

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND  
TELECARE CORPORATION**

THIS AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_ ,  
20\_\_\_\_\_, by and between the COUNTY OF SAN MATEO, hereinafter called "County,"  
and Telecare Corporation, hereinafter called "Contractor";

**W I T N E S S E T H:**

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of the professional services hereinafter described for the Aging and Adult Services, Behavioral Health and Recovery Services and Public Health divisions of the Health System.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

**1. Exhibits and Attachments**

The following exhibits and attachments are included hereto and incorporated by reference herein:

Exhibit A—Services  
Exhibit B—Payments and Rates  
Exhibit C—License Agreement  
Exhibit D—Contractor's FY 2012-15 Budget  
Exhibit E—County Equipment  
Attachment C—Election of Third Party Billing Process  
Attachment D—Payor Financial Form  
Attachment I—§ 504 Compliance

**2. Services to be performed by Contractor**

In consideration of the payments set forth herein and in Exhibit "B," Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

**3. Payments**

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," County shall make

payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this Agreement exceed TWENTY-TWO MILLION FOUR HUNDRED THIRTY-FIVE THOUSAND SEVEN HUNDRED FIFTY-EIGHT DOLLARS (\$22,435,758).

#### **4. Term and Termination**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from July 1, 2012 through June 30, 2015.

This Agreement may be terminated by Contractor, the Chief of the Health System or designee at any time without a requirement of good cause upon thirty (30) days' written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the County and shall be promptly delivered to the County. Upon termination, the Contractor may make and retain a copy of such materials. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

#### **5. License**

In consideration of services provided under this Agreement, in addition to payments as described in Section 3 and in Exhibit B, Contractor shall have use and possession of the Cordilleras Mental Health Center facility as described in License Agreement, Exhibit C.

#### **6. Equipment**

- A. It is hereby agreed that those equipment items and other materials listed in Exhibit E, County Equipment, are the sole property of County and Contractor makes no claim thereto.
- B. It is further agreed that any fixed asset, equipment, supplies, or other such items purchased and charged as an operating expense under this Agreement will, to the extent that Contractor has a vested interest, become at County's option, property of County, and Contractor will make no claim thereto. Where fixed assets and/or equipment have been purchased by Contractor and County charged for such depreciation thereto, County shall have the option to purchase said fixed assets and/or equipment at the net book value thereof, in the event that this Agreement should be terminated by either party or expires. Contractor agrees, wherever leases of equipment of are involved, to enter into open-ended

leases with options as if County were Contractor with the same vested interests as Contractor. Contractor shall be obligated to obtain County approval prior to the purchase and/or lease of any equipment.

**7. Availability of Funds**

The County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State, or County funds, by providing written notice to Contractor as soon as is reasonably possible after the County learns of said unavailability of outside funding.

**8. Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent Contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers, or advantages of County employees.

**9. Mutual Hold Harmless**

- A. Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.
- B. The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.
- C. County shall indemnify and save harmless Contractor, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (1) injuries to or death of any person, including County, or (2) damage to any property of any kind whatsoever and to whomsoever belonging, or (3) any sanctions, penalties or claims of damages resulting from County's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1966 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (4) any other loss or cost, including but no limited to that caused by the concurrent active or

passive negligence of Contractor, its officers, agents, employees, or servants, resulting from the performance of any work required by County, provided that this shall not apply to injuries or damage for which Contractor has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

- D. The duty of County to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.
- E. **Concurrent Negligence.**  
In the event of concurrent negligence of County, its officers and/or employees, and Contractor, its officers and an/or employees, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of terms and conditions of this Agreement shall be apportioned according to the California theory of comparative negligence.

#### **10. Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required by contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without the County's prior written consent shall give County the right to automatically and immediately terminate this Agreement.

#### **11. Insurance**

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. The Contractor shall furnish the County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the County of any pending change in the limits of liability or of any cancellation or modification of the policy.

- (1) **Worker's Compensation and Employer's Liability Insurance** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and will comply with such provisions before commencing the performance of the work of this

Agreement.

