

**AGREEMENT FOR SERVICES #348-S1610
California Psychiatric Transitions**

THIS AGREEMENT made and entered by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and California Psychiatric Transitions, Inc., a fully licensed Mental Health Rehabilitation Center ("MHRC") whose principal place of business is 9226 Hinton Avenue (mailing address P.O. Box 339) Delhi, CA 95315, and whose Agent for Service of Process is Donna June McGowan 9226 N. Hinton Avenue, Delhi, CA 95315 (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, County has determined that it is necessary to obtain a Contractor to provide long term, twenty-four (24) hour a day programs and facilities for seriously mentally ill adults (hereinafter referred to as Clients) on an "as requested" basis for the County of El Dorado Health and Human Services Agency, Mental Health Division; and

WHEREAS, Contractor has represented to County that it is specially trained, experienced, expert and competent to perform the special services required hereunder and County has determined to rely upon such representations; and

WHEREAS, it is the intent of the parties hereto that such services be in conformity with all applicable federal, state and local laws; and

WHEREAS, County has determined that the provision of these services provided by Contractor is in the public's best interest, and that these services are more economically and feasibly performed by outside independent Contractors as well as authorized by El Dorado County Charter, Section 210 (b) (6) and/or Government Code 31000;

NOW, THEREFORE, County and Contractor mutually agree as follows:

ARTICLE I

Scope of Services:

A. Contractor Responsibilities

1. Contractor acknowledges that this Agreement is funded in whole or in part with funds from the State of California. Contractor shall adhere to all terms and conditions herein and shall specifically adhere to all terms and conditions as set

forth in the Article titled, "Special Terms and Conditions;" Confidentiality and Information Security Provisions set forth in Exhibit A; and Exhibit B DMH Letter 10-02.

2. Contractor shall maintain a staff including a minimum of two (2) on-site psychiatrists; one (1) on-site medical doctor; and sufficient nursing staff scheduled twenty-four (24) hours a day, seven days a week, to meet the needs of the clients.
3. Provide psychiatric treatment and rehabilitation services including but not limited to:
 - a. A treatment plan designed specifically for each resident, focusing on medication, behavioral and psychiatric needs;
 - b. A daily agenda to assist Clients with elementary functions including activities of daily living, interactive groups, both cognitive and rudimentary, as well as group outings and associated work programs; and
 - c. A highly structured program that caters to a wide spectrum of the mental health community, with a goal to allow Clients to develop into self-reliant human beings and thus allow their return to a less restrictive setting in the community.

B. Programs

1. **MHRC Main Program** employs a highly structured daily program that allows both developmental growth and self-reliance. The daily program assists Clients with rudimentary skills including activities of daily living and interactive groups.
 - a. *Cognitive sessions* focus on such topics as; anger management, medication awareness, and impulse control, provide necessary tools for each resident to realize their potential.
 - b. *Group therapy sessions* provided on a weekly schedule, conducted by the Staff Psychiatrist, the Director of Nursing, Team Leader(s) and staff. These sessions help identify and isolate resident concerns, progress, and reoccurring issues and gauge the overall progress of the unit.
 - c. *One-on-one sessions* also referred to as "Resident Staffing," are designed to delve further into the root causes of behavior as well as the specific needs of the individual resident, addressing behavioral issues, medication changes and program compliance. One-on-one supervisions shall be provided on an "as needed" basis as determined by medical order of the Contractor's staff psychiatrist and with approval within twenty-four (24) hours of the Health and Human Services Agency Director or Director's designee. The purpose of one-on-one supervision is to maintain placement and reduce the possibility of injury to self or others.
 - d. The program examines the progress of each resident as it pertains to their needs and gauges their individual success.
2. The **Diversion Program** is designed to serve court ordered diversion and Incompetent to Stand Trial – Penal Code 1370 (IST 1370) individuals. The individuals in this program have been incarcerated facing charges of either misdemeanor or felony and are unable to stand trial due to a mental illness or a mental illness with a co-occurring developmental disability.

- a. The program goal is to use a structured daily program to allow for competency restoration and diversionary programs. By treating these individuals, the Contractor can assess whether or not an individual is competent to stand trial or is in need of further psychiatric evaluation and treatment.
- b. The daily program assists Clients with rudimentary skills including activities of daily living and interactive/cognitive groups as well as comprehensive treatment plans designed to address their individual mental health needs.
- c. Specific training sessions addressing competency restoration focus on such topics as; an understanding of courtroom proceedings; penalties, charges and defenses; legal terminology, and various tests used to determine levels of competency.
- d. There are five (5) levels within the Diversion Program, as noted below. Individuals admitted to Level 4 remain at that level until/unless deemed to be competent to stand trial by the Court. Clients converted from a PC 1370 (Level 4) status (via Murphy's Conservatorship) to LPS or 6500 Conservatorship(s) shall convert to a Level 0.

Level 4	Entry to Incompetent to Stand Trial (IST) – Penal Code 1370
Level 3	Resident declared either trial competent or non-restorable to trial competency, or resident has been admitted from jail to this program unrelated to “IST – Penal Code 1370.”
Level 2	Behavior has improved enough to gain additional in-residence privileges.
Level 1	Behavior has improved enough to go on Supervised Outings.
Level 0	Resident converted from “IST – Penal Code 1370” to LPS Conservatorship and pending transfer to Main Program or discharge.

