

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Behavioral Health And Recovery Services BOARD AGENDA #: *B-5

AGENDA DATE: July 26, 2016

SUBJECT:

Approval to Authorize the Chief Executive Officer and Behavioral Health Director to Finalize and Execute a New Provider Agreement with Doctors Medical Center for Fee for Service Inpatient Psychiatric Services Effective July 1, 2016 through June 30, 2019

BOARD ACTION AS FOLLOWS:

No. 2016-382

On motion of Supervisor O'Brien, Seconded by Supervisor Withrow
and approved by the following vote,

Ayes: Supervisors: O'Brien, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: Chiesa

Abstaining: Supervisor: None

1) X Approved as recommended


2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST:


ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Behavioral Health And Recovery Services BOARD AGENDA #: *B-5
Urgent Routine AGENDA DATE: July 26, 2016

ms

CEO CONCURRENCE:  4/5 Vote Required: Yes No

SUBJECT:
Approval to Authorize the Chief Executive Officer and Behavioral Health Director to Finalize and Execute a New Provider Agreement with Doctors Medical Center for Fee for Service Inpatient Psychiatric Services Effective July 1, 2016 through June 30, 2019

STAFF RECOMMENDATIONS:

1. Authorize the Chief Executive Officer and Behavioral Health Director to finalize and execute an agreement with Doctors Medical Center for Fee for Service Inpatient Psychiatric Services effective July 1, 2016 through June 30, 2019.
2. Authorize the Auditor Controller to adjust the Behavioral Health and Recovery Services Managed Care Budget by increasing appropriations by \$435,139 to be funded by Departmental Fund Balance as outlined on the attached Budget Journal.

DISCUSSION:

Effective October 31, 2007, Stanislaus County sold its 67-bed inpatient acute psychiatric facility, Stanislaus Behavioral Health Center, to Doctors Medical Center of Modesto (DMC), a Tenet Healthcare affiliate. The Center subsequently became known as Doctors Behavioral Health Center (DBHC). At that time the County entered into a provider agreement with DMC for the purchase of 35 beds on a daily basis for County patients, defined as: Medi-Cal adult beneficiaries of Stanislaus County, adult indigent uninsured residents of Stanislaus County, and "restoration to competency" patients.

Behavioral Health and Recovery Services (BHRS) has a significant need to continue to use beds at DBHC. While the Psychiatric Health Facility (PHF), which opened in March 2014, has lessened the need for beds at DBHC, there are patients who require the higher level of inpatient care provided at DBHC. Complicating the situation is the shortage of placement resources for the most ill patients. Consequently, patients, who are ready to be discharged, are staying longer at DBHC because there are no openings in other locked facilities, either in Institutes of Mental Disease (IMDs) or in State Hospitals. Often, these patients, who are often Conservatees, require more attention and supervision than other patients awaiting placements in locked facilities. A sub-acute rate has been negotiated to compensate DBHC for the level of care that these individuals require.

The most recent agreement with DMC expired June 30, 2016. Staff from the County Chief Executive Office and BHRS began working with DMC representatives during the Spring 2016 to renegotiate a three-year agreement for access of up to 12 beds at DBHC. To avoid a break

Approval to Authorize the Chief Executive Officer and Behavioral Health Director to Finalize and Execute a New Provider Agreement with Doctors Medical Center for Fee for Service Inpatient Psychiatric Services Effective July 1, 2016 through June 30, 2019

in service to County patients, one-month extension through July 31, 2016, was approved by the Board of Supervisors on June 28, 2016.

The County and Doctors Medical Center have reached agreement on the terms for the new three year period as follows:

The new agreement will be effective July 1, 2016 through June 30, 2019.

- For Stanislaus County Medi-Cal patients:
 - July 1, 2016 through June 30, 2017 - \$1,170 per authorized bed day, an increase of 4% from the previous rate of \$1,125.
 - July 1, 2017 through June 30, 2018 - \$1,217 per authorized bed day, an increase of 4%.
 - For the period of July 1, 2018 through June 30, 2019 - \$1,265 per authorized bed day, an increase of 4%.

- For Stanislaus County Medi-Cal patients, Stanislaus County will pay to DBHC the per diem rate published by the California Department of Health Care Services for authorized Medi-Cal Administrative Days.

- Stanislaus County will pay a Sub-Acute Rate for difficult to place Conservatee patients. Documentation in the chart must be the same as required for acute stays, including daily documentation by the psychiatrist:
 - July 1, 2016 through June 30, 2017 - \$820 per authorized bed day.
 - July 1, 2017 through June 30, 2018 - \$853 per authorized bed day, an increase of 4%.
 - July 1, 2018 through June 30, 2019 - \$887 per authorized bed day, an increase of 4%.

- For Stanislaus County Uninsured patients:
 - July 1, 2016 through June 30, 2017 - \$949 per authorized bed day, an increase of 4% from the previous rate of \$916.
 - July 1, 2017 through June 30, 2018 - \$987 per authorized bed day, an increase of 4%.
 - July 1, 2018 through June 30, 2019 - \$1,026 per authorized bed day, an increase of 4%.

- For Stanislaus County Restoration to Competency patients, Stanislaus County will pay the acute Medi-Cal rate as long as the patient meets the medical necessity criteria for the acute rate. When the patient no longer meets that criteria, the restoration rate will be applied.
 - July 1, 2016 through June 30, 2017 - \$1,170 per authorized acute bed day, or \$949 per authorized non-acute bed day.
 - July 1, 2017 through June 30, 2018 - \$1,217 per authorized acute bed day, or \$987 per authorized non-acute bed day, an increase of 4%.

Approval to Authorize the Chief Executive Officer and Behavioral Health Director to Finalize and Execute a New Provider Agreement with Doctors Medical Center for Fee for Service Inpatient Psychiatric Services Effective July 1, 2016 through June 30, 2019

- For the period of July 1, 2018 through June 30, 2019 - \$1,265 per authorized acute bed day, or \$1,026 per authorized non-acute bed day, an increase of 4%.
- Physician Fees:
 - July 1, 2016 through June 30, 2017, the payment rate for physician services provided to such Medi-Cal adult beneficiaries and Uninsured patients shall increase to \$99.00, for an approved initial visit and \$75.00 for each approved follow-up.
 - July 1, 2017 through June 30, 2018, the payment rate for physician services provided to such Medi-Cal adult beneficiaries and Uninsured patients shall increase to \$103, a 4% increase, for an approved initial visit and \$78 for each approved follow-up, an increase of 4%.
 - July 1, 2018 through June 30, 2019, the payment rate for physician services provided to such Medi-Cal adult beneficiaries and Uninsured patients shall increase to \$107, a 4% increase, for an approved initial visit and \$81 for each approved follow-up, an increase of 4%.
- County will pay a rate of \$100 per hour per patient waiting over two (2) hours at Doctors Behavioral Health Center Intake for admission to the Stanislaus County Psychiatric Health Facility. This rate does not apply to patients awaiting placement in other facilities because Doctors Behavioral Health Center is full or who have been denied admission to Doctors Behavioral Health Center.

POLICY ISSUE:

Welfare and Institutions Code, Section 5600.3, establishes the primary goal for the use of funds deposited in the mental health fund is to serve the target population. One of the target populations described in the statute is an individual who requires acute psychiatric inpatient care because of a mental illness with symptoms of psychosis, suicidality, or violence.

