

**BOARD ACTION SUMMARY**

DEPT: Behavioral Health & Recovery Services

BOARD AGENDA:5.B.10  
AGENDA DATE: October 9, 2018

**SUBJECT:**

Approval to Ratify and Execute Extensions and Amendments, Renew License and Lease Agreements and Enter into a New Provider Agreement with Telecare Corporation for the Operation of the Psychiatric Health Facility and the Crisis Stabilization Unit at 1904 Richland Avenue, Ceres, California

**BOARD ACTION AS FOLLOWS:**

**RESOLUTION NO. 2018-0505**

On motion of Supervisor Chiesa \_\_\_\_\_, **Seconded by Supervisor** Withrow \_\_\_\_\_  
and approved by the following vote,  
**Ayes: Supervisors:** Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini \_\_\_\_\_  
**Noes: Supervisors:** None \_\_\_\_\_  
**Excused or Absent: Supervisors:** None \_\_\_\_\_  
**Abstaining: Supervisor:** None \_\_\_\_\_

- 1)  **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 & Recovery Services

BOARD AGENDA:5.B.10  
AGENDA DATE: October 9, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

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**SUBJECT:**

Approval to Ratify and Execute Extensions and Amendments, Renew License and Lease Agreements and Enter into a New Provider Agreement with Telecare Corporation for the Operation of the Psychiatric Health Facility and the Crisis Stabilization Unit at 1904 Richland Avenue, Ceres, California

**STAFF RECOMMENDATION:**

1. Approve the amendment 1A to provider agreements with Telecare Corporation to operate the Psychiatric Health Facility and Crisis Stabilization Unit at 1904 Richland Avenue, Ceres, California for the period of October 1, 2018 through October 31, 2018, or the through the date of execution of a new agreement, whichever occurs first.
2. Approve the new provider agreement with Telecare Corporation to operate the Psychiatric Health Facility and Crisis Stabilization, for the period of October 1, 2018 through June 30, 2019.
3. Approve the license and lease agreements with Telecare Corporation for the Psychiatric Health Facility and Crisis Stabilization for Fiscal Year 2018-2019.
4. Ratify the second amendment to the provider agreements with Telecare Corporation to operate the Psychiatric Health Facility and Crisis Stabilization Unit to add services and payment for services up to \$100,000, budget permitting, for the period of June 29, 2018 through September 30, 2018.
5. Authorize the Behavioral Health Director, or his designee, to sign the amendments and agreements with Telecare Corporation for the provision of services for the Psychiatric Health Facility and Crisis Stabilization Unit, as approved by the Board of Supervisors for the period of October 1, 2018 through June 30, 2019.

**DISCUSSION:**

In 2012 the Stanislaus County Chief Executive Office, Behavioral Health and Recovery Services (BHRS), Doctor's Medical Center (DMC) and other stakeholders met to focus on capacity issues and the growing need for psychiatric in-patient services in Stanislaus

County. This effort resulted in a Strategic Plan that addressed in-patient needs and identified system issues surrounding 24/7 secure mental health services that could assist in avoiding hospitalization and reduce recidivism. The Strategic Plan was approved by the Board of Supervisors on November 13, 2012 and identified three main goals:

- Develop recommendations for increased capacity to provide in-patient 24/7 care, including but not limited to, options that will provide less costly alternatives when appropriate;
- Assess opportunities for creating a community crisis stabilization service to avoid hospitalization when possible; and
- Develop aftercare strategies as an element of a behavioral health continuum of care around in-patient services.

As part of the first goal, a County-owned Psychiatric Health Facility (PHF) began operations in March 2014 to address the need for in-patient treatment facilities by supplementing the existing in-patient services and to reduce the number of out-of-county placements. The PHF is located in a County-owned facility at 1904 Richland Avenue in Ceres.

The second goal of the Strategic Plan was to develop a Crisis Stabilization Unit to fill an important role in the crisis management system whereby individuals experiencing an acute mental health emergency will have access to assessment and treatment services to assist in the stabilization of the episode and avoid hospitalization when appropriate. The CSU provides medication services and allows time to have the medications take effect, which should result in fewer adults needing psychiatric hospitalization. The CSU is a County-owned facility and began operations in February 2016. The CSU is located adjacent to the PHF and co-located with the Community Emergency Response Team, Warm Line staff, and peer navigators. Sharing this facility results in a smooth transition to non-hospital options and achieves improved service delivery and client care.

BHRS first entered into an agreement with Telecare Corporation to operate the PHF in August 13, 2013, after selection through the initial Request for Proposal (RFP) process, with an option to renew for the following four fiscal years. On February 9, 2016, the Board of Supervisors authorized the Department to enter into the agreement with Telecare Corporation to operate the CSU as well. On June 27, 2017, the Board of Supervisors approved the renewal of both the operating agreements and facility leases with Telecare through Fiscal Year 2017-2018, while BHRS considered options for the continued operations of the PHF and CSU in Fiscal Year 2018-2019 and beyond.

Consistent with the Board of Supervisors' direction and General Services Agency (GSA) Purchasing Guidelines, BHRS continues to review and seek competitive bids on services. In addition to approving renewal of the Fiscal Year 2017-2018 agreements and leases on June 27, 2017, the Board of Supervisors also authorized BHRS, in

conjunction with GSA to issue an RFP for the future operation of the PHF and the CSU.

Consequently, RFP Number 18-09-DQ was issued on March 7, 2018 and sent electronically to 500 vendors, 29 of which downloaded the RFP. A mandatory pre-proposal conference was held on March 20, 2018 and four vendors were in attendance. The RFP closed on April 5, 2018 and GSA received complete responses from only one vendor; Telecare Corporation.

The proposer met the minimum qualifications set forth in Phase I of the Evaluation Phase, which included a financial review. A committee of five evaluators was selected to further evaluate the proposal. The Evaluation Committee was comprised of representatives from the County's Behavioral Health and Recovery Services Department, County Counsel's office, and Merced County.

The Evaluation Committee completed Phase II, which consisted of a review and evaluation of the proposer's qualification. The scores of each member of the Evaluation Committee were averaged to determine the Phase II score for the proposer. The GSA Phase III criteria included a budget score based on a weighted scale.

Telecare Corporation earned 96 out of a possible 100 points for their proposal based on the total average points of Phase II and III. The award is proposed to be made to Telecare Corporation as its proposal meets the criteria set forth in the RFP and provides the best value to the County, within the proposed budget and all other factors considered.

Consequently, on June 12, 2018, GSA issued a Notice of Intent to Award the contract to Telecare Corporation for the operation of the PHF and the CSU. The proposed budget submitted by Telecare in the RFP response for operations of both the PHF and CSU was \$6,849,758 for Fiscal Year 2018-2019. The final negotiated single new provider agreement for both operations reflects a pro-rated contract maximum of \$5,137,319 for the term beginning on October 1, 2018 and continuing through June 30, 2019, with four optional one-year renewal terms.

BHRS may experience unanticipated increases in the utilization of services throughout the year in the PHF and/or the CSU. For this reason, the Department requests authorization for the Behavioral Health Director, or designee, to negotiate and execute amendments, when necessary, up to \$100,000 to the new agreement with Telecare Corporation for the operation of the PHF and/or CSU without further action by the Board of Supervisors, for the period of October 1, 2018 through June 30, 2019. Any amendments to this agreement will be identified in subsequent quarterly financial reports to the Board of Supervisors.

During the course of the RFP award and contract negotiations, it was necessary to extend the length of Telecare's current separate Fiscal Year 2017-2018 agreements for the PHF and CSU by a period of three months to ensure continued operations without a

disruption of services in the beginning of Fiscal Year 2018-2019 while the new single provider agreement was being finalized. This amendment was fully executed on June 19, 2018 extended the terms of the existing agreements through September 30, 2018. Ratification of this extension amendment is requested.

Additional time for placing the matter on the Board of Supervisors' calendar was needed, therefore Amendment 1A to Provider Agreement extends the amendment agreements' timeframe only, to allow Telecare to continue operating the PHF without a disruption in services through October 31, 2018 or the date of the execution of the new agreement, whichever comes first. As the funding details of Fiscal Year 2018-2019 award were not finalized at the time these original amendments were executed, no change was made to the contract maximum amounts.

The amendment to the agreement for the provision of services at the PHF allows funding for payments up to \$1,281,636 for the period of July 1, 2018 through October 31, 2018. The amendment to the agreement for the provision of services at the CSU allows funding for payments up to \$430,803 for the period of July 1, 2018 through October 31, 2018. The total amendment amount for the period of July 1, 2018 through October 31, 2018 for both operations is therefore \$1,712,439. Combined with \$5,137,319 awarded for the period of October 1, 2018 through June 30, 2019, the total award to Telecare for Fiscal Year 2018-2019 is \$6,849,758, which is consistent with the operating agreements for Fiscal Year 2017-2018 and Telecare's budget submitted in the RFP response. The cost of the new provider agreement and these amendments will be partially offset by the Contractor's Federal Financial Participation (FFP) revenue generation requirement of \$2,685,892 for Fiscal Year 2018-2019, resulting in estimated net cost to BHRS in the amount of \$4,163,866 for both operations.

The License and Lease Agreements facilitate the rental of the building space that is utilized for the PHF and CSU operations. The renewal of these agreements with Telecare Corporation for space at 1904 Richland Avenue, Ceres, California would allow for continued operation of the PHF and CSU in conjunction with the new service provider agreement. BHRS has initiated the hold-over clause in the Fiscal Year 2017-2018 license and lease agreements with Telecare to ensure continued operations during the period of July 1, 2018 through October 31, 2018.

**POLICY ISSUE:**

Approval of the agreement with Telecare Corporation as a result of the RFP process allows BHRS to meet the County General Services Agency (GSA) procurement guidelines. In addition, Board of Supervisors approval is required for any contract or agreement where the total cumulative compensation exceeds \$100,000. Cumulative refers to the total compensation paid by an individual department in the reporting year and the two fiscal years immediately prior thereto, where there has been no break in contractual services over six months. Board of Supervisors approval is also required for the approval of license and lease agreements when Stanislaus County is the licensor or lessor.

**FISCAL IMPACT:**

Appropriations and estimated revenue in the amount of \$6,849,758 for the agreements with Telecare to provide services at the CSU and the PHF for the period July 1, 2018 through June 30, 2019 were included in the Department's Fiscal Year 2018-2019 Adopted Final Budget. The services provided at the CSU are funded by Medi-Cal FFP and Mental Health Services Act (MHSA) revenue. The services at the PHF are funded by Medi-Cal FFP, 1991 Realignment and 2011 Realignment. Estimated revenue in the amount of \$378,539 for the license and lease agreements for the PHF and CSU was also included in the Department's Fiscal Year 2018-2019 Adopted Final Budget. There is no impact to the County General Fund.

**BOARD OF SUPERVISORS' PRIORITY:**

The recommended actions are consistent with the Boards' priorities of *Supporting Community Health* and *Delivering Efficient Public Services and Community Infrastructure* by providing mental health services in the community through vendor partnerships.

**STAFFING IMPACT:**

Existing BHRS staff is available to monitor the agreements and support the programs contained therein. There is no additional staffing impact associated with the approval of this agenda item.

**CONTACT PERSON:**

Rick DeGette, Director, Behavioral Health and Recovery Services (209) 525-6205

**ATTACHMENT(S):**

1. Telecare PHF Provider Agreement Second Amendment 6.18-9.18
2. Telecare Provider Agreement 10.18-06.19
3. Telecare CSU Provider Agreement Second Amendment 6.18-9.18
4. Telecare PHF Lease Agreement 10.18-6.19
5. Telecare CSU License Agreement 10.18-6.19
6. Telecare PHF FY 18.19 AMEND 1A FE
7. Telecare CSU FY 18.19 AMEND 1.A FE

**SECOND AMENDMENT  
TO PROVIDER AGREEMENT**

This Amendment is made and entered into in the City of Modesto, State of California, by and between the County of Stanislaus (hereinafter referred to as "County"), and Telecare Corporation, a California Corporation (hereinafter referred to as "Contractor"), effective as of the date of the last signature, for and in consideration of the premises, and the mutual promises, covenants, terms, and conditions hereinafter contained.

WHEREAS, County and Contractor entered into an agreement dated July 1, 2017 for the provision of operating the Stanislaus County Psychiatric Health Facility (PHF); and

WHEREAS, the Agreement was amended June 29, 2018 to extend the Agreement an additional three (3) months, expiring on September 30, 2018, in order to continue operating the PHF without a disruption in services; and

WHEREAS, the original contract maximum amount of \$5,126,545 was not increased when the Agreement was extended and Contractor is now projected to exceed this amount prior to September 30, 2018.

NOW, THEREFORE, the Agreement is hereby amended to increase the contract maximum amount by \$1,281,636 for use during July 1, 2018 through September 30, 2018, bringing the total contract maximum from \$5,126,545 to \$6,408,181 and to increase Contractor's Federal Financial Participation (FFP) requirement by \$525,000 for the period of July 1, 2018 through September 30, 2018, from \$2,100,000 to \$2,625,000. This amendment is incorporated into the Agreement as follows:

I. Exhibit A, Section 3, Billing and Payment Item 3.2 is deleted in its entirety and replaced with the following:

3.2 In consideration of Contractor's provision of services required under the terms of this Agreement, County shall reimburse Contractor an amount not to exceed the \$5,126,545 for use in Fiscal Year 2017-2018 and \$1,281,636 for the period of July 1, 2018 through September 30, 2018 for salaries, benefits and other operating costs. The contract maximum amount for all salaries, benefits and other operating costs shall not exceed \$6,408,181.

II. Exhibit A, Section 3, Billing and Payment Item 3.5 is deleted in its entirety and replaced with the following:

3.5 County shall reimburse Contractor for any undisputed invoices, which County and Contractor agree represent the costs of delivering the services required under the terms of this Agreement for the period covered by the invoice, within 30 days of invoice receipt. Contractor agrees that the monthly invoices represent an estimate of the actual program costs and not a final settlement for the costs of delivering the services under the terms of this Agreement. Contractor understands that the maximum amount to be paid by the County during the term of this Agreement is \$5,126,545 for use in Fiscal Year 2017-2018 and \$1,281,636 for July 1, 2018 through September 30, 2018, not to exceed the total



contract maximum amount of \$6,408,181 during the term of this Agreement. Contractor shall manage the program operations and program costs to insure the provision of services for the full term of this Agreement.

III. Exhibit A, Section 3, Billing and Payment Item 3.6 is deleted in its entirety and replaced with the following:

3.6 Contractor is expected to generate a minimum of \$2,100,000 in Medi-Cal Federal Financial Participation (FFP) in Fiscal Year 2017-2018 and \$525,000 for July 1, 2018 through September 30, 2018, which is in part the basis for funding this Agreement. The Net County Cost for the provision of services under the terms of this Agreement for Fiscal Year 2017-2018 shall be \$3,026,545, which is calculated by subtracting the FFP of \$2,100,000 from the Contract Maximum of \$5,126,545. The Net County Cost for the provision of services under the terms of this Agreement for July 1, 2018 through September 30, 2018 shall be \$756,636, which is calculated by subtracting the FFP of \$525,000 from the Contract Maximum amount of \$1,281,636.

IV. All other terms and conditions of said Agreement shall remain in full force and effect

(SIGNATURES SET FORTH ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed this Amendment on the date(s) shown below.

**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

*[Signature]* 10-12-18  
Rick DeGette, MA, MFT                                      Date  
Behavioral Health Director

\_\_\_\_\_  
Leslie Davis    Date  
Senior Vice President and CFO

APPROVED AS TO FORM:  
John P. Doering, County Counsel

*[Signature]*  
Marc Hartley  
Deputy County Counsel

BOS Action Item: October 9, 2018, 2018-0505





**PROVIDER AGREEMENT**

**BETWEEN**

**STANISLAUS COUNTY**

**BEHAVIORAL HEALTH AND RECOVERY SERVICES**

**AND**

**TELECARE CORPORATION**

**FOR THE OPERATION OF THE**

**STANISLAUS COUNTY PSYCHIATRIC HEALTH FACILITY**

**AND**

**CRISIS STABILIZATION UNIT**

**OCTOBER 1, 2018 – JUNE 30, 2019**

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## **AGREEMENT**

This 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, hereinafter referred to as “County”, and Telecare Corporation, a California Corporation with its principal place of business identified in Section 24, hereinafter referred to as “Contractor”, effective October 1, 2018, for and in consideration of the premises, and the mutual promises, covenants, terms, and conditions hereinafter contained.

**WHEREAS**, County, through its Behavioral Health and Recovery Services, wishes to provide services through the Stanislaus County Psychiatric Health Facility and the Crisis Stabilization Unit; and,

**WHEREAS**, Contractor wishes to partner with County as an organizational provider under the provisions of the local Mental Health Plan (“PLAN”), as described in Title 9 of the California Code of Regulations, Chapter 11, Medi-Cal Specialty Mental Health Services, Subchapter 1, Article 1, beginning at Section 1810.100, (9 CCR Section 1810.100 et seq.), as it may be amended from time to time, and the Bronzan-McCorquodale Act contained in the California Welfare and Institutions Code, beginning at Section 5600, as it may be amended from time to time by the California Legislature; and

**WHEREAS**, County requires and Contractor is able to perform services that integrate community collaboration, cultural competence, and be client/family driven, with a focus on wellness, recovery and resilience; and

**WHEREAS**, as a result of RFP #18-09-DQ, Contractor was selected and awarded the Agreement to operate the Stanislaus County Psychiatric Health Facility (PHF) and the Crisis Stabilization Unit (CSU).

**NOW THEREFORE**, the parties hereby agree as follows:

**1. RECITALS**

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

**2. SERVICES**

2.1 The Contractor shall ensure that covered services are sufficient in amount, duration, or scope to reasonably be expected to achieve the purpose for which the services are furnished. The Contractor shall not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of diagnosis, type of illness, or condition of the beneficiary except as specifically provided in the medical necessity criteria applicable to the situation as provided in Title 9, California Code of Regulations (CCR), Sections 1820.205, 1830.205, and 1830.210.

- 2.2 The Contractor shall make covered services available in accordance with Title 9 CCR, Section 1810.345 and with Section 1810.405 with respect to timeliness of routine services.
- 2.3 The Contractor shall provide County's Medi-Cal beneficiaries with County's most current beneficiary brochure and provider list when a Medi-Cal beneficiary first receives a specialty mental health service from Contractor or upon request. Contractor may obtain copies of County's beneficiary brochure and provider list from County.
- 2.4 Contractor shall ensure that hours of operation are no less than the hours of operation offered to commercial enrollees, if enrollees of a commercial health plan receive services by Contractor.
- 2.5 Services required under this Agreement are described in the attached exhibits.

### **3. NONDISCRIMINATION**

- 3.1 During the performance of this Agreement, Contractor and its officers, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment, unpaid intern, volunteer, independent contractor, or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age (over 40), political affiliation or belief, gender/sex, sexual orientation, gender identity, gender expression, or military or veteran status. Contractor and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Federal Regulations.
- 3.2 Consistent with the requirements of applicable Federal or State Law, the Contractor shall not engage in any unlawful discriminatory practices in 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 (including individuals with AIDS or those with a record of or who are regarded as

having a substantially limiting impairment), or medical condition (cancer-related), pregnancy related condition, or political affiliation or belief. This policy shall be in writing, in English and Spanish. It shall be posted in all public areas.

- 3.3 Contractor shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.
- 3.4 Contractor shall provide a system by which recipient of service shall have the opportunity to express and have considered their views, grievance, and complaints regarding Contractor's delivery of services.

#### **4. AUTHORIZATION/UTILIZATION MANAGEMENT**

- 4.1 Authorization/Utilization Management is identified in the attached exhibit(s).
- 4.2 Contractor and County shall cooperate in good faith and assist the other party in attempting to qualify appropriate PHF and CSU patient for applicable medical assistance programs.
- 4.3 To the extent there occur any County, State or Federal Medi-Cal audits in connection with the services provided hereunder, each party shall (1) provide the other party with prompt written notice thereof and (2) provide the other party with the right to participate in any audits or audit appeals, to the extent permitted by law.

