered an MHN proprietary Material."

5. Section 8.2 "Confidentiality of Parties' Records and Materials" is hereby deleted and replaced with:

8.2 Confidentiality of Parties' Records and Materials. All files, data and information relating to the business of either party (excluding this Agreement) in possession of the other party will be deemed confidential and will not be disclosed except upon determination by County that such disclosure is required

by County to comply with the California Public Records Act, Government Code Section 6250 et. seq., or upon lawful order of a court or public authority which orders compels obedience under penalty of contempt, fine or impairment or loss of the right to do business. In the event of any such disclosure, the disclosing party shall immediately notify the other party in writing detailing the circumstances and extent of such disclosure."

6. All provisions of the Agreement and any written Amendment thereto, not inconsistent herewith, shall remain in full force and effect.

7. This Amendment shall be effective July 1, 2008.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates indicated below.

"Client"

COUNTY OF EL DORADO-EAP ONLY
330 Fair Lane
Placerville, CA 95667

By: _____

Name: _____

Title: _____

Date: _____


RUSTY DUPRAY

Chairman

12/16/08

"MHN"

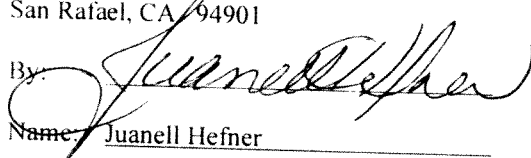
MANAGED HEALTH NETWORK
2370 Kerner Boulevard
San Rafael, CA 94901

By: _____

Name: _____

Title: _____

Date: _____


Juanell Hefner

President

12-1-08

ATTEST: SUZANNE ALLEN de SANCHEZ,
Clerk of the Board of Supervisors

By: _____


DEPUTY

EXHIBIT 2.5 WORK & LIFE SERVICES

Work & Life Services Summary

Work & Life Services provide telephonic consultations to help members deal with a wide variety of daily life issues including childcare, eldercare, financial and legal services, identity theft recovery services and more.

Work & Life Services Description

- **Childcare Assistance** – This plan covers the telephonic consultation and referrals to childcare resources, including childcare centers and special needs providers. Members can also obtain a list of up to two (2) appropriate unconfirmed providers in a two-zip code area within twelve business hours.
- **Eldercare Assistance** – This plan offers a telephonic consultation to assess healthcare needs, financial and legal concerns, living arrangements, etc., plus referrals to eldercare providers and residential facilities. Members can also obtain a list of up to two (2) appropriate unconfirmed providers in a two-zip code area within twelve business hours.
- **Financial Services** – This plan covers the telephone services of financial counselors who offer telephone educational and consultative assistance to help Members with an array of financial concerns. This service includes one thirty (30) minute telephonic consultation per separate matter, and also includes a 25% discount on rates if financial consultant is hired for additional services. Topics include credit counseling, debt and budgeting assistance, tax planning, financial planning for college and retirement planning and specialized tax assistance. Please note that this is not a tax representation and/or preparation service and investment advice, loans and bill payments are not included. *One Session = Telephone Session of up to thirty (30) minutes.*
- **Legal Services** – This plan offers either an in-person office visit or the telephone service of a network attorney or mediator to provide the Member a one half-hour consultation session. This includes one 30-minute telephonic consultation with a network attorney or mediator per separate legal matter, also includes a 25% discount on rates if legal consultant is hired for additional services. Telephonic or face-to-face consultations for issues relating to civil, consumer, personal and family law, financial matters, business law, real estate, estate planning and more. This plan excludes certain specialized legal areas including labor and employment law or disputes or actions between you and your employer or MHN. *One Session = Telephone or Face-to-Face Session of up to thirty (30) minutes.*
- **Identity Theft Recovery Services** – This service includes a telephonic consultation with a fraud resolution specialist who will help the Member to determine if the Member was a victim of identity theft and recommend options on how to place fraud alerts, freeze credit, file police reports, and conduct other activities necessary to resolve fraud. General information on identity theft prevention is also available. *One Session = Telephone Session of up to sixty (60) minutes.*
- **Daily Living Services** – This service provides a telephonic consultation and referrals to consultants and businesses that can help with everyday needs, including pet care, landscaping, auto repair, home maintenance, travel, alternative medicine, nutrition and fitness, household services. Please note that this service only provides general information regarding referrals and does not cover the cost of services purchased nor does MHN guarantee the delivery and/or quality of any service. MHN reserves the right to decline specific requests at MHN's sole discretion.

AMENDMENT TO THE
EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT
BETWEEN
MANAGED HEALTH NETWORK
AND
COUNTY OF EL DORADO
GROUP # 6178

The Employee Assistance Program Services Agreement effective July 1, 2005, ("Agreement") by and between **MANAGED HEALTH NETWORK** ("MHN"), a California corporation and **COUNTY OF EL DORADO** ("Client") is hereby amended by both Parties (hereinafter referred to as "Amendment").

RECITALS

WHEREAS, in order to continue their existing relationship, the Parties desire to amend the Agreement;

NOW THEREFORE, in consideration of the premises, terms, and conditions set forth herein, the Parties agree to amend the Agreement as follows:

1. Section V, "Term and Termination", paragraph 5.1, "Term", shall be deleted and replaced with:

"This Agreement shall commence upon the 1st day of July, 2007 (the "Effective Date"), and shall initially continue in effect for a period of twelve (12) months, through the 30th day of June, 2008, following which it shall be automatically extended for successive periods of one (1) year, subject to section 4.3, "Adjustment of Fees", unless either party terminates this Agreement in writing at least sixty (60) days prior to the end of the then current Term, or unless otherwise terminated in accordance with the provisions hereof."

2. Exhibit 2.3, "Client Training Programs", shall be deleted and replaced with the attached updated Exhibit 2.3.

3. Exhibit 2.5, "Work & Life Services", shall be deleted and replaced with the attached updated Exhibit 2.5.

4. Exhibit 2.6, "MHN Online Member Services", shall be deleted and replaced with the attached updated Exhibit 2.6.


5. All provisions of the Agreement and any written Amendment thereto, not inconsistent herewith, shall remain in full force and effect.

6. This Amendment shall be effective July 1, 2007.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates indicated below.

"Client"
COUNTY OF EL DORADO-EAP ONLY
330 Fair Lane
Placerville, CA 95667

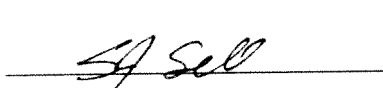
"MHN"
MANAGED HEALTH NETWORK
1600 Los Gatos Drive, Suite 300
San Rafael, CA 94903

By: 

Name: Ted J. Cwiek

Title: Director of Human Resources

Date: 10/8/07

By: 

Name: Steven J. Sell

Title: President

Date: 7-18-07

**EXHIBIT 2.3
CLIENT TRAINING PROGRAMS**

The following training programs shall be provided as requested by Client at no additional charge.

1. As needed orientation seminars for employees
2. As needed training seminars for managers and supervisors
3. Management Consults/Job Performance Referrals and related follow-ups
4. As needed health fairs
5. Twenty-four (24) "brown bag" seminars
6. Critical Incident Stress Debriefings [except as provided in Section 2.3 (c)]

EXHIBIT 2.5 WORK & LIFE SERVICES

Work & Life Services Summary

Work & Life Services provide telephonic consultations to help members deal with a wide variety of daily life issues including childcare, eldercare, financial and legal services, identity theft recovery services and more.

Work & Life Services Description

- **Childcare Assistance** – This plan covers the telephonic consultation and referrals to childcare resources, including childcare centers and special needs providers. Members can also obtain a list of up to two (2) appropriate unconfirmed providers in a two-zip code area within twelve business hours. *One Session = Telephone Session of up to thirty (30) minutes.*
- **Eldercare Assistance** – This plan offers a telephonic consultation to assess healthcare needs, financial and legal concerns, living arrangements, etc., plus referrals to eldercare providers and residential facilities. Members can also obtain a list of up to two (2) appropriate unconfirmed providers in a two-zip code area within twelve business hours. *One Session = Telephone Session of up to thirty (30) minutes.*
- **Financial Services** – This plan covers the telephone services of financial counselors who offer telephone educational and consultative assistance to help Members with an array of financial concerns. This service includes one thirty (30) minute telephonic consultation per separate matter, and a 25% discount on rates for follow-up consultations. Topics include credit counseling, debt and budgeting assistance, tax planning, financial planning for college and retirement planning and specialized tax assistance. Please note that this is not a tax representation and/or preparation service and investment advice, loans and bill payments are not included. *One Session = Telephone Session of up to thirty (30) minutes.*
- **Legal Services** – This plan offers either an in-person office visit or the telephone service of a network attorney to provide the Member a one half-hour consultation session. This includes one 30-minute telephonic consultation with a network attorney or mediator per separate legal matter, and a 25% discount on rates for follow-up consultations. Telephonic or face-to-face consultations for issues relating to civil, consumer, personal and family law, financial matters, business law, real estate, estate planning and more. This plan excludes certain specialized legal areas including labor and employment law or disputes or actions between you and your employer or MHN. *One Session = Telephone Session of up to thirty (30) minutes.*
- **Identity Theft Recovery Services** – This service includes a telephonic consultation with a fraud resolution specialist who will help the Member to determine if the Member was a victim of identity theft and recommend options on how to place fraud alerts, freeze credit, file police reports, and conduct other activities necessary to resolve fraud. This service also includes an identity theft emergency response kit. General information on identity theft prevention is also available. *One Session = Telephone Session of up to sixty (60) minutes.*
- **Daily Living Services** – This service provides a telephonic consultation and referrals to consultants and businesses that can help with everyday needs, including pet care, landscaping, auto repair, home maintenance, travel, alternative medicine, nutrition and fitness, household services. Please note that this service only provides general information regarding referrals and does not cover the cost of services purchased nor does MHN guarantee the delivery and/or quality of any service. MHN reserves the right to decline specific requests at MHN's sole discretion. *One Session = Request for Service of up to thirty (30) minutes spent on each request.*

EXHIBIT 2.6
MHN ONLINE MEMBER SERVICES

Welcome Package Description
General

MHN Online Member Services Welcome package is designed to provide Client's employees and eligible dependents online access to Employee Assistance Program (EAP) benefits, practitioner and provider searches, authorizations and behavioral health services that include a number of self-help programs, as well as professional assistance.

The MHN Online Member Services Welcome package features include:

Your EAP Benefits

- EAP Benefit Summary
- Description of Benefits

Emotional Health

- Self-Assessments: Depression, Anxiety, Stress, Insomnia, and Alcohol and Substance Abuse
- Self-Help Programs: Depression, Anxiety, Stress, Insomnia, and Alcohol and Substance Abuse
- Articles & More, Facts and information, Quick Tips
- Links to related sites
- Practitioner Search and Request Authorization

Health and Fitness

- Health Assessment
- Health Calculators
- Articles & More
- Links to related sites

Family & Work

- Child and Elder Care Resource Directories
- Articles & More
- Links to related sites

Financial & Legal

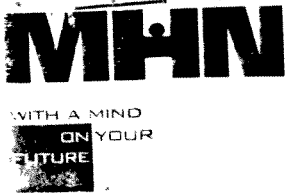
- Financial Calculators
- Articles & More
- Links to related sites

Immediate Crisis Support

Available throughout the site, this function provides Client's employees and eligible dependents with a telephone number should they need urgent intervention from a licensed clinician.

Special Feature

- Monthly Electronic Newsletter



**EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT
BETWEEN
MANAGED HEALTH NETWORK
AND
COUNTY OF EL DORADO
GROUP #6178**

This Employee Assistance Program Services Agreement ("Agreement"), is to be effective the 1st day of July, 2005, by and between **MANAGED HEALTH NETWORK ("MHN")**, a California corporation, and **COUNTY OF EL DORADO ("Client")** with reference to the following facts:

RECITALS

WHEREAS, Client wishes to establish an Employee Assistance Program as defined herein, for the benefit of its employees and their Dependents.

WHEREAS, MHN is licensed as a specialized health care service plan under the Knox-Keene Health Care Service Plan Act of 1975, as amended.

WHEREAS, MHN has experience in providing Employee Assistance Program services and has established a network of professional providers to render required Employee Assistance Program services.

WHEREAS, Client wishes to engage MHN to provide such services and MHN wishes to provide the same on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

I. DEFINITIONS

1.1 "Combined Evidence of Coverage and Disclosure Form (Evidence of Coverage)" - A document as issued by MHN to a Covered Person that describes the specific Covered Services available to that Covered Person under a specific Employee Assistance Program Services Agreement.

1.2 "Covered Person or Member" - any individual who, pursuant to this Employee Assistance Program Services Agreement, is eligible for EAP benefits as a Subscriber or Dependent.

1.3 "Critical Incident Stress Debriefing (CISD)" - a group meeting or discussion regarding a distressing and traumatic incident in the workplace. These meetings are conducted by specially trained and qualified MHN providers and generally are conducted at the workplace.

1.4 "Dependent" - Any person who is:

1. is the spouse of a Subscriber under a legally valid existing marriage between persons of opposite sex or their registered domestic partner;
2. is a dependent child of a Subscriber or of Subscriber's spouse or their registered domestic partner, who is either:
 - a. unmarried and under age nineteen (19), including a legally adopted child or stepchild living with the employee in a regular parent-child relationship; or

b. a mentally or physically handicapped child who is disabled at the time he or she reaches age nineteen (19). Proof of incapacity must be submitted and accepted by the Client's Health Plan Administrator (Blue Shield); or

3. is an unmarried Dependent child of Subscriber or Subscriber's spouse nineteen (19) years of age but less than twenty-three (23) years of age if such child is dependent upon the employee for more than 60% of his or her financial support and is in full-time school attendance at an accredited school or college. MHN may request student status of any such Dependent on a periodic basis.

A Dependent of a Subscriber becomes eligible to receive Covered Services on the date on which the Dependent becomes a Dependent of Subscriber or Subscriber's spouse. For adopted and foster children of eligible Subscribers, coverage will begin at the moment the child is placed in the custody of the adoptive or foster parents.

1.5 "Employee Assistance Program" ("EAP") - the MHN program for the Assessment and Referral of Covered Persons as described in this Agreement, including short-term telephonic counseling as authorized by MHN.

1.6 "Initial Term" - the initial period of the Term of this Agreement as set forth at Paragraph 5.1, below.

1.7 "Intake Line" - a telephone number available twenty four (24) hours each day, seven (7) days each week to provide access to MHN's EAP services pursuant to this Agreement.

1.8 "Monthly Fee" - the amount to be paid to MHN by Client as set forth at paragraph 4.1.

1.9 "Participating Provider" - a professional contracting with MHN or its affiliates who furnishes Employee Assistance Program services to Covered Persons.

1.10 "Plan" - the Client's general health benefits plan established for its employees.

1.11 "Session" - any (a) in-person or telephonic consultation with a Covered Person in connection with the Covered Person's health, mental health, alcohol or substance abuse problems, (b) in-person consultation with a Covered Person after referral for motivation or referral, or (c) an in-person consultation or a telephone consultation requested by the Client regarding the Covered Person's performance.

1.12 "Subscriber" - An individual who is a permanent or provisional (not "extra help" as defined by Client) employee of Client, regularly scheduled to work thirty-two (32) hours per pay period or more, and for whom a fee is paid by Client to MHN. A pay period is fourteen (14) days. Eligibility begins on the first of the month following employee's date of hire with Client. In addition in order to be eligible for benefits hereunder an individual must not be eligible for benefits under MHN group numbers 6179 or 6180.

1.13 "Term" - the Term of this Agreement as set forth at Paragraph 5.1, below.

II. DUTIES OF MHN

2.1 **Intake Line.** By calling such number, Covered Persons may obtain information regarding the scope of and the procedures for obtaining access to services and programs provided pursuant to this Agreement.

2.2 **Participating Provider Network.** MHN shall maintain a network of Participating Providers, to provide the counseling services to Covered Persons pursuant to this Agreement.

2.3 **Employee Assistance Program.** MHN shall provide or arrange for the following services:

a) Conduct orientation and training seminars for Client's managers, supervisors, and Covered Persons relating to the scope and nature of the EAP services as set forth in Exhibit 2.3 hereof. The training programs may also be to assist such personnel in identifying and dealing with employees whose job performance suffers from

personal, health or substance abuse related problems and who are not responsive to normal on-site supervisory counseling procedures.

b) MHN shall respond to management/job performance referrals. For management/job performance referrals, MHN shall provide follow-up, as determined by MHN to be necessary, to monitor referred Covered Persons' adherence to the agreed course of treatment. Progress reports to managers and supervisors on referred employees will be limited to reporting whether or not the employee has sought EAP assistance and is cooperating with the treatment program.

c) MHN will respond to CISDs as set forth in Exhibit 2.3 relating to a distressing and traumatic event occurring in the Client's workplace on an unlimited basis, except in the case of catastrophic events. A "catastrophic event" is defined as an incident requiring more than twenty (20) hours of counseling. In such an event, beginning with the 21st hour, MHN shall bill Client at the rate of \$250.00 per hour, or the rate in effect at the time of service in MHN's Training & Consulting Schedule, as well as for any travel expenses, including without limitation, practitioner professional fees for travel time, incurred by MHN.

d) MHN shall provide a maximum of ten (10) counseling sessions per incident per Covered Person per benefit period. In providing such services, MHN shall assess and refer Covered Persons to obtain the appropriate care aimed at restoring their ability to perform their job duties at an acceptable level and to provide general assistance in connection with substance abuse or mental health problems.

e) MHN shall design, recommend, produce, and provide materials and/or other information to Client to publicize its existence to Client's Covered Persons.

f) At the conclusion of assessment services, the Covered Person will be requested to complete a "Client Satisfaction Questionnaire."

2.4 Reports to Client. MHN shall provide Client with the reports described in Exhibit 2.4, attached hereto and made a part hereof, at the intervals described therein.

2.5 Work & Life Services. MHN shall also provide those EAP work & life services described in Exhibit 2.5 hereof. The fee for such services is included in the Monthly Fee set forth in section 4.1 of this Agreement.

2.6 Online Member Services. Client shall receive Online Member Services described in Exhibit 2.6 hereof. The fee for such services is included in the Monthly Fee set forth in section 4.1 of this Agreement.

III. DUTIES OF CLIENT

3.1 Dissemination of Information. Client shall inform all its employees who are Covered Persons of the services provided pursuant to this Agreement. Client shall also provide to Covered Persons information as to the existence and terms of this Agreement and shall annually distribute to Covered Persons copies of the MHN Combined Evidence of Coverage and Disclosure Form and any other appropriate MHN information materials periodically as MHN may request. Except with respect to materials prepared solely by MHN and distributed in accordance with MHN's instructions, MHN shall have no responsibility for the correctness of any information disseminated by Client or compliance with applicable laws, rules, or regulations. Client, as plan fiduciary, understands and agrees that it shall be fully responsible for Plan compliance with all relevant provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, including, but not limited to, any disclosures required to be given to Covered Persons under applicable Department of Labor regulations and/or other legal and regulatory requirements. The Client acknowledges that any designated Plan Administrator shall be responsible for Plan compliance including, but not limited to, the following:

- a) preparation and filing of Forms 5500 and/or 990;
- b) preparation, review and distribution of a Summary Plan Description as required by ERISA; and

- c) filing Summary Plan Description with U.S. Department of Labor.

3.2 Costs of Ongoing Treatment. Client shall inform all its employees who are Covered Persons that the cost of any treatment not specifically provided pursuant to this Agreement, shall be the responsibility of the Covered Person.

3.3 Client Liaison. Client shall designate an employee to act as a liaison between the Client and MHN under this Agreement and to be responsible for coordinating all of Client's requests for services under this Agreement.

IV. COMPENSATION OF MHN

4.1 Monthly Fee. Client shall pay to MHN a Monthly Fee equal to nine dollars and sixty-three cents (\$9.63) per Subscriber. The Monthly Fee shall be due and payable on or before the first day of each month during the Term. Notwithstanding the provisions of 4.3 below, if there is an increase or decrease in the number of Covered Persons, MHN shall be entitled to adjust the compensation payment on a monthly basis. In the event that Client fails to forward any compensation payment by the due date, Client shall pay MHN a late payment penalty of one percent (1%) per month on all monies outstanding in excess of thirty (30) days. If the Monthly Fee is not received by MHN as set forth above, MHN may send a Written Notice of Termination effective on the last day of the month for which full payments were received. The Client may automatically reinstate the Agreement by remitting, within fifteen (15) days of the date of Written Notice of Termination, all outstanding invoiced Monthly Fees to MHN.