FISCAL IMPACT:

The estimated total cost of this agreement for the three year period of July 1, 2016 through June 30, 2019 is \$22,541,012, with a net cost to the BHRS Budget of \$10,724,563, funded by Medi-Cal Federal Financial Participation, 2011 Realignment, and Departmental Fund Balance. For the period of July 1, 2016 through June 30, 2017, the estimated total cost is \$7,220,980, with a cost to the BHRS budget of \$3,379,282. The Department included appropriations and estimated revenue in the amount of \$2,944,143 for this agreement in its Adopted Proposed Budget for Fiscal Year 2016-2017. An increase to appropriations in the amount of \$435,139 is requested to fully fund the estimated cost of this recommended agreement, as per the attached Budget Journal. Estimated Revenue for this these costs associated with the new agreement will come from Departmental Fund Balance. There is no additional County General Fund costs associated with this contract.

Approval to Authorize the Chief Executive Officer and Behavioral Health Director to Finalize and Execute a New Provider Agreement with Doctors Medical Center for Fee for Service Inpatient Psychiatric Services Effective July 1, 2016 through June 30, 2019

Cost of recommended action:		\$ 435,139
Source(s) of Funding:		
Department Fund Balance	435,139	
	-	
Funding Total:		\$ 435,139
Net Cost to County General Fund		\$ -

Fiscal Year:	FY2016-2017
Budget Adjustment/Appropriations needed:	Yes

Fund Balance as of May 31, 2016	
Behavioral Health Services	\$ 12,485,512
Managed Care Services	0

BOARD OF SUPERVISORS' PRIORITY:

Execution of this Agreement with Doctors Medical Center supports the Board's priorities of A Safe Community, A Healthy Community, and Efficient Delivery of Public Services by enabling County patients to be treated at a local facility.

STAFFING IMPACT:

Existing staff provide oversight of this Agreement.

CONTACT PERSON:

Madelyn Schlaepfer, PhD Director (209) 525-6205

Patricia Hill Thomas, Chief Operations Officer (209) 525-6333

ATTACHMENT(S):

1. Budget Journal

Attachment 1

BUDGET JOURNAL VOUCHER

CHIEF EXECUTIVE OFFICE
 '16 JUL 22 AM 11:25

Database FMSDBPRD.CO.STANISLAUS.CA.US.PROD DO NOT CHANGE
 Balance Type Budget DO NOT CHANGE
 Data Access Set County of Stanislaus DO NOT CHANGE

Ledger * List - Text County of Stanislaus DO NOT CHANGE
 Budget List - Text LEGAL BUDGET DO NOT CHANGE
 Category * List - Text Budget - Upload DO NOT CHANGE
 Source * List - Text MH TCF
 Currency * List - Text USD
 Period List - Text JUL-16 DO NOT CHANGE
 Batch Name Text ENTER AS MMM-YY (ALL CAPS FOR MM)
 Journal Name Text MH TCF
 Journal Description Text Budget adjustment to increase appropriations and revenues for Doctors Medical Center
 Journal Reference Text DBHC
 Organization List - Text Stanislaus Budget Org DO NOT CHANGE
 Chart Of Accounts Accounting Flexfield DO NOT CHANGE

Upl	Fund (4 char)	Org (7 char)	Account (5 char)	GL Project (7 char)	Location (6 char)	Misc (6 char)	Other (5 char)	Debit incr appropriations decr est revenue * Number	Credit decr appropriations incr est revenue * Number	Line Description Text
	1504	6427122	63261	0000000	000000	000000	000000	39,775.00		Incr Contracts Profeses
	1504	6427122	63280	5360050	000000	000000	000000	229,800.00		Incr Contracts
	1504	6427122	71150	0000000	000000	000000	000000	165,564.00		Incr Medi-Cal
								435,139.00	0.00	

Totals: 435,139.00 0.00

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

Explanation: Budget adjustment to increase appropriations and revenues for Doctors Medical Center
 DBHC

Requesting Department	CEO	Data Entry	Auditors Office Only
Tom Flores	<i>[Signature]</i>	Keyed by	<i>[Signature]</i>
Prepared by	Supervisor's Approval	Date	Approved By
7/20/2016	7/22/16		7/22/2016
Date	Date	Date	Date



PROVIDER AGREEMENT

(FEE-FOR-SERVICE INPATIENT PSYCHIATRIC SERVICES)

BETWEEN

STANISLAUS COUNTY

BEHAVIORAL HEALTH AND RECOVERY SERVICES

AND

DOCTORS MEDICAL CENTER OF MODESTO, INC.

JULY 1, 2016 – JUNE 30, 2019

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EXHIBIT A - DEFINITIONS AND SCOPE OF WORK

EXHIBIT B - CONFIDENTIALITY AND SECURITY OF INFORMATION

EXHIBIT C - MHP CLAIMS CERTIFICATION AND PROGRAM INTEGRITY

EXHIBIT D - QUALITY MEASURES PROGRAM

PROVIDER AGREEMENT

(Fee-for-Service Inpatient Psychiatric Services)

This Provider Agreement (“**Agreement**”) is made and entered into in the City of Modesto, State of California, by and between the **County of Stanislaus**, through **Behavioral Health and Recovery Services (“BHRS”)**, a political subdivision of the State of California (hereinafter referred to as “**COUNTY**”), and **Doctors Medical Center of Modesto, Inc.**, a California corporation (hereinafter referred to as “**DMC**”), for and in consideration of the recitals and the mutual promises, covenants, and agreements as are hereinafter set forth.

WHEREAS, DMC owns and operates a duly licensed general acute care hospital that provides acute care services at 1441 Florida Avenue, Modesto, California (“**Hospital**”), which includes the Doctors Behavioral Health Center, an acute psychiatric facility located at 1501 Claus Road, Modesto, California (“**DBHC**”).

WHEREAS, County, as the Mental Health Plan (“**MHP**”) for County of Stanislaus, is mandated to provide comprehensive inpatient psychiatric services for “**County Patients**” (as defined in **Exhibit A**, Paragraph 1.1), including services provided in accordance with Title 9 (“**Title 9**”) of the California Code of Regulations (“**CCR**”), as more fully set forth in this Agreement.

WHEREAS, DMC is willing to serve as a contracting agency with County for the care of “County Patients” (as defined in **Exhibit A**, Paragraph 1.1) in need of “**Covered Services**” or “**Restoration to Competency**” (as defined in **Exhibit A**, Paragraphs 1.2 and 1.4, respectively) at DBHC.

NOW, THEREFORE, the parties hereby agree as follows:

TERMS AND CONDITIONS

1. RECITALS AND TERMINATION OF THE PRIOR AGREEMENT

The recitals set forth above are a material part of this Agreement.

2. DEFINITIONS AND SERVICES

See **Exhibit A** for a detailed description of definitions and services.

3. NONDISCRIMINATION

Consistent with the requirements of applicable Federal or State laws, DMC will not unlawfully discriminate in hiring practices, the admission of clients, assignment of accommodations, treatment, evaluation, or in any other respect on the basis of race, color, gender, religion,

marital status, national origin, age (over 40), sexual preference, or mental or physical disability, or medical condition (cancer-related), pregnancy related condition, or political affiliation or belief. This policy shall be in writing, in English and Spanish. Subject to differences in payor agreements and policies (including this Agreement and County policies), it is the intent of the parties that County Patients shall receive the same level of services as non-County Patients.

4. UTILIZATION REVIEW/MANAGEMENT

4.1 County will conduct retrospective MHP payment authorization of the Covered Services provided to County Patients at DBHC pursuant to this Agreement for compliance with California public mental health industry and Title 9 CCR standards, including, without limitation, §§ 1820.205 and 1820.220. As part of retrospective authorization, County may issue denials resulting from lack of documented medical necessity.