#### **5. BILLING AND PAYMENT**

- 5.1 Payment information is identified in the attached exhibit(s).
- 5.2 Pursuant to CCR, Title 9, Chapter 11, Subchapter 4, a signed Claims Certification and Program Integrity form, as shown in the attached Claims Certification and Program Integrity Exhibit, must accompany each invoice. This certification must be signed by a duly authorized official.
- 5.3 County shall reimburse Contractor for only those services that were authorized and approved by local or State entities. County shall reconcile payments, which have been made for these services, periodically. The reconciliation will be based upon the total authorized and approved units of service captured in County's Electronic Health Record (EHR).
- 5.4 Upon request by County, Contractor shall repay County for audit exceptions as a function of BHRS, State, or Federal Medi-Cal audits which occur within the next five (5) fiscal years for the applicable fiscal year, within thirty (30) days from date of request, unless otherwise negotiated with County.
- 5.5 Payment by County to Contractor shall be payment in full for services provided.
- 5.6 Contractor shall hold harmless both the State and Medi-Cal beneficiaries in the



event County cannot or will not pay for services performed by Contractor pursuant to this Agreement.

- 5.7 Both parties acknowledge that the State of California will continue to seek State or Federal revenue enhancements throughout the term of this Agreement. If a specific strategy adopted by the State affects the funding that County uses to support this Agreement, the parties agree to re-negotiate the applicable terms.
- 5.8 Final payment for services provided under the terms of this Agreement may be withheld pending fiscal reconciliation.

## **6. CULTURAL COMPETENCY**

- 6.1 Contractor shall ensure that cultural competency is integrated into the provision of services. The terms of this section of the Agreement shall be reviewed during contract monitoring meetings.
- 6.2 County will provide the Cultural Competence Plan (CCP) to Contractor when submitted to the California Department of Health Care Services (DHCS) and as updated annually.
- 6.3 Contractor shall adhere to the provisions of the County CCP, as submitted and updated, and provide information as required for submitting and updating the CCP.
- 6.4 Contractor shall document evidence that interpreter services are offered and provided for threshold languages at all points of contact. Contractor shall also document the response to the offer of interpreter services.
- 6.5 Contractor shall regularly have a representative participate in the County Cultural Equity and Social Justice Committee (CESJC).
- 6.6 Contractor staff shall attend the County Clinical and Administrative Cultural Competency Standards training.

## **7. QUALITY MANAGEMENT**

- 7.1 Contractor shall be in full compliance with County's Quality Management Plan and Risk Management Program. County shall have access to, and conduct audits and reviews of, Contractor's records, policies and procedures, incident reports, and related activities it deems necessary to support these functions.
- 7.2 Contractor and County, to the extent feasible, shall include their respective Quality Management staff in each other's Quality Management activities. Such activities shall include, but not be limited to, Quality Improvement Councils, chart audits, program compliance reviews, and Medi-Cal certifications.
- 7.3 Contractors are to report any unusual occurrence and/or adverse incidents in a

timely manner according to the County Behavioral Health and Recovery Services Policy and Procedure 10.2.100.

## **8. COMPLIANCE**

- 8.1 County has adopted as policy an Organizational Compliance Plan which addresses compliance with Federal, State and local laws, regulations, rules and guidelines. Contractor must adhere to the policies and procedures outlined in the Organizational Compliance Plan. It is expected that Contractor shall adopt the County Organizational Compliance Plan or maintain a similar compliance plan for its organization, which is consistent with the County's Plan.
- 8.2 It is the policy of the County to monitor all contracts for compliance with contractual requirements, including adherence to its compliance policies and procedures. Contractors that establish their own plans are expected to monitor their compliance processes regularly and this shall be reviewed during contract monitoring meetings.
- 8.2.1 Contractor shall be in full compliance with the policies and procedures outlined within the County Compliance Plan. County shall have access to, and conduct audits and reviews of, records, policies and procedures, incident reports, and related activities County deems necessary to monitor these functions.
- 8.2.2 Contractors that maintain their own compliance plan shall provide evidence that their plan aligns with County's Organizational Compliance Plan, and provide evidence of annual reviews, updates, and on-going monitoring activities. These activities should include compliance investigations plans of correction, compliance audits, and regular program compliance reviews.
- 8.2.3 Contractor shall attend County training on compliance, or shall develop their own training on compliance that meets or exceed County standards.
- 8.2.4 Should Contractor develop compliance training, Contractor shall provide evidence during contract monitoring of a training plan that aligns with County's and that includes topics from County's Organizational Compliance Plan, to include, but not limited to; code of conduct, code of ethics, HIPAA regulations, documentation requirements, fraud, waste and abuse.
- 8.2.5 Should Contractor develop compliance training, Contractor shall provide evidence of monitoring and oversight activities, including but not limited

to, attendance protocols, records, sign in sheets, attestations and action steps for staff that do not attend training. Contractor shall implement training upon annual review and approval from County.

- 8.3 Contractor shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act. Violations shall be reported to the Centers for Medicare and Medicaid Services.
- 8.4 Contractor 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 Contractor.
- 8.5 Contractor 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, Medicaid, or the State Children's Insurance Program, except for emergency services.
- 8.6 Contractor shall not allow services to be provided under the terms of this Agreement by any officer, employee, subcontractor, agent or any other individual or entity that is on the List of Excluded Individuals/Entities maintained by the U. S. Department of Health and Human Services, Office of the Inspector General (OIG), the Excluded Parties List System/System Award Management (EPLS/SAM) databases and the California State Medi-Cal Suspended and Ineligible Provider List (S&I), maintained by the California Department of Health Care Services.
  - 8.6.1 Contractor shall insure that all officers, employees, subcontractors, agents or other individuals or entities are not on the two lists in this section at the time of hiring. If they are on either or all of the three lists, they will not be hired to perform any duties under this agreement. Contractor agrees to provide evidence of verification prior to entering into the Agreement and/or upon request of the County.
  - 8.6.2 Contractor shall thereafter monthly insure that all officers, employees, subcontractors, agents or other individuals or entities are not on the two lists in this section or any exclusions databases that may be mandated by the Federal and/or State government within the duration of this Agreement. Contractor is to submit evidence of monthly reporting as part

of the Monitoring process referenced in Section 11 (11.4).

8.6.3 Contractor shall immediately notify the County upon discovery of any officer, employee, subcontractor, agent or other individual or entity who are found on any of the three lists in this section. In the event of this discovery, Contractor also agrees to immediately cease the staff member from performing services, that the staff member will be restricted from submitting a claim for any Medi-Cal services and that the Contractor will internally address any corrective and/or disciplinary action in regards to this staff member.

8.6.4 County provides to Contractor the following references to the two lists found in this section. County does not guarantee that these references will not change from time to time.

8.6.4.1 OIG list is currently found at the following web address:

<http://exclusions.oig.hhs.gov/>

8.6.4.2 A link to the S&I list is currently found at the following web address: <http://files.medi-cal.ca.gov/pubsdoco/SandILanding.asp>

Near the bottom of the page click, on the “Suspended & Ineligible Provider List.”

8.6.4.3 A link to the EPLS/SAM list is currently found at the following web address: <https://www.sam.gov/portal/SAM/#1>

8.7 Pursuant to Section 6032 of the Deficit Reduction Act of 2005, CONTRACTOR shall communicate to its employees, subcontractors, agents and other persons providing services on behalf of Contractor the policies and procedures related to the Federal and State False Claims Act. Contractor 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 Contractor will adhere to these policies and procedures.

## **9. PATIENTS’ RIGHTS AND PROBLEM RESOLUTION**

9.1 Contractor shall comply with all relevant rules, regulations, statutes, and County policies and procedures related to individuals’ rights to a grievance process, an appeal process, and an expedited appeal process.

9.2 Contractor shall comply with the PLAN’s Medi-Cal beneficiary problem resolution process as stated in the PLAN’s Beneficiary Handbook. This does not preclude Contractor’s commitment to resolve problems or complaints by Medi-Cal

beneficiaries at the informal level as simply and quickly as possible. Nothing in this Agreement shall prevent Medi-Cal beneficiaries from utilizing the PLAN's and other rights and processes regarding grievances and appeals, which are guaranteed by statute.

- 9.3 Contractor shall ensure that each beneficiary has adequate information about the Contractor's processes to include at a minimum:
  - 9.3.1 Description of grievance and appeal process;
  - 9.3.2 Posting notices explaining the process procedures;
  - 9.3.3 Making grievance forms and appeal forms along with self-addressed envelopes available for beneficiaries at Contractor sites;
  - 9.3.4 Making interpreter services and TDD/TTY available to beneficiaries during normal business hours.
- 9.4 No provision of this Agreement shall be construed to replace or conflict with the duties of County's Patients' Rights Advocates as described in Section 5520 of the Welfare and Institutions Code.

## **10. CONFIDENTIALITY AND INFORMATION SECURITY**

- 10.1 Contractor and its officers, employees, agents representative, subcontractors and all others acting on behalf of Contractor shall comply with applicable laws and regulations, including but not limited to Section 14100.2 and 5328 et seq. of the California Welfare and Institutions (W&I) Code, and 45 CFR Parts 160, 162, and 164 regarding the confidentiality and security of individually identifiable health information as required by the attached Confidentiality and Information Security Exhibit of this Agreement.
- 10.2 Records shall be disclosed only in accordance with all applicable State and Federal laws and regulations, including those relating to the privacy of protected health information, 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 client. Confidentiality regulations shall apply to all electronic media.

## **11. MONITORING/REVIEW ASSISTANCE**

- 11.1 Contractor agrees to maintain books, records, documents, and other evidence necessary to facilitate contract monitoring and audits pursuant to Section 640, Title 9, Division 1, Chapter 3, Article 9, of the California Code of Regulations and the policies of Behavioral Health and Recovery Services.

- 11.2 Contractor agrees that the County shall have access to facilities, program documents, records, staff, clients/patients, or other material or persons the County deems necessary to monitor and audit services rendered
- 11.3 Contractor shall provide any necessary assistance to County in its conduct of facility inspections, and operational reviews of the quality of care being provided to beneficiaries, including providing County with any requested documentation or reports in advance of a scheduled on-site review. Contractor shall also provide any necessary assistance to County and the External Quality Review Organization contracting with the California Department of Health Care Services (DHCS) in the annual external quality review of the quality of care, quality outcomes, timeliness of, and access to, the services being provided to beneficiaries under this Agreement. Contractor shall provide a corrective action plan when requested and correct deficiencies as identified by such inspections and reviews according to the time frames delineated in the resulting reports
- 11.4 Contractor shall participate in regularly scheduled contract monitoring designed to review various aspects of contract services, including providing evidence of required licenses, certificates and permits, evidence of monthly review of all exclusion databases mandated by Federal and/or State regulation, Medi-Cal eligibility, discussion of actual costs, cost per unit, number of units, amount of required match, and State rates. County shall document and file the contract monitoring review and evidence and distribute a copy to the Contractor.
- 11.4.1 Contractor shall have program staff trained annually on the Title 22 Regulations, as required, either through the DHCS Website PowerPoint or through a County-sponsored training. Attendance sheets including the date of the training shall be provided as part of the contract monitoring documentation.
- 11.5 Contractor is expected to attend and participate in the County monthly Peer Review Process. Contractor will identify, at a minimum, one primary reviewer and one back up reviewer in the event the primary reviewer is unable to attend. All staff that is identified as reviewers are required to attend Peer Review Training upon identification as a reviewer and then annually, or, as offered to such staff. Contractor will provide representation to the Peer Review Committee and will be available for questions from the committee related to the program and will be available to preview the results of the review. Contractor will complete a plan for improvement for any and all areas of deficiency below the identified standard

within 30 days of receipt of review.

## **12. MEDI-CAL CERTIFICATION**

- 12.1 Contractor shall maintain certification as an organizational provider of Medi-Cal Specialty Mental Health Services in compliance with all federal and state laws and regulations pertaining to Short Doyle Medi-Cal during the term of this Agreement. This includes meeting all staffing and facility standards required for organizational providers of Medi-Cal Specialty Mental Health Services as claimed. Contractor shall also notify the County's Managed Care Chief and Quality Services Department in writing of anticipated changes at least sixty (60) days prior to such change. Such changes could include; a change in ownership, a change in location, any planned structural changes require a new fire clearance and if the Contractor adds medication support services when medications will be administered or dispensed from the Contractor site. A Medi-Cal site certification review is required for all new locations. A review can only be conducted after a fire clearance on the new site is obtained. All Medi-Cal billing for services at locations not yet certified shall be suspended until a fire clearance is received and certification has been concluded. Contractor may not be reimbursed for services provided which are not Medi-Cal billable.
- 12.2 The storage and dispensing of medications on site shall be in compliance with all pertinent State and Federal standards.

## **13. RECORDS**

- 13.1 Contractor shall participate in County's outpatient medical records system. Accordingly, all necessary recording and charting of the provision of services and related documentation shall be entered in the County's medical record which shall be the sole medical record used by Contractor in providing services pursuant to this Agreement.
- 13.2 Contractor shall comply with County's medical record policies and procedures including, but not limited to, those related to requesting and transporting records, filing, and security. Further, Contractor shall comply with County's documentation protocols and use of forms. County shall provide training, support, and technical assistance if needed.
- 13.2.1 Contractor shall adhere to all policies and standards related to appropriate documentation and timeliness of documentation in client's medical record chart.
- 13.3 Clinical records shall be maintained according to County standards, policies and

procedures and Short-Doyle Medi-Cal regulations. For each client who has received services, a legible record shall be kept in detail which permits effective quality management processes and external operational audit processes, and which facilitates an adequate system for follow-up treatment.

- 13.4 Clinical records shall be the property of County, and maintained by Contractor in accordance with County standards.
- 13.5 Each medical record shall be returned to the County at the time the client is discharged.
- 13.6 The Contractor shall be subject to the examination and audit of the Department or California State Auditor for a period of three years after final payment under agreement (Government Code § 8546.7).
- 13.7 Contractor shall allow the Department, DHCS, HHS and the Comptroller General of the United States, and other authorized federal and state agencies, or their duly authorized representatives, to inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this Agreement, and to inspect and evaluate, and audit any and all books, records, and facilities maintained by the Contractor and its subcontractors pertaining to such services at any time during normal business hours. Books and records include, but are not limited to, all physical records originated or prepared pursuant to the performance under this Agreement including working papers, reports, financial records and books of account, beneficiary records, prescription files, subcontracts, and any other documentation pertaining to covered services and other related services for beneficiaries. Upon request, at any time during the period of this contract, the Contractor shall furnish any such record, or copy thereof, to the Department, DCHS, or HHS. Authorized agencies shall maintain the confidentiality of such books and records in accordance with applicable laws and regulations.
- 13.8 These books and records shall be maintained for a term of at least five (5) years after final payment is made and all pending matters closed, or, in the event the Contractor has been duly notified that the County, State, HHS, or the Comptroller General of the United States, or their duly authorized representatives, have commenced an audit or investigation of the contract, until such time as the matter under audit or investigation has been resolved, whichever is later.

#### **14. REPORTING**

- 14.1 Contractor shall enter all required data into the County's Electronic Health



Record (EHR). Data must be entered by the fourth working day of each month. County may withhold payment for services until the entry of data is current.

- 14.2 Contractor shall prepare and submit a year-end Medi-Cal cost report for each fiscal year, as required by the California Department of Health Care Services, no later than November 15th. County shall provide the appropriate report forms. If necessary, technical assistance must be requested and will be provided no later than thirty (30) days before the date the report is due.
- 14.3 Contractor shall submit a mid-year program report electronically to the following e-mail address: [CBHRS@stanbhrs.org](mailto:CBHRS@stanbhrs.org) by February 15th of each year. The report shall include data related to performance outcomes, cultural competency integration, challenges and the strategies employed to overcome them.
- 14.4 Contractor shall submit a year-end program report electronically to the following e-mail address: [CBHRS@stanbhrs.org](mailto:CBHRS@stanbhrs.org) by August 15<sup>th</sup> of each year. The report shall include a summary of the year's events; an update on the challenges and strategies; evidence of meeting contract outcomes; update of cultural competency activities; staff training, number and percentage of staff that have received HIPAA training; number of complaints regarding breach of confidentiality and disclosures of PHI, number of internal incidents of disclosure discovered, description of incident, action taken to mitigate risk, outcome of incident; evidence of use of the Language Line and interpreters; and inventory list.
- 14.5 Contractor shall submit an annual report on Contractor's staff language and ethnicity as of the payroll period ending closest to December 1<sup>st</sup> each year. This report shall be submitted electronically to BHRS Contract Services by December 31st each year to the following e-mail address; [CBHRS@stanbhrs.org](mailto:CBHRS@stanbhrs.org)
- 14.6 Contractor shall provide County with any other reports, which may be required by State, Federal or local agencies for compliance with this Agreement.
- 14.7 Contractor shall establish and maintain accounting and fiscal practices that comply with its obligations pursuant to Section 1840.105, Chapter 11, Medi-Cal Specialty Mental Health Services and Title 9, California Code of Regulations.

## **15. INVENTORY**

- 15.1 Contractor shall report to County, with the year-end program report, any equipment with a cost of \$1,000 or more, purchased with funds from this Agreement. Such report shall include the item description, model and serial number (if applicable), purchase price, date of purchase and physical location of

each item.

- 15.2 Contractor shall make all equipment available during normal business hours for the County to conduct a physical inspection and/or place a County inventory tag on the equipment, if desired.
- 15.3 Contractor shall be solely responsible for maintenance of inventory while in Contractor's possession. Records evidencing maintenance and any upgrades shall be provided to County as part of the inventory in the event of termination of this Agreement.
- 15.4 County reserves title to any property purchased or financed from the proceeds of this Agreement, if such property is not fully consumed in the performance of this Agreement. This provision shall be operational even though such property may have been purchased in whole or in part by Federal funds and absent a Federal requirement for transfer of title.

## **16. PERSONNEL**

- 16.1 Contractor shall adhere to the Statement of Compliance as specified in the attached Statement of Compliance Exhibit.
- 16.2 All Contractor staff providing services under the terms of this Agreement shall have successfully passed a criminal background check appropriate to their job classification and duties. Contractor shall not knowingly allow services to be provided under the terms of this Agreement by any person convicted of financial fraud involving Federal or State funds.
- 16.3 Contractor 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.
- 16.4 All personnel rendering services under this Agreement shall be employed by, or under contract to Contractor, and shall be appropriately supervised. Services shall be under the direction of Contractor's Clinical Director or employee who shall be a licensed mental health professional or other appropriate individual as described in Sections 622 through 630 of Title 9, of the California Code of Regulations.
- 16.5 All staff providing service under registration with the California State Board of Behavioral Health Science, or the Board of Psychology, shall be supervised by a licensed mental health professional, i.e., a Licensed Clinical Social Worker; Marriage Family Therapist; or Clinical Psychologist.

- 16.6 All staff providing services under this Agreement must obtain a National Provider Identifier (NPI).
- 16.7 Contractor shall ensure a process for credentialing of licensed staff is in place, which includes at a minimum, background checks and license verification.
- 16.8 Contractor shall follow County's procedures for registering and terminating Contractor staff from the County's Electronic Health Record (EHR). This shall include the Contractor providing County with the Contractor's staff information necessary for billing in the County EHR in a manner designated by the County, including submitting completed registration forms and copies of current licenses.
- 16.9 Contractor shall provide County with the name, a copy each of the Curriculum Vitae, Medical License, and DEA Certificate of each new physician providing services under this Agreement at least two (2) weeks prior to the provision of service.
- 16.10 All Contractor staff transporting clients under the terms of this Agreement shall have received and possess a valid California Driver's License and, if not covered by Contractor for automobile liability insurance, shall maintain at least the current California state minimum coverage.
- 16.11 Contractor's staff shall be linguistically and culturally qualified to meet the current and projected needs of the client community. Contractor shall ensure that staff providing bilingual services are fluent in their identified language.
- 16.12 Contractor will be responsible for providing training to their respective staff on County's Advanced Medical Directives policies and procedures.
- 16.13 Contractor and County will confer in advance regarding key leadership changes.