- (2) **Liability Insurance** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

- |   |             |
|---|-------------|
| (a) Comprehensive General Liability . . . . .   | \$1,000,000 |
| (b) Motor Vehicle Liability Insurance . . . . . | \$1,000,000 |
| (c) Professional Liability . . . . .            | \$1,000,000 |

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

## **12. Fire Legal Insurance**

Contractor, as "Licensee" of property provided by County, under Exhibit C, "License Agreement", shall obtain and maintain, at its expense, fire legal insurance on the Premises with a limit of at least FIFTY THOUSAND DOLLARS (\$50,000). The policy shall be issued in the names of County and Licensee as their interests appear hereunder. The policy shall provide that any proceeds shall be payable to Licensor.

## **13. Compliance with laws; payment of Permits/Licenses**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances and regulations, including, but not limited to, the Health Insurance

Portability and Accountability Act of 1996 (HIPAA), and the Federal Regulations promulgated thereunder, as amended, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment "I," which prohibits discrimination on the basis of handicap in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. Further, Contractor certifies that the Contractor and all of its subcontractors will adhere to all applicable provisions of Chapter 4.106 of the San Mateo County Ordinance Code, which regulates the use of disposable food service ware.

In the event of a conflict between the terms of this Agreement and State, Federal, County, or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

#### **14. Non-Discrimination and Other Requirements**

- A. *Section 504 applies only to Contractors who are providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.
- B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.
- C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.
- D. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to
  - i) termination of this Agreement;
  - ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
  - iii) liquidated damages of \$2,500 per violation;
  - iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this section, the County Manager shall have the authority to examine Contractor's employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

- E. *Compliance with Equal Benefits Ordinance.* With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.
- F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

**15. Compliance with Contractor Employee Jury Service Ordinance**

Contractor shall comply with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service in San Mateo County. The policy may provide that employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the employees' regular pay the fees received for jury service.

**16. Retention of Records, Right to Monitor and Audit**

- A. Contractor shall maintain all required records for three (3) years after the County makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.
- B. Reporting and Record Keeping: Contractor shall comply with all program and fiscal reporting requirements set forth by appropriate Federal, State and local agencies, and as required by the County.
- C. Contractor agrees to provide to County, to any Federal or State department having monitoring or review authority, to County's authorized representatives, and/or their appropriate audit agencies upon reasonable notice, access to and

the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

**17. Merger Clause**

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement or specification set forth in this body of the agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to this agreement, the provisions of this body of the agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

**18. Controlling Law and Venue**

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation, and performance of this Agreement shall be governed by the laws of the State of California. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

**19. Notices**

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when both (1) transmitted via facsimile to the telephone number listed below and (2) either deposited in the United States mail, postage prepaid, or when deposited for overnight delivery with an established overnight courier that provides a tracking number showing confirmation of receipt, for transmittal, charges prepaid, addressed to:

In the case of County, to:  
San Mateo County  
Behavioral Health and Recovery Services  
225 37<sup>th</sup> Avenue  
San Mateo, CA 94403

In the case of Contractor, to:  
Telecare Corporation  
1080 Marina Village Parkway, Suite 100  
Alameda, CA 94501-1043

In the event that the facsimile transmission is not possible, notice shall be given both by United States mail and an overnight courier as outlined above.



IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives,  
have affixed their hands.

COUNTY OF SAN MATEO

By: \_\_\_\_\_  
President, Board of Supervisors  
San Mateo County

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board

TELECARE CORPORATION

  
Contractor's Signature

Date: 7/30/12

Long Form Agreement/Business Associate v 8/19/08

EXHIBIT A - SERVICES  
TELECARE CORPORATION  
FY 2012-15

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

I. Care for Patients in the State/Local Program for Regional Civil Detention of Persistently Non-Adherent Tuberculosis

A. Description of Services

1. Contractor will maintain one bed for 365 days for patient(s) referred by a California Local Health Justification (LHJ) in the program of Regional Civil Detention of Persistently Non-Adherent Tuberculosis Patients.
2. Contractor will provide additional beds for participants on a space available basis.