4.2 Travel Expenses. Travel Expenses (and professional fees billed by providers for travel time) incurred by MHN on behalf of Client are not included in the Monthly Fee and shall be billed by MHN to Client as incurred. Client shall reimburse MHN for said expenses within thirty (30) days of receipt of such billing.

4.3 Adjustments to Fees. The Fees shall remain in effect for the Initial Term of this Agreement. Thereafter, MHN may adjust the Fees upon thirty (30) days prior written notice to Client. If Client objects to any such adjustment in the Fees and if MHN and Client are unable to reach an agreement with respect to such adjustment, this Agreement shall be terminated upon five (5) days prior written notice by either party. If no such notice is received by either party by the time that the adjusted Fee is to be effective, the parties shall be deemed to have agreed upon the Fee adjustment as set forth in MHN's notice of adjustment. Termination of this Agreement shall be the sole remedy for unresolved disputes relating to adjustment in the Fees and such disputes shall, accordingly, not be subject to arbitration.

V. TERM AND TERMINATION

5.1 Term. This Agreement shall commence upon the 1st day of July, 2005 (the "Effective Date"), and shall initially continue in effect for a period of twenty-four (24) months, through the 31st day of June, 2007, following which it shall be automatically extended for successive periods of one (1) year, subject to section 4.3, "Adjustment of Fees", unless either party terminates this Agreement in writing at least sixty (60) days prior to the end of the then current Term, or unless otherwise terminated in accordance with the provisions hereof.

5.2 Termination. Either party may terminate this Agreement with or without cause with a sixty (60) day advance notice in writing to the other party; or either party may terminate this Agreement in writing if:

a) Either party materially breaches this Agreement, and such material breach continues for a period of fifteen (15) days after written notice is given to the breaching party, specifying the nature of the breach and requesting that it be cured. If, however, the nature of breach is such that it cannot be cured within the fifteen (15) day period, then if the breaching party commences such cure in good faith within ten (10) days after delivery of the aforesaid notice and gives written notice to the non-breaching party of the action being taken to effect such cure, then this Agreement shall not be canceled. In no event shall such breach continue more than thirty (30) days after receipt of the aforesaid notice; or

b) Either party shall be adjudged bankrupt, become insolvent, have a receiver of its assets or property appointed, make a general assignment for the benefit of creditors, or institute or cause to be instituted any procedure for reorganization or rearrangement of its affairs.

VI. NOTICE TO COVERED PERSONS

Client shall inform all Covered Persons of any termination of this Agreement. MHN shall not have any obligation for claims submitted for dates of service following termination of this Agreement. Any services authorized by MHN but incurred after termination of this Agreement are the responsibility of the Covered Person.

Transfer of Records. Upon the termination of MHN's duties pursuant to this Agreement, it shall be the responsibility of the Client to arrange and pay all costs for the transfer to the successor EAP company any of the Client's records in MHN's possession involving job performance referrals. MHN may transfer such records in any form as it may desire; including computer tapes or disks. It is the responsibility of the Client to convert such information into a form required by the successor.

VII. ACCESS TO BOOKS AND RECORDS

Client agrees that MHN may have access to Client's books and records, on reasonable notice, and at reasonable times, during normal business hours, Monday through Friday of each week, to verify the number of Covered Persons reported by Client hereunder. This provision shall survive any termination of this Agreement.

VIII. PROPRIETARY MATERIALS

8.1 MHN Materials. Client acknowledges that MHN has developed and will develop in connection with this Agreement, certain symbols, trademarks, service marks, designs, data, processes, plans, procedures and information, all of which are proprietary information and trade secrets of MHN (Collectively referred to as "Materials"). Such Materials include, without limitation, Materials relating to MHN's Quality Management/Utilization Management Program, the Intake Line and all Materials prepared and distributed by MHN in connection with its Employee Assistance Programs. Client shall not use any of MHN's proprietary Materials, except as expressly contemplated by this Agreement, without the prior written consent of MHN, and shall cease any and all usage of Materials immediately upon the termination of this Agreement or at MHN's request.

8.2 Confidentiality of Parties' Records and Materials. All files, data and information relating to the business of either party in possession of the other party will be deemed confidential and will not be disclosed except upon lawful order of a court or public authority which order compels obedience under penalty of contempt, fine, or impairment or loss of the right to do business. In the event of any such disclosure, the disclosing party shall immediately notify the other party in writing detailing the circumstances and extent of such disclosure.

IX. CONFIDENTIALITY OF PATIENT INFORMATION

Each party shall maintain the confidentiality of information in its possession contained in the records of Covered Persons in accordance with applicable state and federal laws and regulations or other applicable law, and shall not release such information, either to each other or to any other person or entity, except as permitted by law or in accordance with a validly executed release.

X. MISCELLANEOUS

10.1 Regulation. MHN is subject to regulation by the California Department of Managed Health Care and this Agreement is subject to the requirements of the Knox-Keene Health Care Service Plan Act of 1975 (the "Act", commencing with Section 1340 of the California Health and Safety Code) and the regulations promulgated thereunder (found at Chapter 3 of Title 10 of the California Code of Regulations). Any provision required to be in this Agreement by either of these sources of law shall bind the parties whether or not provided hereunder.

10.2 Relationship of the Parties. In the performance of the work, duties and obligations of the parties to this Agreement, the parties shall at all times be acting and performing as independent contractors. No relationship of employer and employee, or partners or joint venturers is created by this Agreement, and neither party may therefore make any claim against the other party for social security benefits, workers' compensation benefits, unemployment insurance benefits, vacation pay, sick leave or any other employee benefit of any kind.

10.3 Notices. Except as set forth herein, all notices required or permitted to be given hereunder, shall be in writing and shall be sent by United States mail, certified or registered, return receipt requested, postage prepaid, or sent by a nationally recognized overnight courier or delivery service to the parties hereto at their respective addresses set forth herein, or such other address as may be fixed in accordance with the provisions hereof. Except as set forth herein, if mailed in accordance with the provisions of this paragraph, such notice shall be deemed to be received three (3) business days after mailing.

10.4 Entire Agreement; Amendment. This Agreement and all exhibits and other documents furnished pursuant to this Agreement and expressly made a part hereof shall constitute the entire agreement between the parties, and supersedes all other agreements, written or otherwise. This Agreement may be amended by a signed written agreement of the parties.

10.5 Provisions Separable. The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision.

10.6 Dispute Resolution. Client agrees to submit to arbitration as set forth in Exhibit 10.6.

10.7 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, nor be construed to be, a waiver of any subsequent breach thereof.

10.8 Applicable Law. This Agreement shall be governed in all respects by the laws of the State of California.

10.9 Indemnification.

(a) **Responsibility for Own Acts.** Each party shall be responsible for its own acts or omissions and for any and all claims, liabilities, injuries, suits, demands and expenses of all kinds which may result or arise out of any alleged malfeasance or neglect caused or alleged to have been caused by that party or its employees or representatives in the performance or omission of any act or responsibility of that party under this Agreement.

(b) Client agrees to indemnify, defend, and hold harmless MHN, its agents, officers, and employees from and against any and all liability expense including defense costs and legal fees incurred in connection with claims for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury, or property damage arising from Client's performance or failure to perform its obligations hereunder.

(c) MHN agrees to indemnify, defend, and hold harmless Client, its agents, officers, and employees from and against any and all liability expense, including defense costs and legal fees incurred in connection with claims for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury, or property damage arising from MHN's performance or failure to perform its obligations hereunder.

10.10 **Assignments/Subcontracting.** Neither party shall have the right to assign, delegate or subcontract any of its rights or obligations without the prior written consent of the other party. Notwithstanding the foregoing, MHN shall have the right to sell, transfer, convey or assign this Agreement to any successor, subsidiary, parent or affiliate of MHN and such assignee shall acquire all of the rights, duties and obligations of MHN set forth herein.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first set forth above.

"Client"
COUNTY OF EL DORADO
330 Fair Lane
Placerville, CA 95667

"MHN"
MANAGED HEALTH NETWORK
1600 Los Gatos Drive, Suite 300
San Rafael, CA 94903

By: Charlie Paine
Name: **CHARLIE PAINE**
Title: CHAIRMAN
Date: 6/28/05

By: [Signature]
Name: Gregory Stephen Pence
Title: Vice President / Treasurer
Date: 6/24/05

ATTEST: CINDY KECK, Clerk
of the Board of Supervisors

By: [Signature]
DEPUTY 6/28/05

TABLE OF EXHIBITS

Exhibit 2.3	Client Training Programs
Exhibit 2.4	Reports to Clients
Exhibit 2.5	Work & Life Services
Exhibit 2.6	Online Member Services
Exhibit 10.6	Arbitration

**EXHIBIT 2.3
CLIENT TRAINING PROGRAMS**

The following training programs shall be provided as requested by Client at no additional charge.

1. Orientation seminars for employees
2. Training seminars for managers and supervisors
3. Management Consults/Job Performance Referrals and related follow-ups
4. Twenty (20) "brown bag" seminars
5. Critical Incident Stress Debriefings [except as provided in Section 2.3 (c)]

**EXHIBIT 2.4
REPORTS TO CLIENT**

Name of Report	Interval
EAP Utilization Report	Quarterly

EXHIBIT 2.5 WORK & LIFE SERVICES

Work & Life Services Summary

Work & Life Services provide educational and consultative assistance concerning financial, legal, childcare, elder care, tax advisory, and pre-retirement issues. Additionally, MHN provides concierge services to assist Members with general life management issues.

Work & Life Services Descriptions

- **Personal Financial Counseling.** This plan covers the telephone services of financial counselors who offer telephone educational and consultative assistance to help Members with an array of financial concerns. These services are offered in 2 formats: **Brief** counseling for Members needing general consultative services; or, **Full** counseling for Members requiring in-depth, strategic consultation regarding financial concerns. For the Full session, Members are provided a worksheet in which to gather detailed information about income and expenses before the counseling session. The counselor then reviews the information with the Member and helps develop a realistic family budget during a single 60-minute telephone appointment. *This service does not cover tax or investment advice, nor does MHN give loans or pay bills. For Brief Counseling One Session = Telephone session of up to 30 minutes. For Full Counseling One Session = Telephone session of up to 60 minutes.*

- **Child Care Consultation.** This plan telephone service helps Members assess child care needs, and learn how to identify and evaluate appropriate child care resources. Through telephone consultation, MHN can help the Member with the following:
 - Help the member understand the differences in cost and structure of the various types of childcare available for infants, preschoolers and school-age children (including self-care)
 - Help the member understand the role of developmental issues in choosing care for their children
 - Help the member assess the type of care that best fits Member's family
 - Help the member evaluate Child Care information and consultative issues regarding:
 - ⇒ Child care centers
 - ⇒ Sick care (available in some locations)
 - ⇒ Nanny/au pair agencies
 - ⇒ Before and after school programs
 - ⇒ Nursery schools
 - ⇒ Quality of childcare settings and/or providers
 - ⇒ Re-evaluate the care of their children
 - ⇒ Identify resources and contacts for parents with special needs children*One Session = Telephone session of up to 30 minutes.*

- **Elder Care Consultation.** This plan telephone service helps Members obtain information to care for an aging relative. MHN's Elder Care consultation can help Members explore and use available elder care resources to:
 - Evaluate the needs of the elderly relative in terms of living arrangements, healthcare, legal rights and financial concerns
 - Identify the public and private community services that can help meet those needs
 - Identify potential sources of personal support for the caregiver

MHN will work with Members over the telephone to find solutions to their concerns. *One Session = Telephone session of up to 60 minutes.*

- **Legal Consultation.** This plan offers either an in-person office visit or the telephone service of a network attorney to provide to Member a one half-hour consultation session. Network attorneys provide advice and direction in a variety of common family law areas.* The most common areas we handle include:
 - Child custody
 - Divorce
 - Credit and bankruptcy
 - Real estate
 - Wills and probate
 - Personal injury
 - Criminal
 - Consumer contracts

*The service excludes certain specialized legal areas including labor law and employment law. This plan specifically does not cover legal representation in court or preparation of legal documents.

- **Personal Tax Advisory.** This plan covers the telephone services of CPAs (Certified Public Accountants) or EA's (Enrolled Agents) to assist employees who have problems with:
 - IRS audits
 - Capital gains, estate tax and inheritance tax
 - Unfiled, past due federal tax returns
 - How to address other IRS issues that the Member is unable to resolve

Each family unit is entitled to a total of up to 90 minutes per year, which consists of three Telephone sessions of up to 30 minutes each. Please note that this is not a tax representation and/or preparation service.

- **Pre-Retirement Consultation.** This plan covers two specialized types of Pre-Retirement telephone consultations: Financial and Lifestyles. *One Session = Telephone session of up to 60 minutes.*
 - Financial:** This telephone session can help the Member analyze the financial aspects of retirement. The counselor can help the Member:
 - ⇒ Discuss strategies for maximizing retirement income
 - ⇒ Determine how to estimate retirement income
 - ⇒ Determine if additional income is needed to maintain current lifestyle
 - ⇒ Learn about financial senior benefits
 - ⇒ Evaluate pension and social security options

Members who schedule a pre-retirement financial consultation are sent a set of worksheets to complete prior to the consultation.
 - Lifestyles:** This telephone consultation can cover all non-financial issues related to retirement. The consultant can provide suggestions on:
 - ⇒ Aging issues such as housing, health and social relationships
 - ⇒ Relocating after retirement
 - ⇒ Making the most out of retirement
 - ⇒ The effects of family relationships after retirement
 - ⇒ Making the transition from full-time work to retirement

- **Concierge Services.** This plan service covers telephone assistance in obtaining certain vendors for Members as described below.

Concierge Services serves as an information broker that is intended solely to be a locator service. This service is not intended to be a full concierge service in its purest form (i.e., securing services for Members). Members will receive a response by telephone, E-mail, or facsimile within 72 hours of their initial request. *Please note that this service only provides general information regarding referrals and does not cover the cost of services purchased nor does MHN guarantee the delivery and/or quality of any service. MHN reserves the right to decline specific requests at MHN's sole discretion. One Session = Request for Service (30 minute maximum spent on each request).*

- ***“Organizing Life’s Affairs” Counseling.*** This plan service covers an up to one-hour telephone session with a consultant who can provide Members with suggestions and written guidelines and checklists to help them:
 - ❑ Devise a system for organizing and maintaining personal records
 - ❑ Develop a personal survival guide, a master list of vital documents and personal information
 - ❑ Cope with medical decisions and funeral arrangements
 - ❑ Explore the value of a personal legacy for their heirs
 - ❑ Find additional sources of assistance and support in their own communities

This MHN service can also benefit those Members who need to arrange final details for a terminally ill friend or family member, or who need support after the loss of a loved one. Each Member who accesses this service receives our booklet, *The Guide To Getting It Together: 20 Action Steps for Organizing Personal Records and Papers*, and its companion workbook that leads the reader through each step.

EXHIBIT 2.6
MHN ONLINE MEMBER SERVICES

WELCOME PACKAGE DESCRIPTION
GENERAL

MHN Online Member Services Welcome package is designed to provide Client's employees and eligible dependents access to Employee Assistance Program (EAP) benefits, practitioner and provider searches, authorizations, and behavioral health services that include a number of self-help options, as well as professional assistance.

The MHN Online Member Services Welcome package features include:

Your EAP Benefits

- EAP Benefit Summary
- Description of Benefits

Emotional Health

- Stress Self-Help Program
- Articles & More, Quick Tips
- Links to related sites
- Practitioner Search and Request Authorization

Health and Fitness

- Health Assessment
- Articles & More
- Links to related sites

Family & Work

- Articles & More
- Links to related sites

Financial & Legal

- Financial Calculators
- Articles & More
- Links to related sites

Immediate Crisis Support

Available throughout the site, this function provides your employees and their eligible dependents with a telephone number should they need urgent intervention from a licensed clinician.

Special Feature

- Quarterly Electronic Newsletter

EXHIBIT 10.6
ARBITRATION

1. Any controversy between the parties of this Agreement, including, but not limited to, Members, shall be resolved, to the extent possible, by informal meeting or discussions between the appropriate representatives of the parties.
2. In the event that a dispute is not resolved in that process, MHN uses binding arbitration as the final method for resolving all such disputes, whether stated in tort, contract or otherwise, and whether or not other parties such as employer groups, health care practitioners, or their agents or employees, are also involved. In addition, disputes with MHN involving alleged professional liability or medical malpractice (that is, whether any medical services rendered were unnecessary or unauthorized or were improperly, negligently or incompetently rendered) also must be submitted to binding arbitration.
3. Client hereby agrees to submit all disputes to final and binding arbitration. Likewise, MHN agrees to arbitrate all such disputes. By agreeing to binding arbitration, both parties agree to forego any right they may have to a jury trial on such disputes. However, no remedies that otherwise would be available to either party in a court of law will be forfeited by virtue of this agreement to use and be bound by MHN's binding arbitration process. This agreement to arbitrate shall be enforced even if a party to the arbitration is also involved in another action or proceeding with a third party arising out of the same matter.
4. MHN's binding arbitration process is conducted by selection of mutually acceptable arbitrator(s) by the parties. The Federal Arbitration Act, 9 U.S.C. § 1, et seq., will govern arbitrations under this process. In the event that total amount of damages claimed is \$200,000 or less, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a mutually acceptable single neutral arbitrator who shall hear and decide the case and have no jurisdiction to award more than \$200,000. In the event that total amount of damages is over \$200,000, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a panel of three neutral arbitrators (unless less than three is mutually agreed upon), who shall hear and decide the case.
5. Arbitration can be initiated by submitting a demand for arbitration to MHN at the address provided below. The demand must have a clear statement of the facts, the relief sought and a dollar amount.

Litigation Administrator
21650 Oxnard Street, #2125
Woodland Hills, CA 91367

6. Upon receipt of a demand for arbitration by MHN, the parties will have 60 days to attempt to reach an agreement to select mutually acceptable arbitrator(s) as outlined above. If the parties fail to reach an agreement during this time frame, then either party may apply to a Court of Competent Jurisdiction for appointment of the arbitrator(s) who would hear and decide the matter.
7. The arbitrator is required to follow applicable state or federal law. The arbitrator may interpret this Agreement, but will not have any power to change, modify or refuse to enforce any of its terms, nor will the arbitrator have the authority to make any award that would not be available in a court of law. At the conclusion of the arbitration, the arbitrator will issue a written opinion and award setting forth findings of fact and conclusions of law, and that award will be binding on all parties. The parties will share equally the arbitrator's fee involved in the arbitration. Each party also will be responsible for their own attorneys' fees.



Amendment II
AMENDMENT TO THE
ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN
MHN SERVICES
AND
COUNTY OF EL DORADO
GROUP #6179

The Administrative Services Agreement effective the 1st day of July, 2005, ("Agreement") by and between MHN SERVICES ("MHN"), a California corporation, and COUNTY OF EL DORADO ("Client") is hereby amended by both Parties.

RECITALS

WHEREAS, in order to continue their existing relationship, the Parties desire to amend the Agreement;

NOW THEREFORE, in consideration of the premises, terms, and conditions set forth herein, the Parties agree to amend the Agreement as follows:

1. Section 4, "Compensation of MHN", paragraph 4.1, shall be deleted and replaced with:

"4.1 In consideration of the services to be provided hereunder, Client shall pay to MHN the following fees, due and payable on or before the first day of each month during the term hereof, amounts equal the following:

For Subscribers without Dependents, Client shall pay to MHN four dollars and eighty-one cents (\$4.81) for Behavioral Healthcare Services per Subscriber per month, and three dollars and ninety-eight cents (\$3.98) for EAP program integration per Subscriber per month.
For Subscribers with one (1) Dependent, Client shall pay to MHN nine dollars and sixty-three cents (\$9.63) for Behavioral Healthcare Services per Subscriber per month, and seven dollars and ninety-five cents (\$7.95) for EAP program integration per Subscriber per month.
For Subscribers with two (2) or more Dependents, Client shall pay to MHN fourteen dollars and one cent (\$14.01) for Behavioral Healthcare Services per Subscriber per month, and eleven dollars and forty-nine cents (\$11.49) for EAP program integration per Subscriber per month.

Rates are due and payable on or before the first day of each month during the term hereof. In the event that Client fails to forward the compensation payment by the due date, Client shall pay MHN a late payment penalty of one percent (1%) per month on all monies outstanding past the due date. Capitation payments are due in advance of the first day of the month to cover the services for that month. If the compensation payment is not received by MHN as set forth above, MHN may send a Written Notice of Termination effective on the last day of the month for which full payments were received. The Client may automatically reinstate the Agreement by remitting, within fifteen (15) days of the date of Written Notice of Termination, all outstanding invoiced compensation payments to MHN."