4.2 The County and DMC will continue to implement the services of a Concurrent Review Utilization Review Nurse to be located at Doctors Behavioral Health Center (DBHC) for the on-site, immediate review of medical records and immediate determination of each day's stay. The Concurrent Review Utilization Review Nurse will be jointly secured by the County and DMC, however in consideration of the difficulties in hiring an appropriately trained nurse for this important function, County staff may be relied upon to perform these duties. The Concurrent Review Utilization Review Nurse shall be employed/contracted by the County and the cost of the Concurrent Review Utilization Review Nurse will be equally shared by County and DMC.

4.2.1 The Nurse will be in place at DBHC seven (7) days per week as appropriate and will work collaboratively with the care team to ensure appropriate documentation. The Nurse will have authority to approve the Treatment Authorization Request (TAR) for each day's stay for each County patient where medical necessity has been determined. The Nurse will not have authority to deny any day's stay but instead will request and work with the care team to locate and provide appropriate documentation. Retrospective review and authorization of each day's stay that is approved by the Nurse will not be required; retrospective review and authorization of those days not approved by the Nurse will occur in accordance with Section 4.1 of this agreement.

- 4.2.2 The Nurse shall be advisory in nature and shall not make recommendations to discharge County patients and instead will rely on the care team to consider discharge as appropriate.
- 4.3 County agrees to work collaborative with DMC to document medical necessity, thereby reducing denial rates for County patient days, as evidenced in Section 4.2. Therefore, the parties agree as follows:
 - 4.3.1 If the denial rate does not materially decline in two (2) months of any rolling three (3) month period during the term of this Agreement, DMC or County may trigger the intervention of the DMC and County Chief Executive Officers. The intervention will “stop the clock,” i.e., the rolling three (3) months will resume when the intervention has been completed (as determined by the Chief Executive Officers of DMC and County);
 - 4.3.2 The Chief Executive Officers of DMC and County will meet and confer to consider further steps that will improve the documentation of medical necessity consistent with State Law, Title 9 and established criteria in order to reduce the denial rate towards DBHC objectives; and
 - 4.3.3 For purposes of this section, the Chief Executive Officers of DMC and County may retain external assistance (e.g., consultants, mediator or other expertise). Any external intervention, including mediation, will be limited to improving the communication process and identifying steps to improve documentation of medical necessity within the scope of the Title 9 criteria in order to reduce the denial rate towards DBHC objectives.
- 4.4 The DBHC and BHRS Administrators shall meet and confer monthly to coordinate and collaborate on the administration of this Agreement (including Section 7 below), and to discuss any outstanding issues or concerns between the parties, including without limitation to resolve any placement options for County uninsured patients due to material reduction in the number of, or lack of, available residential placement options at non-acute residential treatment facilities. At the discretion of the DBHC and BHRS Administrators, the monthly meetings may include attendance of the DBHC and BHRS Medical Directors as well.

5. **DISCHARGE PLANNING**

County, its agents, and DMC shall cooperate in good faith and engage in a collaborative process with the other party in managing patient discharge plans, and in referring County Patients for appropriate aftercare services. Medi-Cal beneficiaries are entitled to an

assessment by County. If County Patients meet medical necessity criteria for specialty mental health services as stipulated in Title 9, CCR § 1830.205, DMC will refer such County Patients to the appropriate aftercare services in a manner consistent with the collaborative process described above. The parties recognize, to the extent resources are available, under Welfare & Institutions Code, Sections 5600 et seq., public mental health services can be provided by the County to uninsured individuals who meet target populations as defined in law (*i.e.*, California Welfare and Institutions Code (“**W&I Code**”) § 5600.3). County’s obligation to ensure that uninsured individuals have access to aftercare shall be in accordance with any applicable federal, state and/or local laws.

6. BILLING AND PAYMENT

6.1 Reserved Beds:

6.1.1 For the period July 1, 2016 through June 30, 2019, DMC shall make available to County a minimum of twelve (12) beds daily at DBHC (“**Reserved Beds**”) for the care of County Patients (which includes Restoration to Competency County Patients as may be reasonably necessary to restore an individual’s competency to stand trial).

6.1.2 County shall use its best efforts to arrange, on a rolling twelve (12) month period, for not less than ninety percent (90%) of appropriate County Patients to be admitted to DBHC to fill the Reserved Beds so long as the admissions to DBHC level of care are medically appropriate under the circumstances, as reasonably determined by either County or DBHC. The ninety percent (90%) threshold shall not apply to (i) any admission that is declined by DBHC for any reason; (ii) County patients who may be treated appropriately at a lower level of care; and (iii) any County Patient who presents or is transferred to another behavioral health facility. In the event of any quality of care issues identified by County as to the care and services provided by DBHC to County Patients, County may initiate a mandatory meet and confer meeting in which the Chief Executive Officers of DMC and County and the DBHC and BHRS Directors (in addition to others as necessary) shall exercise good faith efforts to resolve the issues raised by County. The meet and confer meeting shall be in addition to the operations of the “Quality Measures Review Committee” (as defined in Section 8.3 below), and such meet and confer meeting shall occur within thirty (30) days of County providing written notice to DMC of County’s request for such meeting. For purposes of this Agreement, County

Patients shall not include Medicare beneficiaries who qualify for Medi-Cal assistance (*i.e.*, “Medi-Medi patients”).

6.1.3 If five (5) or more of the Reserved Beds remain unused for a period of at least ninety (90) consecutive days, DMC and County shall meet and confer in good faith to develop a process for the release of such unused Reserved Beds to DMC on a going-forward basis.

6.1.4 If DMC reasonably determines that a portion of the Reserved Beds should be released on a temporary basis due to a high patient census at DBHC, DMC shall notify County of the number of Reserved Beds that are being requested for a temporary release. Under no circumstances shall County be required to release Reserved Beds if County has, or reasonably foresees, a need for such beds.

6.2 Rates:

6.2.1 Medi-Cal Beneficiaries:

6.2.1.1 All admissions of County Medi-Cal Patients under this Agreement, with the exception of individuals admitted for “Restoration to Competency,” shall meet applicable Title 9 criteria, including without limitation Medi-Cal criteria for medical necessity as defined in Title 9, CCR §§ 1774 and 1820.205, as certified by a psychiatrist.

6.2.1.2 For the period July 1, 2016 through June 30, 2017, County shall pay DMC a per diem rate (“**Per Diem Rate**”), as described in Sections 6.9 and 6.10 below, of **\$1,170** per authorized acute inpatient day for each County Medi-Cal patient.

6.2.1.3 For the period July 1, 2017 through June 30, 2018, County shall pay DMC a Per Diem Rate, as described in Sections 6.9 and 6.10 below, of **\$1,217** per authorized acute inpatient day for each County Medi-Cal patient.

6.2.1.4 For the period July 1, 2018 through June 30, 2019, County shall pay DMC a Per Diem Rate, as described in Sections 6.9 and 6.10 below, of \$1,265 per authorized acute inpatient day for each County Medi-Cal patient.

6.2.1.5 County shall also pay a Per Diem Rate (as described in Sections 6.9 and 6.10 below) per authorized Medi-Cal patient administrative day for each County Patient who is a Medi-Cal adult beneficiary of Stanislaus County who meets the criteria for Medi-Cal administrative

days as set forth in Title 9, CCR §1820.220. The Per Diem Rate for each authorized administrative day shall be the most current rate as determined and published annually by the California Department of Health Care Services.