Contractor is a provider/partner with San Mateo County Health System, Community Health Division (County) in providing a secure locked facility at Cordilleras Center for certain patients requiring special housing and treatment for tuberculosis in California.

Provision of these services shall be subject to program terms and conditions as established by the California Department of Public Health, Tuberculosis Control Branch. It is the intention of both parties to amend this Agreement as necessary to maintain compliance with these same terms and conditions.

B. Contractor Duties

1. Contractor will accept patients and provide services based on the current protocols, policies and procedures issued by the State Tuberculosis Control Branch (TBCB).
2. Contractor will work with each LHJ to assure the appropriateness of each patient placed at Cordilleras Center.
3. Contractor will inform the County Tuberculosis Control Officer (650-573-2346) on or before the first day of confinement of each patient to be placed.
4. Contractor will inform the County Tuberculosis Control Officer (650-573-2346) on the day of discharge of each patient.

C. County Duty

County shall give 30 days notice to Contractor prior to the cancellation of the Regional Civil Detention of Persistently Non-Adherent Tuberculosis Patients Program.

II. Garfield Neurobehavioral Center (SNF) Services

A. Description of Services to be performed at the SNF

Contractor shall provide access to beds for individuals (“residents”) requiring additional care and supervision beyond basic care and supervision and who are registered clients of County. These services are to be performed at the Residential Care Facility, Garfield Nursing Home, Inc., dba Garfield Neurobehavioral Center (SNF), located at 1451 28<sup>th</sup> Avenue, Oakland, CA 94601. The owner of the SNF is Telecare Corporation located at 1080 Marina Village Parkway, Suite 100, Alameda, CA 94501.

1. Definitions:

- a. “Basic Care and Supervision” refers to the resident services required by conditions of the license between the SNF and the State of California’s Department of Health Services License and Certification (DHS).
- b. “Additional Basic Care and Supervision” refers to the County’s expectation that residents covered by this Agreement will be participants in the SNF’s individualized treatment program (see definition of this program below in Special Needs SNF Admission Criteria) and that residents covered by this Agreement are acknowledged to have special care needs that often require more staff supervision from time to time than that needed by residents without special care needs.
- c. “County Service Plan” refers to the plan of care authorized by the resident’s assigned County care manager.
- d. “SNF Care Plan” refers to the plan of care on-site at the SNF, which is prepared by the SNF with input from the resident and County care manager.

2. SNF Duties:

- a. SNF shall cooperate with County to develop a SNF Care

Plan to meet the goals, objectives, and activities outlined in the resident's County Service Plan subsequent to referral and authorization by County. The SNF Care Plan shall be developed with the individual resident, the facility interdisciplinary team, and the designated County Director of Placement or designee. The County Service Plan shall be kept on file at the SNF at all times. The SNF shall cooperate with County to ensure that the individual resident's needs for clinical services are continuously identified and reported to the County Director of Placement or designee.

- b. SNF warrants the possession of all licenses and/or permits necessary to provide the resident services as specified and required by the laws of the United States and State of California, and the County of San Mateo. Failure to maintain these licenses and permits shall constitute grounds for the termination of the Agreement by County, pursuant to the Termination article of this Agreement.
- c. SNF shall maintain separate individual resident records in accordance with requirements of State and Federal SNF regulations and County regulations. Such individual resident record shall be kept current regarding the name of the County case manager assigned to monitor the resident's care at SNF.
- d. SNF shall allow access to County staff to the extent authorized by law for the purpose of resident assessment, monitoring, crisis intervention, record review, and consultation.
- e. SNF shall maintain the capability to meet the identified needs of special need residents as documented in the SNF Care Plan.
- f. SNF shall notify County immediately when a resident becomes medically or psychiatrically unstable or exhibits uncontrollably violent behavior. County shall transport the resident to the hospital for treatment and shall bear the cost of hospitalization and transportation. Once stable, the resident shall be evaluated for appropriate placement by the County and SNF representatives. Placement could be either back to SNF or to the hospital for continued hospitalization.