2. Section 5, "Term and Termination", paragraph 5.1 shall be deleted and replaced with:

"5.1 This Agreement shall commence upon 1st day of July, 2008, (the "Effective Date"), and shall continue in effect for a period of one (1) year, following which it shall be automatically extended for periods of one (1) year thereafter, subject to 4.2, unless either party terminates this Agreement in writing at least sixty (60) days prior to the end of the term, or unless it is otherwise terminated in accordance with the provisions hereof."

3. Exhibit 3.8, "Employee Assistance Program" shall be deleted in its entirety and replaced with the attached Exhibit 3.8, which includes updated Work & Life services descriptions.

4. Section 7 "Proprietary Rights" is hereby deleted and replaced with:

"Client acknowledges that MHN has developed and will develop in connection with this Agreement, certain symbols, trademarks, service marks, designs, data, processes, plans, procedures and information, all of which are proprietary information and trade secrets of MHN (Collectively referred to as "Materials"). Such Materials include, without limitation, Materials relating to MHN's Quality Management/Utilization Management Program, the Intake Line and all Materials prepared and distributed by MHN in connection with its Employee Assistance Programs. Client shall not use any of MHN's proprietary Materials, except as expressly contemplated by this Agreement, without the prior written consent of MHN, and shall cease any and all usage of Materials immediately upon the termination of this Agreement or at MHN's request. Notwithstanding the foregoing, both parties agree that this Agreement shall not be considered an MHN proprietary Material."

5. Section 8.1 "Confidentiality" is hereby deleted and replaced with:

"Each party shall maintain the confidentiality of information in its possession contained in the records of Covered Persons in accordance with applicable state and federal laws and regulations or other applicable law, and shall not release such information, either to each other or to any other person or entity, except as permitted by law or in accordance with a validly executed release. In addition, all files, data and information relating to the business of either party (excluding this Agreement) in possession of the other party will be deemed confidential and will not be disclosed except upon determination by County that such disclosure is required by County to comply with the California Public Records Act, Government Code Section 6250 et. seq., or upon lawful order of a court or public authority which orders compels obedience under penalty of contempt, fine or impairment or loss of the right to do business. In the event of any such disclosure, the disclosing party shall immediately notify the other party in writing detailing the circumstances and extent of such disclosure."

6. All provisions of the Agreement and any written Amendment thereto, not inconsistent herewith, shall remain in full force and effect.

7. This Amendment shall be effective July 1, 2008.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates indicated below.

"Client"
COUNTY OF EL DORADO-INTEGRATED
330 Fair Lane
Placerville, CA 95667

"MHN"
MHN SERVICES
2370 Kerner Boulevard
San Rafael, CA 94901

By: [Signature]
Name: RUSTY DUPRAY
Title: Chairman
Date: 12/16/08

By: [Signature]
Name: Juanell Hefner
Title: President
Date: 12-1-08

ATTEST: SUZANNE ALLEN de SANCHEZ,
Clerk of the Board of Supervisors

By: [Signature]
DEPUTY

**EXHIBIT 3.8
EMPLOYEE ASSISTANCE PROGRAM**

I. EMPLOYEE ASSISTANCE PROGRAM

The following training programs shall be provided as requested by client at no additional charge:

1. As needed orientation seminars for employees
2. As needed training seminars for managers and supervisors
3. Management Consults/Job Performance Referrals and related follow-ups
4. As needed health fairs
5. Twenty-four (24) "brown bag" seminars
6. Critical Incident Stress Debriefings [except as provided below]

MHN shall provide a maximum of ten (10) counseling sessions per incident per Covered Person per benefit period. In providing such services, MHN shall assess and refer Covered Persons to obtain the appropriate care aimed at restoring their ability to perform their job duties at an acceptable level and to provide general assistance in connection with substance abuse or mental health problems. At the conclusion of assessment services, the Covered Person will be requested to complete a "Client Satisfaction Questionnaire."

MHN shall respond to management/job performance referrals. For management/job performance referrals, MHN shall provide follow-up as determined by MHN to be necessary, to monitor referred Covered Persons' adherence to the agreed course of treatment. Progress reports to managers and supervisors on referred employees will be limited to reporting whether or not the employee has sought EAP assistance and is cooperating with the treatment program.

MHN will respond to CISDs relating to a distressing and traumatic event occurring in the Client's workplace on an unlimited basis, except in the case of catastrophic events. A "catastrophic event" is defined as an incident requiring more than twenty (20) hours of counseling. In such an event, beginning with the 21st hour, MHN shall bill Client at the rate of \$250.00 per hour, or the rate in effect at the time of service in MHN's Training & Consulting Schedule, as well as for any travel expenses, including without limitation, practitioner professional fees for travel time, incurred by MHN.

II. WORK & LIFE SERVICES

Work & Life Services Summary

Work & Life Services provide telephonic consultations to help members deal with a wide variety of daily life issues including childcare, eldercare, financial and legal services, identity theft recovery services and more.

Work & Life Services Description

- **Childcare Assistance** – This plan covers the telephonic consultation and referrals to childcare resources, including childcare centers and special needs providers. Members can also obtain a list of up to two (2) appropriate unconfirmed providers in a two-zip code area within twelve business hours.
- **Eldercare Assistance** – This plan offers a telephonic consultation to assess healthcare needs, financial and legal concerns, living arrangements, etc., plus referrals to eldercare providers and residential facilities.

Members can also obtain a list of up to two (2) appropriate unconfirmed providers in a two-zip code area within twelve business hours.

- **Financial Services** – This plan covers the telephone services of financial counselors who offer telephone educational and consultative assistance to help Members with an array of financial concerns. This service includes one thirty (30) minute telephonic consultation per separate matter, and a 25% discount on rates for follow-up consultations. Topics include credit counseling, debt and budgeting assistance, tax planning, financial planning for college and retirement planning and specialized tax assistance. Please note that this is not a tax representation and/or preparation service and investment advice, loans and bill payments are not included. *One Session = Telephone Session of up to thirty (30) minutes.*
- **Legal Services** – This plan offers either an in-person office visit or the telephone service of a network attorney or mediator to provide the Member a one half-hour consultation session. This includes one 30-minute telephonic consultation with a network attorney or mediator per separate legal matter, and a 25% discount on rates for follow-up consultations. Telephonic or face-to-face consultations for issues relating to civil, consumer, personal and family law, financial matters, business law, real estate, estate planning and more. This plan excludes certain specialized legal areas including labor and employment law or disputes or actions between you and your employer or MHN. *One Session = Telephone or Face-to-Face Session of up to thirty (30) minutes.*
- **Identity Theft Recovery Services** – This service includes a telephonic consultation with a fraud resolution specialist who will help the Member to determine if the Member was a victim of identity theft and recommend options on how to place fraud alerts, freeze credit, file police reports, and conduct other activities necessary to resolve fraud. General information on identity theft prevention is also available. *One Session = Telephone Session of up to sixty (60) minutes.*
- **Daily Living Services** – This service provides a telephonic consultation and referrals to consultants and businesses that can help with everyday needs, including pet care, landscaping, auto repair, home maintenance, travel, alternative medicine, nutrition and fitness, household services. Please note that this service only provides general information regarding referrals and does not cover the cost of services purchased nor does MHN guarantee the delivery and/or quality of any service. MHN reserves the right to decline specific requests at MHN's sole discretion.

III. MHN ONLINE MEMBER SERVICES

WELCOME PACKAGE DESCRIPTION GENERAL

MHN Online Member Services Welcome package is designed to provide Client's employees and eligible dependents online access to Employee Assistance Program (EAP) benefits, practitioner and provider searches, authorizations and behavioral health services that include a number of self-help programs, as well as professional assistance.

The MHN Online Member Services Welcome package features include:

Your EAP Benefits

- EAP Benefit Summary
- Description of Benefits

Emotional Health

- Self-Assessments: Depression, Anxiety, Stress, Insomnia, and Alcohol and Substance Abuse
- Self-Help Programs: Depression, Anxiety, Stress, Insomnia, and Alcohol and Substance Abuse
- Articles & More, Facts and information, Quick Tips
- Links to related sites
- Practitioner Search and Request Authorization

Health and Fitness

- Health Assessment
- Health Calculators
- Articles & More
- Links to related sites

Family & Work

- Child and Elder Care Resource Directories
- Articles & More
- Links to related sites

Financial & Legal

- Financial Calculators
- Articles & More
- Links to related sites

Immediate Crisis Support

Available throughout the site, this function provides Client's employees and eligible dependents with a telephone number should they need urgent intervention from a licensed clinician.

Special Feature

- Monthly Electronic Newsletter

AMENDMENT TO THE
ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN
MHN SERVICES
AND
COUNTY OF EL DORADO
GROUP #6179

The Administrative Services Agreement effective the 1st day of July, 2005, ("Agreement") by and between **MHN SERVICES** ("MHN"), a California corporation, and **COUNTY OF EL DORADO** ("Client") is hereby amended by both Parties.

RECITALS

WHEREAS, in order to continue their existing relationship, the Parties desire to amend the Agreement;

NOW THEREFORE, in consideration of the premises, terms, and conditions set forth herein, the Parties agree to amend the Agreement as follows:

1. Section 5, "Term and Termination", paragraph 5.1 shall be deleted and replaced with:

"5.1 This Agreement shall commence upon 1st day of July, 2007 (the "Effective Date"), and shall continue in effect for a period of one (1) year, following which it shall be automatically extended for periods of one (1) year thereafter, subject to 4.2, unless either party terminates this Agreement in writing at least sixty (60) days prior to the end of the term, or unless it is otherwise terminated in accordance with the provisions hereof."

2. Exhibit 3.8, "Employee Assistance Program" shall be deleted in its entirety and replaced with the attached Exhibit 3.8, which includes updated training services, updated Work & Life services descriptions, and the addition of MHN Online Member Services.

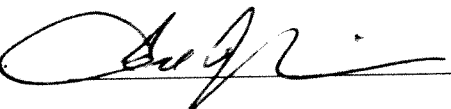
3. All provisions of the Agreement and any written Amendment thereto, not inconsistent herewith, shall remain in full force and effect.

4. This Amendment shall be effective July 1, 2007.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates indicated below.

"Client"
COUNTY OF EL DORADO
330 Fair Lane
Placerville, CA 95667

"MHN"
MHN SERVICES
1600 Los Gamos Drive, Suite 300
San Rafael, CA 94903

By: 
Name: Ted J. Cwiek
Title: Director of Human Resources
Date: 10/8/07

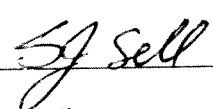
By: 
Name: Steven J. Sell
Title: President
Date: 7-20-07

EXHIBIT 3.8
EMPLOYEE ASSISTANCE PROGRAM
For Group #6179, Active Subscribers Eligible for Employee Assistance Program Services

I. EMPLOYEE ASSISTANCE PROGRAM

The following training programs shall be provided as requested by client at no additional charge:

1. As needed orientation seminar for employees
2. As needed training seminar for managers and supervisors
3. Management Consults/Job Performance Referrals and related follow-ups
4. As needed health fairs
4. Twenty-four (24) "brown bag" seminars [to be shared with group #6178]
5. Critical Incident Stress Debriefings [except as provided below]

MHN shall provide a maximum of ten (10) counseling sessions per incident per Covered Person per benefit period. In providing such services, MHN shall assess and refer Covered Persons to obtain the appropriate care aimed at restoring their ability to perform their job duties at an acceptable level and to provide general assistance in connection with substance abuse or mental health problems. At the conclusion of assessment services, the Covered Person will be requested to complete a "Client Satisfaction Questionnaire."

MHN shall respond to management/job performance referrals. For management/job performance referrals, MHN shall provide follow-up as determined by MHN to be necessary, to monitor referred Covered Persons' adherence to the agreed course of treatment. Progress reports to managers and supervisors on referred employees will be limited to reporting whether or not the employee has sought EAP assistance and is cooperating with the treatment program.

MHN will respond to CISDs relating to a distressing and traumatic event occurring in the Client's workplace on an unlimited basis, except in the case of catastrophic events. A "catastrophic event" is defined as an incident requiring more than twenty (20) hours of counseling. In such an event, beginning with the 21st hour, MHN shall bill Client at the rate of \$250.00 per hour, or the rate in effect at the time of service in MHN's Training & Consulting Schedule, as well as for any travel expenses, including without limitation, practitioner professional fees for travel time, incurred by MHN.

II. WORK & LIFE SERVICES

Work & Life Services Summary

Work & Life Services provide telephonic consultations to help members deal with a wide variety of daily life issues including childcare, eldercare, financial and legal services, identity theft recovery services and more.

Work & Life Services Description

- **Childcare Assistance** – This plan covers the telephonic consultation and referrals to childcare resources, including childcare centers and special needs providers. Members can also obtain a list of up to two (2) appropriate unconfirmed providers in a two-zip code area within twelve business hours. *One Session = Telephone Session of up to thirty (30) minutes.*

- **Eldercare Assistance** – This plan offers a telephonic consultation to assess healthcare needs, financial and legal concerns, living arrangements, etc., plus referrals to eldercare providers and residential facilities. Members can also obtain a list of up to two (2) appropriate unconfirmed providers in a two-zip code area within twelve business hours. *One Session = Telephone Session of up to thirty (30) minutes.*
- **Financial Services** – This plan covers the telephone services of financial counselors who offer telephone educational and consultative assistance to help Members with an array of financial concerns. This service includes one thirty (30) minute telephonic consultation per separate matter, and a 25% discount on rates for follow-up consultations. Topics include credit counseling, debt and budgeting assistance, tax planning, financial planning for college and retirement planning and specialized tax assistance. Please note that this is not a tax representation and/or preparation service and investment advice, loans and bill payments are not included. *One Session = Telephone Session of up to thirty (30) minutes.*
- **Legal Services** – This plan offers either an in-person office visit or the telephone service of a network attorney to provide the Member a one half-hour consultation session. This includes one 30-minute telephonic consultation with a network attorney or mediator per separate legal matter, and a 25% discount on rates for follow-up consultations. Telephonic or face-to-face consultations for issues relating to civil, consumer, personal and family law, financial matters, business law, real estate, estate planning and more. This plan excludes certain specialized legal areas including labor and employment law or disputes or actions between you and your employer or MHN. *One Session = Telephone Session of up to thirty (30) minutes.*
- **Identity Theft Recovery Services** – This service includes a telephonic consultation with a fraud resolution specialist who will help the Member to determine if the Member was a victim of identity theft and recommend options on how to place fraud alerts, freeze credit, file police reports, and conduct other activities necessary to resolve fraud. This service also includes an identity theft emergency response kit. General information on identity theft prevention is also available. *One Session = Telephone Session of up to sixty (60) minutes.*
- **Daily Living Services** – This service provides a telephonic consultation and referrals to consultants and businesses that can help with everyday needs, including pet care, landscaping, auto repair, home maintenance, travel, alternative medicine, nutrition and fitness, household services. Please note that this service only provides general information regarding referrals and does not cover the cost of services purchased nor does MHN guarantee the delivery and/or quality of any service. MHN reserves the right to decline specific requests at MHN's sole discretion. *One Session = Request for Service of up to thirty (30) minutes spent on each request.*

III. MHN ONLINE MEMBER SERVICES

Welcome Package Description

General

MHN Online Member Services Welcome package is designed to provide Client's employees and eligible dependents online access to Employee Assistance Program (EAP) benefits, practitioner and provider searches, authorizations and behavioral health services that include a number of self-help programs, as well as professional assistance.

The MHN Online Member Services Welcome package features include:

Your EAP Benefits

- EAP Benefit Summary
- Description of Benefits

Emotional Health

- Self-Assessments: Depression, Anxiety, Stress, Insomnia, and Alcohol and Substance Abuse
- Self-Help Programs: Depression, Anxiety, Stress, Insomnia, and Alcohol and Substance Abuse
- Articles & More, Facts and information, Quick Tips
- Links to related sites

- Practitioner Search and Request Authorization

Health and Fitness

- Health Assessment
- Health Calculators
- Articles & More
- Links to related sites

Family & Work

- Child and Elder Care Resource Directories
- Articles & More
- Links to related sites

Financial & Legal

- Financial Calculators
- Articles & More
- Links to related sites

Immediate Crisis Support

Available throughout the site, this function provides Client's employees and eligible dependents with a telephone number should they need urgent intervention from a licensed clinician.

Special Feature

- Monthly Electronic Newsletter



WITH A MIND
ON YOUR
FUTURE

**ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN
MHN SERVICES
AND
COUNTY OF EL DORADO
GROUP #6179**

This Administrative Services Agreement ("Agreement") is to be effective the 1st day of July, 2005, by and between **MHN SERVICES**, a California corporation ("MHN"), and **COUNTY OF EL DORADO** ("Client").

WITNESSETH

WHEREAS, MHN is in the business of providing administrative services in connection with the provision of mental health and substance abuse services in accordance with the Health Net Life Insurance Company Group Policy/Certificate located in the back portion of Exhibit 1.6 and incorporated herein by this reference (the "Policy/Certificate"); and

WHEREAS, Client wishes to engage MHN to provide such services to Covered Persons under Client's health plan benefits (the "Plan"); and

WHEREAS, MHN wishes to provide the same on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. DEFINITIONS

1.1 "Alternate Treatment" - A planned, medical therapeutic program for persons with Mental Disorders. This includes diagnosis, medical care, and treatment when the patient does not require full-time hospitalization, but does need more intensive care than traditional Outpatient visits. Alternate treatment includes residential treatment, Partial Hospitalization or Day Treatment Program and intensive Outpatient programs authorized by MHN and is considered an Inpatient benefit.

1.2 "Authorization" - A decision, issued in writing by the MHN Medical Director or his/her designee, that benefits are payable for certain services that a Covered Person will receive or has received.

1.3 "Behavioral Healthcare Services" - Chemical Dependency, Substance Abuse and/or Mental Healthcare Services determined by MHN to be Covered Services under this Plan.

1.4 "Chemical Dependency" - Psychological or physical dependence on alcohol or other mind-altering drugs that requires diagnosis, care, and treatment.

1.5 "Client" - An employer, trust fund, or other group that purchases mental health and/or chemical dependency benefits from MHN for claim payments that MHN pays to Providers for Covered Services.

1.6 "Combined Evidence of Coverage and Disclosure Form (Evidence of Coverage)" - A document in the form attached hereto as Exhibit 1.6 issued by MHN to a Covered Person that describes the specific Covered Services available to that Covered Person under this Agreement.

1.7 "Co-payment" - The payment to be collected directly by the Participating Provider or Participating Facility Provider from the Covered Person for Covered Services, excluding permitted Deductibles if any, in the amount set forth in the Policy/Certificate attached hereto and incorporated herein as Exhibit 1.6, and further described in Exhibit 1.9.

1.8 "Coverage Decision" - The approval or denial of health care services by MHN, or one of its contracting entities, substantially based on a finding that the provision of a particular service is included or excluded as a covered benefit under the terms and conditions of this Agreement.

1.9 "Covered Person" or "Member" - Anyone who has met the eligibility requirements set forth in the Policy/Certificate and incorporated herein and who is eligible for Covered Services under the Client's health benefits plan as a Subscriber or Dependent.

1.10 "Covered Services" Behavioral Healthcare Services which constitute benefits pursuant to this Agreement and which are disclosed as benefits on Exhibit 1.9 hereto. The determination of whether a benefit is a Covered Services rests with MHN.

1.11 "Critical Incident Stress Debriefing ("CISD")" - A group meeting or discussion regarding a distressing and traumatic incident occurring in the workplace. These meetings are conducted by trained and qualified MHN Participating Practitioners and generally are conducted at the workplace.

1.12 "Deductible" - That portion of the cost of Covered Services, if any, required under this Plan to be paid by the Member prior to any liability for payment by MHN.

1.13 "Dependent" - Any person who is

1. is the spouse of a Subscriber under a legally valid existing marriage between persons of opposite sex or their registered domestic partner;

2. is a dependent child of a Subscriber or of Subscriber's spouse or their registered domestic partner, who is either:

a. unmarried and under age nineteen (19), including a legally adopted child or stepchild living with the employee in a regular parent-child relationship; or

b. a mentally or physically handicapped child who is disabled at the time he or she reaches age nineteen (19). Proof of incapacity must be submitted and accepted by the Client's Health Plan Administrator (Blue Shield); or

3. is an unmarried Dependent child of Subscriber or Subscriber's spouse nineteen (19) years of age but less than twenty-three (23) years of age if such child is dependent upon the employee for more than 60% of his or her financial support and is in full-time school attendance at an accredited school or college. MHN may request student status of any such Dependent on a periodic basis.