6.2.1.6 County shall also pay a Sub-Acute Per Diem rate (as described in Section 6.9 and 6.10 below) for each County Patient who meets the criteria for sub-acute status. To qualify as sub-acute, the patient must be a Conservatee or a proposed Conservatee in process of Temporary Conservatorship that is ultimately put on Permanent Conservatorship. Documentation in the chart must be the same as required for acute stays, including daily documentation by the psychiatrist.

6.2.1.6.1 For the Period of July 1, 2016 through June 30, 2017, County shall pay DMC a Sub-Acute Per Diem Rate of \$820 for County Patients meeting the criteria defined in section 6.2.1.6.

6.2.1.6.2 For the Period of July 1, 2017 through June 30, 2018, County shall pay DMC a Sub-Acute Per Diem Rate of \$853 for County Patients meeting the criteria defined in section 6.2.1.6.

6.2.1.6.3 For the Period of July 1, 2018 through June 30, 2019, County shall pay DMC a Sub-Acute Per Diem Rate of \$887 for County Patients meeting the criteria defined in section 6.2.1.6.

6.2.2 Uninsured Patients:

6.2.2.1 For the Period of July 1, 2016 through June 30, 2017, County shall pay DMC a Per Diem Rate of \$ 949 for County Uninsured Patients.

6.2.2.2 For the Period of July 1, 2017 through June 30, 2018, County shall pay DMC a Per Diem Rate of \$987 for County Uninsured Patients.

6.2.2.3 For the Period of July 1, 2018 through June 30, 2019, County shall pay DMC a Per Diem Rate of \$1,026 for County Uninsured Patients.

6.2.2.3 For County Uninsured Patients for whom Behavioral Health and Recovery Services staff has conducted a crisis contact and found that a 72-hour hold is warranted, documentation for up to three days will not be subject to utilization review. Should the Uninsured Patient subsequently have the stay covered by Medi-Cal, documentation will be reviewed at that time as to the coverage of the stay by Medi-Cal.

6.2.3 Restoration to Competency services may be provided to County patients at

the County Psychiatric Health Facility provided beds are available. If beds are not available at the County Psychiatric Health Facility, Doctors Behavioral Health Center will accept Restoration to Competency patients.

6.2.3.1 For the period July 1, 2016 through June 30, 2017, County shall pay DMC an acute Per Diem Rate of \$1,170 while acuity is documented as described in Section 6.2.3.4. Once the patient no longer meets the criteria for acute status, County shall pay a Per Diem Rate of \$949 per authorized inpatient day for each County Restoration to Competency patient.

6.2.3.2 For the period July 1, 2017 through June 30, 2018, County shall pay DMC an acute Per Diem Rate of \$1,217 while acuity is documented as described in Section 6.2.3.4. Once the patient no longer meets the criteria for acute status, County shall pay a Per Diem Rate of \$987 per authorized inpatient day for each County Restoration to Competency patient.

6.2.3.3 For the period July 1, 2018 through June 30, 2019, County shall pay DMC an acute Per Diem Rate of \$1,265 while acuity is documented as described in Section 6.2.3.4. Once the patient no longer meets the criteria for acute status, County shall pay a Per Diem Rate of \$1,026 per authorized inpatient day for each County Restoration to Competency patient.

6.2.3.4 DMC shall provide documentation to support that the patient continues to demonstrate a mental illness that interferes with their ability to defend themselves against misdemeanor charges.

6.3 All assessment, authorization, and approval to admit of County Uninsured Patients under this Agreement is the sole responsibility of County. Admissions of County Uninsured Patients made without the prior approval of County are subject to denial of payment.

6.4 Pursuant to Title 9, CCR §1840.112, a signed "Claims Certification and Program Integrity," in the form attached hereto as **Exhibit C**, must accompany each Medi-Cal Treatment Authorization Request ("TAR"). This certification must be signed by a duly authorized official of DMC.

6.5 DMC and County acknowledge that the parties have informally agreed to coordinate the cash flow of payments and refunds if a County uninsured patient admitted to DBHC is subsequently determined to qualify for Medi-Cal and has been approved as

a beneficiary under the Medi-Cal program (the "**Retro Patients**"). In such situations, County shall provide a monthly spreadsheet of the Retro Patients and the number of uninsured patient days paid by County to DMC, and DMC shall submit a TAR and bill the Medi-Cal program consistent with the days previously approved by County. Within thirty (30) days of the receipt of each monthly spreadsheet, DMC shall refund to County such payments that it has received from County for all uninsured patient days reflected on the spreadsheet.

- 6.6 DMC shall not bill County Patients for any Covered Services provided to County Patients pursuant to this Agreement, except for any applicable co-payments or Medi-Cal cost sharing amounts.
- 6.7 For the Covered Services provided to Medi-Cal adult beneficiaries of Stanislaus County, DMC shall submit a TAR with appropriate chart documentation to County's Utilization Management Unit, 800 Scenic Drive, Modesto, CA 95350. For the Covered Services provided to adult indigent uninsured residents of Stanislaus County, DMC shall also submit a TAR, clearly noting "UNINSURED PATIENTS", with appropriate chart documentation to County's Utilization Management Unit at the above address.
- 6.8 Payment by County to DMC for the Covered Services rendered to County Uninsured and Restoration to Competency patients pursuant to the terms of this Agreement shall be made within forty-five (45) days of receipt by the County of claims or invoices related to such Covered Services, except that County may take up to one hundred twenty (120) days for unusual circumstances and disputed amounts.
- 6.9 The Per Diem Rates set forth in Section 6.2.1 above are inclusive of all Covered Services. The Per Diem Rates do not include physician or psychologist services, or transportation services required in providing the Covered Services or any acute non-psychiatric inpatient hospital services required for a Medi-Cal adult beneficiary of Stanislaus County that is provided at DBHC. DMC shall comply with all applicable Medi-Cal regulations for those individuals who are enrolled in the Medi-Cal program. A claim shall be sent to the Medi-Cal Fiscal intermediary, currently Affiliated Computer Services ("ACS"), a Xerox Company, for per diem payments on behalf of County. Payment for physician services will be made by the County directly to the physician upon receipt of an appropriate invoice for the approved services. DMC shall inform its medical staff of such rates.
 - 6.9.1 For the period July 1, 2016 through June 30, 2017, the payment rate for physician services provided to such Medi-Cal adult beneficiaries shall be \$99