- g. SNF shall participate in resident satisfaction surveys as developed by County.
- h. SNF shall provide supplemental services for those residents who occupy beds covered by this Agreement as follows:
  - 1) SNF shall provide scheduled transportation to meet the resident's mental and physical/medical needs and to meet the resident's needs to participate in any planned programs. SNF shall assist and support arrangement of medical care as appropriate.
  - 2) SNF shall encourage the resident to take increasing responsibility for his/her own treatment by supporting established goals as described in the SNF Care Plan and by supporting the resident's participation in organized treatment programs such as self-help activities.
  - 3) SNF shall encourage the resident's use of leisure time in a constructive manner and maintenance of appropriate grooming.
  - 4) SNF shall assist the resident in learning social relationship skills such as communication with others and appropriate expression of feelings.
  - 5) SNF shall participate with County staff in meetings concerning resident(s).
  - 6) SNF shall support sobriety for residents who have a history of alcohol abuse.
  - 7) SNF shall assist the resident in independent management of incontinence (i.e., reminders regarding toileting and use of incontinent garments as appropriate).
  - 8) SNF shall provide those Additional Basic Care and Supervision services to residents who require the management of difficult behavior(s) consistent with the Care Plan.
  - 9) SNF shall encourage resident to develop skills leading to greater independence.
  - 10) SNF shall encourage resident participation in social/recreational activity outside the facility when indicated in the Resident Care Plan.
  - 11) SNF shall accommodate the special needs of the resident, especially providing physical assistance with the resident's activities of daily living, including getting in and out of bed, toileting, dining, and outside activities.

- i. Contractor shall provide 1:1 services for clients in need of this level of care. Contractor and the County will mutually agree to the provision of 1:1 services prior to the commencement of the service.

3. Utilization Management:

Both County and SNF understand and agree that the overall goal is to assist the resident occupying a bed covered by this Agreement to ultimately move to a lower level of care and more independent living in the community. Both County and SNF shall regularly review resident's progress and ability to move to a lower level of care in order to free up this resource for another County client.

SNF's beds are subject to availability and the SNF's determination that resident is compatible with other SNF residents and/or suitable for the SNF's programmatic and admission requirements.

4. County Duties:

- a. County shall provide SNF with as much complete information as possible regarding potential residents. County shall disclose if the potential resident has any history of violence, fire-setting, disregard for smoking rules, special dietary requirements, medical care needs, and/or infectious disease(s).
  - b. County shall seek to place only those potential residents in beds covered by this Agreement who met "Special Needs SNF Admission Criteria" as established by the County and updated from time to time. Such criteria are described below in Special Needs SNF Admission Criteria.
  - c. Community Programs-Placement, Director of Placement or designee shall provide an Authorization Letter at time of resident's admission.
  - d. County shall ensure that each resident has an assigned case manager and that the SNF Care Plan is reviewed and updated regularly.
  - e. Community Programs-Placement staff shall transport resident to the County of San Mateo whenever necessary for court hearings regarding the continuation of conservatorship. The Community Programs-Placement

case manager will maintain regular communication with the assigned conservator.