A Dependent of a Subscriber becomes eligible to receive Covered Services on the date on which the Dependent becomes a Dependent of Subscriber or Subscriber's spouse. For adopted and foster children of eligible Subscribers, coverage will begin at the moment the child is placed in the custody of the adoptive or foster parents.

1.14 "Emergency"- The sudden onset of a condition manifesting itself by acute symptoms of sufficient severity (including severe pain) that a Prudent Layperson possessing an average knowledge of medicine and health, could reasonably expect the absence of immediate medical attention and/or Behavioral Healthcare Services, could reasonably result in:

1. serious impairment to bodily functions;

2. placing the health of the Covered Person, or others, in serious jeopardy; or

3. serious dysfunction of any bodily organ or part.

1.15 "Episode" - An Episode is a course of treatment or program voluntarily undertaken for Chemical Dependency or Substance Abuse. Each course of treatment will count as one (1) Episode if the Covered Person is able to return to treatment after a delay (voluntary or involuntary) at the point where he/she discontinued treatment; in this case the interrupted treatment course will count as one (1) Episode only. If the return to treatment requires return to a higher level of care, this would be a second Episode.

1.16 "Experimental" - Medical care that is essentially investigatory or an unproven procedure or treatment regimen that does not meet the generally accepted standards of usual professional medical practice in the general medical community.

1.17 **"Facility"** -A Hospital or facility providing Alternate Treatment which furnishes Covered Services to Covered Persons.

1.18 **"Hospital"** - Any institution which is accredited under the Accreditation Program of the Joint Commission on Accreditation of Healthcare Organizations as a:

1. Hospital; and which provides mental health and/or chemical dependency treatment; or
2. Chemical dependency treatment Facility; and which is under the supervision of a staff of Providers; and with twenty-four (24) hours-a-day nursing service; and which is operated primarily to assist in the withdrawal from dependency on alcohol or drugs; or
3. Psychiatric treatment Facility; and which is under the supervision of a staff of Providers; and with twenty-four (24) hours-a-day nursing service; and which is operated primarily to provide treatment of Mental Disorders; or any other institution designated as a Hospital by the Administrator.

1.19 **"Inpatient"** - A Covered Person who has been admitted to a Hospital or other authorized institution for bed occupancy for purposes of receiving necessary Chemical Dependency and/or Mental Healthcare Services, with the reasonable expectation that the Covered Person will remain in the institution at least twenty-four (24) hours.

1.20 **"Medical Director"** - A physician licensed to practice medicine and employed by MHN to coordinate and monitor the quality management, utilization management, and Practitioner services responsibilities for MHN.

1.21 **"Medically Necessary Service" (also "Medically Necessary" or "Medical Necessity")** - Services that must meet all of the following conditions

- The requested services provide for the diagnosis and/or active treatment of a covered current DSM-IV Axis I Mental Disorder or substance-related disorder.
- The proposed Treatment Plan represents an active, necessary and appropriate intervention for the timely resolution of the Member's symptoms and the restoration to baseline level of functioning. The proposed services are not primarily custodial in nature.
- The type, level and length of the proposed services and setting are consistent with MHN's level of care guidelines and are rendered in the least restrictive level of care in which the Member can be safely and effectively treated.
- The proposed treatment is not Experimental in nature; that is, its safety and efficacy have been clearly demonstrated and widely accepted in the modern psychiatric literature.
- The proposed Treatment Plan has been demonstrated in peer reviewed journals to be at least equally effective in bringing about a rapid resolution of symptoms when compared to possible Alternative Treatment interventions.
- The proposed Treatment Plan utilizes clinical services in an efficient manner when compared to Alternative Treatment interventions and contributes to effective management of the patient's benefit.
- Treatment is provided by a mental health/Substance Abuse professional licensed to practice independently who meets MHN's credentialing standards.

1.22 **"Mental Disorder"**- A nervous or mental condition that meets ALL of the following conditions:

1. It is a clinically significant behavioral or psychological syndrome or pattern; AND
2. It is associated with a painful symptom, such as distress; AND
3. It impairs a patient's ability to function in one or more major life activities; AND
4. It is a condition listed in an Axis I Disorder (excluding V Codes) of the Diagnostic and Statistical Manual of Mental Disorders (Fourth Edition) by the American Psychiatric Association (DSM-IV), or successor publication.

1.23 **"Mental Healthcare Services"** means those services determined by MHN to be Medically Necessary for the treatment of a Mental Disorder.

1.24 "Outpatient"- An ambulatory Covered Person receiving Covered Services who has not been admitted to a Hospital or Facility.

1.25 "Partial Hospitalization" or "Day Treatment Program" – A treatment program that may be freestanding or Hospital-based and provides Covered Services at least 5 hours per day. Members may be admitted directly to this level of care, or transferred from Acute Inpatient care following Acute stabilization.

1.26 "Participating Facility Provider" - A Hospital or a Facility providing Alternate Treatment which furnishes Behavioral Healthcare Services to Members and has agreed, by signing an agreement with MHN, to accept the provisions of the applicable agreement, including the Facility-specific compensation, as the total charge, whether paid fully by MHN or requiring cost-sharing by the Member.

1.27 "Participating Practitioner" – Professional Practitioner who furnishes Behavioral Healthcare Services to Members and has agreed, by signing an individual practitioner agreement with MHN, to accept the provisions of the applicable agreement, including the contractually agreed upon compensation, as the total charge, whether paid fully by MHN or requiring cost-sharing by the Member.

1.28 "Participating Provider" - A professional Practitioner, Facility or Hospital that furnishes Behavioral Healthcare Services to Members and has agreed, by signing a participating provider agreement with MHN, to accept the provisions of the applicable agreement, including the contractually agreed upon compensation, as the total charge, whether paid fully by MHN or requiring cost sharing by the Member.

1.29 "Peer Reviewer" - MHN psychologists and psychiatrists who conduct peer review of requests that Care Managers believe do not meet MHN level of care criteria. Psychologists may review the requests by Master's level clinicians as well as psychologists for Outpatient treatment only. Psychiatrists review any Outpatient services by psychiatrists or physicians and all Inpatient or Alternate Treatment requests. Only Medical Directors or Physician Advisors conduct expedited or standard written appeals.

1.30 "Practitioner" - A mental health professional who is appropriately licensed as a psychiatrist, clinical psychologist, marriage, family or child counselor, social worker or other person designated by MHN and acting within the scope of their license.

1.31 "Provider" - A Facility, Hospital or Practitioner, if such Providers are licensed to practice independently by the proper authorities of the state in which they practice; are practicing within the scope of their license; are providing Behavioral Healthcare Services, and meet MHN's credentialing standards

1.32 "Prudent Layperson" - A person who is without clinical training and who draws upon their practical experience when making a decision regarding whether Emergency treatment is needed. They are considered to have acted "reasonably" if other similarly situated laypersons would have believed, on the basis of observing the clinical symptoms at hand, that Emergency treatment was necessary.

1.33 "Quality Management/Utilization Management Program" - A function performed by MHN to review and determine whether the Behavioral Healthcare Services provided, or to be provided, to a Covered Person, meet MHN's standards of quality and are Medically Necessary Services and/or Covered Services.

1.34 "Serious Emotional Disturbances of a Child (SED)" - A child who:

1. Has one or more Mental Disorders as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance use disorder or developmental disorder, that results in behavior inappropriate to the child's age according to expected developmental norms; and
2. Is under the age of eighteen (18) years old.
3. Furthermore, the child must meet one or more of the following criteria:
 - a. As a result of the Mental Disorder, the child has substantial impairment in at least two of the following areas: self-care, school functioning, family relationships, or ability to function in the community; and either of the following occur:
 - (i) The child is at risk of removal from home or has already been removed from the home;
 - (ii) The Mental Disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment; or

- b. The child displays one of the following: psychotic features, risk of suicide or risk of violence due to a Mental Disorder; or
- c. The child meets special education eligibility requirements under Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code.

1.35 "Severe Mental Illness (SMI)" - The following are Mental Disorders for which diagnosis and Medically Necessary Services treatment is covered by MHN pursuant to the requirements of the California mental health parity law as further described in this Agreement:

1. Schizophrenia.
2. Schizoaffective Disorder.
3. Bipolar Disorder.
4. Major Depressive Disorder.
5. Panic Disorder.
6. Obsessive-Compulsive Disorder.
7. Pervasive Developmental Disorder or Autism.
8. Anorexia Nervosa.
9. Bulimia Nervosa.

1.36 "Subscriber" - An individual who is a permanent or provisional (not "extra help" as defined by Client) employee of Client, regularly scheduled to work thirty-two (32) hours per pay period or more, and for whom a fee is paid by Client to MHN. A pay period is fourteen (14) days. Eligibility begins on the first of the month following employee's date of hire with Client. In addition, eligible individuals must be enrolled in accordance with its enrollment rules, in the El Dorado Employer Health Care Plan (Commonly referred to as the "El Dorado County Blue Shield Plan"), a self-insured, local government-sponsored health plan administered on behalf of the County by Blue Shield of California. Individuals enrolled in any alternative county-sponsored plan are not eligible for benefits hereunder. The effective dates of coverage, and termination dates of coverage, for these individuals shall be the effective dates, and termination dates, of their coverage under the above-referenced group health plan. In addition, in order to be eligible for benefits hereunder, an individual must not be eligible for benefits under MHN Group Numbers 6180 & 6178.

1.37 "Substance Abuse" means the non-medical or recreational use of substances that alter the state of consciousness.

1.38 "Treatment Plan" - A detailed description of the health care service, treatment, or supply being rendered or expected to be rendered to a Covered Person. The Treatment Plan must include, but is not limited to: a diagnosis (DSM-IV), all Axes; reports of pertinent prior treatment, medical history, family history, social history, work history; diagnostic tests; consultations; a description of the specific goals of treatment; prognosis; proposed treatment and modality; practitioner(s), individual and/or Facility; and anticipated frequency and duration of any medications.

2. DUTIES OF CLIENT

2.1 Client agrees to take the following actions with respect to the Policy/Certificate to facilitate administration by MHN:

On or before the effective date of this Agreement, and on or before the first day of each month thereafter, provide MHN with a list of Covered Persons which shall include the name, address and Social Security number of each Covered Person. Client shall also assist MHN when necessary in determining the eligibility of Covered Persons, promptly advise MHN of any changes in the Client's organization which might affect the status of the Policy/Certificate as in effect on the effective date of the change and provide MHN with such additional information with respect to matters incidental to the Policy/Certificate as may be requested by MHN from time to time. The above list and other eligibility information is to be submitted to MHN in a form specified by MHN.

2.2 Client shall be responsible for all errors based on incorrect or out-dated eligibility information and shall reimburse MHN for any claims paid or other damages incurred as a result of such incorrect information.

2.3 Client as plan fiduciary shall act as Plan Administrator of the Plan, or shall designate an individual to act as Plan Administrator. The Client understands and agrees that it and such Plan Administrator shall be fully responsible for Plan compliance with all relevant provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Client acknowledges that any designated Plan Administrator shall be responsible for Plan compliance including, but not limited to, the following:

1. preparation and filing of Forms 5500 and/or 990;
2. preparation, review and distribution of a Summary Plan Description as required by ERISA; and
3. filing Summary Plan Description with U.S. Department of Labor.

2.4 Client shall be responsible for providing to Covered Persons information as to the existence and terms of this Agreement and shall annually distribute to Covered Persons copies of the MHN Combined Evidence of Coverage and Disclosure Form and the Policy/Certificate attached hereto as Exhibit 1.6.

3. DUTIES OF MHN

MHN agrees to provide the following services in connection with the provision of Covered Services, including Emergency services, to Covered Persons:

3.1 Intake Line

MHN shall establish and operate a toll-free telephone number, which shall be made available to Covered Persons and staffed by MHN twenty-four (24) hours per day, seven (7) days per week. By calling the Intake Line, Covered Persons may obtain information regarding Covered Services and programs available to the Covered Person, applicable procedures, and referrals to Participating Practitioners and Participating Facility Providers. Coverage of benefits hereunder is subject to the Authorization procedures set forth in the Policy/Certificate.

3.2 Claims Processing

a) MHN shall pay claims for Covered Services rendered pursuant to this Agreement as provided herein. All claims shall be submitted to MHN, whether by Participating Providers or Covered Persons, at its address as set forth herein.

b) In the event that, upon review of a claim, MHN determines that it is a valid claim for Covered Services provided to a Covered Person, it shall pay such claim on behalf of Client as follows: (i) if the claim is submitted and for services rendered by a Participating Provider, the claim shall be paid in accordance with MHN's agreement with such Participating Provider; and (ii) if the claim is submitted by a Covered Person and is for services rendered by a non-Participating Provider, the claim shall be paid in accordance with the Policy/Certificate.

c) Client shall bear all risk of loss with regard to any mistake or error whatsoever in the verification of eligibility of Covered Persons due to erroneous information supplied to MHN and agrees hereby to hold MHN, its officers, directors, agents, and servants free and harmless therefrom. This agreement of indemnification shall survive any termination of this Agreement.

3.3 Provider Network

MHN shall establish and maintain a network of Participating Providers to be available to render Covered Services to Covered Persons.

3.4 Communications to Covered Persons

MHN shall provide to Client its standard wallet cards, posters, payroll stuffers, and fliers for Covered Persons to explain the Plan and how to secure Covered Services thereunder. Client shall provide to Covered Persons all summary plan descriptions, Evidence of Coverage and Policy/Certificate documents and other disclosures as requested by MHN.

3.5 Reports to Client

MHN shall provide Client with the reports described in Exhibit 3.5, attached hereto and made a part hereof, at the intervals described therein.

3.6 Quality Management/Utilization Management Program

MHN shall implement and operate the Quality Management/Utilization Management Program, a current description of which is contained in Exhibit 3.6, attached hereto, pursuant to which MHN makes Coverage Decisions regarding whether services provided to a Covered Person constitute Covered Services, are Medically Necessary Services, and meet the quality standards prevailing in the community. MHN shall have the right, in its sole discretion, to modify the program from time to time.

3.7 Grievance and Appeals

MHN shall maintain a grievance and appeals procedure as set forth at Exhibit 3.7 herein.

3.8 Employee Assistance Program

For Group #6179, MHN shall provide services in connection with Client's Employee Assistance Program ("EAP") as described in Exhibit 3.8 attached hereto and made a part hereof.

3.9 Policy/Certificate Administration

MHN shall administer the Behavioral Healthcare Services in accordance with the Policy/Certificate incorporated in Exhibit 1.6. Please note, this Plan covers the diagnosis and Medically Necessary treatment of Severe Mental Illness ("SMI") of a person of any age and Serious Emotional Disturbances of a child ("SED") to the same extent that medical or surgical conditions are covered under the Covered Person's medical plan. This means that, for services rendered by MHN Participating Providers only, the Covered Person's Co-payments, Deductibles and annual and lifetime maximums applicable to SMI and SED will not be less favorable to the Covered Person than coverage under their medical plan for physical conditions as set forth in Exhibit 1.6 and further described in Exhibit 1.9.

4. COMPENSATION OF MHN

4.1 In consideration of the services to be provided hereunder, Client shall pay to MHN the following fees, due and payable on or before the first day of each month during the term hereof, amounts equal the following:

For Subscribers without Dependents, Client shall pay to MHN four dollars and seventy-two cents (\$4.72) for Behavioral Healthcare Services per Subscriber per month, and three dollars and ninety cents (\$3.90) for EAP program integration per Subscriber per month.
For Subscribers with one (1) Dependent, Client shall pay to MHN nine dollars and forty-four cents (\$9.44) for Behavioral Healthcare Services per Subscriber per month, and seven dollars and eighty cents (\$7.80) for EAP program integration per Subscriber per month.
For Subscribers with two (2) or more Dependents, Client shall pay to MHN thirteen dollars and seventy-four cents (\$13.74) for Behavioral Healthcare Services per Subscriber per month, and eleven dollars and twenty-six cents (\$11.26) for EAP program integration per Subscriber per month.

Rates are due and payable on or before the first day of each month during the term hereof. In the event that Client fails to forward the compensation payment by the due date, Client shall pay MHN a late payment penalty of one percent (1%) per month on all monies outstanding past the due date. Capitation payments are due in advance of the first day of the month to cover the services for that month. If the compensation payment is not received by MHN as set forth above, MHN may send a Written Notice of Termination effective on the last day of the month for which full payments were received. The Client may automatically reinstate the Agreement by remitting, within fifteen (15) days of the date of Written Notice of Termination, all outstanding invoiced compensation payments to MHN.

4.2 The initial compensation as specified in this Agreement and adjusted herein, shall remain in effect for the initial term of this Agreement. Thereafter, new compensation may be specified by MHN upon thirty (30) days prior written notice to Client. Compensation may also be specified whenever the terms of this Agreement are changed and shall become effective on the date of such change.

4.3 If the parties are unable to reach agreement as to any adjustment in compensation, this Agreement shall be terminated in accordance with Section 5 of this Agreement. Termination shall be the sole remedy for unresolved disputes relating to adjustments in compensation, or the services covered thereby; such disputes shall, accordingly, not be subject to arbitration.

5. TERM AND TERMINATION

5.1 This Agreement shall commence upon 1st day of July, 2005, (the "Effective Date"), and shall continue in effect for a period of two (2) years, following which it shall be automatically extended for periods of one (1) year thereafter, subject to 4.2, unless either party terminates this Agreement in writing at least sixty (60) days prior to the end of the term, or unless it is otherwise terminated in accordance with the provisions hereof.

5.2 Either party may terminate this Agreement with or without cause with a sixty (60) day advance notice in writing to the other party; or either party may terminate this Agreement in writing if: a) it is established that either party needs and has not secured a license, governmental approval or exemption in accordance with applicable laws or regulations in order to enter into or perform this Agreement; or b) either party materially breaches this Agreement in any manner, and such material breach continues for a period of fifteen (15) days after written notice is given to the breaching party, specifying the nature of the breach and requesting that it be cured; or c) either party shall be adjudged bankrupt, become insolvent, have a receiver of its assets or property appointed, make a general assignment for the benefit of creditors, or institute or cause to be instituted any procedure for reorganization or rearrangement of its affairs.

5.3 Upon the termination of MHN's duties hereunder, it shall be the responsibility of the Client to arrange and pay all costs for the transfer of any of Client's records in MHN's possession, including original claims records relating to Covered Persons, to a successor. MHN may, at its option, transfer such records in such form as it may desire, including computer tapes or disks, and it is the responsibility of the Client to convert such information into a form required by the successor.

6. ACCESS TO BOOKS AND RECORDS

6.1 Client agrees that MHN may have access to its books and records, on reasonable notice, and at reasonable times, during normal business hours, Monday through Friday of each week, to verify the number of Covered Persons reported by Client hereunder. This provision shall survive any termination of this Agreement.

6.2 MHN and Client acknowledge that examinations and audits may be performed by regulatory agencies, including but not limited to insurance commissioners, in compliance with applicable state and/or federal laws.

7. PROPRIETARY RIGHTS

Client acknowledges that MHN has developed and will develop in connection with this Agreement, certain symbols, trademarks, service marks, designs, data, processes, plans, procedures and information, all of which are proprietary information and trade secrets of MHN (collectively "Materials"). Materials include, without limitation, materials relating to the Quality Management/Utilization Management Program, the Intake line and Covered Person material prepared by MHN and MHN's Clinical Information Management Systems. Clients shall not use Materials, except as expressly contemplated by this Agreement, without the prior written consent of MHN, and shall cease any and all usage of Materials immediately upon the termination of this Agreement.

8. MISCELLANEOUS

8.1 Confidentiality

Each party shall maintain the confidentiality of information in its possession contained in the records of Covered Persons in accordance with applicable state and federal laws and regulations or other applicable law, and shall not release such information, either to each other or to any other person or entity, except as permitted by law or in accordance with a validly executed release. In addition, all files, data and information relating to the business of either party in the possession of the other party will be deemed confidential and will not be disclosed except upon lawful order of a court or public authority which order compels obedience under penalty of contempt, or fine, or impairment or loss of the right to do business. In the event of any such disclosure, the disclosing party shall immediately notify the other party in writing detailing the circumstances and extent of such disclosure.