## **17. CODE OF ETHICS**

Contractor's Code of Ethics shall be consistent with County's Code of Ethics, a copy of which will be provided to Contractor annually.

## **18. WORKPLACE REQUIREMENTS**

- 18.1 Contractor shall report all incidents of client suicides, homicides, or other unusual occurrences resulting in serious harm to clients or staff, using the Outpatient Incident/Occurrence Reporting Form. Such forms shall be faxed to County's BHRS Risk Manager within twenty-four (24) hours of time of occurrence or as soon as possible.
- 18.2 Contractor shall participate, as appropriate, in County's Root Cause Analysis investigations related to Contractor's incidents.
- 18.3 Contractor shall maintain a safe facility that is as free from safety hazards as is

possible. Any reporting of unsafe working conditions by employees or others shall be immediately appraised and addressed.

18.4 Contractor hereby certifies that it complies with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and provides a drug-free workplace.

18.5 Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future Agreements if the County determines that any of the following has occurred: (1) Contractor has made a false certification or, (2) violates the certification by failing to carry out the requirements as noted above.

## **19. ACKNOWLEDGEMENT**

All public relations and educational material shall mention that Contractor's Program(s) is funded or partially funded by the Stanislaus County Board of Supervisors and Behavioral Health and Recovery Services.

## **20. FINANCIAL RELATIONSHIPS**

20.1 Contractor shall maintain program statistical records in the manner required by the County, California Department of Health Care Services, and applicable licensing agencies, and make such records available to County upon request.

20.2 Contractor shall maintain accurate accounting records of its costs and operating expenses. Such records shall be maintained until State audit findings are resolved. They shall be open to inspection by County, the Grand Jury, the State Controller, and the State Director of the Department of Health Care Services, or any of their deputies.

20.3 Contractor shall have an audit conducted by an independent auditing firm that shall be executed, if applicable, to comply with the Single Audit Act and the auditing reporting requirements set forth in OMB Circular A-133. This audit shall be submitted to County within one hundred twenty (120) days after the end of the Contractor's fiscal year.

20.4 Contractor shall adhere to Title XIX of the Social Security Act, and conform to all other applicable Federal and State statutes and regulations.

## **21. REQUIRED LICENSES, CERTIFICATES, OR PERMITS**

Any licenses, certificates, or permits required by the Federal, State, County, or municipal governments for Contractor to provide the services and work described in this Agreement must be procured by Contractor and be valid at the time Contractor enters

into this Agreement. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates, and permits in full force and effect. 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 Contractor at no expense to County.

## **22. INDEMNIFICATION**

22.1 To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend County 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 Contractor or Contractor'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, Contractor's obligation to indemnify the County and its agents, officers and employees for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of the Contractor in contributing to such claim, damage, loss and expense.

22.2 Contractor's obligation to defend, indemnify and hold County and its agents, officers, and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

22.3 To the fullest extent permitted by law, the County shall indemnify, hold harmless and defend the Contractor and its officers, employees, agents, representatives or subcontractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney's fees, arising out of or resulting from the negligence or wrongful acts of County and its officers or employees.

## **23. INSURANCE**

Coverage Required: Contractor shall obtain, and maintain at all times during the term of this Agreement, insurance coverage in the amounts and coverage specified in the attached "Exhibit B."

## **24. NOTICE**

Any notice, communication, amendments, additions, or deletions to this Agreement

including change of address of either party during the term of this Agreement, which either party 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 Services Manager  
800 Scenic Drive  
Modesto, CA 95350

Contractor: Telecare Corporation  
Attention: Leslie Davis, Senior Vice President and CFP  
1080 Marina Village Parkway, #100  
Alameda, CA 94501

**25. CONFLICTS**

Contractor 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 under this Agreement.

**26. 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.

**27. 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.

**28. 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.

**29. RELATIONSHIP OF PARTIES**

This is an Agreement by and between two (2) 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.

**30. 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.

**31. ASSIGNMENT**

31.1 County has relied upon the skills, knowledge, experience, and training presented by Contractor, as an inducement to enter into this Agreement. Contractor 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.

31.2 Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

**32. AVAILABILITY OF FUNDS**

Payments for services provided in accordance with the provisions of this Agreement are contingent upon the availability of County, State, and Federal funds. If Federal, State, or local entities do not appropriate sufficient funds for this program, the County has the option to terminate this Agreement or amend the Agreement to reflect any reduction of funds.

**33. 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 unless this Agreement is modified as provided above.

**34. 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.

**35. TERM**

35.1 The term of this Agreement shall be from the date of approval of this Agreement

until completion of the agreed upon services unless sooner terminated as provided below or unless some other time of termination is listed in Exhibit A. Either party may terminate this Agreement, with or without cause, by giving thirty (30) days prior written notice to the other party. County may suspend or terminate this Agreement for cause upon written notice to Contractor immediately, or upon such notice, as County deems reasonable. If the default is cured by Contractor to the satisfaction of County, or County determines that the default should be excused, County may reinstate the Agreement, or revoke the termination upon application by Contractor.

35.2 In the event of termination or expiration of this Agreement, Contractor shall assist County in the orderly transfer of clients. In doing this, Contractor shall make available any pertinent information necessary for efficient case management of clients as determined by County. In no case shall a client be billed for this service.

35.3 This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, (b) sale of Contractor's business, (c) cancellation of insurance required under the terms of this Agreement, and (d) if, for any reason, Contractor ceases to be licensed or otherwise authorized to do business in the State of California, and the Contractor fails to remedy such defect or defects within thirty (30) days of receipt of notice of such defect or defects.

**36. SURVIVAL**

Notwithstanding any other provision of this Agreement, the following clauses shall remain in full force and effect and shall survive the expiration or termination of this Agreement: Paragraph 5, "Billing and Payment", Paragraph 10, "Confidentiality and Information Security", Paragraph 13, "Records", Paragraph 22, "Indemnification", Paragraph 31, "Assignment".

**37. DUPLICATE COUNTERPARTS**

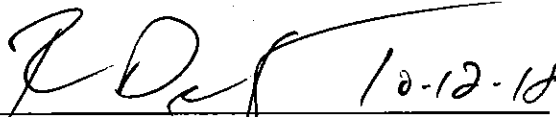
This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement



IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) shown below.

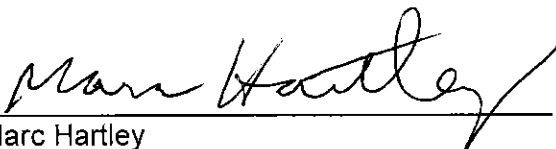
**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

  
Rick DeGette MA, MFT      10-12-18  
Behavioral Health Director      Date

\_\_\_\_\_  
Leslie Davis      Date  
Senior Vice President and CFO

APPROVED AS TO FORM  
John P. Doering, County Counsel

  
Marc Hartley  
Deputy County Counsel

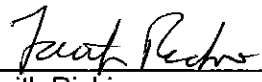
BOS Action Item: October 9, 2018, 2018-0505

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s)  
shown below.

**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

\_\_\_\_\_  
Rick DeGette MA, MFT Date  
Behavioral Health Director

 9-19-18  
\_\_\_\_\_  
Faith Richie Date  
Senior Vice President, Development

APPROVED AS TO FORM  
John P. Doering, County Counsel

\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

BOS Action Item: October 9, 2018, 2018-0505

## **EXHIBIT A-SCOPE OF WORK**

### **A. SERVICES**

1. All services provided by Contractor and the manner in which services are to be provided are more particularly set forth in County's Request for Proposal (RFP) # 18-06-DQ; the Contractor's responding proposal, as well as any plans, specifications, addenda and any documents particularly required or provided (as may be applicable), all of which are incorporated herein by reference and made a part hereof (collectively, the "RFP"). All of the foregoing documents, as may be applicable, together with this Agreement, comprise the contract and all services provided hereunder shall be performed in accordance therewith. In the event there is conflict between the terms and conditions set forth in in Exhibits A, A-1 and A-2, then in such case, the terms and conditions shall control in this order: 1<sup>st</sup>, Exhibits A, A-1 and A-2, 2<sup>nd</sup>, this Agreement, and 3<sup>rd</sup>, the RFP.
2. Contractor shall provide services under this Agreement through the programs identified in Exhibits A-1 and A-2, as follows:
  - 2.1 Psychiatric Health Facility (PHF)
  - 2.2 Crisis Stabilization Unit (CSU)
3. Contractor and County shall ensure that the PHF and CSU continue to be eligible for Medi-Cal certification pursuant to California Code of Regulations, Title 9, Chapter 11.
4. Contractor is required to use the County's Electronic Health Record system for services provided under the terms of this Agreement.

### **B. BILLING AND PAYMENT**

1. Services delivered under the terms of this Agreement shall be reimbursed from the following funding source(s): 2011 Realignment, Medi-Cal FFP and MHSA Community Services and Support.
2. In consideration of Contractor's provision of services required under the terms of this Agreement, County shall reimburse Contractor for the following:
  - 2.1 Costs associated with operating the PHF shall not exceed \$3,844,909 for salaries, benefits and other operating costs.
  - 2.2 Costs associated with operating the CSU shall not exceed \$1,292,410 for salaries, benefits and other operating costs.
  - 2.3 The combined amount for costs associated with operating both the PHF and the CSU shall not exceed \$5,137,319.
3. Contractor shall submit separate invoices for the PHF and the CSU.
4. Monthly invoices shall include an amount equal to the previous month's program costs for delivering all the services required under this Agreement. Monthly expenditure reports shall accompany the invoices in support of the program costs on the invoice.
5. Invoices shall be electronically submitted to [abhrs@stanbhrs.org](mailto:abhrs@stanbhrs.org) or by mail to the following address:

Stanislaus County Behavioral Health & Recovery Services (BHRS)  
800 Scenic Drive, Building 4  
Modesto, CA 95350  
Attention: Accounts Payable

6. County shall reimburse for any undisputed invoices, which County and vendor agree represent the costs of delivering the services required under the terms of this Agreement for the period covered by the invoice, within 30 days of invoice receipt. Contractor agrees that the monthly invoices represent an estimate of the actual program costs and not a final settlement for the costs of delivering the services under the terms of this Agreement. Contractor understands that the maximum amount to be paid by the County during the term of this Agreement is \$3,844,909 for the PHF and \$1,292,410 for the CSU. Program operations and program costs shall be managed to insure the provision of services for the full term of this Agreement.
7. A minimum of \$1,575,000 is expected to be generated by Contractor in Medi-Cal Federal Financial Participation (FFP) for the PHF and a minimum of \$439,419 is expected to be generated for the CSU, which is in part the basis for funding this Agreement. The Net County Cost for the provision of services under the terms of this Agreement for the PHF shall be \$2,269,909, which is calculated by subtracting the FFP of \$1,575,000 from the Contract Maximum of \$3,844,909. The Net County Cost for the provision of services under the terms of this Agreement for the CSU shall be \$852,990, which is calculated by subtracting the FFP of \$439,419 from the Contract Maximum of \$1,292,410.
8. FFP revenue projections are based on year to date, actual, approved and authorized Medi-Cal units of service. Denied, disallowed, and unauthorized units shall be considered as non-contributory towards Contractor's generation of FFP. In the event denials, disallowed and unauthorized units increases Contractor's stated "County Net Cost", Contractor shall be liable for these increased costs. Actual and projected FFP revenue shall be reviewed at regular monitoring meetings by County and Contractor during the term of this Agreement. In the event the FFP revenue projected through the term of this Agreement does not meet the budgeted amount necessary to support the program expenditures, Contractor shall submit a plan to increase the FFP revenue or reduce the operating costs of delivering the services required in this Agreement.
9. Contractor shall be at risk for shortfalls in FFP revenue and is therefore accountable for submitting/entering services that are eligible for reimbursement into the County Electronic Health Record.
10. A fiscal year-end cost report, upon request from County, shall be submitted generally in November for the previous Fiscal Year. County shall process a preliminary settlement to Contractor's actual costs of delivering the services and estimated Medi-Cal units of service produced during the term of this Agreement in approximately January. County and Contractor shall agree that the approved units of services from the County Electronic Health Record and the actual program costs are the actual services and costs used for purposes of this contract and final cost report settlement. After completing its preliminary settlement, County shall notify Contractor if funds are due to Contractor. If funds are due to County, County shall invoice Contractor and vendor shall return the overpayment to County. During the multiple phases of the cost report reconciliation and settlement process, FFP revenue loss on any denied, disallowed and unauthorized units resulting in Contractor exceeding the Net County Cost specified herein in Section B, Item 7 of this Exhibit, as well as any units denied, disallowed and unauthorized as a result of state or federal audits shall be billed to Contractor. Settlement is limited to the Contract Maximum and is also limited to the Net County Cost after applying the FFP revenue.
11. Notwithstanding any other provision of this agreement, final settlement shall include direct and indirect costs, which may include operating income that is not allowable through Medi-Cal reimbursement, equal to the amount listed in Contractor's approved budget not to exceed Net County Costs or the Contract Maximum.

**C. TERM**

These services shall commence on October 1, 2018, and continue through June 30, 2019.

## EXHIBIT A-1 SCOPE OF WORK: PSYCHIATRIC HEALTH FACILITY (PHF)

### A. REQUIREMENTS

#### 1. Philosophy and Program Goals

- 1.1. The overarching goal of the Psychiatric Health Facility (PHF) is to provide a safe and therapeutic environment for individuals experiencing an acute emergency related to a mental health disorder where they can receive intensive mental health and psychiatric treatment services to assist in the stabilization of the episode. Services must be provided by professional and paraprofessional staff as per licensing and certification requirements. Restoring the individual to an improved level of functioning that safely allows treatment in the least restrictive setting and utilizes principles of Recovery is the key to the individual's care. Admissions from the CSU to the PHF should be integrated in such a way that the transition between the services is seamless and therapeutic. Care that is supportive, person-centered, culturally based and inclusive begins at the initial presentation for services and continues through the individual's stay. Safety of the consumer, community and staff is paramount to the experience.
- 1.2. The Psychiatric Health Facility (PHF) program should serve as an essential component in the continuum of care and promote enhanced access, linkage and transition between the PHF and community based programs that include mental health and substance abuse services and clinics, residential facilities and other mental health support services.

#### 2. Program Requirements

- 2.1 The PHF shall be operated as a 24-hour, 7-day a week community-based locked intensive treatment program for individuals experiencing a mental health crisis. Onsite services shall be provided to individuals who are admitted either voluntarily or involuntarily (pursuant to WIC 5150). A robust treatment program focused on preparation for a less restrictive level of care is at the core of services to be provided. The PHF shall manage all psychiatric conditions, per Title 22, Division 5, with the exception of straight Substance Abuse Disorders (SUD).
- 2.2 The PHF shall be operated by a multidisciplinary, culturally competent team with appropriate level of staffing, licenses and credentials, providing acute stabilization, a robust treatment program of active therapies, discharge planning, and resource and supports mobilization. PHF staff shall assess individuals' psycho-pharmacological needs and quickly deploy interventions to decrease distress and acute symptomatology. PHF program shall offer a complete regime of active treatment, including psycho-educational groups, stress and anger management, and cognitive behavioral interventions. The PHF program shall also address co-occurring disorders. The PHF program shall also integrate families into the treatment process.
- 2.3 The PHF shall successfully meet all licensing requirements pursuant to California Welfare and Institutions Code, Section 4080 et seq, 5150-5157 and 5600 et seq and California Code of Regulations, Title 22, Division 5, Chapter 9 et seq; and California Health and Safety Regulations, Section 1275 and 1275.1, with County assistance.

- 2.4 The PHF shall be eligible for Medi-Cal Certification pursuant to California Code of Regulations, Title 9, Chapter 11.
- 2.5 The PHF shall meet all State licensing and regulatory requirements including medical staff standards, nursing staff standards, social work and rehabilitation staff requirements pursuant to California Code of Regulations (CCR), Title 22, Division 5, Article 3, section 77061. There shall be an appropriate level of supervisory staff as required by regulation or statute. All staff requiring state licensure or certification shall be required to be licensed or certified in good standing in the State of California.
- 2.6 The staffing pattern for the PHF shall meet all State licensing and regulatory requirements including medical staff standards, nursing staff standards, social work and rehabilitation staff requirements pursuant to California Code of Regulations (CCR), Title 22, Division 5, Article 3, section 77061. There shall be an appropriate level of supervisory staff as required by regulation or statute. All staff requiring state licensure or certification will be required to be licensed or certified in good standing in the State of California.
- 2.7 All psychiatrists must be Board certified (preferable) or Board eligible (at a minimum), and mid-level providers shall have appropriate certification and training. Psychiatrists, or psychiatric providers under the supervision of a qualified psychiatrist, shall provide active psychiatric treatment to patients in the facility 24 hours per day, 7 days per week. At least one (1) full time psychiatrist shall be available to provide psychiatric services at the facility during the regular business hours of 8:00am to 5:00pm, Monday through Friday. A qualified psychiatrist shall act as the Medical Director of the facility.
- 2.8 The PHF shall include diverse staffing that is representative of the local community and places value on the lived experiences of family members and peers.
- 2.9 Services shall be provided by professional and paraprofessional staff with similar cultural and linguistic backgrounds to the consumers being served.
- 2.10 Specific written protocols shall be developed for the management of assaultive/aggressive behaviors and seclusion and restraint procedures in the unit. This includes but is not limited to the use of de-escalation strategies and providing ongoing training to staff in regard to managing assaultive and aggressive behavior. The course materials and protocols provided to the staff for training purposes shall be approved and agreed upon by County.
- 2.11 The use of seclusions and restraints shall be kept to a minimum. Each use of seclusions and restraints shall be reported to the County Contract Monitor(s). County shall review each use at the regular bi-weekly meetings.
- 2.12 Regular Seclusion and Restraint drills shall be conducted every three (3) months to evaluate staff readiness to respond to situations which would require the use of Seclusion and/or Restraint. Results of these drills are to be provided to County as a standing outcome measure.

- 2.13 The PHF shall include aftercare and disposition planning to appropriate resources such as:
  - 2.13.1 Intensive community treatment programs, such as a Crisis Residential or sub-acute facility.
  - 2.13.2 Mental Health Rehabilitation Centers for individuals needing an intensive level of care.
  - 2.13.3 Skilled Nursing Facilities.
  - 2.13.4 Mental Health and Substance Use Disorder services through the County's Behavioral Health and Recovery Services or other community-based providers of mental health and/or substance abuse treatment services.
  - 2.13.5 Existing care providers.
  - 2.13.6 Wellness centers, family and peer run services and organizations.
  - 2.13.7 Certification Review Hearings in accordance with WIC 5250 through 5270.35, as well as administration of Lanterman-Petris-Short Act (LPS) filings for Temporary Conservatorship as needed.
- 2.14 Multidisciplinary treatment team meetings shall be conducted routinely and frequently. At the treatment team meeting, the team shall review each individual, identifying problems and appropriate responses. The team shall use the meeting to update treatment plans, review and revise legal status (as necessary), and update discharge plans. Team members shall exchange relevant clinical information. It is expected that behavioral health specialists and case managers shall be in attendance. When indicated, family members, probation officers case managers, behavioral health specialist and other members of the individual's support system shall be invited to participate along with County designated liaisons. Copies of sign-in sheets shall be made available upon request by County.
- 2.15 The County's Electronic Health Record system shall be utilized.
- 2.16 Although the County owns the facility, Contractor shall be responsible for rent sufficient to pay for major repairs over time, all utilities, telecommunication, janitorial services, security services, and routine maintenance. Furniture and equipment replacement, including the computer and security systems shall be the responsibility of Contractor. Vendor and County agree that the County shall bear the responsibility and cost of maintenance and repair of the major structural components of the facility. Contractor and County agree that Contractor shall bear the responsibility and cost of maintenance and repair caused by normal use as well as excessive wear or abuse by clients, staff or visitors to the PHF program.