- e. Contractor shall obtain written authorization from County prior to moving Clients from their level on admission to a higher level of care. Movement to a lower level of care is at the discretion of the Contractor or upon request from County.
 - f. The program examines the progress of each resident as it pertains to their needs and gauges their varying levels of competency and individual successes. Once competency is determined, the individual may be remanded back to the county of jurisdiction for further proceedings, or, if applicable, further treatment may be ordered.
3. The **Disruptive Behavioral Unit** provides individuals an intensive therapeutic program that will focus directly on disruptive behaviors. These behaviors inhibit treatment and have the potential to affect other resident's progress. Placing individuals that are disruptive in one common area allows the Contractor to

formulate and implement specific types of treatment plans designed to identify the stressors that may be causing the disruptive behaviors.

- a. This highly structured program creates an atmosphere that minimizes distraction and focuses on recovery. Behaviors that are deemed severely disruptive and counterproductive to treatment include but are not limited to the following:
 - i. Assaultive behavior;
 - ii. Clients at risk of being absent without leave (AWOL);
 - iii. Damage to property;
 - iv. Hygienically inappropriate;
 - v. Hyper-sexual; and
 - vi. Noncompliance with treatment plan.
- b. Admission of a Client to the DBU requires written preauthorization by the Health and Human Services Agency Director, or designee.
- c. Clients whose symptoms stabilize on the DBU are admitted directly to the MHRC program to ensure continuity of care.
- d. DBU Staffing:
 - i. The unit at full capacity has a ratio of three (3) Clients to one (1) staff member. This ratio provides the attention and rehabilitative skills necessary for a quicker recovery.
 - ii. In addition to the 3:1 staffing ratio, a twenty-four (24) hour nursing staff provides medications necessary to reduce agitation levels as needed, as well as activity personnel to provide group and leisure activities.
 - iii. A Team Leader and Program Clerk are also assigned to the unit for treatment plan implementation, progress reviews, and quarterly reporting.
- e. The DBU program includes:
 - i. Weekly one-on-one staffing sessions addressing behavioral issues, medication changes, and program compliance are conducted by Board Certified Forensic Psychiatrist.
 - ii. Weekly group therapy sessions that gauge the overall progress of the unit are also conducted by the psychiatrist.

C. Notification of Occurrences

Contractor shall notify the County Contract Administrator, in writing, within forty-eight (48) hours of becoming aware of any occurrence of a serious nature, including, but not limited to: being absent without leave, medical emergencies, accidents, injuries, death, self-harm or a danger to others, or acts of negligence, related in any way to the provision of services pursuant to this Agreement.

D. County-Contractor Information Sharing

County and Contractor agree that their respective clinic staffs shall fully communicate and cooperate in the development of treatment planning and determining length of stay, including readiness for discharge and a planned transition back into the community. Toward this end, County and Contractor may freely exchange patient information.

E. County Responsibilities

1. Evaluation of Contractor's Performance: The Contractor's performance under this Agreement shall be evaluated by the County after completion of the Agreement. A copy of any written evaluation shall be maintained in the County contract file.
2. Each service to be approved under this Agreement shall be approved by the County Contract Administrator. The County's determination as to satisfactory work shall be final absent fraud or mistake.
3. County shall provide written, fourteen (14) calendar days' notice to Contractor of request to discharge any Client. Absent the aforementioned written fourteen (14) day notice, Contractor may, in its discretion, invoice County the daily rate applicable to the specific Client for those days.
4. County shall provide written authorization by the Health and Human Services Agency Director or designee for changes in service levels as noted in Section 1.02(b)(v).
5. County shall provide written preauthorization by the Health and Human Services Agency Director or designee for any Client admitted to the DBU, pursuant to Section 1.02(c)(ii).

ARTICLE II

Term: This Agreement shall cover the period April 1, 2016 through March 31, 2018 unless earlier terminated pursuant to the Articles titled "Fiscal Considerations" or "Default, Termination, and Cancellation."

ARTICLE III

Compensation for Services: Contractor shall submit monthly invoices no later than thirty (30) days following the end of a "service month" except in those instances where Contractor obtains written approval from County Health and Human Services Agency ("HHSA") Director or Director's designee granting an extension of the time to complete billing for services or expenses. For billing purposes, a "service month" shall be defined as a calendar month during which Contractor provides services in accordance with Article I – Scope of Services.

For services provided herein, County agrees to pay Contractor monthly in arrears and within thirty (30) days following the County's receipt and approval of itemized invoice(s) identifying services rendered. For the purpose of this Agreement, the billing rates shall be in accordance with Section 3.02.

It is expressly understood and agreed between the parties hereto that the County shall make no payment for County-responsible Clients and have no obligation to make payment to Contractor unless the services provided by Contractor hereunder received prior written authorization from the Health and Human Services Agency Director, or Director's designee. It is further agreed that County shall make no payments for services unless Contractor has provided County with evidence of insurance coverage as outlined in Article XV hereof. County may provide

retroactive authorization when special circumstances exist, as determined by the Health and Human Services Agency Director, or Director's designee, based upon Contractor's written request.