8.2 Relationship of the Parties

In the performance of the work, duties and obligations of the parties to this Agreement, the parties shall at all times be acting and performing as independent contractors. No relationship of employer and employee, or partners or joint venturers is created by this Agreement, and neither party may therefore make any claim against the other party for social security benefits,

workers' compensation benefits, unemployment insurance benefits, vacation pay, sick leave or any other employee benefit of any kind.

8.3 Assignments/Subcontracting

Neither party shall have the right to assign, delegate or subcontract any of its rights or obligations without the prior written consent of the other party. Notwithstanding the foregoing, MHN shall have the right to sell, transfer, convey or assign this Agreement to any successor, subsidiary, parent or affiliate of MHN and such assignee shall acquire all of the rights, duties and obligations of MHN set forth herein.

8.4 Notices

Except as set forth herein, all notices required or permitted to be given hereunder, shall be in writing and shall be sent by overnight mail or United States mail, certified or registered, return receipt requested, postage prepaid, to the parties hereto at their respective addresses set forth herein, or such other address as may be fixed in accordance with the provisions hereof. Except as set forth herein, if mailed in accordance with the provisions of this paragraph, such notice shall be deemed to be received three (3) business days after mailing.

8.5 Entire Agreement; Amendment

This Agreement and all exhibits and other documents furnished pursuant to this Agreement and expressly made a part hereof shall constitute the entire agreement relating to the subject matter hereof between the parties hereto, and supersedes all other agreements, written or otherwise. This Agreement may be amended by mutual agreement of the parties, provided that such amendment is reduced to writing and signed by both parties.

8.6 Provisions Separable

The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision.

8.7 Headings

The headings of the various sections of this Agreement are inserted merely for the purpose of convenience and do not expressly or by implication limit, define or extend the specific terms of the section so designated.

8.8 Dispute Resolution

Client agrees to submit to arbitration as set forth in Exhibit 8.8.

8.9 Waiver of Breach

The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, nor be construed to be, a waiver of any subsequent breach thereof.

8.10 Applicable Law

This Agreement shall be governed in all respects by the laws of the State of California.

8.11 Exhibits

The Exhibits attached to this Agreement are an integral part of this Agreement and are incorporated herein by reference.

8.12 Indemnification.

(a) **Responsibility for Own Acts.** Each party shall be responsible for its own acts or omissions and for any and all claims, liabilities, injuries, suits, demands and expenses of all kinds which may result or arise out of any alleged malfeasance or neglect caused or alleged to have been caused by that party or its employees or representatives in the performance or omission of any act or responsibility of that party under this Agreement.

(b) Client agrees to indemnify, defend, and hold harmless MHN, its agents, officers, and employees from and against any and all liability expense including defense costs and legal fees incurred in connection with claims for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury, or property damage arising from Client's performance or failure to perform its obligations hereunder.

(c) MHN agrees to indemnify, defend, and hold harmless Client, its agents, officers, and employees from and against any and all liability expense, including defense costs and legal fees incurred in connection with claims for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury, or property damage arising from MHN's performance or failure to perform its obligations hereunder.

8.13 References to ERISA

The Federal law and associated regulations known as ERISA are referenced in several places within this Agreement and the Combined Evidence of Coverage and Disclosure form included as Exhibit 1.6. Client is a political subdivision of the State of California, and, as such, has advised MHN that it is not subject to ERISA regulation. Nothing in these documents shall be construed in such a way as to imply that Client is agreeing to become subject to these regulations. In particular, Section 2.3 of this Agreement shall not be understood to mean that Client is a "Plan Fiduciary" as defined under ERISA, nor that the County will file Federal Form #5500 nor otherwise will undertake duties which the County might be required to undertake if it were subject to these regulations. The paragraph on Page 6 of Exhibit 1.6, entitled "Claiming Benefits (Applicable to ERISA Plans)" is not applicable to the County's underlying health plan. Client advises that members of its underlying health plan do not have rights to file civil actions against the County under Section 502(a) of ERISA.

8.14 Administrator

The County Officer or employee with responsibility for administering this Agreement is Sherril Jodar, Risk Manager, or successor.

8.15 California Residency (Form 590)

No State of California Form 590 (certifying California residency) is required for this Agreement, because MHN is a corporation having a permanent place of business in California.

8.16 Fiscal Considerations:

The parties to this Agreement recognize and acknowledge that Client is a political subdivision of the State of California. As such, El Dorado Client is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of Client business, Client will adopt a proposed budget prior to a given fiscal year, but that the final adoption of a budget does not occur until after the beginning of the fiscal year.

Notwithstanding any other provision of this Agreement to the contrary, Client shall give notice of cancellation of this Agreement in the event of adoption of a proposed budget that does not provide for funds for the services, products or equipment subject herein. Such notice shall become effective upon the adoption of a final budget, which does not provide funding for this Agreement. Upon the effective date of such notice, this Agreement and the policy shall be automatically terminated and Client released from any further liability hereunder.

In addition to the above, should the Client's Board of Supervisors during the course of a given year for financial reasons reduce, or order a reduction, in the budget for any Client department for which services were contracted to be performed, pursuant to this paragraph in the sole discretion of the Client, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation, and subject to 61 days notice from County to MHN.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first set forth above.

"Client"
COUNTY OF EL DORADO
330 Fair Lane
Placerville, CA 95667

"MHN"
MHN SERVICES
1600 Los Gamos Drive, Suite 300
San Rafael, CA 94903

By: Charlie Paine
Name: **CHARLIE PAINE**
Title: CHAIRMAN
Date: 6/28/05

By: [Signature]
Name: Gregory Stephen Pence
Title: Vice President / Treasurer
Date: 6/24/05

ATTEST: CINDY KECK, Clerk
of the Board of Supervisors

By: [Signature]
DEPUTY

TABLE OF EXHIBITS

Exhibit 1.6	Combined Evidence of Coverage and Disclosure Form
Exhibit 1.9	Covered Services (including applicable Co-payments)
Exhibit 3.5	Reports to Client (Description and Intervals)
Exhibit 3.6	Quality Management/Utilization Management Program
Exhibit 3.7	Procedures for Complaints, Grievances, Appeals and Independent Medical Review
Exhibit 3.8	Employee Assistance Program
Exhibit 8.8	Arbitration

EXHIBIT 1.6
COMBINED EVIDENCE OF COVERAGE AND DISCLOSURE FORM
SEE ATTACHED

**EXHIBIT 1.9
COVERED SERVICES**

	In Network	Out of Network
Outpatient Benefit	MH - 50% of contracted rate SA - 50% of contracted rate	MH - 50% of UCR SA - 50% of UCR
Outpatient Maximum Session Max / Year In / Out Combined? Yes	20 sessions	20 sessions
Mental Health Inpatient	80% of contracted rate	60% of contracted rates
Substance Abuse Treatment Penalty for not completing SA Treatment? Yes	80% of contracted rate	60% of contracted rates
Concurrent Review Required?	Yes	No
Discharge Planning Required?	Yes	No
Inpatient Maximums Mental Health Days / Dollars Substance Abuse Days / Dollars	Mental Health - 30 days maximum per calendar year SA - 30 days maximum per calendar year	Mental Health - 30 days maximum per calendar year SA - 30 days maximum per calendar year
Detox / Rehab Combined? Yes		
MH/SA Combined? Yes		
Substance Abuse Episode Max In / Out Combined? Yes		
Deductible Individual Family Apply to all services? No	none	none
Out of Pocket Maximum Individual Family Apply to all services? No	N/A	N/A
Lifetime Maximum Apply to all services? Yes	MH - No Maximum SA - \$7,500 per participant Inpatient & outpatient combined	MH - No Maximum SA - \$7,500 per participant Inpatient & outpatient combined
Penalty for no pre-authorization?		
Outpatient? Yes	Penalty Description: none	Penalty Description: none
Mental Health Inpatient Yes	Penalty Description: \$500	Penalty Description: \$500
Substance Abuse Yes	Penalty Description: \$500	Penalty Description: \$500

**EXHIBIT 3.5
REPORTS TO CLIENT**

Name of Report

Interval

Managed Care Utilization Report
EAP Utilization Report

Quarterly, Semi-Annually, and Annually
Quarterly, Semi-Annually, and Annually

EXHIBIT 3.6
QUALITY MANAGEMENT/UTILIZATION MANAGEMENT
("QM/UM") PROGRAM

I. QUALITY MANAGEMENT PROGRAM

The goals/objectives of the MHN Quality Management Program are to assure that providers and staff:

A. GOALS:

1. Encourage a multi-disciplinary approach involving all MHN departments with direct impact on quality of care, accessibility of care and service delivery;
2. Objectively and systematically monitor and evaluate the quality, accessibility and appropriateness of patient care and the performance of network providers against established standards;
3. Identify, review, monitor, and resolve all known or suspected quality of care problems that directly or indirectly impact patient care and implement actions to prevent the recurrence of such problems;
4. Monitor MHN's overall performance in promoting quality of care, providing access to care and providing service, through the use of key indicators and studies;
5. Monitor and assess patient satisfaction with the quality of care, accessibility of care, and service; and
6. Monitor outcomes of services delivered.

B. OBJECTIVES:

1. Coordinate Quality Management, Utilization Management, Care Management, Customer Service, Claims, Training, Credentialing, and Practitioner Relations activities to improve services;
2. Provide consistency among the different business units in developing standards, indicators, and methods of measurements;
3. Establish and maintain standards for quality of care, accessibility of care, and service;
4. Monitor and improve MHN performance in promoting quality of care through the use of indicators, patient satisfaction surveys, patient outcome surveys, provider files, focused studies, medical records audits, and site visits;
5. Monitor compliance with regulatory requirements;
6. Monitor compliance with performance standards;
7. Identify, review, and investigate patient complaints and take action where appropriate;
8. Establish and maintain policies, procedures and criteria for the credentials review of network providers;
9. Establish, maintain, and enforce a conflict of interest policy regarding peer review activities; and
10. Evaluate the program annually and modify the program as necessary.

C. RESPONSIBILITY

The MHN Corporate Medical Director has the ultimate responsibility to ensure that the Quality Management Program is established, maintained and supported on a continuing basis.

D. STRUCTURE OF THE QUALITY MANAGEMENT PROGRAM

The Quality Management Program includes the following committees: Public Policy Committee, Quality Improvement Committee, Credentialing Committee and Utilization Management Committee.

II. UTILIZATION MANAGEMENT PROGRAM

Utilization Management Program coordinates and manages the delivery of behavioral health care resources through ongoing evaluation of the Medical Necessity and appropriateness of proposed treatment in the interest of promoting high quality, effective care for all MHN clients.

EXHIBIT 3.7
PROCEDURES FOR COMPLAINTS, GRIEVANCES,
APPEALS AND INDEPENDENT MEDICAL REVIEW

These procedures are established to safeguard the Subscriber's right to have Medically Necessary treatment, as covered by this Agreement, for himself/herself and covered Dependents, that is accessible, safe, effective, affordable and delivered in the least restrictive environment consistent with applicable professional standards for achieving these objectives.

As a condition of enrollment and a contractual term of the Agreement and the Evidence of Coverage, Members are required to submit all Grievances through MHN's internal grievance procedures. MHN's internal grievance procedures, as specified below, are required to be completed before the Member may file for arbitration to receive a final and binding resolution of the Grievance.

A. Complaint and Grievance Policies and Procedures:

1. Complaints may be filed with any staff member in writing or by telephoning the MHN Intake Line at (800) 977-7956.
2. MHN staff members who are alerted to member complaints document these by filling out an MHN Complaint Report Form.
3. Complaints involving quality of care are investigated/resolved by Quality Management staff in the regional office.
4. When a complaint form is completed by any staff member, the original is forwarded to the Quality Management department for tracking. All complaints are tracked by the Quality Management Department.
5. All written complaints are acknowledged by the Quality Management department in writing within five (5) calendar days of MHN's receiving the complaint.
6. MHN has a standard of thirty (30) days for resolution of complaints.
7. When the complaint is resolved, a Resolution Report is completed and forwarded to the Quality Management department for tracking.
8. When appropriate, members shall receive a letter outlining the resolution of the complaint from the Quality Management department.
9. For complaints where resolution information can be given, if the Member is dissatisfied with the outcome of the complaint, he/she can appeal by writing to the QM Clinical Manager, MHN, 503 Canal Boulevard, Pt. Richmond, CA 94804.
10. Grievances shall be reported on a quarterly basis as a part of the Quality Management quarterly report. This report is presented to the Quality Improvement Committee and the Board of Directors.

B. Requests for Appeals of Denials of Authorizations can be made by Members, Practitioners, or Facilities

A request for an appeal because of a denial of authorization can be made by Members, Providers or the Member's authorized representative. Questions about the appeal processes explained below may be directed at any time to the MHN Appeals Unit at (888) 426-0028.

MHN Mandatory Internal Review: If the Member has an Urgent Care Claim¹, the Member or his or her Provider or Authorized Representative² can request an expedited appeal of a denial of authorization for payment by calling MHN at 800-977-7956. An appeal will be arranged and concluded within seventy-two hours with a peer reviewer different from the one who issued the initial denial. MHN also expedites all Pre-Service Claim³ appeal requests.

Standard Written Appeal: If the Member does not have an Urgent Care Claim, the Member, Provider or Authorized Representative may submit a Standard Written Appeal within 180 days from the date of the previous adverse determination. Appeal determinations are made within a reasonable period of time appropriate to the medical circumstances, but no later than 30 days after receipt of the complete appeal request. A peer reviewer different from the one who made the initial denial decision reviews the request. The appeal request, along with any records or other information to be considered, should be sent to:

MHN
Attn: *Appeals Unit*
503 Canal Boulevard
Pt. Richmond, CA 94804

Independent Medical Review (Voluntary for Members): If the decision constitutes a denial of benefits and the Member has exhausted the MHN Mandatory Internal Review described above, the Member may request a voluntary appeal by an independent review organization in accordance with the procedures outlined in the denial letter.

C. Arbitration

Sometimes disputes or disagreements may arise between the Member (including their enrolled family members, heirs or personal representatives) and MHN regarding the construction, interpretation, performance or breach of this Agreement, or regarding other matters relating to or arising out of membership in the Plan. Typically such disputes are handled and resolved through the MHN Grievance and Appeal Process described above. However, in the event that a dispute is not resolved in that process, MHN uses binding arbitration as the final method for resolving all such disputes, whether stated in tort, contract or otherwise, and whether or not other parties such as employer groups, health care providers, or their agents or employees, are also involved. In addition, disputes with MHN involving alleged professional liability or medical malpractice (that is, whether any medical services rendered were unnecessary or unauthorized or were improperly, negligently or incompetently rendered) also must be submitted to binding arbitration.

As a condition to becoming a MHN Member, the Member agrees to submit all disputes the Member may have with MHN, except those described below, to final and binding arbitration. Likewise, MHN agrees to arbitrate all such disputes. This mutual agreement to arbitrate disputes means that both the Member and MHN are bound to use binding arbitration as the final means of resolving disputes that may arise between the parties, and thereby the parties agree to forego any right they may have to a jury trial on such disputes. However, no remedies that otherwise would be available to either party in a court of law will be forfeited by virtue of this agreement to use and be bound by MHN's binding arbitration process. This agreement to arbitrate shall be enforced even if a party to the arbitration is also involved in another action or proceeding with a third party arising out of the same matter.

MHN's binding arbitration process is conducted by selection of mutually acceptable arbitrator(s). The Federal Arbitration Act, 9 U.S.C. § 1, et seq., will govern arbitrations under this process. In the event that total amount of damages claimed is \$200,000 or less, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a mutually acceptable single neutral arbitrator who shall hear and decide the case and have no jurisdiction to award more than \$200,000. In the event that

¹ An "Urgent Care Claim" is any claim for medical care or treatment with respect to which the application of the time periods for making non-urgent care determinations (a) could jeopardize the life or health of the claimant or the ability of the claimant to regain maximum function, or (b) in the opinion of a physician with knowledge of the claimant's medical condition, would subject the claimant to severe pain that cannot be adequately managed without the care or treatment that is the subject of the claim. Any claim that a physician with knowledge of the claimant's medical condition determines is a "claim involving urgent care" under this definition must be treated as an urgent care claim by the plan. Absent a determination by the claimant's physician, the determination of whether a claim involves urgent care is to be made by an individual acting on behalf of the plan applying the judgment of a prudent layperson who possesses an average knowledge of health and medicine.

² "Authorized Representative" is a representative authorized by the claimant (Member) to take actions on appeal on behalf of the claimant.

³ A "Pre-Service Claim" is any claim for a benefit under a group health plan with respect to which the terms of the plan condition receipt of the benefit, in whole or in part, on approval of the benefit in advance of obtaining medical care.

total amount of damages is over \$200,000, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a panel of three neutral arbitrators (unless less than three is mutually agreed upon), who shall hear and decide the case.

Arbitration can be initiated by submitting a demand for arbitration to MHN at the address provided below. The demand must have a clear statement of the facts, the relief sought and a dollar amount.

Litigation Administrator
21650 Oxnard Street, #2125
Woodland Hills, Ca. 91367

Upon receipt of a demand for arbitration by MHN, the parties will have 60 days to attempt to reach an agreement to select mutually acceptable arbitrator(s) as outlined above. If the parties fail to reach an agreement during this time frame, then either party may apply to a Court of Competent Jurisdiction for appointment of the arbitrator(s) who would hear and decide the matter.

The arbitrator is required to follow applicable state or federal law. The arbitrator may interpret this Evidence of Coverage, but will not have any power to change, modify or refuse to enforce any of its terms, nor will the arbitrator have the authority to make any award that would not be available in a court of law. At the conclusion of the arbitration, the arbitrator will issue a written opinion and award setting forth findings of fact and conclusions of law, and that award will be binding on all parties. The parties will share equally the arbitrator's fee involved in the arbitration. Each party also will be responsible for their own attorneys' fees.

Effective for plan years beginning on and after July 1, 2002, Members who are enrolled in an employer's plan that is subject to ERISA, 29 U.S.C. § 1001 et seq., a federal law regulating benefit plans, are *not* required to submit disputes about certain "adverse benefit determinations" made by MHN to mandatory binding arbitration. Under ERISA, an "adverse benefit determination" means a decision by MHN to deny, reduce, terminate or not pay for all or a part of a benefit. However, the Member and MHN may voluntarily agree to arbitrate disputes about these "adverse benefit determinations" at the time the dispute arises.

D. Civil Actions Under ERISA

In the event the Member's Plan is subject to ERISA, effective for plan years beginning on or after July 1, 2002, the Member has the right to file a civil action under Section 502(a) of ERISA if a claim for benefits has not been approved after all mandatory reviews as outlined above have been completed. This means that the Member is not required to, but may voluntarily participate in, the voluntary Independent Medical Review and Arbitration processes described above. The Member may also have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact the local U.S. Department of Labor Office or applicable State insurance regulatory agency.

Client advises that it is not subject to ERISA regulation, and that this paragraph doesn't apply to its Members.

EXHIBIT 3.8
EMPLOYEE ASSISTANCE PROGRAM
For Group #6179, Active Subscribers Eligible for Employee Assistance Program Services

I. EMPLOYEE ASSISTANCE PROGRAM

The following training programs shall be provided as requested by client at no additional charge:

1. Orientation seminars for employees
2. Training seminars for managers and supervisors
3. Management Consults/Job Performance Referrals and related follow-ups
4. Twenty-four (24) "brown bag" seminars [to be shared with group #6178]
5. Critical Incident Stress Debriefings [except as provided below]

MHN shall provide a maximum of ten (10) counseling sessions per incident per Covered Person per benefit period. In providing such services, MHN shall assess and refer Covered Persons to obtain the appropriate care aimed at restoring their ability to perform their job duties at an acceptable level and to provide general assistance in connection with substance abuse or mental health problems. At the conclusion of assessment services, the Covered Person will be requested to complete a "Client Satisfaction Questionnaire."

MHN shall respond to management/job performance referrals. For management/job performance referrals, MHN shall provide follow-up as determined by MHN to be necessary, to monitor referred Covered Persons' adherence to the agreed course of treatment. Progress reports to managers and supervisors on referred employees will be limited to reporting whether or not the employee has sought EAP assistance and is cooperating with the treatment program.