**B. AUTHORIZATION/UTILIZATION MANAGEMENT**

- 1. County shall conduct retrospective Behavioral Health and Recovery Services (BHRS) Mental Health Plan (MHP) payment authorization of the Covered Services provided to County patients at the Psychiatric Health Facility (PHF) pursuant to this Agreement, for compliance with California public mental health industry and California Code of Regulations (CCR) Title 9 standards, including, without limitation, Sections 1820.205 and 1820.220. As part of the retrospective authorization, County may issue denials resulting from lack of documented medical necessity.



2. Contractor shall meet and confer monthly with the County administrators and the Medical Director to coordinate and collaborate on the administration of this Agreement and to discuss any outstanding issues or concerns between the parties to this Agreement, including but not limited to, the resolution of any placement options for County patients due to a material reduction in the number of, or lack of, available residential placement options at non-acute residential treatment facilities.
3. The Utilization Management Unit may request a second opinion regarding treatment planning, after consultation with Contractor.
4. All admissions of Medi-Cal beneficiaries to the PHF shall meet applicable Title 9 criteria, including, but not limited to, Medi-Cal criteria for medical necessity as defined in Title 9, CCR 1774 and 1820.205, as certified by a psychiatrist.
5. For Covered Services provided to Medi-Cal adult beneficiaries of Stanislaus County, Contractor shall submit a Treatment Authorization Request (TAR) with appropriate chart documentation to County BHRS Utilization Management Unit, 800 Scenic Dr., Modesto, CA 95350.
6. For Covered Services provided to adult indigent uninsured residents of Stanislaus County, Contractor shall submit a TAR, clearly noting "UNINSURED PATIENT", with appropriate chart documentation to County BHRS Utilization Management Unit, 800 Scenic Dr., Modesto, CA 95350.
7. Contractor and County shall cooperate in good faith and assist the other party in attempting to qualify appropriate PHF patients for applicable Medi-Cal assistance programs.
8. To the extent there occur any County, State or Federal Medi-Cal audits in connection with the services provided hereunder, each party shall (1) provide the other party with prompt written notice thereof and (2) provide the other party with the right to participate in any audits of any audit appeals, to the extent permitted by law.

#### **C. MONITORING/REVIEW ASSISTANCE**

Item 11.5 under Section 11, Monitoring/Review Assistance, is deleted in its entirety regarding the Psychiatric Health Facility only. This item shall remain in full force and effect regarding the Crisis Stabilization Unit.

#### **D. SERVICES**

1. General Services
  - 1.1. Comprehensive psychiatric and medication evaluations by psychiatric staff and provision of daily medication services. Face-to-face contact with a psychiatrist is required a minimum of six times per week.
  - 1.2. Admission History and Physical to be administered within 24-hours of admission per CCR Title 22, by a medical professional and ability to obtain medical/specialty services as appropriate per licensing regulations.
  - 1.3. Ongoing medical screening services in the event of a need for more serious or emergent medical care.

- 1.4. Schedule of active therapies as part of the treatment program inclusive of group therapy, skill development and consumer education activities, occupational therapy, art therapy, Recovery focused treatment, family therapy, recreational and exercise programs. Treatment planning is expected to meet the individual needs of the consumer. Scheduled activities can include formal group therapy, family therapy and multifamily therapy and psycho educational groups. Medication education may be provided both on an individual and group basis.
- 1.5. Peer and family support activities shall be integrated into programming, including a daily (7 days a week) presence by Peer Support Specialists whose primary roles shall be to welcome individuals to the program and assist them in meeting their self-defined goals for health, wellness, and recovery. Whenever possible and clinically indicated, vendor shall work with the family as a whole in recognition of the necessity of natural supports in recovery. Families shall be encouraged to take advantage of peer support and various other community resources.
- 1.6. Assist clients to apply for benefits as applicable, including, but not limited to Medi-Cal, SDI and SSI. This shall include working with and assisting eligibility workers and others with currently available benefits as well as benefits that might become available as the result of the Affordable Care Act or any benefit coverage available to the client.
- 1.7. Comprehensive treatment planning shall include regular mental status examinations, medical evaluation, psycho-social assessment, nursing assessment, drug and alcohol screening, multi-disciplinary treatment program (active therapies), individualized treatment planning and after care planning.
- 1.8. Psychiatric care in the PHF shall include the following:
  - 1.8.1 Psychiatric Assessments
  - 1.8.2 Medication prescribing and monitoring
  - 1.8.3 Daily visits
  - 1.8.4 Supportive patient counseling
  - 1.8.5 Documentation of psychiatric services shall be completed in accordance with County documentation standards
  - 1.8.6 Coordination of services of overall patient health care needs
  - 1.8.7 Coordination of services with Outpatient Services as needed
  - 1.8.8 Coordination of care and transportation to medical emergency facilities for medical care and stabilization, as and when needed

## 2. Auxiliary Services

- 2.1 The PHF shall include a variety of specialty services to provide comprehensive treatment services at the PHF and to comply with licensing and certification standards, specifically CCR, Title 22, Division 5, Article 3, sections 77059–77079.13. It is the responsibility of Contractor to acquire the following services:
  - 2.1.1 Professional medical services for required History and Physical examinations and medical/specialty services as appropriate per licensing regulations.

- 2.1.2 Laboratory services, including the ability to obtain needed samples.
- 2.1.3 Dietary/food services. The facility does not have a commercial kitchen, therefore prepared food shall be delivered to the site, where it can be warmed and served. Three meals and snacks for residents daily based on monthly menus that meet licensing and certification requirements. The PHF shall have a dietician available as needed and make nutritional consults available when an individual's needs require specialized attention.
- 2.1.4 In-county transportation services for disposition.

### 3. Collaborative Services

- 4.1 It is the responsibility of Contractor to effectively collaborate with community partners and resources, and in some cases establish clear Memorandum of Understanding agreements. County shall be a full partner with Contractor in negotiating key MOUs and will collaborate with Contractor regarding operation and design of services. County shall be an active partner in the ongoing operation of the service. Other collaborative services include:
  - 4.1.1 Developing agreements with the local Emergency Departments for transfer of care is required. In addition, emergent medical conditions that develop while at the PHF shall require transfer to local Emergency Departments or other appropriate medical facilities. In the event clients are transferred for medical clearance, clients shall return to Contractor's facility after the medical issue has been addressed, and when medically appropriate, within a time period of up to twenty-four (24) hours.
  - 4.1.2 Collaboration with outpatient medical services in the community for general and specialty medical care that includes chronic medical conditions such as diabetes shall also be expected.
  - 4.1.3 Contractor shall develop and provide pharmaceutical services for clients being treated at the PHF. Relationships shall be developed with outpatient providers to ensure that the clients are able to access medication services seamlessly after discharge to the community from the PHF.
  - 4.1.4 Contractor shall coordinate with County and their contracted providers to assure optimal care is provided to consumers. Consultations with outpatient treatment providers shall regularly occur. Thorough knowledge of existing community mental health and substance abuse treatment resources and referrals agreements shall be necessary for disposition planning.
  - 4.1.5 Effective use of family member and peer resources and programming shall be expected.
  - 4.1.6 Transportation agreements for ambulance services transporting patients to the PHF shall be Contractor's responsibility.
  - 4.1.7 Coordination and collaboration with local law enforcement agencies is essential to ensure mutual expectations regarding 5150 assessments, and safe transfer of an individual into the service and safety within the PHF are met. Law enforcement should not be considered as an option to manage behavioral emergencies in the unit except in unusual or extremely dangerous situations. Each incident of involvement of law enforcement shall automatically trigger a Root Cause Analysis.

- 4.1.8 The Patient's Right Advocate shall have access to provide advocacy and support services to consumers in the facility.
- 4.1.9 Contractor shall work in cooperation with the Certification Review Hearing Officer to ensure that Certification Review Hearings take place on site in accordance with WIC 5250 through 5270.35.
- 4.1.10 Contractor shall collaborate with BHRS for any and all overflow agreements to other behavioral health units when at capacity.

**2 PROGRAM OUTCOMES**

- 1. Contractor shall provide a seamless transition for individuals transferring from the Crisis Stabilization Unit (CSU) into treatment.
- 2. Contractor shall provide evidence of effective discharge planning with a readmission rate at or below state benchmark for a PHF.
- 3. Contractor shall develop collaborative approaches and treatment strategies for individuals with frequent readmissions to the PHF to assist with them receiving services in the least restrictive setting. Contractor shall provide timely and efficient services that incorporate the goals of recovery-oriented care.
- 4. Contractor shall track linkages and discharge referrals, as well as discharge supports provided. Contractor shall discharge 95% or more of PHF program clients with appropriate referrals/linkages and/or discharge supports (transportation, family connection, medication), the need for which shall be determined by assessment and documented in the treatment plan.
- 5. Contractor shall track and report the PHF rates of readmission in order to provide effective discharge planning and achieve a readmission rate at or below state benchmark for a PHF.
- 6. Contractor shall work collaboratively with County to develop approaches and treatment strategies for individuals with frequent readmissions to the PHF to assist with them receiving services in the least restrictive setting.
- 7. Contractor shall provide timely and efficient services that incorporate the goals of recovery-oriented care. Contractor shall administer a recovery measures tool such as the Hope Herth Index to all individuals upon admission and discharge.
- 8. Contractor shall capture and report the following outcomes to County:
  - 8.1. Frequency of critical incidents
  - 8.2. Cultural competency of services provided
  - 8.3. Recovery orientation of services delivered
  - 8.4. Recidivism
  - 8.5. Length of stay
  - 8.6. Collaboration with local system of care
  - 8.7. Customer satisfaction
  - 8.8. Percentage of individuals re-hospitalized within 48 hours of discharge
  - 8.9. Percentage of individuals that follow up with mental health services outlined in their discharge plan
  - 8.10. Percentage of individuals who do not return for another crisis.
  - 8.11. Percentage of individuals reporting that the stay was beneficial in resolving their mental health crisis

9. Contractor shall make contact with clients' Primary Care Physician through the process identified in the BHRS policy and procedure 90.2.115.
10. Contractor shall make Primary Care Physician (PCP) contact for 70% of those individuals receiving services with PCPs during the term of this Agreement.
11. Contractor shall report the results of Seclusion and Restraint drills to County every three months.

## EXHIBIT A-2 SCOPE OF WORK: CRISIS STABILIZATION UNIT (CSU)

### A. REQUIREMENTS

#### 1. Philosophy and Program Goals

The overarching goal of the Crisis Stabilization Unit (CSU) is to provide a safe and therapeutic environment for individuals experiencing an acute emergency related to a mental health disorder where they can receive assessment and treatment services to assist in the stabilization of the episode. The CSU is co-located with the County's Community Emergency Response Team. CSU services must be provided by professional and paraprofessional staff to address the emergent nature of the presentation. Restoring the individual to an improved level of functioning that safely allows treatment in the least restrictive setting and utilizes principles of Recovery is key to the consumer's care. Admissions to the PHF for those adults requiring an intensive level of treatment should be integrated in such a way that the transition between the services is seamless and therapeutic. Care that is supportive, person-centered, culturally based and inclusive begins at the initial presentation for services and continues throughout the stabilization process. Safety of the consumer, community and staff is paramount to the experience.

#### 2. Program Requirements

- 2.1 Consistent with California Code of Regulations, Title 9, "Crisis Stabilization" means a service lasting less than 24 hours, to or on behalf of a beneficiary for a condition which requires more timely response than a regularly scheduled visit.
- 2.2 The CSU shall be operated as a short duration clinical treatment with four (4) recliners, client and family waiting/reception area, medications disbursement area and secure staff area.
- 2.3 Services shall be offered in a facility co-located with the CERT Team offices. The CSU will not accept any clients deemed to be at high risk of assaultive or aggressive behaviors.
- 2.4 County's Community Emergency Response Team (CERT) shall serve as the "front door" for County clients experiencing mental health crisis. Individuals on voluntary status or held under an involuntary psychiatric hold, as more fully defined under the Welfare and Institution's Code (WIC) 5150, will be provided mental health services in a 24/7 clinical treatment area.
- 2.5 The Crisis Stabilization Unit (CSU) shall be eligible for Medi-Cal Certification pursuant to California Code of Regulations, Title 9, Chapter 11.
- 2.6 Contractor shall maintain staffing levels that adhere to the California Code of Regulations (CCR), Title 9, 1840.348:
  - 2.6.1 The program shall be overseen by a 1 FTE program director. The program director may be a registered nurse or a licensed clinician. The program director, depending upon licensure, shall serve as the nurse or clinician for the shift. The RN shall be responsible for completing the Medi-Cal required Nursing Assessment.
  - 2.6.2 A licensed LCSW or LMFT or unlicensed MSW/MFT registered associate of the Board of Behavioral Sciences. The clinician will be

- present at all shifts and be responsible for completing the Medi-Cal required Crisis Assessment.
- 2.6.3 A Peer Specialist shall be onsite 8 hours each day (across shifts). The Peer Specialists will attempt to engage CSU clients to provide support during their stay in the CSU.
- 2.7 A physician shall be on call at all times for the provision of those Crisis Stabilization Services that may only be provided by a physician.
- 2.8 Psychiatrists shall be Board certified (preferable) or Board eligible (at a minimum), and mid-level providers have appropriate certification and training. Psychiatrists, or psychiatric providers under the supervision of a qualified psychiatrist, will provide active psychiatric treatment to patients as needed in the facility 24 hours per day, 7 days per week. The Psychiatric Health Facility Medical Director will act as the Medical Director of the facility.
- 2.9 There shall be a minimum of one Registered Nurse on site at all times beneficiaries are present.
- 2.10 At a minimum, there shall be a ratio of at least one licensed mental health or waived/registered professional on site for each four beneficiaries or other patients receiving Crisis Stabilization at any given time.
- 2.11 If the beneficiary is evaluated as needing service activities that can only be provided by a specific type of licensed professional, such persons shall be available.
- 2.12 If Crisis Stabilization services are co-located with other specialty mental health services, persons providing Crisis Stabilization must be separate and distinct from persons providing other services.
- 2.13 Persons included in required Crisis Stabilization ratios and minimums may not be counted toward meeting ratios and minimums for other services. Note: Authority cited: Section 14680, Welfare and Institutions Code. Reference: Section 5778, Welfare and Institutions Code.
- 2.14 The CSU program shall include diverse staffing that is representative of the local community and places value on the lived experiences of family members and peers.
- 2.15 Routine and frequent meetings shall be conducted to review client treatment, discharge, and identify problems and appropriate responses. Team members will exchange relevant clinical information. It is expected that behavioral health specialists and case managers shall be in attendance, as needed. When indicated, family members, probation officers, case managers and other members of the individual's support system are invited to participate along with County designated liaisons.

## **B. AUTHORIZATION/UTILIZATION MANAGEMENT**

1. County shall conduct retrospective Behavioral Health and Recovery Services (BHRS) Mental Health Plan (MHP) payment authorization of the Covered Services provided to County patients at the Crisis Stabilization Unit pursuant to this Agreement, for compliance with California public mental health industry and California Code of Regulations (CCR) Title 9 standards, including, without limitation,

Sections 1820.205 and 1820.220. As part of the retrospective authorization, County may issue denials resulting from lack of documented medical necessity.

2. Contractor and County shall cooperate in good faith and assist the other party in attempting to qualify appropriate CSU patients for applicable medical assistance programs.
3. To the extent there occur any County, State or Federal Medi-Cal audits in connection with the services provided hereunder, each party shall (1) provide the other party with prompt written notice thereof and (2) provide the other party with the right to participate in any audits of any audit appeals, to the extent permitted by law.

## **C. SERVICES**

### **1. General Services**

1.1. Psychiatric care in the CSU shall include the following:

- 1.1.1. Psychiatric/Crisis evaluation and diagnostic services
- 1.1.2. Psychosocial assessment and crisis intervention to optimize the ability of the consumer to return to the community and avoid hospitalization whenever possible
- 1.1.3. Evaluation of presenting medical/physical healthcare problems, and identify outpatient treatment for same
- 1.1.4. Evaluation for the need of medication treatment and ongoing monitoring for medication treatment, for clients currently receiving County BHRS services.
- 1.1.5. Discharge planning, including assertive efforts to link the consumer back to their family, friends, other care providers, and outpatient treatment resources
- 1.1.6. Peer Support

1.2. Following admission, Contractor shall provide the following:

- 1.2.1. Staff shall complete an admission agreement; complete all admission paperwork; complete the Patient Rights advisement; notify the consumer of their legal status and financial obligation; complete a personal property inventory and appropriately secure the consumer's belongings; orient the consumer to the rules, regulations, personnel and environment of the unit; attempt to obtain consent from the client to speak with family/significant others; and notify the family/guardian/conservator of the consumer's arrival on the unit (when appropriate). A copy of the original 5150 paperwork and/or LPS conservatorship court appointment documents shall be obtained upon admission and conservator consent for treatment and release of information shall be obtained in lieu of consumer consent.
- 1.2.2. The Registered Nurse shall perform the Nursing Assessment, identifying information regarding medical history and current physical condition and other contributing factors such as substance use/abuse. A major component of the Nursing Assessment will be the Assessment of Risk for suicidality and assault behaviors. If a toxicology screen has not already been performed in an ER, the nurse will attempt to do a toxicology screen on all clients.
- 1.2.3. The Licensed Clinician (MSW/MFT/LCSW/LMFT) shall perform Crisis Assessment, identifying factors contributing to the current crisis, and



assessing the consumer's strengths and resources to cope with the crisis factors. The Crisis Assessment will include a Diagnosis for the current presentation.

- 1.2.4. The Peer Specialist shall provide support and information to the consumer in an effort to decrease anxiety and increase education regarding options available to the consumer.
  - 1.2.5. CSU staff shall contact the consumer's caretakers, family, probation officer, outpatient treatment staff, and/or other significant individuals, with the intent of doing whatever is needed to assist the consumer's return to the community and avoid unnecessary hospitalization. CSU staff shall complete a Transition/Aftercare Plan for each individual served, identifying referral information and plans for post-CSU care. Each individual shall receive a copy of their Transition/Aftercare Plan.
  - 1.2.6. Psychiatric prescribers shall provide services to clients based on individual service needs. Such services may include psychiatric assessment and medication prescribing.
  - 1.2.7. All assessments, referrals, and documentation of services provided throughout the stay shall be documented in the medical record.
- 1.3. Consumer accommodations necessary for the care of consumers suffering from mental disorders, including meals, nursing, social, psychological, and psychiatric services shall be provided. This shall include:
- 1.3.1. Assessment of the consumer by a licensed/waivered staff person to include presenting problem, mental status exam, imminent risk (danger to self, danger to others, and/or grave disability), psychiatric history, and basic medical issues.
  - 1.3.2. Efforts to contact consumer's support system and any current outpatient mental health treatment providers. All treatment will be coordinated with the current psychiatric care the consumer may be receiving whenever possible. Collaboration between outpatient and CSU shall be documented in the CSU record.
  - 1.3.3. Contractor shall actively assist clients in connecting with necessary resources.
  - 1.3.4. Arrangements for medical care when medically necessary including the following:
    - 1.3.4.1. On-site drug screens will be conducted on all admitted consumers who give consent, unless the consumer has had a drug screen done at a referring acute facility or by Community Paramedics, and the results are available to the CSU staff prior to the consumer's discharge from CSU. The results of the drug screen will be recorded in the CSU chart, and provided to either the inpatient or outpatient treatment provider, at the time of discharge or transfer from CSU.
    - 1.3.4.2. The program will have a written procedure allowing for access to immediate medical care, including proximity to a hospital and a transfer agreement with that facility.