A. Bed Hold and Discharge Days

Payment shall be made for services rendered and shall not be made for services the Client did not attend or receive, except for:

- Bed hold days – only bed hold days authorized in writing by County.
- Discharge days without written notice – any days Client is discharged at the request of County absent the required fourteen (14) calendar day's written notice, as indicated in Section 1.05(c).
- Bed hold and unauthorized discharge days shall be paid at the rates indicated in Section B.

B. Rates

Program	Level	Rate
Mental Health Rehabilitation Center (MHRC)	Level 1	\$350 per day
Diversion Program	Level 4	\$525 per day
	Level 3	\$475 per day
	Level 2	\$450 per day
	Level 1	\$425 per day
	Level 0	\$350 per day
Disruptive Behavior Unit	Level 1	\$850 per day
*One-on-one Monitoring (MHRC and Diversion only – 1:1 monitoring will not be charged for those clients in the Disruptive Behavior Unit)	n/a	\$40 per hour

The daily rate for CPT Diversion program will be eligible for review. There are no automatic rate reductions. A rate decrease must be reviewed by the treatment team and authorized in writing by the facility director. Criteria for daily rate reduction may be based on but not limited to: change in legal status, overall progress in the CPT level system, program participation, behavior(s), medication/treatment compliance, and the necessary support required to adequately maintain said individual.

C. Not-to-Exceed

The maximum contractual obligation over the term of this Agreement shall be \$1,500,000.00.

D. Invoices/Remittances

Invoices / Remittances shall be addressed as indicated in the table below or to such other location as County or Contractor may direct per Article XV – Notice to Parties.

Mail invoices to:	Mail remittance to:
Health and Human Services Agency 3057 Briw Road, Suite B Placerville, CA 95667 Attn: Finance Unit	California Psychiatric Transitions, Inc. P.O. Box 339 Delhi, CA 95315 Attn: Accounts Receivable

ARTICLE IV

Taxes: Contractor certifies that as of today's date, it is not in default on any unsecured property taxes or other taxes or fees owed by Contractor to County. Contractor agrees that it shall not default on any obligations to County during the term of this Agreement.

ARTICLE V

Changes to Agreement: This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

ARTICLE VI

Contractor to County: It is understood that the services provided under this Agreement shall be prepared in and with cooperation from County and its staff. It is further agreed that in all matters pertaining to this Agreement, Contractor shall act as Contractor only to County and shall not act as Contractor to any other individual or entity affected by this Agreement nor provide information in any manner to any party outside of this Agreement that would conflict with Contractor's responsibilities to County during term hereof.

ARTICLE VII

Assignment and Delegation: Contractor is engaged by County for its unique qualifications and skills as well as those of its personnel. Contractor shall not subcontract, delegate or assign services to be provided, in whole or in part, to any other person or entity without prior written consent of County.

ARTICLE VIII

Independent Contractor/Liability: Contractor is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by terms of this Agreement. Contractor exclusively assumes responsibility for acts of its employees, associates, and subContractors, if any are authorized herein, as they relate to services to be provided under this Agreement during the course and scope of their employment.

Contractor shall be responsible for performing the work under this Agreement in a safe, professional, skillful, and workmanlike manner and shall be liable for its own negligence and negligent acts of its employees. County shall have no right of control over the manner in which work is to be done and shall, therefore, not be charged with responsibility of preventing risk to Contractor or its employees.

ARTICLE IX

Fiscal Considerations: The parties to this Agreement recognize and acknowledge that County is a political subdivision of the State of California. As such, El Dorado County 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 County business, County 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, County 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 shall be automatically terminated and County released from any further liability hereunder.

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

ARTICLE X

Audit by California State Auditor: Contractor acknowledges that if total compensation under this agreement is greater than \$10,000.00, this Agreement is subject to examination and audit by the California State Auditor for a period of three (3) years, or for any longer period required by law, after final payment under this Agreement, pursuant to California Government Code §8546.7. In order to facilitate these potential examinations and audits, Contractor shall maintain, for a period of at least three (3) years, or for any longer period required by law, after final payment under the contract, all books, records and documentation necessary to demonstrate performance under the Agreement.

ARTICLE XI

Default, Termination, and Cancellation:

- A. Default: Upon the occurrence of any default of the provisions of this Agreement, a party shall give written notice of said default to the party in default (notice). If the party in default does not cure the default within ten (10) days of the date of notice (time to cure), then such party shall be in default. The time to cure may be extended at the discretion of the party giving notice. Any extension of time to cure must be in writing, prepared by the party in default for signature by the party giving notice, and must specify the reason(s) for the extension and the date on which the extension of time to cure expires.

Notice given under this section shall specify the alleged default and the applicable Agreement provision and shall demand that the party in default perform the provisions of this Agreement within the applicable period of time. No such notice shall be deemed a termination of this Agreement unless the party giving notice so elects in this notice, or the party giving notice so elects in a subsequent written notice after the time to cure has expired. In the event of termination for default, County reserves the right to take over and complete the work by contract or by any other means.