MHN will respond to CISDs relating to a distressing and traumatic event occurring in the Client's workplace on an unlimited basis, except in the case of catastrophic events. A "catastrophic event" is defined as an incident requiring more than twenty (20) hours of counseling. In such an event, beginning with the 21st hour, MHN shall bill Client at the rate of \$250.00 per hour, or the rate in effect at the time of service in MHN's Training & Consulting Schedule, as well as for any travel expenses, including without limitation, practitioner professional fees for travel time, incurred by MHN.

II. WORK & LIFE SERVICES

Work & Life Services Summary

Work & Life Services provide educational and consultative assistance concerning financial, legal, childcare, elder care, tax advisory, and pre-retirement issues. Additionally, MHN provides concierge services to assist Members with general life management issues.

Work & Life Services Descriptions

- ***Personal Financial Counseling.*** This plan covers the telephone services of financial counselors who offer telephone educational and consultative assistance to help Members with an array of financial concerns. These services are offered in 2 formats: ***Brief*** counseling for Members needing general consultative services; or, ***Full*** counseling for Members requiring in-depth, strategic consultation regarding financial concerns. For the Full session, Members are provided a worksheet in which to gather detailed information about income and expenses before the counseling session. The counselor then reviews the information with the Member and helps develop a realistic family budget during a single 60-minute telephone appointment. *This service does not cover tax or investment advice, nor does MHN give loans or pay bills. For Brief Counseling One Session = Telephone session of up to 30 minutes. For Full Counseling One Session = Telephone session of up to 60 minutes.*

- **Child Care Consultation.** This plan telephone service helps Members assess child care needs, and learn how to identify and evaluate appropriate child care resources. Through telephone consultation, MHN can help the Member with the following:
 - Help the member understand the differences in cost and structure of the various types of childcare available for infants, preschoolers and school-age children (including self-care)
 - Help the member understand the role of developmental issues in choosing care for their children
 - Help the member assess the type of care that best fits Member's family
 - Help the member evaluate Child Care information and consultative issues regarding:
 - ⇒ Child care centers
 - ⇒ Sick care (available in some locations)
 - ⇒ Nanny/au pair agencies
 - ⇒ Before and after school programs
 - ⇒ Nursery schools
 - ⇒ Quality of childcare settings and/or providers
 - ⇒ Re-evaluate the care of their children
 - ⇒ Identify resources and contacts for parents with special needs children

One Session = Telephone session of up to 30 minutes.

- **Elder Care Consultation.** This plan telephone service helps Members obtain information to care for an aging relative. MHN's Elder Care consultation can help Members explore and use available elder care resources to:
 - Evaluate the needs of the elderly relative in terms of living arrangements, healthcare, legal rights and financial concerns
 - Identify the public and private community services that can help meet those needs
 - Identify potential sources of personal support for the caregiver

MHN will work with Members over the telephone to find solutions to their concerns. *One Session = Telephone session of up to 60 minutes.*

- **Legal Consultation.** This plan offers either an in-person office visit or the telephone service of a network attorney to provide to Member a one half-hour consultation session. Network attorneys provide advice and direction in a variety of common family law areas.* The most common areas handled include:
 - Child custody
 - Divorce
 - Credit and bankruptcy
 - Real estate
 - Wills and probate
 - Personal injury
 - Criminal
 - Consumer contracts

*The service excludes certain specialized legal areas including labor law and employment law. This plan specifically does not cover legal representation in court or preparation of legal documents.

- **Personal Tax Advisory.** This plan covers the telephone services of CPAs (Certified Public Accountants) or EA's (Enrolled Agents) to assist employees who have problems with:
 - IRS audits
 - Capital gains, estate tax and inheritance tax
 - Unfiled, past due federal tax returns
 - How to address other IRS issues that the Member is unable to resolve
 - Each family unit is entitled to a total of up to 90 minutes per year, which consists of three Telephone sessions of up to 30 minutes each. Please note that this is not a tax representation and/or preparation service.*

- **Pre-Retirement Consultation.** This plan covers two specialized types of Pre-Retirement telephone consultations: Financial and Lifestyles. *One Session = Telephone session of up to 60 minutes.*
 - **Financial:** This telephone session can help the Member analyze the financial aspects of retirement. The counselor can help the Member:
 - ⇒ Discuss strategies for maximizing retirement income
 - ⇒ Determine how to estimate retirement income
 - ⇒ Determine if additional income is needed to maintain current lifestyle
 - ⇒ Learn about financial senior benefits
 - ⇒ Evaluate pension and social security options
 Members who schedule a pre-retirement financial consultation are sent a set of worksheets to complete prior to the consultation.
 - **Lifestyles:** This telephone consultation can cover all non-financial issues related to retirement. The consultant can provide suggestions on:
 - ⇒ Aging issues such as housing, health and social relationships
 - ⇒ Relocating after retirement
 - ⇒ Making the most out of retirement
 - ⇒ The effects of family relationships after retirement
 - ⇒ Making the transition from full-time work to retirement
- **Concierge Services.** This plan service covers telephone assistance in obtaining certain vendors for Members as described below.

Concierge Services serves as an information broker that is intended solely to be a locator service. This service is not intended to be a full concierge service in its purest form (i.e., securing services for Members). Members will receive a response by telephone, E-mail, or facsimile within 72 hours of their initial request. *Please note that this service only provides general information regarding referrals and does not cover the cost of services purchased nor does MHN guarantee the delivery and/or quality of any service. MHN reserves the right to decline specific requests at MHN's sole discretion. One Session = Request for Service (30 minute maximum spent on each request).*

- **“Organizing Life’s Affairs” Counseling.** This plan service covers an up to one-hour telephone session with a consultant who can provide Members with suggestions and written guidelines and checklists to help them:
 - Devise a system for organizing and maintaining personal records
 - Develop a personal survival guide, a master list of vital documents and personal information
 - Cope with medical decisions and funeral arrangements
 - Explore the value of a personal legacy for their heirs
 - Find additional sources of assistance and support in their own communities

This MHN service can also benefit those Members who need to arrange final details for a terminally ill friend or family member, or who need support after the loss of a loved one. Each Member who accesses this service receives MHN’s booklet, *The Guide To Getting It Together: 20 Action Steps for Organizing Personal Records and Papers*, and its companion workbook that leads the reader through each step.

III. MHN ONLINE MEMBER SERVICES

WELCOME PACKAGE DESCRIPTION GENERAL

MHN Online Member Services Welcome package is designed to provide Client’s employees and eligible dependents access to Employee Assistance Program (EAP) benefits, practitioner and provider searches, authorizations, AND behavioral health services that include a number of self-help options, as well as professional assistance. The MHN Online Member Services Welcome package features include:

Your EAP Benefits

- EAP Benefit Summary
- Description of Benefits

Emotional Health

- Stress Self-Help Program
- Articles & More, Quick Tips
- Links to related sites
- Practitioner Search and Request Authorization

Health and Fitness

- Health Assessment
- Articles & More
- Links to related sites

Family & Work

- Articles & More
- Links to related sites

Financial & Legal

- Financial Calculators
- Articles & More
- Links to related sites

Immediate Crisis Support

Available throughout the site, this function provides employees and their eligible dependents with a telephone number should they need urgent intervention from a licensed clinician.

Special Feature

Quarterly Electronic Newsletter

**EXHIBIT 8.8
ARBITRATION**

1. Any controversy between the parties of this Agreement, including, but not limited to, Members, shall be resolved, to the extent possible, by informal meeting or discussions between the appropriate representatives of the parties.
2. In the event that a dispute is not resolved in that process, MHN uses binding arbitration as the final method for resolving all such disputes, whether stated in tort, contract or otherwise, and whether or not other parties such as employer groups, health care practitioners, or their agents or employees, are also involved. In addition, disputes with MHN involving alleged professional liability or medical malpractice (that is, whether any medical services rendered were unnecessary or unauthorized or were improperly, negligently or incompetently rendered) also must be submitted to binding arbitration.
3. Client hereby agrees to submit all disputes to final and binding arbitration. Likewise, MHN agrees to arbitrate all such disputes. By agreeing to binding arbitration, both parties agree to forego any right they may have to a jury trial on such disputes. However, no remedies that otherwise would be available to either party in a court of law will be forfeited by virtue of this agreement to use and be bound by MHN's binding arbitration process. This agreement to arbitrate shall be enforced even if a party to the arbitration is also involved in another action or proceeding with a third party arising out of the same matter.
4. MHN's binding arbitration process is conducted by selection of mutually acceptable arbitrator(s) by the parties. The Federal Arbitration Act, 9 U.S.C. § 1, et seq., will govern arbitrations under this process. In the event that total amount of damages claimed is \$200,000 or less, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a mutually acceptable single neutral arbitrator who shall hear and decide the case and have no jurisdiction to award more than \$200,000. In the event that total amount of damages is over \$200,000, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a panel of three neutral arbitrators (unless less than three is mutually agreed upon), who shall hear and decide the case.
5. Arbitration can be initiated by submitting a demand for arbitration to MHN at the address provided below. The demand must have a clear statement of the facts, the relief sought and a dollar amount.

Litigation Administrator
21650 Oxnard Street, #2125
Woodland Hills, CA 91367
6. Upon receipt of a demand for arbitration by MHN, the parties will have 60 days to attempt to reach an agreement to select mutually acceptable arbitrator(s) as outlined above. If the parties fail to reach an agreement during this time frame, then either party may apply to a Court of Competent Jurisdiction for appointment of the arbitrator(s) who would hear and decide the matter.
7. The arbitrator is required to follow applicable state or federal law. The arbitrator may interpret this Agreement, but will not have any power to change, modify or refuse to enforce any of its terms, nor will the arbitrator have the authority to make any award that would not be available in a court of law. At the conclusion of the arbitration, the arbitrator will issue a written opinion and award setting forth findings of fact and conclusions of law, and that award will be binding on all parties. The parties will share equally the arbitrator's fee involved in the arbitration. Each party also will be responsible for their own attorneys' fees.



Amendment II
**AMENDMENT TO THE
 ADMINISTRATIVE SERVICES AGREEMENT
 BETWEEN
 MHN SERVICES
 AND
 COUNTY OF EL DORADO
 GROUP #6180**

The Administrative Services Agreement effective the 1st day of July, 2005, ("Agreement") by and between **MHN SERVICES** ("MHN"), a California corporation, and **COUNTY OF EL DORADO** ("Client") is hereby amended by both Parties.

RECITALS

WHEREAS, in order to continue their existing relationship, the Parties desire to amend the Agreement;

NOW THEREFORE, in consideration of the premises, terms, and conditions set forth herein, the Parties agree to amend the Agreement as follows:

1. Section 4, "Compensation of MHN", paragraph 4.1, shall be deleted and replaced with:

"4.1 In consideration of the services to be provided hereunder, Client shall pay to MHN the following fees, due and payable on or before the first day of each month during the term hereof, amounts equal the following:

For Retirees without Dependents, Client shall pay to MHN four dollars and eighty-one cents (\$4.81) for Behavioral Healthcare Services per Subscriber per month.
For Retirees with one (1) Dependent, Client shall pay to MHN nine dollars and sixty-three cents (\$9.63) for Behavioral Healthcare Services per Subscriber per month.
For Retirees with two (2) or more Dependents, Client shall pay to MHN fourteen dollars and one cent (\$14.01) for Behavioral Healthcare Services per Subscriber per month.

Rates are due and payable on or before the first day of each month during the term hereof. In the event that Client fails to forward the compensation payment by the due date, Client shall pay MHN a late payment penalty of one percent (1%) per month on all monies outstanding past the due date. Capitation payments are due in advance of the first day of the month to cover the services for that month. If the compensation payment is not received by MHN as set forth above, MHN may send a Written Notice of Termination effective on the last day of the month for which full payments were received. The Client may automatically reinstate the Agreement by remitting, within fifteen (15) days of the date of Written Notice of Termination, all outstanding invoiced compensation payments to MHN."

2. Section 5, "Term and Termination", paragraph 5.1 shall be deleted and replaced with:

"5.1 This Agreement shall commence upon 1st day of July, 2008, (the "Effective Date"), and shall continue in effect for a period of one (1) year, following which it shall be automatically extended for periods of one (1) year thereafter, subject to 4.2, unless either party terminates this Agreement in writing at least sixty (60) days prior to the end of the term, or unless it is otherwise terminated in accordance with the provisions hereof."

3. Section 7 "Proprietary Rights" is hereby deleted and replaced with:

"Client acknowledges that MHN has developed and will develop in connection with this Agreement, certain symbols, trademarks, service marks, designs, data, processes, plans, procedures and information, all of which are proprietary information and trade secrets of MHN (Collectively referred to as "Materials"). Such Materials include, without limitation, Materials relating to MHN's Quality Management/Utilization Management Program, the Intake Line and all Materials prepared and distributed by MHN in connection with its Employee Assistance Programs. Client shall not use any of MHN's proprietary Materials, except as expressly contemplated by this Agreement, without the prior written consent of MHN, and shall cease any and all usage of Materials immediately upon the termination of this Agreement or at MHN's request. Notwithstanding the foregoing, both parties agree that this Agreement shall not be considered an MHN proprietary Material."

4. Section 8.1 "Confidentiality" is hereby deleted and replaced with:

"Each party shall maintain the confidentiality of information in its possession contained in the records of Covered Persons in accordance with applicable state and federal laws and regulations or other applicable law, and shall not release such information, either to each other or to any other person or entity, except as permitted by law or in accordance with a validly executed release. In addition, all files, data and information relating to the business of either party (excluding this Agreement) in possession of the other party will be deemed confidential and will not be disclosed except upon determination by county that such disclosure is required by County to comply with the California Public Records Act, Government Code Section 6250 et. seq., or upon lawful order of a court or public authority which orders compels obedience under penalty of contempt, fine or impairment or loss of the right to do business. In the event of any such disclosure, the disclosing party shall immediately notify the other party in writing detailing the circumstances and extent of such disclosure."


5. All provisions of the Agreement and any written Amendment thereto, not inconsistent herewith, shall remain in full force and effect.

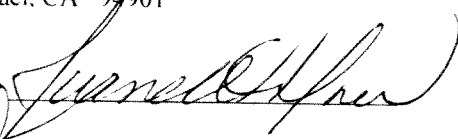
6. This Amendment shall be effective July 1, 2008.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates indicated below.

"Client"
COUNTY OF EL DORADO
330 Fair Lane
Placerville, CA 95667

"MHN"
MHN SERVICES
2370 Kerner Boulevard
San Rafael, CA 94901

By: 
Name: RUSTY DUPRAY
Title: Chairman
Date: 12/16/08

By: 
Name: Juanell Hefner
Title: President
Date: 12-1-08

ATTEST: SUZANNE ALLEN de SANCHEZ,
Clerk of the Board of Supervisors

By: 
DEPUTY



AMENDMENT TO THE ADMINISTRATIVE SERVICES AGREEMENT BETWEEN MHN SERVICES AND COUNTY OF EL DORADO GROUP #6180

The Administrative Services Agreement effective the 1st day of July, 2005, ("Agreement") by and between MHN SERVICES ("MHN"), a California corporation, and COUNTY OF EL DORADO ("Client") is hereby amended by both Parties.

RECITALS

WHEREAS, in order to continue their existing relationship, the Parties desire to amend the Agreement;

NOW THEREFORE, in consideration of the premises, terms, and conditions set forth herein, the Parties agree to amend the Agreement as follows:

1. Section 5, "Term and Termination", paragraph 5.1 shall be deleted and replaced with:

"5.1 This Agreement shall commence upon 1st day of July, 2007 (the "Effective Date"), and shall continue in effect for a period of one (1) year, following which it shall be automatically extended for periods of one (1) year thereafter, subject to 4.2, unless either party terminates this Agreement in writing at least sixty (60) days prior to the end of the term, or unless it is otherwise terminated in accordance with the provisions hereof."

2. All provisions of the Agreement and any written Amendment thereto, not inconsistent herewith, shall remain in full force and effect.

3. This Amendment shall be effective July 1, 2007.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates indicated below.

"Client" COUNTY OF EL DORADO 330 Fair Lane Placerville, CA 95667

"MHN" MHN SERVICES 1600 Los Gamos Drive, Suite 300 San Rafael, CA 94903

By: [Signature]

By: [Signature]

Name: Ted J. Cwiek

Name: Steven J. Sell

Title: Director of Human Resources

Title: President

Date: 10/8/07

Date: 7-20-07



WITH A MIND
ON YOUR
FUTURE

ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN
MHN SERVICES
AND
COUNTY OF EL DORADO
GROUP #6180

This Administrative Services Agreement ("Agreement") is to be effective the 1st day of July, 2005, by and between MHN SERVICES, a California corporation ("MHN"), and COUNTY OF EL DORADO ("Client").

WITNESSETH

WHEREAS, MHN is in the business of providing administrative services in connection with the provision of mental health and substance abuse services in accordance with the Health Net Life Insurance Company Group Policy/Certificate located in the back portion of Exhibit 1.6 and incorporated herein by this reference (the "Policy/Certificate"); and

WHEREAS, Client wishes to engage MHN to provide such services to Covered Persons under Client's health plan benefits (the "Plan"); and

WHEREAS, MHN wishes to provide the same on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. DEFINITIONS

1.1 "Alternate Treatment" - A planned, medical therapeutic program for persons with Mental Disorders. This includes diagnosis, medical care, and treatment when the patient does not require full-time hospitalization, but does need more intensive care than traditional Outpatient visits. Alternate treatment includes residential treatment, Partial Hospitalization or Day Treatment Program and intensive Outpatient programs authorized by MHN and is considered an Inpatient benefit.

1.2 "Authorization" - A decision, issued in writing by the MHN Medical Director or his/her designee, that benefits are payable for certain services that a Covered Person will receive or has received.

1.3 "Behavioral Healthcare Services" - Chemical Dependency, Substance Abuse and/or Mental Healthcare Services determined by MHN to be Covered Services under this Plan.

1.4 "Chemical Dependency" - Psychological or physical dependence on alcohol or other mind-altering drugs that requires diagnosis, care, and treatment.

1.5 "Client" - An employer, trust fund, or other group that purchases mental health and/or chemical dependency benefits from MHN for claim payments that MHN pays to Providers for Covered Services.

1.6 "Combined Evidence of Coverage and Disclosure Form (Evidence of Coverage)" - A document in the form attached hereto as Exhibit 1.6 issued by MHN to a Covered Person that describes the specific Covered Services available to that Covered Person under this Agreement.

1.7 "Co-payment" - The payment to be collected directly by the Participating Provider or Participating Facility Provider from the Covered Person for Covered Services, excluding permitted Deductibles if any, in the amount set forth in the Policy/Certificate attached hereto and incorporated herein as Exhibit 1.6, and further described in Exhibit 1.9.

1.8 "Coverage Decision" - The approval or denial of health care services by MHN, or one of its contracting entities, substantially based on a finding that the provision of a particular service is included or excluded as a covered benefit under the terms and conditions of this Agreement.

1.9 "Covered Person" or "Member" - Anyone who has met the eligibility requirements set forth in the Policy/Certificate and incorporated herein and who is eligible for Covered Services under the Client's health benefits plan as a Subscriber or Dependent.

1.10 "Covered Services" Behavioral Healthcare Services which constitute benefits pursuant to this Agreement and which are disclosed as benefits on Exhibit 1.9 hereto. The determination of whether a benefit is a Covered Services rests with MHN.

1.11 "Critical Incident Stress Debriefing ("CISD")" - A group meeting or discussion regarding a distressing and traumatic incident occurring in the workplace. These meetings are conducted by trained and qualified MHN Participating Practitioners and generally are conducted at the workplace.

1.12 "Deductible" - That portion of the cost of Covered Services, if any, required under this Plan to be paid by the Member prior to any liability for payment by MHN.

1.13 "Dependent" - Any person who is

1. is the spouse of a Subscriber under a legally valid existing marriage between persons of opposite sex or their registered domestic partner 2. is a dependent child of a Subscriber or of Subscriber's spouse or their registered domestic partner, who is either:

a. unmarried and under age nineteen (19), including a legally adopted child or stepchild living with the employee in a regular parent-child relationship; or

b. a mentally or physically handicapped child who is disabled at the time he or she reaches age nineteen (19). Proof of incapacity must be submitted and accepted by the Client's Health Plan Administrator (Blue Shield); or

3. is an unmarried Dependent child of Subscriber or Subscriber's spouse nineteen (19) years of age but less than twenty-three (23) years of age if such child is dependent upon the employee for more than 60% of his or her financial support and is in full-time school attendance at an accredited school or college. MHN may request student status of any such Dependent on a periodic basis.