## 2. Medication Services

The CSU is intended to provide short-term crisis stabilization services. As a result, medications provided to CSU clients will target the improvement of the current crisis

rather than a long-term medication strategy. Medications may also be provided to continue medically necessary ongoing treatments for individuals already under outpatient care for certain conditions. All consumers receiving medication in the CSU will provide the prescriber with Informed Consent and will receive Medication Education about the prescribed medication, risk/benefits, and potential side effects. In some situations, based on the judgment of the prescriber, consumers may be given prescriptions to be filled after discharge in order to bridge a gap between the CSU stay and an upcoming outpatient appointment.

### 3. Collaborative Services

- 4.2 It is the responsibility of Contractor to effectively collaborate with community partners and resources, and in some cases establish clear Memorandum of Understanding agreements. County shall be a full partner with Contractor in negotiating key MOUs and will collaborate with Contractor regarding operation and design of services. County shall be an active partner in the ongoing operation of the service. Other collaborative services include:
- 3.1.1. Developing agreements with the local Emergency Departments for transfer of care is required. In addition, emergent medical conditions that develop while at the CSU shall require transfer to local Emergency Departments or other appropriate medical facilities.
  - 3.1.2. Collaboration with outpatient medical services in the community for general and specialty medical care that includes chronic medical conditions such as diabetes shall also be expected.
  - 3.1.3. Contractor shall develop and provide pharmaceutical services for clients being treated at the CSU. Relationships shall be developed with outpatient providers to ensure that the clients are able to access medication services seamlessly after discharge to the community from the CSU.
  - 3.1.4. Contractor shall coordinate with the County and their contracted providers to assure optimal care is provided to consumers. Consultations with outpatient treatment providers shall regularly occur. Thorough knowledge of existing community mental health and substance abuse treatment resources and referrals agreements will be necessary for disposition planning.
  - 3.1.5. Effective use of family member and peer resources and programming shall be expected.
  - 3.1.6. Transportation agreements for ambulance services transporting patients to the CSU shall be Contractor's responsibility.
  - 3.1.7. The Patient's Rights Advocate shall have access to provide advocacy and support services to consumers in the facility.
  - 3.1.8. Contractor shall collaborate with BHRS for any and all overflow agreements to other behavioral health units when at capacity.

## 4. **PROGRAM OUTCOMES**

- 4.1. Contractor shall work collaboratively with County to develop approaches and treatment strategies for individuals with frequent readmissions to the CSU to assist with them receiving services in the least restrictive setting.
- 4.2. Contractor shall track and report the CSU rates of readmission to County, and as part of the CSU program, provide effective discharge planning and achieve a readmission rate at or below 20% within 30 days.

- 4.3. Contractor shall provide evidence that a minimum of 60% of clients in CSU are prevented from being admitted to the PHF or are discharged to a lower level of care.
- 4.4. Contractor shall provide timely and efficient services that incorporate the goals of recovery-oriented care. Contractor shall administer a recovery measures tool to all individuals upon admission and discharge.
- 4.5. Contractor shall capture and report to County the following outcomes:
  - 4.5.1. Number of consumers served per month
  - 4.5.2. Frequency of critical incidents
  - 4.5.3. Consumer disposition at discharge
  - 4.5.4. Monthly summary of all drug testing results, in order to track how many consumers are positive for drug use, and which drugs are most likely to be abused.
  - 4.5.5. Cultural competency of services provided
  - 4.5.6. Recovery orientation of services delivered
  - 4.5.7. Recidivism
  - 4.5.8. Length of stay (reported in hours)
  - 4.5.9. Number of consumers retained over 24 hours and reason why
  - 4.5.10. Number of consumers diverted from inpatient hospitalization
  - 4.5.11. Collaboration with local system of care
  - 4.5.12. Consumer satisfaction
  - 4.5.13. Percentage of individuals who do not return for another crisis within 30 days.
  - 4.5.14. Percentage of individuals reporting that the stay was beneficial in resolving their mental health crisis

## EXHIBIT B

### Insurance Requirements for Professional Services

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

#### MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability**: If the Consultant or the Consultant's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under the Agreement Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.  
(Not required if consultant provides written verification it has no employees)
4. **Professional Liability** (Errors and Omissions) Insurance appropriate to the Consultant's profession, with limits not less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

#### ***Application of Excess Liability Coverage***

Consultants may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

#### ***Other Insurance Provisions***

The insurance policies are to contain, or be endorsed to contain, the following provisions:

### ***Additional Insured Status***

The County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL and the Auto policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability and Auto Liability coverage can be provided in the form of an endorsement to the Consultant's insurance (**at least** as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

### ***Primary Coverage***

For any claims related to this contract, the **Consultant's insurance coverage shall be primary** insurance primary coverage **at least** as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

**Reporting:** Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employee's, agents or volunteers.

### ***Notice of Cancellation***

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the County.**

### ***Waiver of Subrogation***

Consultant hereby grants to County a waiver of any right to subrogation (except for Professional Liability) which any insurer of said Consultant may acquire against the County by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

### ***Self-Insured Retentions***

Self-insured retentions must be declared to and approved by the County. The County may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County.

### ***Acceptability of Insurers***

Insurance is to be placed with California admitted insurers (licensed to do business in California) with a current A.M. Best's rating of no less than A-VII, however, if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Approved Surplus Line Insurers (LASLI) maintained by the California Department of Insurance.

**Claims Made Policies**

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for **at least** five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.

**Verification of Coverage**

Consultant shall furnish the County with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All **certificates and endorsements are to be received and approved by the County before work commences**. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant’s obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

**Subcontractors**

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that County is an additional insured on insurance required from subcontractors.

**Special Risks or Circumstances**

County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

**Insurance Limits**

The limits of insurance described herein shall not limit the liability of the Consultant and Consultant's officers, employees, agents, representatives or subcontractors. Consultant's obligation to defend, indemnify and hold the County, its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Consultant to procure and maintain a policy of insurance.

[SIGNATURES SET FORTH ON THE FOLLOWING PAGE]

\_\_\_\_\_ Exempt from Auto – I will not utilize a vehicle in the performance of my work with the County.

\_\_\_\_\_ Exempt from WC – I am exempt from providing workers' compensation coverage as required under section 1861 and 3700 of the California Labor Code.

I acknowledge the insurance requirements listed above.

Print Name: Faith Richie, SVP of Development Date: \_\_\_\_\_

Signature: Faith Richie Date: 9-19-18

Vendor Name: Telecare

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*For CEO-Risk Management Division use only*

Exception: N/A

Approved by CEO-Risk Management Division: Raven Watts Date: 8/23/2018

## EXHIBIT C-CONFIDENTIALITY AND INFORMATION SECURITY PROVISIONS FOR DIRECT SERVICE PROVIDERS

1. As a covered entity, 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 and with the privacy and security requirements of Title II of the Health Insurance Portability and Accountability Act of 1996, (Public Law 104-91), also known as "HIPAA", and Title XIII of the American Recovery and Reinvestment Act of 2009, (Public Law 111-5), "the ARRA/HITECH Act" or "the HITECH Act", as these laws may be subsequently amended, and implementing regulations enacted by the Department of Health and Human Services at 45 CFR Parts 160-164, and, regulations enacted with regard to the HITECH Act. The foregoing laws and rules are sometimes collectively referred to hereafter as "HIPAA".
2. Permitted Uses and Disclosures of IIHI by the Contractor.
  - A. *Permitted Uses and Disclosures.* Except as otherwise provided in this Agreement, the Contractor, may use or disclose IIHI 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.
  - B. *Specific Uses and Disclosures Provisions.* Except as otherwise indicated in the Agreement, the Contractor may:
    - (1) Use and disclose IIHI for the proper management and administration of the Contractor or to carry out the legal responsibilities of the Contractor, provided that such use and disclosures are permitted by law.
    - (2) Use IIHI to provide data aggregation services to County. Data aggregation means the combining of IIHI created or received by the Contractor for the purposes of this Agreement with IIHI received by the Contractor in its capacity as the Contractor of another HIPAA covered entity, to permit data analyses that relate to the health care operations of County.
3. Responsibilities of the Contractor.

The Contractor agrees:

- A. *Safeguards.* To prevent use or disclosure of IIHI other than as provided for by this Agreement. The 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 the 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 IIHI that it creates, receives, maintains, or transmits; and prevent the use or disclosure of IIHI other than as provided for by this Agreement. The Contractor shall provide County with information concerning such safeguards as County may reasonably request from time to time.

The Contractor shall restrict logical and physical access to confidential, personal (e.g., PHI) or sensitive data to authorized users only.

The Contractor shall not transmit confidential, personal, or sensitive data via e-mail or other Internet transport protocol over a public network.



The Contractor shall protect all the hardware and electronic media that contain electronic protected health information (EPHI). This includes, but is not limited to, personal computers, PDAs, laptops, storage systems, backup tapes, CD-ROM disks, and removable disks. EPHI shall not be stored on laptops except as a temporary measure when capturing or creating information in the field. Such information shall be encrypted for protection and deleted after printing or transfer to a secure network server.

Contractors that transmit EPHI outside the County wide area network (WAN) are responsible for ensuring the information is safeguarded by using encryption when using the public internet or a wireless device.

- B. *Mitigation of Harmful Effects.* To mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of IIHI by Contractor or its subcontractors in violation of the requirements of this Agreement.
- C. *Agents and Subcontractors of the Contractor.* To ensure that any agent, including a subcontractor to which the Contractor provides IIHI received from County, or created or received by the Contractor, for the purposes of this contract shall comply with the same restrictions and conditions that apply through this Agreement to the Contractor with respect to such information.
- D. *Notification of Electronic Breach or Improper Disclosure.* During the term of this Agreement, Contractor shall notify County immediately upon discovery of any breach of IIHI and/or data, where the information and/or data is reasonably believed to have been acquired by an unauthorized person. Immediate notification shall be made to the County BHRS Privacy Officer, within five (5) business days of discovery. 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 results of the investigation, including any corrective actions taken, and copies of all Notifications made as a result of the breach, to the BHRS Officer, postmarked within thirty (30) calendar days of the discovery of the breach to the address below:

**BHRS Privacy Officer  
Behavioral Health and Recovery Services  
800 Scenic Drive  
Modesto, CA 95320  
(209) 525-6225**

- E. *Employee Training and Discipline.* To train 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 IIHI; and discipline such employees who intentionally violate any provisions of this Agreement, including by termination of employment.

4. Termination.

- A. *Termination for Cause.* Upon County's knowledge of a material breach of this Agreement by Contractor, County shall either:

- (1) Provide an opportunity for Contractor to cure the breach or end the violation and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by County.
  - (2) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or
  - (3) If neither cure nor termination is feasible, the BHRS Privacy Officer shall report the violation to the DHCS Information Security Officer of the Department of Health Care Services.
- B. *Judicial or Administrative Proceedings.* County may terminate this Agreement, effective immediately, if (i) Contractor is found liable in a civil matter or guilty in a criminal proceeding for a violation of the HIPAA Privacy or Security Rule or (ii) a finding or stipulation is made, in an administrative or civil proceeding in which the Contractor is a party, that the Contractor has violated a privacy or security standard or requirement of HIPAA, or other security or privacy laws.
- C. *Effect of Termination.* Upon termination or expiration of this Agreement for any reason, Contractor shall return or destroy all IIHI received from County that Contractor still maintains in any form, and shall retain no copies of such IIHI or, if return or destruction is not feasible, it shall continue to extend the protections of this Agreement to such information, and limit further use of such IIHI to those purposes that make the return or destruction of such IIHI infeasible. This provision shall apply to IIHI that is in the possession of subcontractors or agents of the Contractor.
5. Miscellaneous Provisions.
- A. *Disclaimer.* County makes no warranty or representation that compliance by Contractor with this Agreement, HIPAA or the HIPAA regulations will be adequate or satisfactory for 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. Contractor is solely responsible for all decisions made by Contractor regarding the safeguarding of IIHI.
- B. *Assistance in Litigation or Administrative Proceedings.* Contractor shall make itself, and use its best efforts to make any subcontractors, employees or agents assisting Contractor in the performance of its obligations under this Agreement, available to County at no cost to County to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings against County, 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 Contractor or its subcontractor, employee, or agent is a 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 County or 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 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 Contractor under Section 5.B of this Exhibit 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.

## EXHIBIT D-STATEMENT OF COMPLIANCE

- A. Contractor agrees, unless specifically exempted, to comply with Government Code Section 12900 (a-f) and California Code of Regulations, Title 2, Division 4, Chapter 5 in matters relating to reporting requirements and the development, implementation and maintenance of a Nondiscrimination Program. Contractor agrees not to unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Employment of personnel shall be made solely on the basis of merit.
1. Action shall be taken to ensure applicants are employed, and employees are treated during employment, without regard to their race, religion, color, sex, national origin, age, physical or mental handicap. Such action shall include, but not be limited to, the following: Employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff; or apprenticeship. However, recruitment and employment of applicants shall reflect the ethnic and racial composition of the County, particularly those groups not previously, nor currently, having adequate representation in recruitment or hiring. There shall be posted, in conspicuous places, notices available to employees and applicants for employment provided by the County Officer responsible for contracts setting forth the provisions of the Equal Opportunity clause.
  2. All solicitations or advertisements for employees placed by or on behalf of Contractor and/or the subcontractor shall state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin, age, or physical or mental handicap.
  3. Each labor union or representative of workers with which the County and/or the subcontractor has a collective bargaining agreement, or other contract or understanding, must post a notice provided by the County Officer responsible for contracts, advising the labor union or workers representative of Contractor's commitments under this Equal Opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
  4. In the event of noncompliance with the discrimination clause of this contract or as otherwise provided by State and Federal law, this contract may be canceled, terminated or suspended, in whole or in part, and Contractor and/or the subcontractor may be declared ineligible for further State contracts in accordance with the procedures authorized in the Behavioral Health and Recovery Service's Complaint Process.
  5. All provisions of Paragraph 1 through this paragraph 5 will be included in every subcontract unless exempted by rules, regulations or orders of the Director of the Behavioral Health and Recovery Services so such provisions will be binding upon each subcontractor. Contractor will take such action with respect to any subcontract as the State may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, in the event Contractor becomes involved in, or is threatened with, litigation with a subcontractor as a result of such direction by the State, Contractor may request in writing to the State, who, in turn, may request the United States to enter into such litigation to protect the interest of the State and the United States.
- B. Services, benefits and facilities shall be provided to patients without regard to their race, color, creed, national origin, sex, age or physical or mental handicap, and no one will be refused service because of inability to pay for such services.
1. Nondiscrimination in Services, Benefits and Facilities: There shall be no discrimination in the provision of services because of color, race, creed, national origin, sex, age, or physical or mental handicap in accordance with Title VI of the Civil Rights Act of 1964, 42 U.S.C. Section 2000d, rules and regulations promulgated pursuant thereto, or as otherwise provided by State and Federal law. For the purpose of the contract, distinctions on the grounds of color, race, creed, national origin, sex, or age include, but are not limited to, the following: denying a participant any service or benefit to the participant which is different, or is provided in a different manner or at a different time, from that provided to other participants under this contract; subjecting a participant to segregation or separate treatment in any matter related to this receipt of any service; restricting a participant in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; treating a participant differently from others in determining whether he/she satisfied any admission, enrollment quota, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any service or benefit; the assignment of times or places for the provision of services on the basis of the race, color, creed, or national origin of the participants to be served. The County and all subcontractors will take action to ensure intended beneficiaries are provided services without regard to color, race, creed, national origin, sex, age, or physical or mental handicap.
  2. Procedure for Complaint Process: All complaints alleging discrimination in the delivery of services by the County and/or the subcontractor because of race, color, creed, national origin, sex, age, or physical or mental handicap, may be resolved by the State through the State Department of Health Care Services' Action Complaint Process.
  3. Notice of Complaint Process: The County and all subcontractors shall, subject to the approval of the Behavioral Health and Recovery Services, establish procedures under which recipients of the service are informed of their rights to file a complaint alleging discrimination or a violation of their civil rights with the State Department of Health Care Services.
- C. The County and any subcontractor will furnish all information and reports required by the Behavioral Health and Recovery Services and will permit access to books, records and accounts for purposes of investigation to ascertain compliance with above paragraphs.
- D. The County and all subcontractors assure all recipients of service are provided information in accordance with provisions of Welfare and Institutions Code, Sections 5325 and 5325.1, and Sections 5520 through 5550, Cal. Code Regs., tit. 9 §§ 860 through 868, and 42 CFR § 438.100 pertaining to their rights as patients, that the County has established a system whereby recipients of service may file a complaint for alleged violations of their rights.
- E. Contractor agrees to the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in all Federally-assisted programs or activities, as detailed in regulations signed by the Secretary of Health, Education and Welfare, effective June 3, 1977, and found in the Federal Register, Volume 42, Number 86, dated May 4, 1977.

**EXHIBIT E-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 beneficiaries. Medical necessity was established for each beneficiary for the services provided, for the timeframe in which the services were provided. A client plan was developed and maintained for each beneficiary that met all client plan requirements established by the MHP. For each beneficiary receiving day rehabilitation, day treatment intensive, or EPSDT supplemental specialty mental health services included in the claim, all requirements for MHP payment authorization have been met and reviews for such service or services were conducted prior to the initial authorization and any re-authorization periods as established by the MHP. All documentation for 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 services provided to 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

## **EXHIBIT F - DEPARTMENT OF HEALTH CARE SERVICES MENTAL HEALTH PLAN ADDITIONAL TERMS AND CONDITIONS**

To the extent the funds provided by the Department of Health Care Services (DHCS) are used under the Mental Health Plan, to provide Specialty Mental Health Services to beneficiaries of Stanislaus County, the following terms of this Exhibit are used and apply:

### **1. Service, Administrative and Operational Requirements**

Contractor shall have hours of operation during which services are provided to Medi-Cal beneficiaries that are no less than the hours of operation during which the Contractor offers services to non-Medi-Cal beneficiaries. If the Contractor only serves Medi-Cal beneficiaries, the Contractor shall offer hours of operation that are comparable to the hours the Contractor makes available for Medi-Cal services that are not covered.

### **2. Provider Selection and Certification**

- A. Contractor shall comply with provisions of 42 C.F.R. §§ 455.104, 455.105, 1002.203, 1002.3, which relate to the provision of information about provider business transactions and provider ownership and control, prior to entering into a contract and during certification or re-certification of the provider.
- B. Contractor shall comply with provisions of 42 C.F.R. § 438.214, which relates to the implementing of written policies and procedures for selection and retention of providers.
- C. Contractor will comply with provisions of 42 C.F.R Part 2, which relates to facilitating health integration and information exchange with new health care models, while continuing to protect the privacy and confidentiality of patients seeking treatment for substance abuse disorders.

### **3. Requirements for Day Treatment and Day Rehabilitation**

If the services to be delivered under the terms of this agreement include day treatment intensive or day rehabilitation, the Contractor shall have a written description of the day treatment intensive and/or day rehabilitation program that complies with the following:

- A. Contractor shall request payment authorization for day treatment intensive and day rehabilitation services in advance of service delivery under the following conditions:
  - 1) Day treatment or day rehabilitation will be provided for more than five days a week;
  - 2) At least every three months for continuation of day treatment intensive;
  - 3) At least every six months for continuation of day rehabilitation;
  - 4) Request authorization for mental health services, as defined in Cal. Code Regs. Tit. 9, §1810.227, provided concurrently with day treatment or day rehabilitation, excluding services to treat emergency and urgent conditions as defined in Cal.Code Regs., Tit.9, §1810.216 and §1810.253. These services shall be authorized with the same frequency as the concurrent day treatment intensive or day rehabilitation services.
- B. Contractor shall assure that the advance payment authorization function does not include staff involved in the provision of day treatment intensive, day rehabilitation services, or mental health services provided concurrent to day

treatment intensive or day rehabilitation services.