- for an approved initial visit and **\$75** for each approved follow-up.
- 6.9.2 For the period July 1, 2017 through June 30, 2018, the payment rate for physician services provided to such Medi-Cal adult beneficiaries shall be \$103 for an approved initial visit and \$78 for each approved follow-up.
- 6.9.3 For the period July 1, 2018 through June 30, 2019, the payment rate for physician services provided to such Medi-Cal adult beneficiaries shall be \$107 for an approved initial visit and \$81 for each approved follow-up.
- 6.10 The Per Diem Rates set forth in Sections 6.2.2 and 6.2.3 above are inclusive of all Covered Services. The Per Diem Rates do not include physician or psychologist services, or transportation services required in providing the Covered Services or any acute non-psychiatric inpatient hospital services required for a County Uninsured patient or Restoration to Competency patient of Stanislaus County that is provided at DBHC. Payment for physician services will be made by the County directly to the physician upon receipt of an appropriate invoice for the approved services. DMC shall inform its medical staff of such rates.
- 6.10.1 During the term of this Agreement, for the period July 1, 2016 through June 30, 2017, the payment rate for physician services provided to such Medi-Cal adult beneficiaries shall be \$99 for an approved initial visit and \$75 for each approved follow-up.
- 6.10.2 For the period July 1, 2017 through June 30, 2018, the payment rate for physician services provided to such Medi-Cal adult beneficiaries shall be \$103 for an approved initial visit and \$78 for each approved follow-up.
- 6.10.3 For the period July 1, 2018 through June 30, 2019, the payment rate for physician services provided to such Medi-Cal adult beneficiaries shall be \$107 for an approved initial visit and \$81 for each approved follow-up.
- 6.11 Each party shall cooperate in good faith and assist the other party in attempting to qualify appropriate County Patients for applicable medical assistance programs. DMC shall provide access for County staff to County Patients for the purpose of assisting with and applying for medical assistance programs.
- 6.12 To the extent there occur any County, State or Federal Medi-Cal audits in connection with services provided hereunder, each party shall (i) provide the other party with prompt written notice thereof and (ii) provide the other party with the right to participate in any audits or any audit appeals, to the extent permitted by law. County shall periodically reconcile payments which have been made for the Covered Services. For disallowances resulting from County, State or Federal Medi-Cal audits

or reconciliations, DMC shall repay County, within thirty (30) days from the date of request, except as otherwise negotiated with County. County shall reimburse DMC for only those Covered Services that were authorized and approved by local or State entities.

- 6.13 The parties recognize the need to reduce overcrowding in Emergency Rooms and increase capacity for alternative resources through the continuum of care developed for the 24/7 Secure Mental Health Services Strategic Plan, which was developed jointly by County and DMC and approved by the Stanislaus County Board of Supervisors on November 13, 2012.
- 6.14 For patients presenting at Doctors Behavioral Health Intake Unit who meet the criteria for a 5150 hospitalization, DMC and the County Psychiatric Health Facility shall make every effort to admit patients within two (2) hours. For patients waiting more than two hours, County shall pay DMC a rate of \$100 per hour. This rate is effective July 1, 2016 through June 30, 2019. This rate does not apply to patients awaiting placement in other facilities because DBHC is full or who have been denied admission to DBHC.
- 6.15 Prior to March 1st in years 2 and 3 of this agreement, the Behavioral Health Director and the Hospital Administrator will meet to review and confirm the coming year's rate structure.

7. STOP LOSS – APPLICABLE TO UNINSURED ONLY

DMC and County agree, to the extent funding is available, to meet and confer if, in the opinion of DMC, admission of a proposed adult indigent uninsured resident of Stanislaus County pursuant to this Agreement will require the utilization of DMC's resources, or those purchased by DMC specifically to provide the Covered Services to the County Patient, to the extent that DMC's daily costs for such County Patient will exceed by 220% the Per Diem rate (exclusive of electro-convulsive therapy ("ECT")). DMC agrees to contact County immediately for the purpose of meeting and conferring in good faith to obtain County's approval to DMC to generate such expenditures and to compensate DMC to the extent said documented expenditures exceed by 220% the Per Diem Rate. If County does not approve said documented expenditures, County either will remove the County Patient from DBHC, or make separate arrangements for the County Patient to receive ancillary services, in which case no additional payment by County to DMC shall be required. If County approves said documented expenditures or continues the placement of the County Patient at DBHC, County and DMC agree that County shall compensate DMC at the rate of 70% of the actual

costs incurred by DMC with regard to the County Patient. In the event of the continuation of the Covered Services to a County Patient pursuant to this Section 7, County shall inform DMC of the proper procedure for submission of claims for said charges.

8. STANDARD OF CARE/QUALITY IMPROVEMENT

- 8.1 DMC shall at all times meet all State and Federal requirements (including the criteria set forth in Title 9, CCR §1810.425 (a) and b)), as well as accreditation standards of the Joint Commission, relative to the quality of care provided to County Patients admitted to DBHC.
- 8.2 DMC shall provide a copy to County of all reports submitted to the State or Federal government and to the Joint Commission related to services and operations of DBHC, including without limitation (i) “adverse events” and privacy breaches at DBHC (but not sentinel event reports to the Joint Commission, or any other reports for which DMC may assert privilege or any other information protected from disclosure by law or other regulation); and (ii) licensing, certification and accreditation surveys, including routine and complaint surveys.
- 8.3 County and DMC shall continue the Quality Measures Review Committee previously established. The Quality Measures Review Committee shall include the BHRS Administrator (as chairperson) and the DBHC Administrator (as vice chairperson), the BHRS and DBHC Medical Directors, and other members who may be appointed jointly by the BHRS and DBHC Administrators from time to time. The Quality Measures Review Committee shall be responsible for overseeing the monitoring and reporting obligations of DBHC under **Exhibit D** attached hereto, and for discussing issues related to the items identified in **Exhibit D**. The Quality Measures Review Committee shall meet not less than quarterly, provided, however, special meetings may be called by either the BHRS or DBHC Administrator at any time.
- 8.4 All Covered Services provided pursuant to this Agreement shall be subject to the applicable provisions of Federal, State and local law and regulations.

9. CASE MANAGEMENT

Case management of the Covered Services provided to County Patients pursuant to this Agreement will be collaborative effort between County, its agents, and DMC.

10. CULTURAL COMPETENCY

DMC'S staff shall be linguistically and culturally qualified to meet the current and projected

needs of the County Patient community. DMC shall have available oral interpreter services in the preferred language of the County Patient.

11. DISPUTE RESOLUTION

11.1 Disputes regarding Denial of Payment Authorization Requests.

11.1.1 Disputes regarding denial of requests for payment authorization and other payment disputes related to County Patients who are Medi-Cal adult beneficiaries of Stanislaus County shall be handled in accordance with Title 9, CCR §§1850.315 and 1850.320. The termination of the Prior Agreement shall not affect the right of DMC to appeal, in a timely manner, payment denials for County Medi-Cal patients rendered under the Prior Agreement.

11.1.2 Disputes regarding denial of requests for payment authorization and other payment disputes related to County Patients who are adult indigent uninsured residents of Stanislaus County or Restoration to Competency Patients shall be handled in accordance with Title 9, CCR §1850.315, except for 1850.315(b)(2). Any appeal by DMC of the dispute resolution process under this Section 11.1.2 shall be made in accordance with Section 11.2 below, including the informal dispute resolution process of Section 11.2.1 below.

11.1.3 The termination of the prior agreements shall not affect the right of DMC to appeal, in a timely manner, payment denials for services rendered on or after July 1, 2013 for County Patients who are County Uninsured patients or Restoration to Competency patients.

11.2 Other Disputes and Appeals of Disputes under Section 11.1.2 above.

11.2.1 Except for disputes described in Section 11.1.1 above, and subject to the completion of the dispute resolution process set forth in Section 11.1.2 above, in the event any material controversy or dispute arises between any of the parties hereto with respect to the enforcement or interpretation of this Agreement, the parties shall use their best efforts to reach an agreement for the resolution of such controversy or dispute.

11.2.2 In the event that the parties are unable to resolve any material controversy or dispute pursuant to Section 11.2.1 above within thirty (30) days of written notice to the other party of the controversy or dispute, such controversy or dispute shall be submitted to the disinterested third party mediator mutually agreed to by the parties for non-binding mediation in Modesto, California

within thirty (30) days of submission to such mediator prior to any party instituting any formal request for binding arbitration under Section 11.2.3 below.