A Dependent of a Subscriber becomes eligible to receive Covered Services on the date on which the Dependent becomes a Dependent of Subscriber or Subscriber's spouse. For adopted and foster children of eligible Subscribers, coverage will begin at the moment the child is placed in the custody of the adoptive or foster parents.

1.14 "Emergency"- The sudden onset of a condition manifesting itself by acute symptoms of sufficient severity (including severe pain) that a Prudent Layperson possessing an average knowledge of medicine and health, could reasonably expect the absence of immediate medical attention and/or Behavioral Healthcare Services, could reasonably result in:

1. serious impairment to bodily functions;

2. placing the health of the Covered Person, or others, in serious jeopardy; or

3. serious dysfunction of any bodily organ or part.

1.15 "Episode" - An Episode is a course of treatment or program voluntarily undertaken for Chemical Dependency or Substance Abuse. Each course of treatment will count as one (1) Episode if the Covered Person is able to return to treatment after a delay (voluntary or involuntary) at the point where he/she discontinued treatment; in this case the interrupted treatment course will count as one (1) Episode only. If the return to treatment requires return to a higher level of care, this would be a second Episode.

1.16 "Experimental" - Medical care that is essentially investigatory or an unproven procedure or treatment regimen that does not meet the generally accepted standards of usual professional medical practice in the general medical community.

1.17 "Facility" -A Hospital or facility providing Alternate Treatment which furnishes Covered Services to Covered Persons.

1.18 "Hospital" - Any institution which is accredited under the Accreditation Program of the Joint Commission on Accreditation of Healthcare Organizations as a:

1. Hospital; and which provides mental health and/or chemical dependency treatment; or
2. Chemical dependency treatment Facility; and which is under the supervision of a staff of Providers; and with twenty-four (24) hours-a-day nursing service; and which is operated primarily to assist in the withdrawal from dependency on alcohol or drugs; or
3. Psychiatric treatment Facility; and which is under the supervision of a staff of Providers; and with twenty-four (24) hours-a-day nursing service; and which is operated primarily to provide treatment of Mental Disorders; or any other institution designated as a Hospital by the Administrator.

1.19 "Inpatient" - A Covered Person who has been admitted to a Hospital or other authorized institution for bed occupancy for purposes of receiving necessary Chemical Dependency and/or Mental Healthcare Services, with the reasonable expectation that the Covered Person will remain in the institution at least twenty-four (24) hours.

1.20 "Medical Director" - A physician licensed to practice medicine and employed by MHN to coordinate and monitor the quality management, utilization management, and Practitioner services responsibilities for MHN.

1.21 "Medically Necessary Service" (also "Medically Necessary" or "Medical Necessity") - Services that must meet all of the following conditions

- The requested services provide for the diagnosis and/or active treatment of a covered current DSM-IV Axis I Mental Disorder or substance-related disorder.
- The proposed Treatment Plan represents an active, necessary and appropriate intervention for the timely resolution of the Member's symptoms and the restoration to baseline level of functioning. The proposed services are not primarily custodial in nature.
- The type, level and length of the proposed services and setting are consistent with MHN's level of care guidelines and are rendered in the least restrictive level of care in which the Member can be safely and effectively treated.
- The proposed treatment is not Experimental in nature; that is, its safety and efficacy have been clearly demonstrated and widely accepted in the modern psychiatric literature.
- The proposed Treatment Plan has been demonstrated in peer reviewed journals to be at least equally effective in bringing about a rapid resolution of symptoms when compared to possible Alternative Treatment interventions.
- The proposed Treatment Plan utilizes clinical services in an efficient manner when compared to Alternative Treatment interventions and contributes to effective management of the patient's benefit.
- Treatment is provided by a mental health/Substance Abuse professional licensed to practice independently who meets MHN's credentialing standards.

1.22 "Mental Disorder"- A nervous or mental condition that meets ALL of the following conditions:

1. It is a clinically significant behavioral or psychological syndrome or pattern; AND
2. It is associated with a painful symptom, such as distress; AND
3. It impairs a patient's ability to function in one or more major life activities; AND
4. It is a condition listed in an Axis I Disorder (excluding V Codes) of the Diagnostic and Statistical Manual of Mental Disorders (Fourth Edition) by the American Psychiatric Association (DSM-IV), or successor publication.

1.23 "Mental Healthcare Services" means those services determined by MHN to be Medically Necessary for the treatment of a Mental Disorder.

1.24 "Outpatient"- An ambulatory Covered Person receiving Covered Services who has not been admitted to a Hospital or Facility.

- 1.25 “Partial Hospitalization” or “Day Treatment Program”** – A treatment program that may be freestanding or Hospital-based and provides Covered Services at least 5 hours per day. Members may be admitted directly to this level of care, or transferred from Acute Inpatient care following Acute stabilization.
- 1.26 “Participating Facility Provider”** - A Hospital or a Facility providing Alternate Treatment which furnishes Behavioral Healthcare Services to Members and has agreed, by signing an agreement with MHN, to accept the provisions of the applicable agreement, including the Facility-specific compensation, as the total charge, whether paid fully by MHN or requiring cost-sharing by the Member.
- 1.27 “Participating Practitioner”** – Professional Practitioner who furnishes Behavioral Healthcare Services to Members and has agreed, by signing an individual practitioner agreement with MHN, to accept the provisions of the applicable agreement, including the contractually agreed upon compensation, as the total charge, whether paid fully by MHN or requiring cost-sharing by the Member.
- 1.28 “Participating Provider”** - A professional Practitioner, Facility or Hospital that furnishes Behavioral Healthcare Services to Members and has agreed, by signing a participating provider agreement with MHN, to accept the provisions of the applicable agreement, including the contractually agreed upon compensation, as the total charge, whether paid fully by MHN or requiring cost sharing by the Member.
- 1.29 “Peer Reviewer”** - MHN psychologists and psychiatrists who conduct peer review of requests that Care Managers believe do not meet MHN level of care criteria. Psychologists may review the requests by Master’s level clinicians as well as psychologists for Outpatient treatment only. Psychiatrists review any Outpatient services by psychiatrists or physicians and all Inpatient or Alternate Treatment requests. Only Medical Directors or Physician Advisors conduct expedited or standard written appeals.
- 1.30 “Practitioner”** - A mental health professional who is appropriately licensed as a psychiatrist, clinical psychologist, marriage, family or child counselor, social worker or other person designated by MHN and acting within the scope of their license.
- 1.31 “Provider”** - A Facility, Hospital or Practitioner, if such Providers are licensed to practice independently by the proper authorities of the state in which they practice; are practicing within the scope of their license; are providing Behavioral Healthcare Services, and meet MHN's credentialing standards
- 1.32 “Prudent Layperson”** - A person who is without clinical training and who draws upon their practical experience when making a decision regarding whether Emergency treatment is needed. They are considered to have acted “reasonably” if other similarly situated laypersons would have believed, on the basis of observing the clinical symptoms at hand, that Emergency treatment was necessary.
- 1.33 “Quality Management/Utilization Management Program”** - A function performed by MHN to review and determine whether the Behavioral Healthcare Services provided, or to be provided, to a Covered Person, meet MHN's standards of quality and are Medically Necessary Services and/or Covered Services.
- 1.33 “Serious Emotional Disturbances of a Child (SED)”** - A child who:
1. Has one or more Mental Disorders as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance use disorder or developmental disorder, that results in behavior inappropriate to the child’s age according to expected developmental norms; and
 2. Is under the age of eighteen (18) years old.
 3. Furthermore, the child must meet one or more of the following criteria:
 - a. As a result of the Mental Disorder, the child has substantial impairment in at least two of the following areas: self-care, school functioning, family relationships, or ability to function in the community; and either of the following occur:
 - (i) The child is at risk of removal from home or has already been removed from the home;
 - (ii) The Mental Disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment; or
 - b. The child displays one of the following: psychotic features, risk of suicide or risk of violence due to a Mental Disorder; or
 - c. The child meets special education eligibility requirements under Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code.

1.34 "Severe Mental Illness (SMI)" - The following are Mental Disorders for which diagnosis and Medically Necessary Services treatment is covered by MHN pursuant to the requirements of the California mental health parity law as further described in this Agreement:

1. Schizophrenia.
2. Schizoaffective Disorder.
3. Bipolar Disorder.
4. Major Depressive Disorder.
5. Panic Disorder.
6. Obsessive-Compulsive Disorder.
7. Pervasive Developmental Disorder or Autism.
8. Anorexia Nervosa.
9. Bulimia Nervosa.

1.36 "Subscriber" - All and only the following people are eligible for benefits hereunder: People for whom a fee is paid by Client to MHN who are enrolled, in accordance with its rules, in the El Dorado Employer Health Care Plan (commonly referred to as the "El Dorado County Blue Shield Plan"), a self-insured, local government-sponsored health plan administered on behalf of the County by Blue Shield of California. Individuals enrolled in any alternate county-sponsored plan are not eligible for benefits hereunder. The effective dates of coverage, and termination dates of coverage, for these individuals shall be the effective dates, and termination dates, of their coverage under the above-referenced group health care plan. In addition, in order to be eligible for benefits hereunder, an individual must not be eligible for benefits under MHN Group Number 6179 or 6178.

1.37 "Substance Abuse" means the non-medical or recreational use of substances that alter the state of consciousness.

1.38 "Treatment Plan" - A detailed description of the health care service, treatment, or supply being rendered or expected to be rendered to a Covered Person. The Treatment Plan must include, but is not limited to: a diagnosis (DSM-IV), all Axes; reports of pertinent prior treatment, medical history, family history, social history, work history; diagnostic tests; consultations; a description of the specific goals of treatment; prognosis; proposed treatment and modality; practitioner(s), individual and/or Facility; and anticipated frequency and duration of any medications.

2. DUTIES OF CLIENT

2.1 Client agrees to take the following actions with respect to the Policy/Certificate to facilitate administration by MHN:

On or before the effective date of this Agreement, and on or before the first day of each month thereafter, provide MHN with a list of Covered Persons which shall include the name, address and Social Security number of each Covered Person. Client shall also assist MHN when necessary in determining the eligibility of Covered Persons, promptly advise MHN of any changes in the Client's organization which might affect the status of the Policy/Certificate as in effect on the effective date of the change and provide MHN with such additional information with respect to matters incidental to the Policy/Certificate as may be requested by MHN from time to time. The above list and other eligibility information is to be submitted to MHN in a form specified by MHN.

2.2 Client shall be responsible for all errors based on incorrect or out-dated eligibility information and shall reimburse MHN for any claims paid or other damages incurred as a result of such incorrect information.

2.3 Client as plan fiduciary shall act as Plan Administrator of the Plan, or shall designate an individual to act as Plan Administrator. The Client understands and agrees that it and such Plan Administrator shall be fully responsible for Plan compliance with all relevant provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Client acknowledges that any designated Plan Administrator shall be responsible for Plan compliance including, but not limited to, the following:

1. preparation and filing of Forms 5500 and/or 990;
2. preparation, review and distribution of a Summary Plan Description as required by ERISA; and

3. filing Summary Plan Description with U.S. Department of Labor.

2.4 Client shall be responsible for providing to Covered Persons information as to the existence and terms of this Agreement and shall annually distribute to Covered Persons copies of the MHN Combined Evidence of Coverage and Disclosure Form and the Policy/Certificate attached hereto as Exhibit 1.6.

3. DUTIES OF MHN

MHN agrees to provide the following services in connection with the provision of Covered Services, including Emergency services, to Covered Persons:

3.1 Intake Line

MHN shall establish and operate a toll-free telephone number, which shall be made available to Covered Persons and staffed by MHN twenty-four (24) hours per day, seven (7) days per week. By calling the Intake Line, Covered Persons may obtain information regarding Covered Services and programs available to the Covered Person, applicable procedures, and referrals to Participating Practitioners and Participating Facility Providers. Coverage of benefits hereunder is subject to the Authorization procedures set forth in the Policy/Certificate.

3.2 Claims Processing

a) MHN shall pay claims for Covered Services rendered pursuant to this Agreement as provided herein. All claims shall be submitted to MHN, whether by Participating Providers or Covered Persons, at its address as set forth herein.

b) In the event that, upon review of a claim, MHN determines that it is a valid claim for Covered Services provided to a Covered Person, it shall pay such claim on behalf of Client as follows: (i) if the claim is submitted and for services rendered by a Participating Provider, the claim shall be paid in accordance with MHN's agreement with such Participating Provider; and (ii) if the claim is submitted by a Covered Person and is for services rendered by a non-Participating Provider, the claim shall be paid in accordance with the Policy/Certificate.

c) Client shall bear all risk of loss with regard to any mistake or error whatsoever in the verification of eligibility of Covered Persons due to erroneous information supplied to MHN and agrees hereby to hold MHN, its officers, directors, agents, and servants free and harmless therefrom. This agreement of indemnification shall survive any termination of this Agreement.

3.3 Provider Network

MHN shall establish and maintain a network of Participating Providers to be available to render Covered Services to Covered Persons.

3.4 Communications to Covered Persons

MHN shall provide to Client its standard wallet cards, posters, payroll stuffers, and fliers for Covered Persons to explain the Plan and how to secure Covered Services thereunder. Client shall provide to Covered Persons all summary plan descriptions, Evidence of Coverage and Policy/Certificate documents and other disclosures as requested by MHN.

3.5 Reports to Client

MHN shall provide Client with the reports described in Exhibit 3.5, attached hereto and made a part hereof, at the intervals described therein.

3.6 Quality Management/Utilization Management Program

MHN shall implement and operate the Quality Management/Utilization Management Program, a current description of which is contained in Exhibit 3.6, attached hereto, pursuant to which MHN makes Coverage Decisions regarding whether services provided to a Covered Person constitute Covered Services, are Medically Necessary Services, and meet the quality standards prevailing in the community. MHN shall have the right, in its sole discretion, to modify the program from time to time.

3.7 Grievance and Appeals

MHN shall maintain a grievance and appeals procedure as set forth at Exhibit 3.7 herein.

3.8 Policy/Certificate Administration

MHN shall administer the Behavioral Healthcare Services in accordance with the Policy/Certificate incorporated in Exhibit 1.6. Please note, this Plan covers the diagnosis and Medically Necessary treatment of Severe Mental Illness ("SMI") of a person of any age and Serious Emotional Disturbances of a child ("SED") to the same extent that medical or surgical conditions are covered under the Covered Person's medical plan. This means that, for services rendered by MHN Participating Providers only, the Covered Person's Co-payments, Deductibles and annual and lifetime maximums applicable to SMI and SED will not be less favorable to the Covered Person than coverage under their medical plan for physical conditions as set forth in Exhibit 1.6 and further described in Exhibit 1.9.

4. COMPENSATION OF MHN

4.1 In consideration of the services to be provided hereunder, Client shall pay to MHN the following fees, due and payable on or before the first day of each month during the term hereof, amounts equal the following:

For Retirees without Dependents, Client shall pay to MHN four dollars and seventy-two cents (\$4.72) for Behavioral Healthcare Services per Subscriber per month.
For Retirees with one (1) Dependent, Client shall pay to MHN nine dollars and forty-four cents (\$9.44) for Behavioral Healthcare Services per Subscriber per month.
For Retirees with two (2) or more Dependents, Client shall pay to MHN thirteen dollars and seventy-four cents (\$13.74) for Behavioral Healthcare Services per Subscriber per month.

Rates are due and payable on or before the first day of each month during the term hereof. In the event that Client fails to forward the compensation payment by the due date, Client shall pay MHN a late payment penalty of one percent (1%) per month on all monies outstanding past the due date. Capitation payments are due in advance of the first day of the month to cover the services for that month. If the compensation payment is not received by MHN as set forth above, MHN may send a Written Notice of Termination effective on the last day of the month for which full payments were received. The Client may automatically reinstate the Agreement by remitting, within fifteen (15) days of the date of Written Notice of Termination, all outstanding invoiced compensation payments to MHN.

4.2 The initial compensation as specified in this Agreement and adjusted herein, shall remain in effect for the initial term of this Agreement. Thereafter, new compensation may be specified by MHN upon thirty (30) days prior written notice to Client. Compensation may also be specified whenever the terms of this Agreement are changed and shall become effective on the date of such change.

4.3 If the parties are unable to reach agreement as to any adjustment in compensation, this Agreement shall be terminated in accordance with Section 5 of this Agreement. Termination shall be the sole remedy for unresolved disputes relating to adjustments in compensation, or the services covered thereby; such disputes shall, accordingly, not be subject to arbitration.

5. TERM AND TERMINATION

5.1 This Agreement shall commence upon 1st day of July, 2005, (the "Effective Date"), and shall continue in effect for a period of two (2) years, following which it shall be automatically extended for periods of one (1) year thereafter, subject to 4.2, unless either party terminates this Agreement in writing at least sixty (60) days prior to the end of the term, or unless it is otherwise terminated in accordance with the provisions hereof.

5.2 Either party may terminate this Agreement with or without cause with a sixty (60) day advance notice in writing to the other party; or either party may terminate this Agreement in writing if: a) it is established that either party needs and has not secured a license, governmental approval or exemption in accordance with applicable laws or regulations in order to enter into or perform this Agreement; or b) either party materially breaches this Agreement in any manner, and such material breach continues for a period of fifteen (15) days after written notice is given to the breaching party, specifying the nature of the breach and requesting that it be cured; or c) either party shall be adjudged bankrupt, become insolvent, have a receiver of its

assets or property appointed, make a general assignment for the benefit of creditors, or institute or cause to be instituted any procedure for reorganization or rearrangement of its affairs.

5.3 Upon the termination of MHN's duties hereunder, it shall be the responsibility of the Client to arrange and pay all costs for the transfer of any of Client's records in MHN's possession, including original claims records relating to Covered Persons, to a successor. MHN may, at its option, transfer such records in such form as it may desire, including computer tapes or disks, and it is the responsibility of the Client to convert such information into a form required by the successor.

6. ACCESS TO BOOKS AND RECORDS

6.1 Client agrees that MHN may have access to its books and records, on reasonable notice, and at reasonable times, during normal business hours, Monday through Friday of each week, to verify the number of Covered Persons reported by Client hereunder. This provision shall survive any termination of this Agreement.

6.2 MHN and Client acknowledge that examinations and audits may be performed by regulatory agencies, including but not limited to insurance commissioners, in compliance with applicable state and/or federal laws.

7. PROPRIETARY RIGHTS

Client acknowledges that MHN has developed and will develop in connection with this Agreement, certain symbols, trademarks, service marks, designs, data, processes, plans, procedures and information, all of which are proprietary information and trade secrets of MHN (collectively "Materials"). Materials include, without limitation, materials relating to the Quality Management/Utilization Management Program, the Intake line and Covered Person material prepared by MHN and MHN's Clinical Information Management Systems. Clients shall not use Materials, except as expressly contemplated by this Agreement, without the prior written consent of MHN, and shall cease any and all usage of Materials immediately upon the termination of this Agreement.

8. MISCELLANEOUS

8.1 Confidentiality

Each party shall maintain the confidentiality of information in its possession contained in the records of Covered Persons in accordance with applicable state and federal laws and regulations or other applicable law, and shall not release such information, either to each other or to any other person or entity, except as permitted by law or in accordance with a validly executed release. In addition, all files, data and information relating to the business of either party in the possession of the other party will be deemed confidential and will not be disclosed except upon lawful order of a court or public authority which order compels obedience under penalty of contempt, or fine, or impairment or loss of the right to do business. In the event of any such disclosure, the disclosing party shall immediately notify the other party in writing detailing the circumstances and extent of such disclosure.

8.2 Relationship of the Parties

In the performance of the work, duties and obligations of the parties to this Agreement, the parties shall at all times be acting and performing as independent contractors. No relationship of employer and employee, or partners or joint venturers is created by this Agreement, and neither party may therefore make any claim against the other party for social security benefits, workers' compensation benefits, unemployment insurance benefits, vacation pay, sick leave or any other employee benefit of any kind.

8.3 Assignments/Subcontracting

Neither party shall have the right to assign, delegate or subcontract any of its rights or obligations without the prior written consent of the other party. Notwithstanding the foregoing, MHN shall have the right to sell, transfer, convey or assign this Agreement to any successor, subsidiary, parent or affiliate of MHN and such assignee shall acquire all of the rights, duties and obligations of MHN set forth herein.

8.4 Notices

Except as set forth herein, all notices required or permitted to be given hereunder, shall be in writing and shall be sent by overnight mail or United States mail, certified or registered, return receipt requested, postage prepaid, to the parties hereto at their respective addresses set forth herein, or such other address as may be fixed in accordance with the provisions hereof. Except as set forth herein, if mailed in accordance with the provisions of this paragraph, such notice shall be deemed to be received three (3) business days after mailing.