- C. Contractor shall meet the requirements of Cal.Code Regs. Tit. 9, § §1840.318, 1840.328, 1840.350 and 1840.352
- D. Contractor shall include, at a minimum, the following day treatment intensive and day rehabilitation service components:
  - 1) *Community meetings*. These meetings shall occur at least once a day to address issues pertaining to the continuity and effectiveness of the therapeutic milieu, and shall actively involve staff and beneficiaries. Relevant discussions items include, but are not limited to: the day's schedule, any current event, individual issues that beneficiaries or staff wish to discuss to elicit support of the group and conflict resolution. Community meetings shall:
    - 2) For day treatment intensive, include a staff person whose scope of practice includes psychotherapy;
      - a) For day rehabilitation, include a staff person who is a physician, a licensed/waivered/registered psychologist, clinical social worker, or marriage and family therapist, and a registered nurse, psychiatric technician, licensed vocational nurse or mental health rehabilitation specialist.
      - b) *Therapeutic milieu*. This component must include process groups and skill-building groups. Specific activities shall be performed by identified staff and take place during the scheduled hours of operation of the program. The goal of the therapeutic milieu is to teach, model and reinforce constructive interactions involving beneficiaries in the overall program. For example, beneficiaries are provided with opportunities to lead community meetings and to provide feedback to peers. The program includes behavior management interventions that focus on teaching self-management skills that children, youth, adults and older adults may use to control their own lives, to deal effectively with present and future problems, and to function well with minimal or no additional therapeutic intervention. Activities include, but are not limited to, staff feedback to beneficiaries on strategies for symptom reduction, increasing adaptive behaviors, and reducing subjective distress.
      - c) *Process groups*. These groups, facilitated by staff, shall assist each beneficiary to develop necessary skills to deal with his/her problems and issues. The group process shall utilize peer interaction and feedback in developing problem-solving strategies to resolve behavioral and emotional problems. Day rehabilitation may include psychotherapy instead of process groups, or in addition to process groups.
      - d) *Skill-building groups*. In these groups, staff shall help beneficiaries identify barriers related to their psychiatric and psychological experiences. Through the course of group interaction, beneficiaries identify skills that address symptoms and increase adaptive behaviors.

- e) *Adjunctive therapies.* These are therapies in which both staff and beneficiaries participate. These therapies may utilize self-expression, such as art, recreation, dance, or music as the therapeutic intervention. Participants do not need to have any level of skill in the area of self-expression, but rather be able to utilize the modality to develop or enhance skills directed toward achieving beneficiary plan goals. Adjunctive therapies assist the beneficiary in attaining or restoring skills which enhance community functioning including problem solving, organization of thoughts and materials, and verbalization of ideas and feelings. Adjunctive therapies provided as a component of day rehabilitation or day treatment intensive are used in conjunction with other mental health services in order to improve the outcome of those services consistent with the beneficiary's needs identified in the client plan,

E. Day treatment intensive shall additionally include:

- 1) *Psychotherapy.* Psychotherapy means the use of psychological methods within a professional relationship to assist the beneficiary or beneficiaries to achieve a better psychosocial adaptation, to acquire a greater human realization of psychosocial potential and adaptation, to modify internal and external conditions that affect individuals, groups or communities in respect to behavior, emotions and thinking, in respect to their intrapersonal and interpersonal processes. Psychotherapy shall be provided by licensed, registered, or waived staff practicing within their scope of practice. Psychotherapy does not include physiological interventions, including medication intervention.
  - 2) *Mental Health Crisis Protocol.* Contractor shall ensure that there is an established protocol for responding to beneficiaries experiencing a mental health crisis. The protocol shall assure the availability of appropriately trained and qualified staff and include agreed upon procedures for addressing crisis situations. The protocol may include referrals for crisis intervention, crisis stabilization, or other specialty mental health services necessary to address the beneficiary's urgent or emergency psychiatric condition (crisis services). If the protocol includes referrals, the day treatment intensive or day rehabilitation program staff shall have the capacity to handle the crisis until the beneficiary is linked to an outside crisis service.
  - 3) *Written Weekly Schedule.* Contractor shall ensure that a weekly detailed schedule is available to beneficiaries and as appropriate to their families, caregivers or significant support persons and identifies when and where the service components of the program will be provided and by whom. The written weekly schedule will specify the program staff, their qualifications, and the scope of their services.
- F. *Staffing requirements.* Staffing ratios shall be consistent with the requirements in Cal. Code Regs., tit. 9 §1840.350, for day treatment intensive, and Cal.Code Regs., tit. 9 §1840.352 for day rehabilitation. For day treatment intensive, staff shall include one staff person whose scope of practice includes psychotherapy.
- 1) Program staff may be required to spend time on day treatment intensive and day rehabilitation activities outside the hours of operation and therapeutic program (e.g., time for travel, documentation, and caregiver contacts).



- 2) At least one staff person shall be present and available to the group in the therapeutic milieu for all scheduled hours of operation.
  - 3) Day treatment intensive and day rehabilitation programs shall maintain documentation that enables the County and DHCS to audit the program if it uses day treatment intensive or day rehabilitation staff who are also staff with other responsibilities (e.g., as a staff of a group home, a school, or another mental health treatment program). There shall be documentation of the scope of responsibilities for these staff and the specific time in which day treatment intensive or day rehabilitation activities are being performed exclusive of other activities.
- G. If a beneficiary is unavoidably absent and does not attend all of the scheduled hours of the day rehabilitation or day treatment intensive program, Contractor will only receive Medi-Cal reimbursement if beneficiary is present for at least 50% of scheduled hours of operation for that day. A separate entry is required and shall be entered in the beneficiary record documenting the reason for the unavoidable absence and the total time (number of hours and minutes) the beneficiary actually attended the program that day. In cases where absences are frequent, Contractor is responsible for re-evaluating the beneficiary's need for the day rehabilitation or day treatment intensive program, and for taking appropriate action.
- H. *Documentation Standards.* Day treatment intensive and day rehabilitation shall meet the documentation standards described in Section 11 of the Department of Health Care Services Mental Health Plan, Exhibit A, Attachment 1, Documentation Standards. The documentation shall include the date of service, signature of person providing the service (or electronic equivalent), the person's type of professional degree, licensure or job title, date of signature and the total number of minutes/hours the beneficiary actually attended the program. For day treatment intensive these standards include daily progress notes on activities and a weekly clinical summary reviewed and signed by a physician, a licensed/waivered/registered psychologist, clinical social worker, or marriage and family therapist, or a registered nurse who is either staff to the day treatment intensive program or the person directing the services.
- I. Contractor shall ensure that day treatment intensive and day rehabilitation have at least one contact per month with a family member, caregiver or other significant support person identified by an adult beneficiary, or one contact per month with the legally responsible adult for a beneficiary who is a minor. This contact may be face-to-face, or by an alternative method (e.g., e-mail, telephone, etc.). Adult beneficiaries may decline this service component. The contacts should focus on the role of the support person in supporting the beneficiary's community reintegration. Contractor shall ensure that this contact occurs outside hours of operation and outside the therapeutic program for day treatment intensive and day rehabilitation.
- J. *Written Program Description.* Contractor shall ensure there is a written program description for day treatment intensive and day rehabilitation. The written program description must describe the specific activities of each service and reflects each of the required components of the services as described in this section.
- K. *Additional higher or more specific standards.* County shall retain the authority to set additional higher or more specific standards than those set forth in this contract, provided the County's standards are consistent with applicable state and federal laws and regulations and do not prevent the delivery of medically

necessary day treatment intensive and day rehabilitation.

L. *Continuous Hours of Operation.* Contractor shall apply the following when claiming for day treatment intensive and day rehabilitation services:

- 1) A half day shall be billed for each day in which the beneficiary receives face-to-face services in a program with services available four hours or less per day. Services must be available a minimum of three hours each day the program is open.
- 2) A full day shall be billed for each day in which the beneficiary receives face-to-face services in a program with services available more than four hours per day.
- 3) Although the beneficiary must receive face to face services on a full day or half day claimed, all service activities during that day are not required to be face-to-face with the beneficiary.
- 4) The requirement for continuous hours of operation does not preclude short breaks (for example, a school recess period) between activities. A lunch or dinner may also be appropriate depending on the program's schedule. Contractor shall not count these breaks toward the total hours of operation of the day program for purposes of determining minimum hours of service.

4. **Disclosures**

Contractor shall submit the disclosures below to the County BHRS Contracts Manager regarding the network providers' (disclosing entities') ownership and control. Contractor must submit updated disclosures to the BHRS Contracts Manager upon submitting the provider application, before entering into or renewing a contract with the County, and within 35 days after any change in the subcontract/network provider's ownership or upon request by the County.

A. Disclosures to be provided:

- 1) The name and address of any person (individual or corporation) with an ownership or control interest in the network provider. The address for corporate entities shall include, as applicable, a primary business address, every business location, and a P.O. Box address;
- 2) Date of birth and Social Security Number (in the case of an individual);
- 3) Other tax identification number (in the case of a corporation with an ownership or control interest in the managed care entity or in any subcontractor in which the managed care entity has a 5 percent or more interest);
- 4) Whether the person (individual or corporation) with an ownership or control interest in the Contractor's network provider is related to another person with ownership or control interest in the same or any other network provider of the Contractor as a spouse, parent, child or sibling; or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the managed care has a 5 percent or more interest is related to another person with ownership or control interest in the managed care entity as a spouse, parent, child, or sibling;
- 5) The name of any other disclosing entity in which the Contractor or subcontracting network provider has an ownership or control interest; and
- 6) The name, address, date of birth, and Social Security Number of any managing employee of the managed care entity.

B. *Disclosures Related to Business Transactions.* Contractor must submit disclosures and updated disclosures to the County including information regarding certain business transactions within 35 days, upon request.

- 1) The following information must be disclosed:
  - a) The ownership of any subcontractor with whom the Contractor has had business transactions totaling more than \$25,000 during the 12-month period ending on the date of the request; and,
  - b) Any significant business transactions between the Contractor and any subcontractor, during the 5 year period ending on the date of the request.

C. *Disclosures Related to Persons Convicted of Crimes.* Contractor shall submit the following disclosures to the County regarding the Contractor's management:

- 1) The identity of any person who is a managing employee of the Contractor who has been convicted of a crime related to federal health care programs. (42 C.F.R. § 455.106(a) (1), (2).)
- 2) The identity of any person who is an agent of the Contractor who has been convicted of a crime related to federal health care programs. (42 C.F.R. §455.106(a) (1), (2).) For this purpose, the word "agent" has the meaning described in 42 C.F.R. §455.101.
- 3) The Contractor shall supply the disclosures before entering into the contract and at any time upon the County's request.

5. **Beneficiary Liability for Payment**

Pursuant to Cal. Code Regs., tit.9, § 1810.365, the Contractor shall not submit a claim to, or demand or otherwise collect reimbursement from, the beneficiary or persons acting on behalf of the beneficiary for any specialty mental health or related administrative services provided under this contract, except to collect other health insurance coverage, share of cost, and co-payments. Consistent with 42 C.F.R. § 438.106, the Contractor or an affiliate, vendor, contractor, or sub-subcontractor of the Contractor shall not hold beneficiaries liable for debts in the event that the Contractor becomes insolvent, for costs of covered services for which the State does not pay the Contractor, for costs of covered services for which the State or the Contractor does not pay the providers, for costs of covered services provided under a contract, referral or other arrangement rather than from the Contractor, or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary with an emergency psychiatric condition.

6. **Audits and Recovery of Overpayments**

Contractor shall be subject to audits and/or reviews, including client record reviews, by the Department Health Care Services.

7. **Federal Equal Opportunity Requirements**

- A. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, drug abuse, alcohol abuse or alcoholism, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, drug abuse, alcohol abuse or alcoholism, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment

advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or DHCS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, drug abuse, alcohol abuse or alcoholism, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.

- B. The Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, drug abuse, alcohol abuse or alcoholism, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- C. The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- D. The Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212), The Drug Abuse Office and Treatment Act of 1972, as amended, The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616, as amended, and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- E. The Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

- F. In the event of the Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- G. The Contractor will include the provisions of Paragraphs A. through G. in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS, the Contractor may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

8. **Travel and Per Diem Reimbursement**

CONTRACTOR reimbursement for travel and per diem expenses under this agreement shall be no higher than the rates currently in effect, as established by the California Department of Personnel Administration (DPA), for non-represented state employees as stipulated in DHCS' Travel Reimbursement Information Exhibit. If the DPA rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary.

9. **Procurement Rules**

A. *Equipment/Property definitions*

Wherever the term equipment and/or property is used, the following definitions shall apply:

- 1) Major equipment/property: A tangible or intangible item having a base unit cost of \$5,000 or more with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.

- 2) Minor equipment/property: A tangible item having a base unit cost of less than \$5,000 with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this agreement.
- B. Nonprofit organizations and commercial businesses shall use a procurement system that meets the following standards:
- 1) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.
  - 2) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.
  - 3) Procurements shall be conducted in a manner that provides for all of the following:
    - a) Avoid purchasing unnecessary or duplicate items;
    - b) Equipment/property solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured;
    - c) Take positive steps to utilize small and veteran owned businesses.
  - 4) Unless waived or otherwise stipulated in writing by DHCS, prior written authorization from the appropriate DHCS Program Contract Manager and the BHRM Contracts Manager will be required before the Contractor will be reimbursed for any purchase of \$5,000 or more for commodities, supplies, equipment/property, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by DHCS, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
  - 5) In special circumstances, determined by DHCS (e.g., when DHCS has a need to monitor certain purchases, etc.), DHCS may require prior written authorization and/or submission of paid vendor receipts for any purchase, regardless of dollar amount, DHCS reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or subcontractor purchase that DHCS determined to be unnecessary in carrying out performance under this agreement.
  - 6) For all purchases, the Contractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor for inspection or audit.

10. **Equipment/Property Ownership/Inventory/Disposition**

- A. Unless otherwise stipulated, DHCS shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
  - B. The Contractor and/or Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.
  - C. In administering this provision, DHCS may require the Contractor and/or Subcontractor to repair or replace, to DHCS' satisfaction, any damaged, lost or stolen state equipment and/or property. In the event of state equipment and/or miscellaneous property theft, Contractor shall immediately file a theft report with the appropriate police agency and Contractor shall promptly submit one copy of the theft report to the BHRS Contracts Manager.
11. **Motor Vehicles**  
The purchase of a vehicle with DHCS funds under this agreement requires that a written request be submitted to the BHRS Contracts Manager and prior written BHRS department approval and authorization must be given prior to the purchase of vehicle.
12. **Income Restrictions**  
Unless otherwise stipulated in this Agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Agreement shall be paid by the Contractor to BHRS, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by BHRS under this Agreement.
13. **Audit and Record Retention**  
(Applicable to agreements in excess of \$10,000)
- A. The Contractor and/or Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
  - B. Contractor agrees that DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, CCR Title 2, Section 1896).
  - C. The Contractor and/or Subcontractor shall comply with the above

requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code § 10115.10, if applicable.

- D. The Contractor and/or Subcontractor may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or Subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

14. **Site Inspection**

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premise of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

15. **Federal Contract Funds**

(Applicable only to that portion of an agreement funded in part or whole with federal funds)

- A. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
- B. This agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms or funding of this Agreement in any manner.
- C. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

16. **Intellectual Property Rights**

- A. Except where DHCS has agreed in a signed writing to accept a license, DHCS shall be and remain, without additional compensation, the sole owner



of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.

- B. Contractor agrees to assign to DHCS all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor, or DHCS and which result directly or indirectly from this Agreement or any subcontract.

17. **Smoke-Free Workplace Certification**

(Applicable to federally funded agreements/grants and subcontracts/sub awards, that provide health, day care, early childhood development services, education or library services to children under 18 directly or through local governments.)

- A. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed.
- B. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.
- C. By signing this Agreement, Contractor or Grantee certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.

18. **Prohibited Use of State Funds for Software**

(Applicable to agreements in which computer software is used in performance of the work.)

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

19. **Use of Small, Minority Owned and Women's Businesses**

Positive efforts shall be made to use small businesses, minority-owned firms and women's business enterprises, whenever possible (i.e., procurement of goods and/or

services). Contractors shall take all of the following steps to further this goal.

- 1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- 2) Make information on forthcoming purchasing and contracting opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- 3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- 4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- 5) Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

20. **Alien Ineligibility Certification**

(Applicable to sole proprietors entering federally funded agreements)

By signing this Agreement, the Contractor certifies that he/she is not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act. (8 U.S.C. 1601, et seq.)

21. **Contract Uniformity (Fringe Benefit Allowability)**

(Applicable only to nonprofit organizations)

- A. Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, DHCS sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.
- B. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.  
As used herein, fringe benefits do not include:
  - 1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
  - 2) Director's and executive committee member's fees.
  - 3) Incentive awards and/or bonus incentive pay.

- 4) Allowances for off-site pay.
- 5) Location allowances.
- 6) Hardship pay.
- 7) Cost-of-living differentials.

C. Specific allowable fringe benefits include:

- 1) Fringe benefits in the form of employer contribution for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI) employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- 2) To be an allowable fringe benefit, the cost must meet the following criteria:
  - a) Be necessary and reasonable for the performance of the Agreement;
  - b) Be determined in accordance with generally accepted accounting principles;
  - c) Be consistent with policies that apply uniformly to all activities of the Contractor.
- 3) Contractor agrees that all fringe benefits shall be at actual cost.
- 4) Earned/Accrued Compensation
  - a) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See Example No. 1.
  - b) For multiple year agreements, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Example No. 2.
  - c) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Example No. 3.

*Example No. 1:*

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a

one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.

*Example No. 2:*

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks)

*Example No. 3:*

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to DHCS, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

22. **Lobbying Prohibition**

(Applicable to all sub awards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of \$100,000 or more)

Section 1352 of Title 31, U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract or agreement, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract or agreement, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract or agreement, grant, loan or cooperative agreement.

23. **Patient Rights**

Pursuant to 42 C.F.R. § 438.100, Contractor shall take beneficiaries rights into account when providing services, including the right to:

- A. Receive information in accordance with 42 C.F.R. § 438.10.
- B. Be treated with respect and with due consideration for his or her dignity and privacy.
- C. Receive information on available treatment options and alternatives, presented in a manner appropriate to the beneficiary's condition and ability to understand.
- D. Participate in decisions regarding his or her health care, including the right to refuse treatment.
- E. Be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation.
- F. Request and receive a copy of his or her medical records, and to request that

they be amended or corrected, as specified in 45 C.F.R. §§ 164.524 and 164.526.

- G. To be furnished services in accordance with 42 C.F.R. §§ 438.206 through 438.210.
- H. To freely exercise his or her rights, and the exercise of those rights will not adversely affect the way the Contractor and its providers or the Department treat the beneficiary.

24. **Officials Not to Benefit**

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

25. **Trafficking Victims Protection Act of 2000**

Contractor and its Subcontractors that provide services covered by this Agreement shall comply with Section 106(g) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7104(g)) as amended by section 1702. The County is authorized to terminate a contract, without penalty, if the contractor: (a) Engages in severe forms of trafficking in persons during the period of time that the award is in effect; (b) Procures a commercial sex act during the period of time that the award is in effect; or (c) Uses forced labor in the performance of the award and/or sub awards under the award.

**SECOND AMENDMENT  
TO PROVIDER AGREEMENT**

This Amendment is made and entered into in the City of Modesto, State of California, by and between the County of Stanislaus (hereinafter referred to as "County"), and Telecare Corporation, a California Corporation (hereinafter referred to as "Contractor"), effective as of the date of the last signature, for and in consideration of the premises, and the mutual promises, covenants, terms, and conditions hereinafter contained.

WHEREAS, County and Contractor entered into an agreement dated July 1, 2017 for the provision of operating the Stanislaus County Crisis Stabilization Unit (CSU); and

WHEREAS, the Agreement was amended June 29, 2018 to extend the Agreement an additional three (3) months, expiring on September 30, 2018, in order to continue operating the CSU without a disruption in services; and

WHEREAS, the original contract maximum amount of \$1,720,209 was not increased when the Agreement was extended and Contractor is now projected to exceed this amount prior to September 30, 2018.