11.2.3 Any material controversy or dispute between the parties that is not resolved through Section 11.2.2 above may, within thirty (30) days after conclusion of the mediation, be submitted to the American Arbitration Association for binding arbitration in or about Modesto, California before a single arbitrator appointed by the American Arbitration Association, but with full discovery rights. The arbitrator shall have experience in health care related issues and shall be required to follow the applicable law. The cost of the arbitration, including any American Arbitration Association administration fee, the arbitrator's fee, and costs for the use of facilities during the hearings, shall be borne equally by the parties to the arbitration. Attorneys' fees may be awarded to the prevailing or most prevailing party at the discretion of the arbitrator. The provisions of §§1282.6, 1283 and 1283.05 of the California Code of Civil Procedure shall apply to the arbitration. The arbitrator shall not have any power to alter, amend, modify or change any of the terms of this Agreement or to grant any remedy which is either prohibited by the terms of this Agreement, or not available in a court of law.

11.2.4 Nothing in this Section 11.2 shall be interpreted as preventing either party from seeking equitable relief from a court of competent jurisdiction against the other party at any time.

11.3 Neither party shall reopen or mediate the rates set forth in Section 6 above, except as required by a change in law or as otherwise may be permitted under Section 6 or 29 of this Agreement.

11.4 This Section 11 shall survive the termination of this Agreement with respect to any disputes arising prior to the termination of this Agreement.

12. PATIENTS' RIGHTS AND PROBLEM RESOLUTION PROCESS

DMC shall comply with all relevant rules, regulations, statutes, and policies and procedures related to individuals' rights to a grievance process, an appeal process, and an expedited appeal process.

12.1 DMC shall provide County Patients' Rights staff with access to DBHC's facility, and to all Patients admitted to DBHC, including patients records, as defined in W&I Code §§ 5510-5546, subject only to the confidentiality restrictions set forth in Section 13

below.

13. CONFIDENTIALITY AND INFORMATION SECURITY

- 13.1 DMC shall comply with applicable laws and regulations, including but not limited to §§14100.2 and 5328 *et seq.* of the W&I Code, and 45 CFR Parts 160, 162, and 164 regarding the confidentiality and security of individually identifiable health information (“IIHI”) as required by **Exhibit B** of this Agreement pertaining to the Health Insurance Portability and Accountability Act (HIPAA).
- 13.2 Medical records, including any information whether recorded or not, pertaining to the identification, diagnosis, or treatment of any County Patient shall be confidential. All such records shall be considered confidential in accordance with W&I Code §§ 5328 *et seq.* and 14100.2, Part 2, Title 42 CFR and California Civil Code §§ 56 *et seq.* (The Confidentiality of Medical Information Act).
- 13.3 Such records shall be disclosed only in accordance with all applicable State and Federal Laws and regulations, including those relating to the confidentiality of medical records, patient consents to release information, and the therapist-patient privilege. Such information shall be used only for appropriate claims and quality management purposes, unless specifically authorized by the County Patient, Confidentiality regulations shall apply to all electronic media.
- 13.4 This Section 13 shall survive the termination of this Agreement.

14. MEDICAL RECORDS

The medical records of each County Patient shall include payor information, an accounting of the Covered Services rendered, as well as evidence to support medical necessity in sufficient detail to make possible an evaluation of the Covered Services provided by DMC for the purposes of payment, as well as quality of care monitoring. Such records shall be maintained in accordance with appropriate rules and regulations. Medical records shall be retained according to timeliness established by applicable laws and regulations. This Section 14 shall survive the termination of this Agreement.

15. MONITORING

DMC agrees that County and its agents shall have access to facilities, program documents, records, staff, clients/patients, or other material or persons that County deems reasonably necessary to monitor Covered Services rendered to a County Patient at DBHC, and upon reasonable prior notice to DMC, to audit Covered Services rendered to a County Patient at

DBHC. This Section 15 shall survive the termination of this Agreement with respect to Covered Services provided by DMC at DBHC during the term of this Agreement.

16. PERSONNEL

- 16.1 DMC assures County that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
- 16.2 DMC shall comply with the provisions of Title 42, CFR, Section 438.610 and Executive Orders 12549 and 12689, "Debarment and Suspension," which excludes parties listed on the General Services Administration's list of parties excluded from federal procurement or non-procurement programs from having a relationship with DMC. DMC shall review this list not less than every six (6) months.
- 16.3 DMC shall not employ or contract with providers or other individuals and entities excluded from participation in Federal health care programs under either Section 1128 or 1128A of the Social Security Act. Federal financial participation is not available for providers excluded by Medicare or Medicaid, except for emergency services.
- 16.4 DMC shall notify County immediately upon discovery of any employee of DMC, any subcontractor, agent or other persons providing services, on behalf of DMC, who are placed on the State's Medi-Cal Suspended and Ineligible Provider List or the Federal List of Excluded Individuals/Entities. Any employee of DMC, any subcontractor, agent or other persons providing services on behalf of DMC, who is placed on the Medi-Cal Suspended and Ineligible Provider List or the Federal List of Excluded Individuals/Entities, shall not provide services to County under this agreement. The Medi-Cal list is available on the Internet at www.medi-cal.ca.gov, and the Federal list is available at http://oig.hhs.gov/exclusions/exclusions_list.asp. DMC shall review these lists not less than once per month.
- 16.5 Pursuant to Section 6032 of the Deficit Reduction Act of 2005, DMC shall communicate to its employees, subcontractors, agents and other persons providing services on behalf of DMC the policies and procedures related to the Federal and State False Claims Act. DMC agrees that it has received a copy of the False Health Care Claims Policy approved by the Board of Supervisors on May 8, 2007 and that it and its employees, subcontractors, agents and other persons providing services on behalf of DMC will adhere to these policies and procedures.

17. WORKPLACE REQUIREMENTS

- 17.1 DMC shall maintain a safe DBHC facility that is as free from safety hazards as is reasonably possible. Any reporting of unsafe working conditions by employees or others shall be promptly appraised and addressed.
- 17.2 DMC hereby certifies that it complies with the requirements of the Drug-Free Workplace Act of 1990 (Government Code §§ 8350 *et seq.*) and provides a drug-free workplace.
- 17.3 Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement, or both, and DMC may be ineligible for award of any future Agreements if County determines that any of the following has occurred: (i) DMC has made a false certification, or (ii) violates the certification by failing to carry out the requirements as noted above.

18. REQUIRED LICENSES, CERTIFICATES AND PERMITS

Any licenses, certificates, or permits required by the Federal, State, County, or municipal governments for DMC to provide the Covered Services at DBHC pursuant to this Agreement shall be procured by DMC and be valid at the time DMC enters into this Agreement. Further, during the term of this Agreement, DMC shall maintain such licenses, certificates, and permits in full force and effect, and without material restriction. Licenses, certificates, and permits may include, but are not limited to, driver's licenses, professional licenses or certificates, and business licenses. Such licenses, certificates, and permits shall be procured and maintained in force by DMC at no direct expense to County. In addition, DMC shall at all times during the term of this Agreement maintain the designation by the County of Stanislaus as an involuntary treatment facility under the Lanterman-Petris-Short Act.

19. INDEMNIFICATION

- 19.1 To the fullest extent permitted by law, each party shall indemnify, hold harmless and defend the other party and its agents, officers, and employees against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by such party or such party's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including

the loss of use. Notwithstanding the foregoing, each party's obligation to indemnify the other party and its agents, officers and employees for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of such party in contributing to such claim, damage, loss and expense.