- B. Bankruptcy: This Agreement, at the option of the County, shall be terminable in the case of bankruptcy, voluntary or involuntary, or insolvency of Contractor.
- C. Ceasing Performance: County may terminate this Agreement in the event Contractor ceases to operate as a business, or otherwise becomes unable to substantially perform any term or condition of this Agreement.
- D. Termination or Cancellation without Cause: County may terminate this Agreement in whole or in part upon seven (7) calendar day's written notice by County without cause. If such prior termination is effected, County will pay for satisfactory services rendered prior to the effective dates as set forth in the Notice of Termination provided to Contractor, and for such other services, which County may agree to in writing as necessary for contract resolution. In no event, however, shall County be obligated to pay more than the total amount of the contract. Upon receipt of a Notice of Termination, Contractor shall promptly discontinue all services affected, as of the effective date of termination set forth in such Notice of Termination, unless the notice directs otherwise.

ARTICLE XII

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

COUNTY OF EL DORADO
HEALTH & HUMAN SERVICES AGENCY
3057 BRIW ROAD, SUITE A
PLACERVILLE, CA 95667
ATTN: CONTRACTS UNIT

With a copy to:

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

Or to such other location as the County directs.

Notices to Contractor shall be addressed as follows:

CALIFORNIA PSYCHIATRIC TRANSITIONS, INC.
P.O. BOX 339
DELHI, CA 95315
ATTN: JOHN T. HACKETT, M.D., CEO, or SUCCESSOR

Or to such other location as the Contractor directs.

ARTICLE XIII

Change of Address: In the event of a change in address for Contractor's principal place of business, Contractor's Agent for Service of Process, or Notices to Contractor, Contractor shall notify County in writing pursuant to the provisions contained in this Agreement under the Article titled "Notice to Parties". Said notice shall become part of this Agreement upon acknowledgment in writing by the County Contract Administrator, and no further amendment of the Agreement shall be necessary provided that such change of address does not conflict with any other provisions of this Agreement.

ARTICLE XIV

Indemnity: The Contractor shall defend, indemnify, and hold the County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorney's fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with the Contractor's services, operations, or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the County, the Contractor, subContractor(s) and employee(s) of any of these, except for the sole, or active negligence of the County, its officers and employees, or as expressly prescribed by statute. This duty of Contractor to indemnify and save County harmless includes the duties to defend set forth in California Civil Code Section 2778.

ARTICLE XV

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

- A. Full Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor as required by law in the State of California.
- B. Commercial General Liability Insurance of not less than \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage and a \$2,000,000.00 aggregate limit.

- C. Automobile Liability Insurance of not less than \$1,000,000.00 is required in the event motor vehicles are used by the Contractor in the performance of the Agreement.
- D. In the event Contractor is a licensed professional or professional consultant, and is performing professional services under this Agreement, professional liability is required with a limit of liability of not less than \$1,000,000.00 per occurrence.
- E. Contractor shall furnish a certificate of insurance satisfactory to the County of El Dorado Risk Manager as evidence that the insurance required above is being maintained.
- F. The insurance will be issued by an insurance company acceptable to Risk Management, or be provided through partial or total self-insurance likewise acceptable to Risk Management.
- G. Contractor agrees that the insurance required above shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of term of the Agreement, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of Risk Management and Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event the Contractor fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.
- H. The certificate of insurance must include the following provisions stating that:
 - 1. The insurer will not cancel the insured's coverage without prior written notice to County, and;
 - 2. The County of El Dorado, its officers, officials, employees and volunteers are included as additional insured on an additional insured endorsement, but only insofar as the operations under this Agreement are concerned. This provision shall apply to the general liability policy.
- I. The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.
- J. Any deductibles or self-insured retentions must be declared to and approved by the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees and volunteers; or the

Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- K. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees, or volunteers.
- L. The insurance companies shall have no recourse against the County of El Dorado, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.
- M. Contractor's obligations shall not be limited by the foregoing insurance requirements and shall survive expiration of this Agreement.
- N. In the event Contractor cannot provide an occurrence policy, Contractor shall provide insurance covering claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.
- O. Certificate of insurance shall meet such additional standards as may be determined by the contracting County Department either independently or in consultation with Risk Management, as essential for protection of the County.

ARTICLE XVI

Interest of Public Official: No official or employee of County who exercises any functions or responsibilities in review or approval of services to be provided by Contractor under this Agreement shall participate in or attempt to influence any decision relating to this Agreement which affects personal interest or interest of any corporation, partnership, or association in which he/she is directly or indirectly interested; nor shall any such official or employee of County have any interest, direct or indirect, in this Agreement or the proceeds thereof.

ARTICLE XVII

Interest of Contractor: Contractor covenants that Contractor presently has no personal interest or financial interest, and shall not acquire same in any manner or degree in either: 1) any other contract connected with or directly affected by the services to be performed by this Agreement; or, 2) any other entities connected with or directly affected by the services to be performed by this Agreement. Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed by Contractor.