5. Special Needs SNF Admission Criteria:

- a. Potential resident must be a legal resident of the County and eligible for State Medi-Cal reimbursement. SNF will bill Medi-Cal rate.
- b. Potential resident must be a registered client within the County and being provided case management services. Potential resident must also have a conservatorship administered by the County's Office of Conservatorship Services.
- c. Potential resident must be authorized by the County prior to admission.
- d. Criteria for SNF Admission: Individuals must have a primary diagnosis of Dementia, Amnestic and other cognitive disorder, and Mental Disorders due to a General Medical Condition. (The latter disorders had previously been known as "organic" disorder, but this term has been eliminated in the DSM-IV. Classifications include 29-xx, 293.xx, and 780.xx). Individual behavioral characteristics must be of the nature which can be managed at a SNF level of functioning, e.g., free of seriously and persistent aggressive or violent behavior. Individuals must not pose an imminent threat to themselves or others due to severe disinhibition or aggressive behavior. Individuals must be able to benefit from this level and intensity of intervention. Medical complications must be of the nature that can be medically managed at a Skilled Nursing level of care, i.e., individuals with severe or acute impairments will be screened by the SNF assessment team for appropriateness. Individuals may have a co-existing substance abuse or dependence disorder or psychiatric disorder, but neither can be primary or the principal focus of treatment.
- e. Each resident will be continuously assessed regarding continuing necessity to occupy the bed covered by this Agreement. If the County staff determines that the resident no longer requires the bed covered by this Agreement, then the resident's conservator will proceed to place the resident in another living arrangement.

- f. Potential resident will have special needs as defined by the County requiring assistance with special needs as indicated in the Resident Care Plan.
- g. Acute Stabilization: Individuals who require acute medical or psychiatric stabilization during the course of stay at Garfield will be sent out to local hospitals, unless otherwise designated or arranged by the referring County. If planned transfer for treatment is not possible, emergency ambulance or "5150" transfers will be employed. Responsibility for subsequent inner-County transfer will be addressed between the referring County and the local admitting hospital.
- h. Bed Hold: There will be a seven-day bed hold when residents are sent out for acute treatment and have the expectation of return.
- i. Limitations of Service: Individuals with the following will not be accepted for admission:
  - 1) Individuals whose medical condition, as assessed by the Contractor, is deemed to be beyond the scope of resources of the facility, e.g., individuals on ventilators or receiving intravenous fluids or tube feedings, or individuals whose complex medical needs are beyond the resources of the facility at any given period;
  - 2) Individuals in extremely debilitated states, e.g., severe contractures; or
  - 3) Individuals not able to benefit from services at a Skilled Nursing Facility level of care.

Please note: An individual's acuity, e.g., disinhibition and assaultiveness will be assessed and an admission decision made based on the facility's ability to safely provide services. Therefore, individuals with severe disinhibition and violent behaviors may not be accepted into the program.

### III. Mental Health Services

In full consideration of the payments herein provided for in Exhibit B, Contractor shall provide services described herein (collectively referred to herein as "Services") authorized by the Behavioral Health and Recovery Services (BHRS)



Division of San Mateo County and as meet medical necessity. These services shall be provided in manner prescribed by the laws of California and in accord with the applicable laws, titles, rules, and regulations, including quality improvement requirements of the Short-Doyle/Medi-Cal Program. All payments as identified in Exhibit B, Paragraph III. must directly support services specified in this Agreement. The San Mateo County Mental Health Services Documentation Manual ("County Documentation Manual") is included herein by reference. To the extent that there is inconsistency between a provision in the County Documentation Manual and this Agreement, the provisions in the County Documentation Manual shall prevail. The Documentation Manual is available at [sanmateo.networkofcare.org/mh](http://sanmateo.networkofcare.org/mh) by following the link For Providers, and then the link to Service Provider Forms and Documents.

A. Uniform Program Requirements – All Mental Health Services

1. Minimum Staffing Requirements

Contractor shall have on file job descriptions (including minimum qualifications for employment and duties performed) for all personnel whose salaries, wages, and benefits are reimbursable in whole or in part under this Agreement. Contractor agrees to submit any material changes in such duties or minimum qualifications to County prior to implementing such changes or employing persons who do not meet the minimum qualifications currently on file. Contractor service personnel shall be direct employees, contractors, volunteers, or training status persons.

2. Organizational Chart

Contractor shall have a current organization plan on file that reflects Contractor's current operating structure. As changes in the organization's operating structure are made, updated organization changes shall be forwarded to the office of County's Behavioral Health and Recovery Services (BHRS) Director.