19.2 Each party's obligation to defend, indemnify and hold the other party and its agents, officers, and employees harmless under the provisions of this Section 19 is not limited to or restricted by any requirement in this Agreement for either party to procure and maintain a policy or policies of insurance.

20. INSURANCE

20.1 DMC shall self-insure at all times during the life of the Agreement the following policies of insurance:

20.2 Workers' Compensation Insurance to cover its employees, with statutory limits as required by the California Labor Code and DMC shall require all its consultants, subcontractors and other agents similarly to provide Workers' Compensation Insurance, as required by the California Labor Code, for all their employees.

20.2.1 DMC agrees to give thirty (30) days' prior written notice to BHRS, Attention: Contracts Manager, by registered mail if the program of self-insurance is materially changed or terminated.

20.3 Commercial or comprehensive General Liability insurance covering bodily injury and property damage utilizing an occurrence policy form, in an amount no less than One Million Dollars (\$1,000,000) combined single limit for each occurrence. Said comprehensive or commercial general liability insurance policy shall either be endorsed with the following specific language or contain equivalent language in the policy:

20.3.1 County, its officers and employees is named as additional insured or additional covered parties for all liability arising out of the operations by or on behalf of DMC in the performance of this Agreement.

20.3.2 The inclusion of more than one insured or covered party shall not operate to impair the rights of one insured or covered party against another insured or covered party, and the coverage afforded shall apply separately to each covered party except that the inclusion of the additional participant shall not operate to increase the certified limits of liability.

20.3.3 The insurance provided herein is primary coverage to County with respect to any insurance or self-insurance programs maintained by County.

- 20.3.4 In the event of termination or material change of this coverage, DMC will mail written notice thirty (30) days prior to BHRS, Attention: Contract Manager.
- 20.4 Automobile Liability Insurance covering bodily injury and property damage in an amount no less than One Million Dollars (\$1,000,000) combined single limit for each occurrence. Said insurance shall include coverage for owned, hired, and non-owned vehicles. Said policy shall be endorsed with the following language. This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to BHRS, Attention: Contract Manager.
- 20.5 Hospital professional liability insurance or a program of self insurance, for all activities of DMC at DBHC arising out of or in connection with this Agreement in an amount no less than One Million Dollars (\$1,000,000) combined single limit for each occurrence, and at least Three Million Dollars (\$3,000,000) aggregate. Said policy shall be endorsed with the following specific language:
- 20.6 This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to BHRS, Attention: Contract Manager,
- 20.6.1 In the event DMC cannot provide an occurrence policy, DMC shall provide insurance covering claims made as a result of performance of this Agreement and shall maintain such insurance in effect for not less than two (2) years following completion of performance of this Agreement.
- 20.7 The following documentation shall be submitted to BHRS, Attention: Contract Manager.
- 20.7.1 Properly executed Certificates of Insurance clearly evidencing all coverage, limits, and endorsements required above. Said Certificates shall be submitted prior to the execution of this Agreement.
- 20.7.2 Signed copies of the specified endorsements for each policy. Said endorsement copies shall be submitted within thirty (30) days of the execution of this Agreement, except to the extent that such endorsements were provided to County under the Prior Agreement.

21. NOTICE

Any notice, communication, or amendment, to this Agreement, including change of address of either party during the term of this Agreement, which DMC or County shall be required, or may desire to make, shall be in writing and may be personally served, or sent by prepaid first class mail, to the respective parties as follows:

County: County of Stanislaus
Behavioral Health and Recovery Services
Attention: Contract Manager
800 Scenic Drive
Modesto, California 95350

DMC: Chief Executive Officer
Doctors Medical Center of Modesto
1441 Florida Avenue
Modesto, California 95350

22. CONFLICTS

DMC agrees that it has no interest and shall not acquire any interest, directly or indirectly, which would conflict in any manner or degree with the performance of the work and services described in this Agreement.

23. SEVERABILITY

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, State or County statute, ordinance, regulation, the remaining provisions of this Agreement, or the application thereof, shall not be invalidated there and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

24. AMENDMENT

This Agreement may be modified, amended, changed, added to, or subtracted from by mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

25. ENTIRE AGREEMENT

This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be

valid or binding.

26. RELATIONSHIP OF PARTIES

This Agreement by and between two independent contractors and is not intended to, and shall not be construed to be, nor create the relationship of agent, servant, employee, partnership, joint venture, or any other similar association.

27. REFERENCES TO LAWS AND RULES

In the event any statute, regulation, or policy referred to in this Agreement is amended during the term of this Agreement, the parties shall comply with the amended provision as of the effective date of such amendment.

28. ASSIGNMENT

DMC may assign this Agreement at any time to any successor/operator of DBHC, so long as (i) DMC provides at least thirty (30) days prior written notice to County of the assignment, and (ii) the successor/operator of DBHC assumes DMC's obligations thereunder including the obligations of DMC, arising prior, to the date of the assignment.

28.1 County has relied upon the skills, knowledge, experience, and training presented by DMC, as an inducement to enter into this Agreement. DMC shall not assign or subcontract this Agreement, either in whole or in part, without prior written consent of County, which shall not be unreasonably withheld.

28.2 DMC shall not assign any monies due or to become due under this Agreement except as permitted by the Medi-Cal laws and regulations, as to payments for services to Medi-Cal adult beneficiaries.

29. AVAILABILITY OF FUNDS

29.1 Payment for the Covered Services provided pursuant to this Agreement is contingent upon the availability of county, State, and Federal funds. If Federal, State, and local entities do not appropriate sufficient funds for this program, County has the option in its sole discretion (i) to terminate this Agreement, or (ii) to amend the Agreement, as mutually agreed by the parties, to reflect any reduction of funds, provided that County shall be responsible to make payments under this Agreement for all Covered Services rendered at DBHC through the date of Termination or, as applicable, the date of the amendment.

29.2 The County reserves the right to renegotiate this Agreement if Federal or State revisions occur to, or in the event of elimination of, the Medi-Cal Expansion under the Federal Affordable Care Act of 2013.

30. WAIVER OF DEFAULT

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement.

31. VENUE

This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

32. TERM

32.1 This Agreement shall commence on July 1, 2016 ("**Effective Date**"), and continue through June 30, 2019.

32.2 Either party may terminate this Agreement, with or without cause, by giving at least one hundred eighty (180) days prior written notice to the other party.

32.3 Either party may terminate this Agreement upon at least thirty (30) days prior written notice to other party if the party to whom such notice is given is in material breach of this Agreement. The party claiming the right to terminate hereunder shall set forth in the notice of intended termination the facts underlying its claim that the other party is in breach of this Agreement. Remedy of such material breach within thirty (30) days of the receipt of such notice (or within such greater time period stated in the notice or agreed upon in writing by the parties) shall revive the Agreement in effect for the remaining term.

32.4 In the event of termination or expiration of this Agreement, DMC shall assist County in the orderly transfer of County Patients to other facilities. In doing this, DMC shall make available any pertinent information necessary for efficient case management of County Patients as determined by County. In no case shall a County Patient be billed for this service.

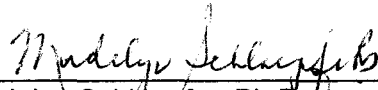
33. CHANGES IN COUNTY MENTAL HEALTH SYSTEM

- 33.1 DMC acknowledges that County will continue to develop programs to (i) manage behavioral health services to County Patients on an outpatient or other cost-effective basis within available resources; (ii) manage the level of inpatient services for County Patients; and (iii) identify alternatives for County Patient placement. DMC shall be among the invited stakeholders to meet the above objectives.
- 33.2 County shall operate an Adult Crisis Stabilization Unit (CSU). County and DMC shall collaborate to coordinate the movement of appropriate patients in crisis who need more time to stabilize in an effort to avoid acute hospitalization.
- 33.3 County shall also operate a separate Crisis Intervention Program to serve juvenile/youth needs in the community. County and DMC shall collaborate to coordinate the movement of appropriate patients in crisis who need more time to stabilize in an effort to avoid acute hospitalization.