ARTICLE XVIII

Conflict of Interest: The parties to this Agreement have read and are aware of the provisions of Government Code Section 1090 et seq. and Section 87100 relating to conflict of interest of public officers and employees. Contractor attests that it has no current business or financial relationship with any County employee(s) that would constitute a conflict of interest with provision of services under this contract and will not enter into any such business or financial

relationship with any such employee(s) during the term of this Agreement. County represents that it is unaware of any financial or economic interest of any public officer or employee of Contractor relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement either party may immediately terminate this Agreement by giving written notice as detailed in the Article in the Agreement titled, "Default, Termination and Cancellation".

ARTICLE XIX

Nondiscrimination:

- A. County may require Contractor's services on projects involving funding from various state and/or federal agencies, and as a consequence, Contractor shall comply with all applicable nondiscrimination statutes and regulations during the performance of this Agreement including but not limited to the following: Contractor and its employees and representatives shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age, or sex; Contractor shall, unless exempt, comply with the applicable provisions of the Fair Employment and Housing Act (Government Code, Sections 12900 et seq.) and applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Sections 7285.0 et seq.); the applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations incorporated into this Agreement by reference and made a part hereof as if set forth in full; and Title VI of the Civil Rights Act of 1964, as amended. Contractor and its employees and representatives shall give written notice of their obligations under this clause as required by law.
- B. Where applicable, Contractor shall include these nondiscrimination and compliance provisions in any of its agreements that affect or are related to the services performed herein.
- C. Contractor's signature shall provide any certifications necessary under the federal laws, the laws of the State of California, including but not limited to Government Code Section 12990 and Title 2, California Code of Regulations, Section 8103.

ARTICLE XX

California Residency (Form 590): If Contractor is a California resident, Contractors must file a State of California Form 590, certifying its California residency or, in the case of a corporation, certifying that it has a permanent place of business in California. The Contractor will be required to submit a Form 590 prior to execution of an Agreement or County shall withhold seven (7) percent of each payment made to the Contractor during term of the Agreement. This requirement applies to any agreement/contract exceeding \$1,500.00.

ARTICLE XXI

Nonresident Withholding: If Contractor is not a California resident, Contractor shall provide documentation that the State of California has granted a withholding exemption or authorized reduced withholding prior to execution of this Agreement or County shall withhold seven (7%) percent of each payment made to the Contractor during term of the Agreement as required by law. This requirement applies to any agreement/contract exceeding \$1,500.00. Contractor shall indemnify and hold the County harmless for any action taken by the California Franchise Tax Board.

ARTICLE XXII

Taxpayer Identification Number (Form W-9): All independent Contractors or corporations providing services to the County must file a Department of the Treasury Internal Revenue Service Form W-9, certifying their Taxpayer Identification Number.

ARTICLE XXIII

County Business License: It is unlawful for any person to furnish supplies or services, or transact any kind of business in the unincorporated territory of El Dorado County without possessing a County business license unless exempt under County Code Section 5.08.070.

ARTICLE XXIV

Licenses: Contractor hereby represents and warrants that Contractor and any of its subcontractors employed under this Agreement has all the applicable licenses, permits, and certifications that are legally required for Contractor and its subcontractors to practice its profession or provide the services or work contemplated under this Agreement in the State of California. Contractor and its subcontractors shall obtain or maintain said applicable licenses, permits, or certificates in good standing throughout the term of this Agreement.

ARTICLE XXV

Administrator: The County Officer or employee with responsibility for administering this Agreement is Patricia Charles-Heathers, Assistant Director Health Services or successor.

ARTICLE XXVI

Authorized Signatures: The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

ARTICLE XXVII

Partial Invalidity: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

ARTICLE XXX

Entire Agreement: This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.

Requesting Contract Administrator Concurrence:

By: Patricia Charles-Heathers Dated: 1/28/16
Patricia Charles-Heathers, Assistant Director Health Services
Health and Human Services Agency

Requesting Department Head Concurrence:

By: Don Ashton Dated: 1/28/2016
Don Ashton, M.P.A., Director
Health and Human Services Agency

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8/26/16
Agreement for Services 347-S1610

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below.

-- COUNTY OF EL DORADO --

Dated: _____

By: _____
Ron Mikulaco *Brian K. Veerkamp*, Chair
Board of Supervisors
"County"

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

By: _____ Dated: _____
Deputy Clerk

-- CONTRACTOR --

CALIFORNIA PSYCHIATRIC TRANSITIONS, INC.
A CALIFORNIA CORPORATION

By: *John T. Hackett* Dated: *1/27/16*
John T. Hackett, M.D., CEO
"Contractor"

By: *Dina Hackett* Dated: *1/27/16*
Corporate Secretary

lkw

Exhibit A
Confidentiality and Information Security Provisions

- 1) Confidentiality and Information Security Provisions:** Contractor shall comply with applicable federal, state, and local laws and regulations, including but not limited to the Code of Federal Regulations Title 45, parts 160-164, regarding the confidentiality and security of Personally Identifiable Information (PII).

Personally Identifiable Information means any information that identifies, relates to, describes, or is capable of being associated with, a particular individual, including but not limited to, his or her name, signature, social security number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, or any other financial information.