8.5 Entire Agreement; Amendment

This Agreement and all exhibits and other documents furnished pursuant to this Agreement and expressly made a part hereof shall constitute the entire agreement relating to the subject matter hereof between the parties hereto, and supersedes all other agreements, written or otherwise. This Agreement may be amended by mutual agreement of the parties, provided that such amendment is reduced to writing and signed by both parties.

8.6 Provisions Separable

The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision.

8.7 Headings

The headings of the various sections of this Agreement are inserted merely for the purpose of convenience and do not expressly or by implication limit, define or extend the specific terms of the section so designated.

8.8 Dispute Resolution

Client agrees to submit to arbitration as set forth in Exhibit 8.8.

8.9 Waiver of Breach

The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, nor be construed to be, a waiver of any subsequent breach thereof.

8.10 Applicable Law

This Agreement shall be governed in all respects by the laws of the State of California.

8.11 Exhibits

The Exhibits attached to this Agreement are an integral part of this Agreement and are incorporated herein by reference.

8.12 Indemnification.

(a) **Responsibility for Own Acts.** Each party shall be responsible for its own acts or omissions and for any and all claims, liabilities, injuries, suits, demands and expenses of all kinds which may result or arise out of any alleged malfeasance or neglect caused or alleged to have been caused by that party or its employees or representatives in the performance or omission of any act or responsibility of that party under this Agreement.

(b) Client agrees to indemnify, defend, and hold harmless MHN, its agents, officers, and employees from and against any and all liability expense including defense costs and legal fees incurred in connection with claims for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury, or property damage arising from Client's performance or failure to perform its obligations hereunder.

(c) MHN agrees to indemnify, defend, and hold harmless Client, its agents, officers, and employees from and against any and all liability expense, including defense costs and legal fees incurred in connection with claims for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury, or property damage arising from MHN's performance or failure to perform its obligations hereunder.

8.13 References to ERISA

The Federal law and associated regulations known as ERISA are referenced in several places within this Agreement and the Combined Evidence of Coverage and Disclosure form included as Exhibit 1.6. Client is a political subdivision of the State of California, and, as such, has advised MHN that it is not subject to ERISA regulation. Nothing in these documents shall be construed in such a way as to imply that Client is agreeing to become subject to these regulations. In particular, Section 2.3 of this Agreement shall not be understood to mean that Client is a "Plan Fiduciary" as defined under ERISA, nor that the County will file Federal Form #5500 nor otherwise will undertake duties which the County might be required to undertake if it were subject to these regulations. The paragraph on Page 6 of Exhibit 1.6, entitled "Claiming Benefits (Applicable to ERISA Plans)" is not applicable to the County's underlying health plan. Client advises that members of its underlying health plan do not have rights to file civil actions against the County under Section 502(a) of ERISA.

8.14 Administrator

The County Officer or employee with responsibility for administering this Agreement is Sherril Jodar, Risk Manager, or successor.

8.15 California Residency (Form 590)

No State of California Form 590 (certifying California residency) is required for this Agreement, because MHN is a corporation having a permanent place of business in California.

8.16 Fiscal Considerations:

The parties to this Agreement recognize and acknowledge that Client is a political subdivision of the State of California. As such, El Dorado Client is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of Client business, Client will adopt a proposed budget prior to a given fiscal year, but that the final adoption of a budget does not occur until after the beginning of the fiscal year.

Notwithstanding any other provision of this Agreement to the contrary, Client shall give notice of cancellation of this Agreement in the event of adoption of a proposed budget that does not provide for funds for the services, products or equipment subject herein. Such notice shall become effective upon the adoption of a final budget, which does not provide funding for this Agreement. Upon the effective date of such notice, this Agreement and the policy shall be automatically terminated and Client released from any further liability hereunder.

In addition to the above, should the Client's Board of Supervisors during the course of a given year for financial reasons reduce, or order a reduction, in the budget for any Client department for which services were contracted to be performed, pursuant to this paragraph in the sole discretion of the Client, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation, and subject to 61 days notice from County to MHN.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first set forth above.

"Client"
COUNTY OF EL DORADO
330 Fair Lane
Placerville, CA 95667

"MHN"
MHN SERVICES
1600 Los Gamos Drive, Suite 300
San Rafael, CA 94903

By: Charlie Paine

By: [Signature]

Name: **CHARLIE PAINE**

Name: Gregory Stephen Pence

Title: CHARMAN

Title: Vice President / Treasurer

Date: 6/28/05

Date: 6/24/05

ATTEST: CINDY KECK, Clerk
of the Board of Supervisors

#6180 /6/29/2005

By: [Signature]
DEPUTY 6/28/05

TABLE OF EXHIBITS

Exhibit 1.6	Combined Evidence of Coverage and Disclosure Form
Exhibit 1.9	Covered Services (including applicable Co-payments)
Exhibit 3.5	Reports to Client (Description and Intervals)
Exhibit 3.6	Quality Management/Utilization Management Program
Exhibit 3.7	Procedures for Complaints, Grievances, Appeals and Independent Medical Review
Exhibit 8.8	Arbitration

EXHIBIT 1.6
COMBINED EVIDENCE OF COVERAGE AND DISCLOSURE FORM
SEE ATTACHED

**EXHIBIT 1.9
COVERED SERVICES**

	In Network	Out of Network
Outpatient Benefit	MH - 50% of contracted Rate SA - 50% of contracted rate	MH - 50% of UCR SA - 50 % of UCR
Outpatient Maximum Session Max / Year In / Out Combined ? Yes	20 visits per calendar year	20 visits per calendar year
Mental Health Inpatient	80% of contracted rate	60% of UCR
Substance Abuse Treatment Penalty for not completing SA Treatment? No	80% of contracted rate	60% of UCR
Concurrent Review Required?	Yes	No
Discharge Planning Required?	Yes	No
Inpatient Maximums Mental Health Days / Dollars Substance Abuse Days / Dollars Detox / Rehab Combined ? Yes MH/SA Combined? Yes Substance Abuse Episode Max In / Out Combined? Yes	30 days maximum per calendar year, in & out of network combined - MH & SA combined	30 days maximum per calendar year, in & out of network combined - MH & SA combined
Deductible Individual Family Apply to all services? No	none	none
Out of Pocket Maximum Individual Family Apply to all services?	none	none
Lifetime Maximum Apply to all services? Yes	MH - No maximum SA - \$7500 [per participant, In Patient & Outpatient combined	MH - No Maximum SA - \$7500 [per participant, In Patient & Outpatient combined
Penalty for no pre-authorization?		
Outpatient? No	Penalty Description: pay as non-panel	Penalty Description: none
Mental Health Inpatient Yes	Penalty Description: \$500	Penalty Description:
Substance Abuse Yes	Penalty Description: \$500	Penalty Description:

**EXHIBIT 3.5
REPORTS TO CLIENT**

Name of Report

Interval

Managed Care Utilization Report

Quarterly, Semi-Annually, and Annually

EXHIBIT 3.6
QUALITY MANAGEMENT/UTILIZATION MANAGEMENT
("QM/UM") PROGRAM

I. QUALITY MANAGEMENT PROGRAM

The goals/objectives of the MHN Quality Management Program are to assure that providers and staff:

A. GOALS:

1. Encourage a multi-disciplinary approach involving all MHN departments with direct impact on quality of care, accessibility of care and service delivery;
2. Objectively and systematically monitor and evaluate the quality, accessibility and appropriateness of patient care and the performance of network providers against established standards;
3. Identify, review, monitor, and resolve all known or suspected quality of care problems that directly or indirectly impact patient care and implement actions to prevent the recurrence of such problems;
4. Monitor MHN's overall performance in promoting quality of care, providing access to care and providing service, through the use of key indicators and studies;
5. Monitor and assess patient satisfaction with the quality of care, accessibility of care, and service; and
6. Monitor outcomes of services delivered.

B. OBJECTIVES:

1. Coordinate Quality Management, Utilization Management, Care Management, Customer Service, Claims, Training, Credentialing, and Practitioner Relations activities to improve services;
2. Provide consistency among the different business units in developing standards, indicators, and methods of measurements;
3. Establish and maintain standards for quality of care, accessibility of care, and service;
4. Monitor and improve MHN performance in promoting quality of care through the use of indicators, patient satisfaction surveys, patient outcome surveys, provider files, focused studies, medical records audits, and site visits;
5. Monitor compliance with regulatory requirements;
6. Monitor compliance with performance standards;
7. Identify, review, and investigate patient complaints and take action where appropriate;
8. Establish and maintain policies, procedures and criteria for the credentials review of network providers;
9. Establish, maintain, and enforce a conflict of interest policy regarding peer review activities; and
10. Evaluate the program annually and modify the program as necessary.

C. RESPONSIBILITY

The MHN Corporate Medical Director has the ultimate responsibility to ensure that the Quality Management Program is established, maintained and supported on a continuing basis.

D. STRUCTURE OF THE QUALITY MANAGEMENT PROGRAM

The Quality Management Program includes the following committees: Public Policy Committee, Quality Improvement Committee, Credentialing Committee and Utilization Management Committee.

II. UTILIZATION MANAGEMENT PROGRAM

Utilization Management Program coordinates and manages the delivery of behavioral health care resources through ongoing evaluation of the Medical Necessity and appropriateness of proposed treatment in the interest of promoting high quality, effective care for all MHN clients.

EXHIBIT 3.7
PROCEDURES FOR COMPLAINTS, GRIEVANCES,
APPEALS AND INDEPENDENT MEDICAL REVIEW

These procedures are established to safeguard the Subscriber's right to have Medically Necessary treatment, as covered by this Agreement, for himself/herself and covered Dependents, that is accessible, safe, effective, affordable and delivered in the least restrictive environment consistent with applicable professional standards for achieving these objectives.

As a condition of enrollment and a contractual term of the Agreement and the Evidence of Coverage, Members are required to submit all Grievances through MHN's internal grievance procedures. MHN's internal grievance procedures, as specified below, are required to be completed before the Member may file for arbitration to receive a final and binding resolution of the Grievance.

A. Complaint and Grievance Policies and Procedures:

1. Complaints may be filed with any staff member in writing or by telephoning the MHN Intake Line at (800) 977-7956.
2. MHN staff members who are alerted to member complaints document these by filling out an MHN Complaint Report Form.
3. Complaints involving quality of care are investigated/resolved by Quality Management staff in the regional office.
4. When a complaint form is completed by any staff member, the original is forwarded to the Quality Management department for tracking. All complaints are tracked by the Quality Management Department.
5. All written complaints are acknowledged by the Quality Management department in writing within five (5) calendar days of MHN's receiving the complaint.
6. MHN has a standard of thirty (30) days for resolution of complaints.
7. When the complaint is resolved, a Resolution Report is completed and forwarded to the Quality Management department for tracking.
8. When appropriate, members shall receive a letter outlining the resolution of the complaint from the Quality Management department.
9. For complaints where resolution information can be given, if the Member is dissatisfied with the outcome of the complaint, he/she can appeal by writing to the QM Clinical Manager, MHN, 503 Canal Boulevard, Pt. Richmond, CA 94804.
10. Grievances shall be reported on a quarterly basis as a part of the Quality Management quarterly report. This report is presented to the Quality Improvement Committee and the Board of Directors.

B. Requests for Appeals of Denials of Authorizations can be made by Members, Practitioners, or Facilities

A request for an appeal because of a denial of authorization can be made by Members, Providers or the Member's authorized representative. Questions about the appeal processes explained below may be directed at any time to the MHN Appeals Unit at (888) 426-0028.

MHN Mandatory Internal Review: If the Member has an Urgent Care Claim¹, the Member or his or her Provider or Authorized Representative² can request an expedited appeal of a denial of authorization for payment by calling MHN at 800-977-7956. An appeal will be arranged and concluded within seventy-two hours with a peer reviewer different from the one who issued the initial denial. MHN also expedites all Pre-Service Claim³ appeal requests.

Standard Written Appeal: If the Member does not have an Urgent Care Claim, the Member, Provider or Authorized Representative may submit a Standard Written Appeal within 180 days from the date of the previous adverse determination. Appeal determinations are made within a reasonable period of time appropriate to the medical circumstances, but no later than 30 days after receipt of the complete appeal request. A peer reviewer different from the one who made the initial denial decision reviews the request. The appeal request, along with any records or other information to be considered, should be sent to:

MHN
Attn: *Appeals Unit*
503 Canal Boulevard
Pt. Richmond, CA 94804

Independent Medical Review (Voluntary for Members): If the decision constitutes a denial of benefits and the Member has exhausted the MHN Mandatory Internal Review described above, the Member may request a voluntary appeal by an independent review organization in accordance with the procedures outlined in the denial letter.

C. Arbitration

Sometimes disputes or disagreements may arise between the Member (including their enrolled family members, heirs or personal representatives) and MHN regarding the construction, interpretation, performance or breach of this Agreement, or regarding other matters relating to or arising out of membership in the Plan. Typically such disputes are handled and resolved through the MHN Grievance and Appeal Process described above. However, in the event that a dispute is not resolved in that process, MHN uses binding arbitration as the final method for resolving all such disputes, whether stated in tort, contract or otherwise, and whether or not other parties such as employer groups, health care providers, or their agents or employees, are also involved. In addition, disputes with MHN involving alleged professional liability or medical malpractice (that is, whether any medical services rendered were unnecessary or unauthorized or were improperly, negligently or incompetently rendered) also must be submitted to binding arbitration.

As a condition to becoming a MHN Member, the Member agrees to submit all disputes the Member may have with MHN, except those described below, to final and binding arbitration. Likewise, MHN agrees to arbitrate all such disputes. This mutual agreement to arbitrate disputes means that both the Member and MHN are bound to use binding arbitration as the final means of resolving disputes that may arise between the parties, and thereby the parties agree to forego any right they may have to a jury trial on such disputes. However, no remedies that otherwise would be available to either party in a court of law will be forfeited by virtue of this agreement to use and be bound by MHN's binding arbitration process. This agreement to arbitrate shall be enforced even if a party to the arbitration is also involved in another action or proceeding with a third party arising out of the same matter.

MHN's binding arbitration process is conducted by selection of mutually acceptable arbitrator(s). The Federal Arbitration Act, 9 U.S.C. § 1, et seq., will govern arbitrations under this process. In the event that total amount of damages claimed is \$200,000 or less, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a mutually acceptable single neutral arbitrator who shall hear and decide the case and have no jurisdiction to award more than \$200,000. In the event that

¹ An "Urgent Care Claim" is any claim for medical care or treatment with respect to which the application of the time periods for making non-urgent care determinations (a) could jeopardize the life or health of the claimant or the ability of the claimant to regain maximum function, or (b) in the opinion of a physician with knowledge of the claimant's medical condition, would subject the claimant to severe pain that cannot be adequately managed without the care or treatment that is the subject of the claim. Any claim that a physician with knowledge of the claimant's medical condition determines is a "claim involving urgent care" under this definition must be treated as an urgent care claim by the plan. Absent a determination by the claimant's physician, the determination of whether a claim involves urgent care is to be made by an individual acting on behalf of the plan applying the judgment of a prudent layperson who possesses an average knowledge of health and medicine.

² "Authorized Representative" is a representative authorized by the claimant (Member) to take actions on appeal on behalf of the claimant.

³ A "Pre-Service Claim" is any claim for a benefit under a group health plan with respect to which the terms of the plan condition receipt of the benefit, in whole or in part, on approval of the benefit in advance of obtaining medical care.

total amount of damages is over \$200,000, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a panel of three neutral arbitrators (unless less than three is mutually agreed upon), who shall hear and decide the case.

Arbitration can be initiated by submitting a demand for arbitration to MHN at the address provided below. The demand must have a clear statement of the facts, the relief sought and a dollar amount.

Litigation Administrator
21650 Oxnard Street, #2125
Woodland Hills, Ca. 91367

Upon receipt of a demand for arbitration by MHN, the parties will have 60 days to attempt to reach an agreement to select mutually acceptable arbitrator(s) as outlined above. If the parties fail to reach an agreement during this time frame, then either party may apply to a Court of Competent Jurisdiction for appointment of the arbitrator(s) who would hear and decide the matter.

The arbitrator is required to follow applicable state or federal law. The arbitrator may interpret this Evidence of Coverage, but will not have any power to change, modify or refuse to enforce any of its terms, nor will the arbitrator have the authority to make any award that would not be available in a court of law. At the conclusion of the arbitration, the arbitrator will issue a written opinion and award setting forth findings of fact and conclusions of law, and that award will be binding on all parties. The parties will share equally the arbitrator's fee involved in the arbitration. Each party also will be responsible for their own attorneys' fees.

Effective for plan years beginning on and after July 1, 2002, Members who are enrolled in an employer's plan that is subject to ERISA, 29 U.S.C. § 1001 et seq., a federal law regulating benefit plans, are *not* required to submit disputes about certain "adverse benefit determinations" made by MHN to mandatory binding arbitration. Under ERISA, an "adverse benefit determination" means a decision by MHN to deny, reduce, terminate or not pay for all or a part of a benefit. However, the Member and MHN may voluntarily agree to arbitrate disputes about these "adverse benefit determinations" at the time the dispute arises.

D. Civil Actions Under ERISA

In the event the Member's Plan is subject to ERISA, effective for plan years beginning on or after July 1, 2002, the Member has the right to file a civil action under Section 502(a) of ERISA if a claim for benefits has not been approved after all mandatory reviews as outlined above have been completed. This means that the Member is not required to, but may voluntarily participate in, the voluntary Independent Medical Review and Arbitration processes described above. The Member may also have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact the local U.S. Department of Labor Office or applicable State insurance regulatory agency.

Client advises that it is not subject to ERISA regulation, and that this paragraph doesn't apply to its Members.

EXHIBIT 8.8
ARBITRATION

1. Any controversy between the parties of this Agreement, including, but not limited to, Members, shall be resolved, to the extent possible, by informal meeting or discussions between the appropriate representatives of the parties.
2. In the event that a dispute is not resolved in that process, MHN uses binding arbitration as the final method for resolving all such disputes, whether stated in tort, contract or otherwise, and whether or not other parties such as employer groups, health care practitioners, or their agents or employees, are also involved. In addition, disputes with MHN involving alleged professional liability or medical malpractice (that is, whether any medical services rendered were unnecessary or unauthorized or were improperly, negligently or incompetently rendered) also must be submitted to binding arbitration.
3. Client hereby agrees to submit all disputes to final and binding arbitration. Likewise, MHN agrees to arbitrate all such disputes. By agreeing to binding arbitration, both parties agree to forego any right they may have to a jury trial on such disputes. However, no remedies that otherwise would be available to either party in a court of law will be forfeited by virtue of this agreement to use and be bound by MHN's binding arbitration process. This agreement to arbitrate shall be enforced even if a party to the arbitration is also involved in another action or proceeding with a third party arising out of the same matter.
4. MHN's binding arbitration process is conducted by selection of mutually acceptable arbitrator(s) by the parties. The Federal Arbitration Act, 9 U.S.C. § 1, et seq., will govern arbitrations under this process. In the event that total amount of damages claimed is \$200,000 or less, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a mutually acceptable single neutral arbitrator who shall hear and decide the case and have no jurisdiction to award more than \$200,000. In the event that total amount of damages is over \$200,000, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a panel of three neutral arbitrators (unless less than three is mutually agreed upon), who shall hear and decide the case.
5. Arbitration can be initiated by submitting a demand for arbitration to MHN at the address provided below. The demand must have a clear statement of the facts, the relief sought and a dollar amount.

Litigation Administrator
21650 Oxnard Street, #2125
Woodland Hills, CA 91367
6. Upon receipt of a demand for arbitration by MHN, the parties will have 60 days to attempt to reach an agreement to select mutually acceptable arbitrator(s) as outlined above. If the parties fail to reach an agreement during this time frame, then either party may apply to a Court of Competent Jurisdiction for appointment of the arbitrator(s) who would hear and decide the matter.
7. The arbitrator is required to follow applicable state or federal law. The arbitrator may interpret this Agreement, but will not have any power to change, modify or refuse to enforce any of its terms, nor will the arbitrator have the authority to make any award that would not be available in a court of law. At the conclusion of the arbitration, the arbitrator will issue a written opinion and award setting forth findings of fact and conclusions of law, and that award will be binding on all parties. The parties will share equally the arbitrator's fee involved in the arbitration. Each party also will be responsible for their own attorneys' fees.