IN WITNESS WHEREOF, the parties have executed this Agreement through their duly authorized representatives as of the date of the last signature.

COUNTY OF STANISLAUS

**DOCTORS MEDICAL CENTER
OF MODESTO, INC.**



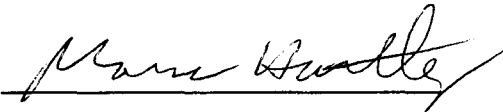
Madelyn Schlaepfer, Ph.D.,
Behavioral Health Director



Warren Kirk,
Chief Executive Officer

APPROVED AS TO FORM:

JOHN P. DOERING, County Counsel

By: 

Marc Hartley, Deputy County Counsel

DEFINITIONS AND SCOPE OF WORK

1. DEFINITIONS

- 1.1 “**County Patients**” shall mean all of the following: (i) Medi-Cal adult beneficiaries of Stanislaus County pursuant to a contract between County and the California Department of Health Care Services, or any successor state agency; (ii) adult indigent uninsured residents of Stanislaus County (“County Uninsured patients”) to the extent funding is available; and (iii) “Restoration to Competency” patients, to the extent reasonably necessary to restore an individual to competency to stand trial.
- 1.2 “**Covered Services**” shall mean acute inpatient hospital psychiatric services for direct care and treatment of the acute crisis phase of a mental condition, including but not limited to routine services and all hospital-based ancillary services, at a licensed provider, as defined in Title 9, CCR §1810.247 (b) – Specialty Mental Health Services, with appropriate notification to County as defined in Title 9, CCR §1820.225.
- 1.3 “**Excluded Services**” shall mean those services that are not Covered Services and for which the Mental Health Plan and County are not responsible pursuant to Title 9, §1810.355.
- 1.4 “**Restoration to Competency**” shall mean acute inpatient hospital psychiatric services as may be reasonably necessary to restore an individual’s competency to stand trial pursuant to Penal Code § 1370.01. For purposes of this Agreement, Restoration to Competency patients shall be included in the definition of County Patients.

2. SCOPE OF WORK

- 2.1 DMC shall furnish at DBHC the Covered Services to County Patients as provided for in the Agreement.
- 2.2 The Covered Services provided at DBHC pursuant to this Agreement shall be performed in a timely manner, pursuant to the requirements and standards established by applicable Federal, State, and County laws, ordinances, regulations, and resolutions, and pursuant to County’s obligation to County Patients.
- 2.3 DMC shall be responsible for all health care related services, including without limitation, medical-related consultations, treatment of non-psychiatric medical illnesses, specialized testing, and diagnostic work-ups which may be needed by a County Patient at DBHC. It is expressly understood by the parties that the compensation terms in Section 6 of this Agreement are intended to incorporate only the payment for the Covered Services or Restoration to Competency pursuant to the Agreement. Payment for any other services (such as ECT or any partial-hospital program) shall require DMC and County to meet and confer in good faith to discuss adding such other services as Covered Services, and if mutually agreed, to agree upon an amendment to this Agreement that includes a reasonable reimbursement rate for any such other services.

2.4 DMC shall not bill the County or any County Patient, pursuant to this Agreement, for any of those services set forth listed in Title 9, CCR § 1810.355 entitled "Excluded Services."

3. INFORMATION NOTICES FOR THERAPEUTIC BEHAVIORAL SERVICES ("TBS") AND EARLY PERIODIC SCREENING, DIAGNOSIS AND TREATMENT ("EPSDT").

At the time of an emergency psychiatric admission, DMC shall provide notices to any Medi-Cal adult beneficiary who is under twenty-one (21) years of age, and to such beneficiary's representatives, regarding the availability of TBS and EPSDT services.

Confidentiality and Security of Information

1. To the extent that County would be required to comply, DMC 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 and the Health Insurance Portability and Accountability Act (“**HIPAA**”), including but not limited to Section 1320d *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**”).
2. More specifically, except as otherwise provided in this Agreement, DMC may use or disclose IIHI to perform functions, activities or services identified in the Agreement provided that such use or disclosure would not violate federal or state laws or regulations.
3. During the term of this Agreement, DMC shall notify the BHRS Privacy Officer immediately upon discovery of any breach of IIHI and/or data, where it is reasonably believed to have been acquired by an unauthorized person or discovery of an electronic breach related to services provided under the Agreement.
4. Without limiting the rights and remedies of County elsewhere as set forth in the Agreement, County may terminate the Agreement without penalty or recourse if determined that a material breach or violation of the provisions of this section occurred by DMC.
5. DMC ensures that any agent, including subcontractors to which DMC provides IIHI received from County, or created or received by the DMC, for the purposes of the Agreement shall comply with the same restrictions and conditions that apply through the Agreement to the DMC with respect to such information.

MHP Claims Certification and Program Integrity

TO: Stanislaus County, Behavioral Health and Recovery Services

I HEREBY CERTIFY based on best knowledge, information, and belief to the following: An assessment of all Medi-Cal beneficiaries were conducted in compliance with the requirements established by the Stanislaus County Mental Health Plan (MHP). The beneficiaries were eligible to receive Medi-Cal services at the time the services were provided to the adult Medi-Cal beneficiaries.

Medical necessity was established for each adult Medi-Cal beneficiary for the Covered Services provided and for the timeframe in which the Covered Services were provided. A plan of treatment was developed and maintained for each adult Medi-Cal beneficiary that met all requirements established by the MHP. All documentation for Covered Services meets the standards established by the MHP and is in the clinical record.

I also certify based on best knowledge, information, and belief that all claims for Covered Services provided to the adult Medi-Cal beneficiaries were, in fact, provided to those beneficiaries.

I understand that payment of these claims will be from Federal and/or State funds, and any falsification or concealment of a material fact may be prosecuted under Federal and/or State laws.

Name

Date

Title

Agency

QUALITY MEASURES REVIEW PROGRAM

DMC shall demonstrate positive outcomes for services provided at DBHC for County Patients in the manner specified in Title 9, CCR, § 1810.425.

A. **Monitoring:** DMC, under the oversight of the Quality Measures Review Committee, shall monitor the following outcomes and activities related to services provided to County Patients:

- Patient complaints/grievances
- Patient satisfaction
- Length of stay of County Patients as compared to non-County Patients
- Readmissions within thirty (30) days of discharge
- Seclusion and restraint data on County Patients
- Services provided in the preferred language of County Patients, including the amount of interpreter services used in the absence of the bilingual staff
- Number of monolingual admissions and preferred language of these County Patients
- Evidence of work with County Patients, their families and other providers in a collaborative and supportive manner
- Percentage of treatment plans signed by County Patients or their families
- Other items that are brought to the Quality Measures Review Committee and for which an action plan is developed.
- Number of second level appeals and outcomes (approved or denied), and reason for denials.

B. **Reports:** On a monthly basis, reports of the above activities shall be available for review by County. The Quality Measures Review Committee shall meet quarterly to develop reasonable benchmarks for each of the above outcomes or activities, as well as develop appropriate reporting formats for the above outcomes or activities.