A. Permitted Uses and Disclosures of PII by Contractor.

1. Permitted Uses and Disclosures. Contractor shall develop and maintain an information privacy and security program that includes the implementation of administrative, technical, and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities. The information privacy and security programs must reasonably and appropriately protect the confidentiality, integrity, and availability of the PII that it creates, receives, maintains, or transmits; and prevent the use or disclosure of PII other than as provided for in this Agreement. Except as otherwise provided in this Agreement, Contractor, may use or disclose PII to perform functions, activities or services identified in this Agreement provided that such use or disclosure would not violate federal or state laws or regulations.
2. Specific Uses and Disclosures provisions. Except as otherwise indicated in the Agreement, Contractor shall:
 - a. Use and disclose only PII for the proper management and administration of Contractor or to carry out the legal responsibilities of Contractor, provided that such use and disclosures are permitted by law; and
 - b. Take all reasonable steps to destroy, or arrange for the destruction of a client's records within its custody or control containing personal information that is no longer to be retained by Contractor by (1) shredding, (2) erasing, or (3) otherwise modifying the personal information in those records to make it unreadable or undecipherable through any means.

B. Responsibilities of Contractor.

1. Contractor agrees to safeguards:
 - a. To prevent use or disclosure of PII other than as provided for by this Agreement. Contractor shall provide County with information concerning such safeguards as County may reasonably request from time to time; and
 - b. Employee Training and Discipline: Contractor shall train its employees and use reasonable measures to ensure compliance with the requirements of this Agreement by employees who assist in the performance of functions or activities

under this Agreement and use or disclose individually identifiable health information.

- c. Contractor shall restrict logical and physical access to confidential, personal (e.g., PII) or sensitive data to authorized users only; and
 - d. Contractor shall implement a system to identify appropriate authenticated and authorized persons. If passwords are used in user authentication (e.g., username/password combination), Contractor shall implement strong password controls on all compatible computing systems that are consistent with the National Institute of Standards and Technology (NIST) Special Publication 800-86 and SANS Institute Password Protection Policy.
2. Contractor shall implement the following security controls on each server, workstation, or portable (e.g. laptop computer) computing device that processes or stores confidential, personal, or sensitive data:
 - a. Network based firewall or personal firewall; and
 - b. Continuously updated anti-virus software; and
 - c. Patch-management process including installation of all operating system/software vendor security patches.
 3. Mitigation of Harmful Effects. Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PII by Contractor or its subcontractors.
 4. Agents and Subcontractors of Contractor. The same restrictions and conditions that apply through this Agreement to Contractor, shall also apply to Contractor's subcontractors and agents.
 5. Notification of Electronic Breach or Improper Disclosure. During the term of this Agreement, Contractor shall notify County immediately upon discovery of any breach of PII or data, where the information or data are reasonably believed to have been acquired by an unauthorized person. Immediate notification shall be made to County Privacy Officer, within two (2) business days of discovery, at (530) 621-5565. Contractor shall take prompt corrective action to cure any deficiencies and any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor shall investigate such breach and provide a written report of the investigation to County Privacy Officer, postmarked within thirty (30) working days of the discovery of the breach.

2) Confidentiality Requirements: Acknowledging the Contractor's continuing obligation to follow existing legal mandates regarding protection and/or release of information maintained by the County, the following Confidentiality Requirements apply:

- A. General Requirements: The Contractor shall not disclose data or documents or disseminate the contents of the final or any preliminary report without express permission of the Contract Administrator.

Permission to disclose information or documents on one occasion or at public hearings held by the County or state Departments of Mental Health relating to the same shall not authorize the Contractor to further disclose such information or documents on any other occasions.

The Contractor shall not comment publicly to the press or any other media regarding the data or documents generated, collected, or produced in connection with this Agreement, or the County or state Departments of Mental Health staff, the Contractor's own personnel involved in the performance of this Agreement, at a public hearing, or in response to the questions from a legislative committee.

If requested by the County or state, the Contractor shall require each of its employees or officers who will be involved in the performance of this Agreement to agree to the above terms in a form to be approved by the state and shall supply the state with evidence thereof.

Each subcontract shall contain the foregoing provisions related to the confidentiality of data and nondisclosure of the same.

After any data or documents submitted has become a part of the public records of the County or state, the Contractor may, if it wishes to do so at its own expense and upon approval by the County Contract Administrator, publish or utilize the said data or documents but all such published items shall include the following legend:

LEGAL NOTICE: This report was prepared as an account of work sponsored by the County of El Dorado and State Department of Health Care Services, but does not necessarily represent the views of the County or Department or any of its employees except to the extent, if any, that it has formally been approved by the Department. For information regarding any such action, communicate directly with the County and State of California at:

COUNTY	STATE DEPARTMENT OF HEALTH CARE SERVICES
Health and Human Services Agency 3057 Briw Road, Suite A Placerville, CA 95667	P.O. Box 952050 Sacramento, CA 94252-2050

Neither said County nor State Department of Health Care Services / State of California, nor any officer or employee thereof, or the Contractor or any of its subcontractors makes any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document, nor does any party represent that use of the data contained herein would not infringe upon privately owned rights without obtaining permission or authorization from any party who has any rights in connection with the data.