NOW, THEREFORE, the Agreement is hereby amended to increase the contract maximum amount by \$430,803 for use during July 1, 2018 through September 30, 2018, bringing the total contract maximum from \$1,720,209 to \$2,151,012 and to increase Contractor's Federal Financial Participation (FFP) requirement by \$146,473, for the period of July 1, 2018 through September 30, 2018, bringing the total FFP requirement from \$584,871 to \$731,344. This amendment is incorporated into the Agreement as follows:

I. Exhibit A, Section 3 Billing and Payment, Item 3.2 is deleted in its entirety and replaced with the following:

3.2 In consideration of Contractor's provision of services required under the terms of this Agreement, County shall reimburse Contractor an amount not to exceed \$1,720,209 for use in Fiscal Year 2017-2018 and \$430,803 for the period of July 1, 2018 through September 30, 2018 for salaries, benefits and other operating costs. The contract maximum amount for all salaries, benefits and other operating costs shall not exceed \$2,151,012.

II. Exhibit A, Section 3 Billing and Payment, Item 3.5 is deleted in its entirety and replaced with the following:

3.5 County shall reimburse Contractor for any undisputed invoices, which County and Contractor agree represent the costs of delivering the services required under the terms of this Agreement for the period covered by the invoice, within 30 days of invoice receipt. Contractor agrees that the monthly invoices represent an estimate of the actual program costs and not a final settlement for the costs of delivering the services under the terms of this Agreement. Contractor understands that the maximum amount to be paid by the County during the term

of this Agreement is \$1,720,209 for use in Fiscal Year 2017-2018 and \$430,803 for July 1, 2018 through September 30, 2018, not to exceed the total contract maximum amount of \$2,151,012 during the term of this Agreement. Contractor shall manage the program operations and program costs to insure the provision of services for the full term of this Agreement.

III. Exhibit A, Section 3 Billing and Payment, Item 3.6 is deleted in its entirety and replaced with the following:

3.6 Contractor is expected to generate a minimum of \$584,871 in Medi-Cal Federal Financial Participation (FFP) in Fiscal Year 2017-2018 and \$146,473 for July 1, 2018 through September 30, 2018, which is in part the basis for funding this Agreement. The Net County Cost for the provision of services under the terms of this Agreement for Fiscal Year 2017-2018 shall be \$1,135,338, which is calculated by subtracting the FFP of \$584,871 from the Contract Maximum of \$1,720,209. The Net County Cost for the provision of services under the terms of this Agreement for July 1, 2018 through September 30, 2018 shall be \$284,330, which is calculated by subtracting the FFP of \$146,476 from the Contract Maximum amount of \$430,803


IV. All other terms and conditions of said Agreement shall remain in full force and effect.

(SIGNATURES SET FORTH ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have executed this Amendment on the date(s) shown below.


**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

 10-12-18  
Rick DeGette, MA, MFT Date  
Behavioral Health Director

\_\_\_\_\_  
Leslie Davis Date  
Senior Vice President and CFO

APPROVED AS TO FORM:  
John P. Doering, County Counsel

  
\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

BOS Action Item: October 9, 2018, 2018-0505




IN WITNESS WHEREOF, the parties have executed this Amendment on the date(s) shown below.

**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

\_\_\_\_\_  
Rick DeGette, MA, MFT                                  Date  
Behavioral Health Director

 8/20/18  
\_\_\_\_\_  
Leslie Davis    Date  
Senior Vice President and CFO

APPROVED AS TO FORM:  
John P. Doering, County Counsel

\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

BOS Action Item: October 9, 2018, 2018-0505

**LEASE AGREEMENT**  
**Telecare Corporation**  
**1080 Marina Village Parkway #100**  
**Alameda, CA 94501**

This lease agreement is made and entered into in the City of Modesto, State of California, by and between the **COUNTY OF STANISLAUS**, a political subdivision of the State of California and a body corporate and politic, hereinafter referred to as "Lessor", and **TELECARE CORPORATION**, a California corporation, hereinafter referred to as "Lessee", for and in consideration of the premises, and the mutual promises, covenants, and agreements as are hereinafter set forth, effective October 1, 2018.

1. Premises – Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, those certain premises in the County of Stanislaus, more particularly described as the Psychiatric Health Facility (PHF) building, consisting of 10,500 rentable square feet, part of the Stanislaus Recovery Services campus located at 1904 Richland Ave., Ceres, CA . The premise represents 26.62 percent of the space at the Stanislaus Recovery Services campus.
  
2. Rent – Lessee agrees to pay to Lessor rent for the said premises during the term hereof as follows: 1) \$32,272.81 per month, payable on the first calendar day of each month, for the use of the premises.
  
3. Term –
  - (A) The term of this lease shall be for a period of 9 months, commencing at 12:01 A.M. on October 1, 2018 and terminating at 11:59 P.M. on June 30, 2019. Lessor or Lessee may terminate this lease with or without cause prior to June 30, 2019, however the terminating party shall give the other thirty (30) days prior written notice of its intent to terminate this lease.
  
  - (B) Notwithstanding anything to the contrary in this Lease, the Term (including any obligation to pay the Consideration) shall coincide with the term of the organizational provider agreement between Licensee and County to operate the Psychiatric Health Facility –currently anticipated to be renewed effective starting on October 1, 2018- and shall terminate in the event the organizational provider agreement between the parties is terminated or expires or is not renewed.
  
4. Utilities -
  - (A) Lessor acknowledges that all utilities and any applicable real estate taxes are included in the rent payment referenced in Section 2.1 above, including, without limitation, water, sewer and garbage, gas and electricity, and as other specified in Section 4.
  
  - (B) Lessee shall pay for the furnishing of telephone, internet and cable/satellite services which may be used in or upon the premises during the term of this lease. Lessee shall contract directly with the respective companies and shall be solely responsible for making all such payments.

5. Use of the Premises – Lessee's use of the premises is for the purpose of operating the Telecare Stanislaus County Psychiatric Health Facility (PHF). Lessee shall not use or permit said premises to be used for any other purpose or purposes without first obtaining the written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed. In the event the separate contract between the County of Stanislaus and Telecare Corporation to operate the PHF is cancelled, not renewed or terminated for any reason, the lease shall automatically terminate and Lessee shall surrender the premises upon written request from the Lessor.
6. Waste or Nuisance – Lessee shall not commit or permit the commission by others of any waste on the premises; Lessee shall not maintain, commit or permit the maintenance or commission of any nuisance as defined in California Civil Code section 3479; and Lessee shall not use or permit the use of the premises for any unlawful purpose.
7. Maintenance and Security Services – Lessor is obligated to keep in good repair and maintain the leased premises including but not limited to the structure, walls, including glass, ceilings, roofs, floors, hall and entrance ways, sidewalks, parking spaces, heating equipment, cooling equipment, plumbing, lighting, (excluding light bulbs and tubes) and electrical wiring and fixtures. In addition, Lessor shall perform all landscape and parking lot maintenance and all common areas at the Stanislaus Recovery Services campus. Without limiting the foregoing, Lessor shall also provide exterior site security services. Lessee shall be responsible for repairs to the premises if damage was caused by Lessee's negligence or willful acts, or those of its staff, clients or visitors. Lessee shall keep and maintain the premises and the improvements on the premises in good order and repair and in as safe and clean a condition as when received from Lessor, reasonable wear and tear excepted.
8. Entry – Lessee shall permit Lessor or Lessor's authorized agents access to the premises at all reasonable times upon at least 48 hours prior notice (except in an emergency in which case immediate access shall be provided) for the purpose of inspection or for making necessary improvements or repairs.
9. Janitorial Services – Lessee shall, at its cost, furnish such janitorial service as it deems necessary for the premises.
10. Alterations – Lessee shall not make or permit any other person to make any alterations to the premises or any improvement thereon affecting the structural integrity of the Building without the prior written consent of the Lessor, which shall not be unreasonably withheld, conditioned or delayed. Lessee is not to remove any trees or structures located on the premises without the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed.
11. Notices – Notices given by this lease or by any law now or hereinafter in effect, may be given by enclosing the same in a sealed envelope addressed to the party for whom intended and by hand delivering or depositing such envelope, with postage prepaid, in the United States Post Office or any substation thereof, or any public letter box, and any such notice and the envelope containing the same shall be addressed as follows:

**Lessor: Stanislaus County  
Behavioral Health and Recovery Services  
Contract Services Manager**

**800 Scenic Drive  
Modesto, CA 95350**

**Lessee: Leslie Davis, Senior Vice President and CFO  
Telecare Corporation  
1080 Marina Village Parkway, #100  
Alameda, CA 95401**

12. Loss – Lessee agrees that should the demised premises be so badly damaged by fire, incidents of war, earthquake, or other violent action of the elements as to render them wholly unfit for Lessee’s occupancy and permitted use, then the lease shall, at Lessee’s reasonable discretion terminate upon written notice to Lessor whereupon Lessee shall surrender the premises and Lessee would not be liable for any further payments required under this lease. In the event of any lesser damage by any such cause, Lessor shall have the sole right to determine whether to restore the premises to the condition it was in immediately prior to the event causing the damage and shall notify Lessee of its decision within 30 days of the event. If Lessor should fail to timely notify Lessee in accordance with the foregoing sentence or decide to restore, but fails to pursue said restoration work with reasonable diligence to completion, Lessee may upon 7 days prior notice, terminate the lease and Lessee shall surrender the premises. In the event of partial destruction and if Lessor decides to restore the premises, all rent payments required by Lessee shall be abated proportionately to the amount of unusable space at the premises until the premises has been fully restored.
13. Trade Fixtures – Lessee may install such fixtures, equipment, and personal property as may be necessary and convenient for its operation. Such furnishings, equipment, and personal property may be removed at any time during Lessee's tenancy and shall not be considered part of the premises. Removal of such fixtures, equipment, and personal property shall be completed on or before the expiration of this lease or before the expiration of any extension or new lease. Removal of the same shall not unreasonably damage the premises, and if the premises shall be so damaged Lessee shall repair such damage at its own expense.
14. Insurance – Coverage Required: Lessee shall obtain, and maintain at all times during the term of this Agreement, insurance coverage in the amounts and coverage specified in the attached “Exhibit B”.
15. Waiver of Rights of Subrogation – Lessor and Lessee agree that in the event of loss due to any of the perils for which they have agreed to provide insurance, that each party shall look solely to its insurance for recovery. Lessor and Lessee hereby grant to each other on behalf of any insurer providing insurance to either of them with respect to the premises, a waiver of any right of subrogation which any insurer of one party may acquire against the other by virtue of payment of any loss under such insurance.
16. Indemnity – Lessee agrees to indemnify and hold Lessor harmless from all third party claims for damage or injury to property or persons occurring on or about the premises which are occasioned by the use of the premises and are caused by the act of the Lessee, its agents, or employees, except (i) as may arise from breach of the terms, covenants or conditions of this lease by Lessor; (ii) to the extent such claims or injuries

are covered either in full or in part by the insurance coverage required of and obtained by Lessee pursuant to Paragraph 16 hereof; (iii) to the extent caused by conditions existing on the Leased Premises prior to Commencement of the term; (iv) to the extent caused by acts or omissions of Lessor, its agents, employees or contractors; and (v) to the extent caused by the failure of Lessor to perform its obligations under this Lease.

Lessor agrees to indemnify and hold Lessee harmless from all claims for damage or injury to property or persons occurring on or about the premises which are occasioned by Lessor's (and its agents', employees' or contractors') management and/or operation of the building and all common areas, or any act or omission of Lessor or its agents or employees except (i) as may arise from breach of the terms, covenants or conditions of this lease by Lessee; (ii) to the extent such claims or injuries are covered either in full or in part by the insurance coverage obtained by Lessor; (iii) to the extent caused by acts or omissions of Lessee, its agents, employees or contractors; and (iv) to the extent caused by the failure of Lessee to perform its obligations under this Lease.

17. Inspections – If the premises, as described in Section 1, are cited by CAL/OSHA or any other Federal, State or County entity having jurisdiction over the premises, Lessor shall be required to abate said citations related to the premises as provided to the Lessee under this Agreement. If said citations are directly related to the occupancy of the Lessee, the Lessee shall be responsible to abate the citations. Should Lessor, at its sole discretion, determine that the abatement costs do not merit the continuance of the lease, Lessor may terminate the lease with 90 days' notice to Lessee. Lessor hereby represents and warrants that, to the best of its knowledge, as of the commencement date of this lease, the premises conforms with all legal requirements (including ADA) and does not contain any hazardous materials. Lessor shall deliver the premises in a clean, safe, dry and tenantable condition and in good order and repair, including electrical, plumbing and all other facilities serving the premises on the commencement date.
18. Surrender – Lessee shall surrender the premises to Lessor at the expiration of this lease or any exercised option period in as good a condition as at the commencement of it, excepting reasonable wear and tear, damages and destruction by the elements, or other persons.
19. Attorney's Fees. In the event that either party hires an attorney to enforce the terms of this lease, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.
20. Quiet Enjoyment. Lessor warrants that so long as Lessee complies with all terms of this lease it shall be entitled to peaceable and undisturbed possession of the premises free from any eviction or disturbance by Lessor.
21. Force Majeure. Neither party shall be deemed in default for the nonperformance or for any interruption or delay in performance of any of the terms, covenants and conditions of this lease if the same shall be due to any labor dispute, strike, lockout, civil commotion or like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain labor, services or materials, or through act of God or causes beyond the reasonable control of that party, provided such cause is not due to the willful act or neglect of that party.
22. Representations and Indemnities of Broker Relationships. Lessee and Lessor each represents and warrant to the other that it has had no dealings with any person, firm, broker or finder in connection with this lease, and that no one is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby

- agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such broker, finder or other similar party by reason of any dealings or actions of the indemnifying party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.
23. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.
  24. Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.
  25. Recording. Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Lease for recording purposes. The party requesting recordation shall be responsible for payment of any fees applicable thereto.
  26. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
  27. Default. If either party defaults in the performance of any of the terms, covenants and conditions of this Lease, the non-defaulting party shall promptly notify the defaulting party in writing. If the defaulting party fails to cure such default within thirty (30) days after receipt of such notice, or if the default is of such character as to require more than thirty (30) days to cure and the defaulting party fails to commence to cure within thirty (30) days after receipt of such notice and thereafter diligently proceed to cure such default then, in either such event the non-defaulting party, at its option, may, to the extent permitted by the law: (i) cure such default and setoff or deduct any expense so incurred from the rent or other amounts due, (ii) cancel and terminate this lease and/or (iii) bring an action against the defaulting party, at law or in equity, arising out of such breach.
  28. Holding Over. In case Lessee holds over beyond the end of the Term herein provided, with the consent expressed or implied of Lessor, such lease shall be from month to month only, subject to the terms and conditions of this Lease Agreement, but shall not be a renewal thereof, and the rent to be paid therefore shall be at the rate prevailing under the terms of this Agreement.
  29. Duplicate Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

(SIGNATURES SET FORTH ON FOLLOWING PAGE)

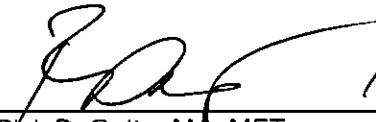
IN WITNESS WHEREOF the parties have executed this Agreement on the date(s) shown below.

**LESSOR**

**LESSEE**

**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

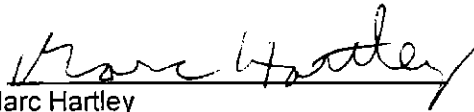
  
Rick DeGette, MA, MFT  
Director

10-12-18  
Date

Leslie Davis  
Senior Vice President / Chief Financial  
Officer

Date

APPROVED AS TO FORM:  
John P. Doering, County Counsel

  
Marc Hartley  
Deputy County Counsel

BOS Action Item: October 9, 2018 2018-0505

IN WITNESS WHEREOF the parties have executed this Agreement on the date(s) shown below.

**LESSOR**

**LESSEE**

**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**


\_\_\_\_\_  
Rick DeGette, MA, MFT  
Director

Date

*Faith Richie* *9-19-18*  
\_\_\_\_\_  
~~Leslie Davis~~ **Faith Richie** Date  
Senior Vice President / ~~Chief Financial~~  
~~Officer~~ **of Development**

APPROVED AS TO FORM:  
John P. Doering, County Counsel

\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

  
*8/15/18*

BOS Action Item: \_\_\_\_\_



**EXHIBIT A**

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## EXHIBIT B

### Insurance Requirements for Lessees

(Not for Daily or Short Term Rentals)

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

#### MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease (for lessees with employees).
3. **Property** insurance against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If the Lessee maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

**Application of Excess Liability Coverage:** Lessees may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

#### **Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

#### **Additional Insured Status**

The County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Lessee including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Lessee's insurance **at least** as broad as ISO Form CG 20 10.

**Primary Coverage**

For any claims related to this contract, the Lessee's insurance coverage shall be primary insurance coverage **at least** as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.

**Reporting**

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

**Notice of Cancellation**

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the County.

**Waiver of Subrogation**

Lessee hereby grants to County a waiver of any right to subrogation which any insurer of said Lessee may acquire against the County by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

**Self-Insured Retentions**

Self-insured retentions must be declared to and approved by the County. At the option of the County, either: the Lessee shall obtain coverage to reduce or eliminate such self-insured retentions as respects the County, its officers, officials, employees, agents and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County.

**Acceptability of Insurers**

Insurance is to be placed with California admitted insurers (licensed to do business in California) with a current A.M. Best's rating of no less than A-VII, however, if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Approved Surplus Line Insurers (LASLI) maintained by the California Department of Insurance.

**Verification of Coverage**

Lessee shall furnish the County with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required above. All certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

***Special Risks or Circumstances***

County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

***Insurance Limits***


The limits of insurance described herein shall not limit the liability of the Lessee and Lessee's officers, employees, agents, representatives or subcontractors. Lessees' obligation to defend, indemnify and hold the County, it's officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Lessees to procure and maintain a policy of insurance.

[SIGNATURES SET FORTH ON THE FOLLOWING PAGE]


\_\_\_\_\_ Exempt from WC – I am exempt from providing workers' compensation coverage as required under section 1861 and 3700 of the California Labor Code.

I acknowledge the insurance requirements listed above.

Print Name: Faith Richie Date: 9-19-18

Signature:  Date: 9-19-18

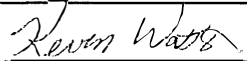
Vendor Name: Telecare (CSU agreement)

  
9/15/18

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*For CEO-Risk Management Division use only*

Exception: Property insurance requirement excludes earthquake and flood coverage.

Approved by CEO-Risk Management Division:  Date: 8/23/2018

**LICENSE AGREEMENT  
COUNTY OF STANISLAUS AS LICENSOR**

THIS AGREEMENT is dated October 1, 2018, ("Effective Date"), by and between the County of Stanislaus, a political subdivision of the State of California ("County" or "Licensor"), and Telecare Corporation, a California corporation ("Licensee").

WHEREAS, Licensee seeks to acquire the right and Licensor seeks to grant the right for Licensee to enter upon and use County's property located at the Crisis Stabilization Unit, 1904 Richland Avenue, Ceres, CA 95307, (the "Premises"), more particularly described in the attached Exhibit "A", which is incorporated by reference, for the purpose specified in Paragraph 1 below.

NOW, THEREFORE, intending to be legally bound, the parties agree as follows:

1. Use. County hereby grants to Licensee, its officers, employees, agents and contractors, a non-exclusive revocable License to enter upon and use the Premises and the right of ingress and egress to and from the Premises, subject to the terms and conditions herein, for the purpose of operating a Crisis Stabilization Unit (the "CSU"). Licensee's space is for use only as a Crisis Stabilization Unit to provide crisis stabilization, medication services, and counseling and related services to clients who are in crisis. Licensee will work collaboratively with the County CERT team to accept referrals to the CSU. Licensee shall not engage in any other use without the express written permission of Licensor, which shall not be unreasonably withheld, conditioned or delayed.
  