3. Psychiatric Treatment Record Requirements

a. Record Requirements for Mental Health Rehabilitation Center (MHRC)

Medical, psychiatric, and activity records pertaining to MHRC treatment services provided to San Mateo County clients under this Agreement shall be kept according to Title 9, Article 22, Chapter 3.5 (MHRC), Sections 784.28 of the California Code of Regulations. These records shall include evaluation studies as required by the Director of the

Division. All such records shall be confidential according to applicable state and federal laws. Documentation shall be maintained in compliance with the Mental Health Services Documentation Manual.

b. Management of Medical Records

All medical records pertaining to psychiatric treatment services provided to San Mateo County clients under this Agreement shall be maintained by, or under the direction of, an accredited medical records technician and in such manner as to meet all licensing, certification, and accreditation requirements and standards.

- c. Paragraph 16 of the Agreement and Exhibit B, Section IV.S.4. notwithstanding, Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary medical and/or clinical records for a period of seven (7) years, except that the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until one (1) year beyond the person's eighteenth (18<sup>th</sup>) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.

4. Community Liaison

Contractor shall maintain relationships with the immediate neighborhood and the San Mateo County Mental Health and Substance Abuse Recovery commission, as well as with appropriate BHRS staff and with various other committees as deemed appropriate by the Deputy Director of Behavioral Health and Recovery Services..

County shall have reasonable access to the facility at any time and to such data as will allow for the meaningful evaluation and monitoring of quality of care.

5. Discharge Criteria, Planning, and Placement

- a. Discharge planning shall be the responsibility of Contractor in consultation with designated San Mateo County BHRS staff. Discharge planning shall begin upon client admission.
- b. Discharge planning shall include evaluation of level of care needed for placement, linkage to appropriate setting, pre-

discharge coordination of appropriate community-based and recovery-oriented services, including benefits and outpatient mental health services.

- c. Discharge plans shall be in writing and shall be included as part of the client's record.
- d. For voluntary clients, Contractor shall be responsible for applications for financial aid as necessary, Medi-Cal processing, General Assistance, filing of change of address, transportation to and from volunteer work, transportation to vocational rehabilitation and notification of responsible parties.
- e. Contractor shall provide monthly reports to the BHRS, Deputy Director or designee that will detail admissions and discharges to the community. County designated staff shall collaborate with Admission Coordinator in pre-discharge planning and shall share responsibility with Clinical Director and Admissions Coordinator for coordinating appropriate community support resources.
- f. The Clinical Director and Admissions Coordinator shall be actively involved in BHRS meetings and activities that involve community housing resources, treatment, and rehabilitation and recovery services. The Clinical Director and Admissions Coordinator shall cooperate fully with the County Resource Management Team, to include, but not be limited to, participation in discharge planning meetings twice per month. Minutes of those meetings shall be taken by Contractor and provided to meeting participants and to the BHRS Deputy Director.
- g. The Clinical Director and/or Admission Coordinator shall participate in weekly administrative day meetings on unit 3AB at the San Mateo Medical Center. Admission Coordinator shall interview prospective clients and shall be pro-active in obtaining prospective client information in a timely manner. Admission Coordinator as needed will visit other acute inpatient facilities in San Mateo County to interview prospective clients and to obtain relevant client information.

## 6. Court Testimony

It is recognized that a certain number of clients at Cordilleras will

require evaluations for legal purposes and that, in some instances, court testimony will be required for clients who are San Mateo County residents. Both parties acknowledge that there may be times when clinical staff may be required to testify for such clients when determined by County Counsel; if and when it may occur, they shall do what is required without additional reimbursement for such evaluations or court testimony, including adequate preparation and consultation with County Counsel and testimony in court. Court appearances will be limited to San Mateo County.

7. Reporting

Contractor shall report state-required client services data to the BHRS Division's Management Information System (MIS) Unit at monthly intervals. The data shall be incorporated into a year-end report, which shall include such information as the Director of BHRS requires to permit reporting, monitoring, and evaluation of Contractor's performance pursuant to this Agreement.