"Data" as used in this Agreement means recorded information, regardless of form or characteristics, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work, or be usable or be used to define a design or process, or support a premise or conclusion asserted in any deliverable document called for by this Agreement. The data may be graphic or pictorial delineations in media, such as drawings or photographs, charts, tables, mathematical

modes, collections or extrapolations of data or information, etc. It may be in machine form, as punched cards, magnetic tape, computer printouts, or may be retained in computer memory.

“Proprietary data” is such data as the Contractor has identified in a satisfactory manner as being under Contractor’s control prior to commencement of performance of this Agreement and which has been reasonably demonstrated as being of a proprietary force and effect at the time this Agreement is commenced.

“Generated data” is that data, which a Contractor has collected, collated, recorded, deduced, read out, or postulated for utilization in the performance of this Agreement. Any electronic data processing program, model, or software system developed or substantially modified by the Contractor in the performance of this Agreement at Contractor’s expense, together with complete documentation thereof, shall be treated in the same manner as generated data. “Generated data” shall be the property of the state unless and only to the extent that it is specifically provided otherwise herein.

“Deliverable data” is that data which under terms of this Agreement is required to be delivered to the County or state. Such data shall be the property of the County and state.

The title to the Contractor’s proprietary data shall remain in the Contractor’s possession throughout the term of this Agreement and thereafter. As to generated data which is reserved to the County by express terms of this Agreement and as to any preexisting or proprietary data which has been utilized to support any premise, postulate or conclusion referred to or expressed in any deliverable hereunder, the Contractor shall preserve the same in a form which may be introduced in evidence in a court of competent jurisdiction at the Contractor’s own expense for a period of not less than five (5) years after receipt by the County and state of the final report or termination of this Agreement and any and all amendments hereto, or for three (3) years after the conclusion or resolution of any and all audits or litigation relevant to this Agreement, whichever is later.

Prior to the expiration of such time and before changing the form of or destroying any such data, the Contractor shall notify the County and state of any such contemplated action; and the County or state may within thirty (30) days after said notification determine whether it desires said data to be further preserved and, if the state so elects, the expense of further preserving said data shall be paid for by the state. The Contractor agrees that the County and state shall have unrestricted reasonable access to the same during said three (3) year period and throughout the time during which said data is preserved in accordance with this Agreement, and the Contractor agrees to use best efforts to furnish competent witnesses or to identify such competent witnesses to testify in any court of law regarding said data.

Each party shall designate an employee who shall be responsible for overall security and confidentiality of its data and information systems and each party shall notify the other of any changes in that designation. As of this date, the following are those individuals:

CONTRACTOR	COUNTY
California Psychiatric Transitions, Inc. P.O. Box 339 Delhi, CA 95315 Attn: John T. Hackett, M.D., CEO	Information Security/Privacy Officer County of El Dorado 330 Fair Lane Placerville, CA 95667

- B. Confidentiality Requirements relating to the Health Insurance Portability and Accountability Act: The Contractor shall comply with applicable laws and regulations, including but not limited to Sections 14100.2 and 5328 et seq. of the Welfare and Institutions Code, Section 431.300 et seq. of Title 42, Code of Federal Regulations, and the Health Insurance Portability and Accountability Act (HIPAA), including but not limited to Section 1320 d et seq. of Title 42, United States Code and its implementing regulations (including but not limited to Title 45, CFR, Parts 160, 162 and 164) regarding the confidentiality and security of individually identifiable health information (IIHI).

3) Miscellaneous Provisions:

- A. Disclaimer: The state makes no warranty or representation that compliance by the Contractor with this Agreement, HIPAA or the HIPAA regulations shall be adequate or satisfactory for the Contractor's own purposes or that any information in the Contractor's possession or control, or transmitted or received by the Contractor is, or will be, secure from unauthorized use or disclosure. The Contractor is solely responsible for all decisions made by the Contractor regarding the safeguarding of IIHI.
- B. Assistance in Litigation or Administrative Proceedings: The Contractor shall make itself, and use its best efforts to make any subcontractors, employees or agents assisting the Contractor in the performance of its obligation under this Agreement, available to the County or state at no cost to the County or state to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against the state, its directors, officers or employees for claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy based upon actions or inactions of the Contractor and/or its subcontractor, employee, or agent, except where the Contractor or its subcontractor, employee or agent is named adverse party.
- C. No Third-Party Beneficiaries: Nothing expressed or implied in the terms and conditions of this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the County or the state, or the Contractor and their respective successors or assignees, any rights remedies, obligations or liabilities whatsoever.
- D. Interpretation: The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HIPAA regulations and applicable state or local laws. The parties agree that any ambiguity in the terms and conditions of this Agreement shall be resolved in favor of a meaning that complies and is consistent with applicable laws.
- E. Regulatory References: A reference in the terms and conditions of this Agreement to a section in the HIPAA regulations means the section as in effect or as amended.