2. Term. This License shall commence on the Effective Date, and shall continue until June 30, 2019 ("Term"). Notwithstanding the foregoing, Licensor or Licensee may terminate this License at any time by giving the other party thirty (30) days' written notice. At the expiration or earlier termination of this License, Licensee shall immediately cease use of the Premises and surrender the Premises in as good condition as at the commencement of this Agreement (e.g. by removal of any trade fixtures and furnishings installed by Licensee), excepting reasonable wear and tear.

Notwithstanding anything to the contrary in this License, the Term (including any obligation to pay the Consideration) shall coincide with the term of the organizational provider agreement between Licensee and County to operate the Crisis Stabilization Unit –currently anticipated to be renewed effective starting on October 1, 2018- and shall terminate in the event the organizational provider agreement between the parties is terminated or expires or is not renewed.

3. Consideration. As total consideration for this License, Licensee shall pay to Licensor \$7,747.57 per month which includes space costs, utilities, janitorial services, landscaping and maintenance payable no later than the first day of the month to Stanislaus County Behavioral Health and Recovery Services, A/P Department, 800 Scenic Drive, Modesto, CA 95350.
4. Conditions and Privileges Applicable to License. This License is subject to all existing covenants, conditions, reservations, contracts, leases, licenses, easements, encumbrances, restrictions and rights of way with respect to the Premises, whether or not of record. Licensor shall designate the offices or areas/spaces for Licensee to occupy and furnish in order to engage in the permitted use. Licensor shall supply office furniture, partitions, and telephones for all areas/spaces. Licensor shall supply and make available data and telecommunications wiring and adequate connections, electricity, and lighting, to enable Licensee to engage in the use. Licensee shall have access to and use of the common areas of the Premises (e.g. hallways, stairways, conference room, breakroom and appliances, outdoor walkways, restrooms). Licensor shall provide vehicle parking areas for Licensee's officers and employees corresponding in number to Licensee's use of Premises, which number and designated area(s) shall be further agreed upon by the parties.
5. No Transfer or Assignment. This License is personal to Licensee. Any attempt to transfer or assign this License without Licensor's prior written consent shall terminate it.
6. Permits and Regulations. Licensee and its officers, employees, agents, and contractors, shall be responsible for securing any required licenses or permits from any federal, state or local agencies, and shall comply with all applicable laws, ordinances, and regulations in connection with the use.
7. No Interference. Licensee shall make commercially reasonable efforts not to interfere with the normal operation and activities of Licensor, and Licensee shall conduct its activities on the Premises to minimize damage to the Premises and inconvenience to Licensor, its agents, employees and invitees.
8. Repair and Restoration. If Licensee, its officers, employees, agents or contractors, cause any damage to the Premises, or to Licensor's roads, parking lots, infrastructure or other property and improvements (collectively "Property") in connection with the exercise of this License, Licensee shall repair and restore the Premises and Property to their original condition prior to Licensee's vacating the Premises pursuant to this License, reasonable wear and tear excepted. Licensee shall perform the repair and restoration required hereunder prior to the expiration of this License, or within ten (10) days of the earlier termination of Licensee's rights hereunder. In the event that repair and

restoration is performed following the termination this License, the Licensee's Indemnity and Insurance obligations in Sections 14 and 15 shall continue until repair and restoration is completed as provided herein.

9. Asbestos Notification. In September 1989, the Governor of California signed AB 1564, an asbestos notification law, codified in Section 25915 et seq. of the Health & Safety Code. Section 25915(a) states:

“Notwithstanding any other provisions of the law, the owner of any building constructed prior to 1979, who knows that the building contains asbestos-containing construction materials, shall provide notice to all employees of that owner working within the building.”

Should Licensor know of any asbestos-containing material, Licensor will notify Licensee within ten (10) days.

10. Alterations. Licensee agrees not to make any alterations or install any fixtures (other than trade fixtures) or improvements in or on the Premises without first securing the consent of Licensor. Installation and removal of such fixtures or improvements shall not damage or deface the Premises, and if the Premises be so damaged, Licensee shall repair such damage at its own expense upon removal, reasonable wear and tear excepted.
11. Default, Cure, and Breach. In the event that either party is in default of any of its obligations under this License, the non-defaulting party shall send the other party written notice specifying the nature of such breach. The defaulting party shall have ten (10) days from the receipt of such notice within which to cure such default. If more time is reasonably required for cure performance, then the defaulting party shall notify the non-defaulting party in writing of its proposed schedule for such performance and commence performance within such ten (10) day period; thereafter, the defaulting party shall diligently proceed with the cure performance to completion. If the defaulting party fails to cure or to commence cure within such ten (10) day period, then the defaulting party shall be in breach of this licensing agreement. The non-defaulting party shall have the right to terminate this License immediately by serving written notice of termination. The non-defaulting party shall have all rights and remedies available under California law including, but not limited to, actions for damages and specific performance, for any breach of the defaulting party's obligations hereunder.
12. Amendment in Writing. This License supersedes any and all prior understandings and agreements, whether written or oral, between the parties with respect to the subject matter of this License. No alteration or amendment of this License shall be valid unless made in writing and signed by Licensor and Licensee.



13. Notice. Any notice required hereunder shall be in writing and shall be addressed as follows:

Licensors: Stanislaus County  
Behavioral Health and Recovery Services  
Attn: Contract Services Manager  
800 Scenic Drive  
Modesto, CA 95350

Licensee: Telecare Corporation  
Attn: Leslie Davis, Senior Vice President / CFO  
1080 Marina Village Parkway, #100  
Alameda, CA 94501

or to such other address as either party may indicate in a written notice to the other. All notices and communications given under this License Agreement shall be deemed to have been duly given and received: (i) upon personal delivery, or (ii) as of the third business day after deposit with the United States Postal Service, postage prepaid.

14. Indemnification. Licensee shall indemnify, defend, and hold harmless Licensors, its officers, agents and employees, from and against any claims, damages, costs, expenses, or liabilities (collectively "Claims") arising out of or in any way connected with this License including, without limitation, Claims for loss or damage to any property, or for death or injury to any person or persons but only and to the extent that such Claims arise from the negligent or intentional acts or omissions of Licensee, its officers, agents, partners, invitees, or employees. Licensors shall indemnify, defend, and hold harmless Licensee, its officers, agents and employees, from and against any claims, damages, costs, expenses, or liabilities (collectively "Claims") arising out of or in any way connected with this License including, without limitation, Claims for loss or damage to any property, or for death or injury to any person or persons but only and to the extent that such Claims arise from the negligent or intentional acts or omissions of Licensors, its officers, agents, partners, invitees, or employees.

15. Insurance.

Coverage Required: Contractor shall obtain and maintain at all times during the term of this Agreement, insurance coverage in the amounts and coverage specified in the attached "Exhibit B".

16. Lien Free Condition. Licensee shall not cause or permit any liens to be placed against the Premises or against Licensors' other property as a result of Licensee's exercise of

rights under this License. In the event of the filing of any such liens, Licensee shall promptly cause such liens to be removed. In no event shall such lien removal require more than thirty (30) days.

17. Holding Over. In case Lessee holds over beyond the end of the Term herein provided, with the consent expressed or implied of Lessor, such lease shall be from month to month only, subject to the terms and conditions of this Lease Agreement, but shall not be a renewal thereof, and the rent to be paid therefore shall be at the rate prevailing under the terms of this Agreements.
18. Duplicate Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

(SIGNATURES SET FORTH ON FOLLOWING PAGE)


IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Agreement on the day and year of the last signature set forth below.

**LICENSOR**

**LICENSEE**

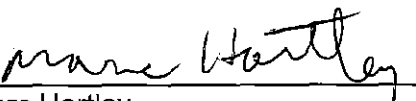
**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

  
\_\_\_\_\_  
Rick DeGette, MA, MFT                      Date  
Behavioral Health Director

\_\_\_\_\_  
Leslie Davis                                      Date  
Senior Vice President/Chief Financial  
Officer

APPROVED AS TO FORM  
John P. Doering, County Counsel

  
\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

BOS Action Item: October 9, 2018 , 2018-0505

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Agreement on the day and year of the last signature set forth below.

**LICENSOR**

**LICENSEE**


**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

\_\_\_\_\_  
Rick DeGette, MA, MFT      Date  
Behavioral Health Director

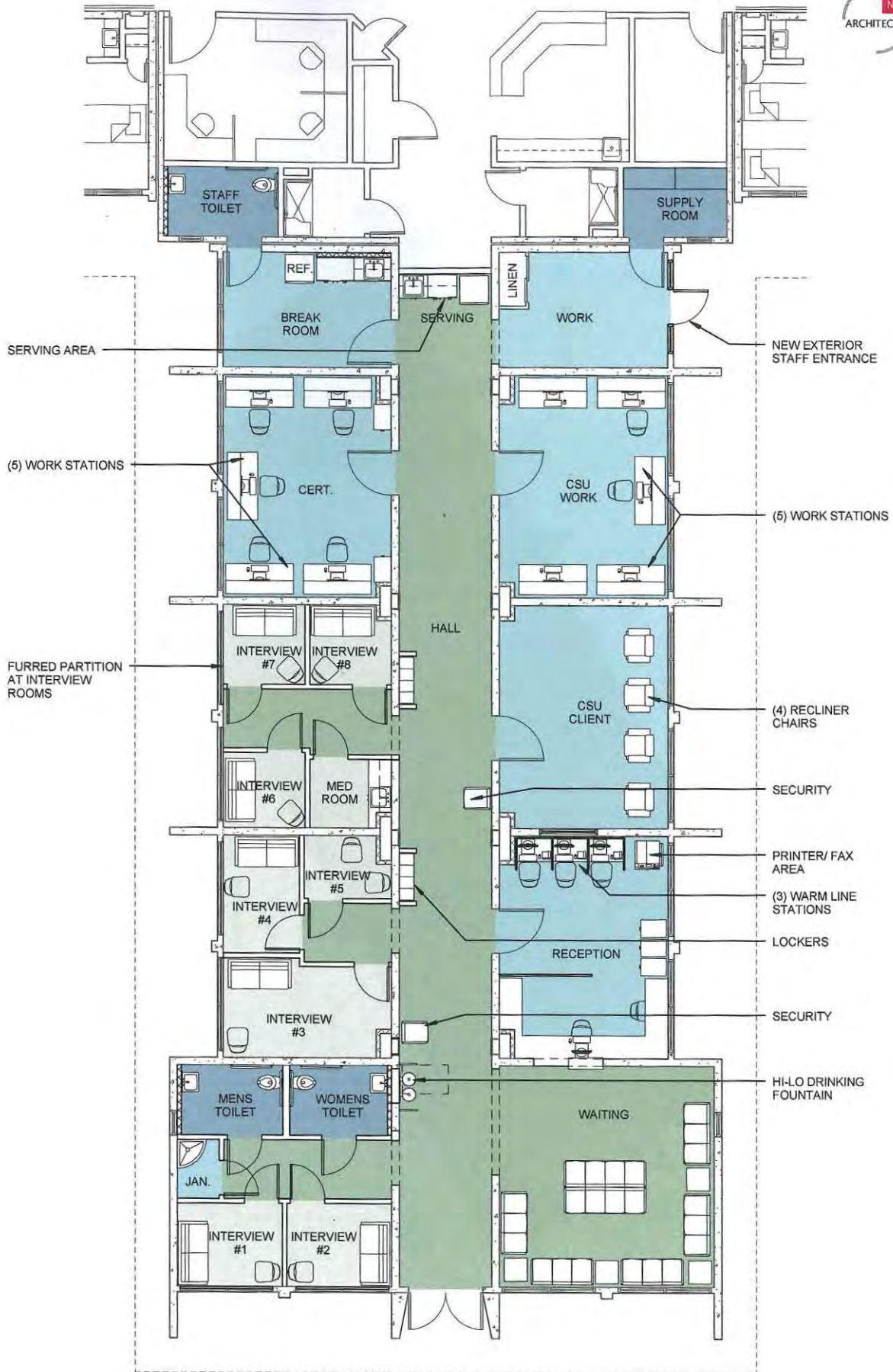
*Faith Richie*      9-19-18  
~~Leslie Davis~~ *Faith Richie*      Date  
Senior Vice President/~~Chief Financial~~  
~~Officer~~ *of Development*

APPROVED AS TO FORM  
John P. Doering, County Counsel

  
9/15/18

\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

BOS Action Item: October 9, 2018 2018-0505



## EXHIBIT B

### Insurance Requirements for Lessees

(Not for Daily or Short Term Rentals)

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

#### MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease (for lessees with employees).
3. **Property** insurance against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If the Lessee maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

**Application of Excess Liability Coverage:** Lessees may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

#### **Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

#### **Additional Insured Status**

The County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Lessee including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Lessee's insurance **at least** as broad as ISO Form CG 20 10.

**Primary Coverage**

For any claims related to this contract, the Lessee's insurance coverage shall be primary insurance coverage **at least** as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.

**Reporting**

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

**Notice of Cancellation**

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the County.

**Waiver of Subrogation**

Lessee hereby grants to County a waiver of any right to subrogation which any insurer of said Lessee may acquire against the County by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

**Self-Insured Retentions**

Self-insured retentions must be declared to and approved by the County. At the option of the County, either: the Lessee shall obtain coverage to reduce or eliminate such self-insured retentions as respects the County, its officers, officials, employees, agents and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County.

**Acceptability of Insurers**

Insurance is to be placed with California admitted insurers (licensed to do business in California) with a current A.M. Best's rating of no less than A-VII, however, if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Approved Surplus Line Insurers (LASLI) maintained by the California Department of Insurance.

**Verification of Coverage**

Lessee shall furnish the County with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required above. All certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

***Special Risks or Circumstances***

County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

***Insurance Limits***

The limits of insurance described herein shall not limit the liability of the Lessee and Lessee's officers, employees, agents, representatives or subcontractors. Lessees' obligation to defend, indemnify and hold the County, it's officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Lessees to procure and maintain a policy of insurance.

[SIGNATURES SET FORTH ON THE FOLLOWING PAGE]




\_\_\_\_\_ Exempt from WC – I am exempt from providing workers' compensation coverage as required under section 1861 and 3700 of the California Labor Code.

I acknowledge the insurance requirements listed above.

Print Name: Faith Richie Date: 9-19-18

Signature:  Date: 9-19-18

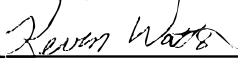
Vendor Name: Telecare (PHF agreement)

  
9/15/19

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*For CEO-Risk Management Division use only*

Exception: Property insurance requirement excludes earthquake and flood coverage.

Approved by CEO-Risk Management Division:  Date: 8/23/2018

**AMENDMENT 1.A  
TO PROVIDER AGREEMENT**

This Amendment is made and entered into in the City of Modesto, State of California, by and between the County of Stanislaus (hereinafter referred to as "County"), and Telecare Corporation, a California Corporation (hereinafter referred to as "Contractor"), effective as of September 29, 2018, for and in consideration of the premises, and the mutual promises, covenants, terms, and conditions hereinafter contained.

WHEREAS, County and Contractor entered into an agreement dated July 1, 2017 for the provision of operating the Stanislaus County Psychiatric Health Facility (PHF); and

WHEREAS, the Agreement was amended June 29, 2018, to extend the Agreement an additional three (3) months in order to continue operating the PHF without a disruption in services: and

WHEREAS, the Agreement is scheduled to expire September 30, 2018, and the Stanislaus County Board of Supervisors is unable to review the Board Agenda Item for approval of a new Agreement until October 9, 2018; and

WHEREAS, Contractor is needed to continue providing such services in order to continue operating the PHF without a disruption in services and County wishes to extend the Agreement through October 31, 2018.

NOW, THEREFORE, the Agreement is hereby amended to extend the term through October 31, 2018. This amendment is incorporated into the Agreement as follows:

I. Exhibit A, Item 4, Term, is deleted in its entirety and replaced with the following:

These services shall commence on July 1, 2017, and continue through the earlier of the date of execution of a new Agreement, or October 31, 2018.

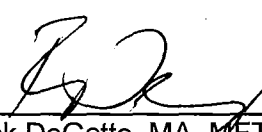
II. All other terms and conditions of said Agreement shall remain in full force and effect.

(SIGNATURES SET FORTH ON FOLLOWING PAGE).

IN WITNESS WHEREOF, the parties have executed this Amendment on the date(s) shown below.

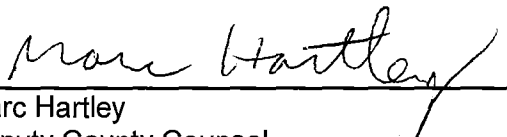
**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

  
\_\_\_\_\_  
Rick DeGette, MA, MFT      9-20-18      Date  
Behavioral Health Director

\_\_\_\_\_  
Leslie Davis      Date  
Senior Vice President and CFO

APPROVED AS TO FORM:  
John P. Doering, County Counsel

  
\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

IN WITNESS WHEREOF, the parties have executed this Amendment on the date(s) shown below.

**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

\_\_\_\_\_  
Rick DeGette, MA, MFT                      Date  
Behavioral Health Director

*[Handwritten Signature]*      9/27/18  
\_\_\_\_\_  
Leslie Davis                                  Date  
Senior Vice President and CFO

APPROVED AS TO FORM:  
John P. Doering, County Counsel

\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

**AMENDMENT 1.A  
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This Amendment is made and entered into in the City of Modesto, State of California, by and between the County of Stanislaus (hereinafter referred to as "County"), and Telecare Corporation, a California Corporation (hereinafter referred to as "Contractor"), effective as of September 29, 2018, for and in consideration of the premises, and the mutual promises, covenants, terms, and conditions hereinafter contained.

WHEREAS, County and Contractor entered into an agreement dated July 1, 2017 for the provision of operating the Stanislaus County Crisis Stabilization Unit (CSU); and

WHEREAS, the Agreement was amended June 29, 2018, to extend the Agreement an additional three (3) months in order to continue operating the CSU without a disruption in services; and

WHEREAS, the Amendment is scheduled to expire September 30, 2018 and the Stanislaus County Board of Supervisors is unable to review the Board Agenda Item for approval of a new Agreement until October 9, 2018; and

WHEREAS, Contractor is needed to continue providing such services in order to continue operating the CSU without a disruption in services and County wishes to extend the Agreement through October 31, 2018.

NOW, THEREFORE, the Agreement is hereby amended to extend the term through October 31, 2018. This amendment is incorporated into the Agreement as follows:


- I. Exhibit A, Item 4, Term, is deleted in its entirety and replaced with the following:
  4. These services shall commence on July 1, 2017, and continue through the earlier of the date of execution of a new Agreement, or October 31, 2018.
- II. All other terms and conditions of said Agreement shall remain in full force and effect.

(SIGNATURES SET FORTH ON FOLLOWING PAGE)

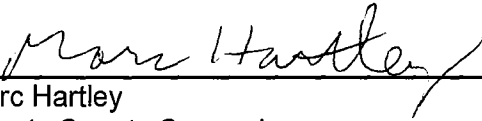
IN WITNESS WHEREOF, the parties have executed this Amendment on the date(s) shown below.

**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

  
\_\_\_\_\_  
Rick DeGette, MA, MFT    Date    Leslie Davis    Date  
Behavioral Health Director    Senior Vice President and CFO

APPROVED AS TO FORM:  
John P. Doering, County Counsel


  
\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel

IN WITNESS WHEREOF, the parties have executed this Amendment on the date(s) shown below.

**COUNTY OF STANISLAUS  
BEHAVIORAL HEALTH AND  
RECOVERY SERVICES**

**TELECARE CORPORATION**

\_\_\_\_\_  
Rick DeGette, MA, MFT                                  Date  
Behavioral Health Director

 9/27/18  
\_\_\_\_\_  
Leslie Davis    Date  
Senior Vice President and CFO

APPROVED AS TO FORM:  
John P. Doering, County Counsel

\_\_\_\_\_  
Marc Hartley  
Deputy County Counsel