- F. Survival: The respective rights and obligations of the Contractor under herein this Agreement shall survive the termination or expiration of this Agreement.
- G. No Waiver of Obligations: No change, waiver, or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.
- H. Signatures: This Agreement is of no force and effect until signed by both of the parties hereto. The Contractor shall not commence performance prior to the beginning of this Agreement or upon final approval.



1600 9th Street, Sacramento, CA 95814
(916) 654-2309

February 1, 2010

DMH LETTER: 10-02

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: MEDI-CAL COVERAGE AND CLAIMING FOR BENEFICIARIES IN
INSTITUTIONS FOR MENTAL DISEASES

REFERENCE: DMH LETTER NO.: 98-03, DMH LETTER NO.: 02-06, and
DMH LETTER NO.: 06-04

This Department of Mental Health (DMH) letter updates prior DMH communications related to the requirement that no State General Funds (SGF) nor Federal Financial Participation (FFP) be expended for services and treatment to Medi-Cal beneficiaries who are residents of institutions for mental diseases (IMDs) and who are 21 years of age and older and under 65 years of age (known as the "IMD exclusion"). This letter also reiterates that Welfare and Institutions (W&I) Code section 14053.3, in conjunction with section 14053(b)(3), requires DMH to recover SGF and FFP paid for ancillary services provided at the time that a Medi-Cal beneficiary is a resident of an IMD and subject to the IMD exclusion, in accordance with applicable state and federal statutes and regulations, as referenced below. In order to prevent claiming of SGF and FFP for Medi-Cal beneficiaries residing in an IMD per the IMD exclusion, the Department of Health Care Services (DHCS) has directed Medi-Cal providers to bill the county of responsibility for the beneficiary, as reflected in the Medi-Cal Eligibility Data System (MEDS). Attachment 1 is the Provider Bulletin titled Medical Ancillary Services Billing Procedures Update, which was sent by DHCS to all Medi-Cal providers on June 30, 2009.

Inappropriate Claiming of FFP for Services Provided in IMDs

In accordance with Title 42 United States Code section 1396d(a)(28)(B), Title 42, Code of Federal Regulations, sections 435.1009, 435.1010, 441.13 and 436.1005; W&I Code sections 14053(b)(3) and 14053.3, California Code of Regulations (CCR), title 22, section 50273, and CCR, title 9, sections 1840.210 and 1840.312, neither SGF nor FFP reimbursement is available for services for adults (individuals who are 21 years of age or older, and under 65 years of age) residing in IMDs. See Attachment 2 for the text of the cited statutes and regulations.

As guidance on this matter, the Federal Centers for Medicare and Medicaid Services (CMS) issued sections 4390 and 4390.1 of the State Medicaid Manual (Attachment 3). Each Mental Health Plan (MHP) should carefully review the applicable federal and state laws, regulations and guidelines and implement and enforce effective policies and procedures to prevent inappropriate claiming of SGF and FFP for services to Medi-Cal beneficiaries residing in IMDs

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February 1, 2010
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subject to the IMD exclusion. IMDs in California generally include facilities in the following licensing categories, if the facility has more than 16 beds: acute psychiatric hospitals; psychiatric health facilities (PHFs); skilled nursing facilities (SNFs) with a certified special treatment program for the mentally disordered (STPs); and mental health rehabilitation centers (MHRCs).

MHPs must not submit claims to the State for specialty mental health services or other services provided to Medi-Cal beneficiaries subject to the IMD exclusion. Providers outside the MHPs must not submit claims for other mental health, medical or ancillary services provided to Medi-Cal beneficiaries subject to the IMD exclusion. Inappropriate claiming of SGF or FFP must not occur, whether through the Short-Doyle/Medi-Cal (SD/MC) claiming system or through the Medi-Cal fiscal intermediary (FI) claims processing system. Improper claiming and/or failure to establish adequate procedures to prevent inappropriate claiming of SGF or FFP will result in disallowances and/or compliance actions and other oversight activities, reviews, actions and proceedings available to the State (including but not limited to CCR, title 9, sections 1810.380 and 1810.385) and to the federal government.

MHP Obligations for Client and Services Information (CSI) Reporting When Clients Enter and Exit IMDs

MHPs must submit updated Client, Service, and Periodic record information through the CSI System to DMH for clients in IMDs when the MHP pays the room and board. DMH Letter No. 06-04 issued on May 18, 2006, eliminated the New Institutions for Mental Disease (NIM) reporting system and informed MHPs to report through CSI. DMH Letter No. 98-03 issued on April 29, 1998, provided MHPs with the directive to submit a Client record at first contact with the county and a Service record as services are provided. Periodic records, which contain data elements that change, such as living arrangements, must be submitted at the time of admission to an IMD, at discharge from an IMD, and at the time of the annual client plan update.

If you have any questions, please contact your County Programs Technical Assistance contact person identified on the following internet site:
http://www.dmh.ca.gov/Services_and_Programs/Local_Program_Support/County_Technical_Assistance.asp

Sincerely,

Original Signed by

STEPHEN W. MAYBERG, Ph.D.
Director

Enclosures

cc: California Mental Health Planning Council
California Mental Health Directors Association