8. Quality Improvement

Contractor shall submit and implement a Quality Improvement plan as required by and subject to approval of the San Mateo County BHRS Quality Improvement Manager. The plan shall include a description of utilization review, co-occurring capability development medication monitoring, case documentation, peer review, and other issues pertaining to quality improvement mandates and policies.

B. Cordilleras Mental Health Center

For the term of this Agreement as herein specified, Contractor shall operate a Mental Health Rehabilitation Center (MHRC) at the Cordilleras Mental Health Center facility at 200 Edmonds Road in Redwood City, California. This facility is licensed at a capacity of sixty-eight (68) beds. Of these, sixty-one (61) beds are dedicated exclusively for residents of San Mateo County. Contractor may, at County's discretion, market the excess beds to other entities requiring these services. In addition contractor shall provide forty-nine (49) residential care beds. The total bed capacity for San Mateo County clients shall be one hundred ten (110) beds. Contractor shall work with clients to develop and maintain vegetable garden and fruit tree orchard. Garden and orchard produce shall be used to supplement the client food supply.

1. MHRC Capacity

- a. Contractor shall provide a dedicated capacity of sixty-one (61) beds for clients who are eighteen (18) years of age and older; who suffer moderate to severe mental illness and/or co-occurring disorders and who require a locked setting, including such eligible clients of the BHRS of the San Mateo County Health System, hereinafter referred to as "System," as may be referred to Cordilleras Center by Division staff, duly authorized by the Director of BHRS.
- b. Contractor and County shall work jointly to maximize admissions to available beds. County shall be guaranteed first (1<sup>st</sup>) option for psychiatric services on any open bed. Dedicated beds will be held open awaiting a County placement unless County agrees to Contractor seeking a non-County resident to fill the open bed. Contractor will accept direct community admissions. These admissions will follow written guidelines and will be approved by the Program Administrator.

2. Adult Residential Facility Capacity

Contractor shall operate a co-occurring capable residential care programs for clients who can be served in an unlocked setting called Cordilleras Suites ("Suites"), licensed for a combined capacity of forty-nine (49) residential beds.

3. Resident Eligibility/Limitations of Service

- a. Clients for the Suites must be between eighteen (18) years of age and sixty (60) years of age.
- b. Residents of the MHRC must be at least eighteen (18) years of age. Clients sixty-five (65) years of age or older may be placed by mutual consent of Contractor and County.
- c. Clients who have co-occurring illnesses that include substance abuse, organic brain syndrome, mild mental retardation, or developmental disabilities will be welcomed provided they meet other admission criteria. Clients whose degree of organicity, dementia, mental retardation, or developmental disabilities impairs their ability to function in the Cordilleras setting will be reviewed by the Cordilleras clinical management team prior to admission.
- d. Clients with medical problems or conditions which require

medical attention beyond that available through outpatient care shall be admitted upon mutual consent of Contractor Administrator, the BHRS Deputy Director for Adult and Older Adult Services, and the BHRS Medical Director.

- e. Clients who are potentially dangerous to themselves or others will be closely screened to determine if they can be managed and treated adequately in the program. The decision to admit such clients will be based on clinical assessment, current staffing, census, and the capacity to respond to a client's unique behavioral challenges within the facility at the time of referral.
- f. By virtue of its license as an MHRC (#02 68 015), Cordilleras Mental Health Center will serve criminal justice system clients on an exception basis while adhering to BHRS Policy No. 92-2 upon mutual consent of Contractor Administrator, the BHRS Deputy Director for Adult and Older Adult Services, and the BHRS Medical Director.
- g. Clients may be admitted on a voluntary basis on a temporary or full Lanterman-Petris-Short Act (LPS) conservatorship or on a 1370.01 legal hold.
- h. Clients under a hold in accordance with W&I code 5150 or 5250 may not be admitted.
- i. All admissions shall be subject to screening procedures and standards mutually agreeable to Contractor and County. Such procedures and standards shall be developed to insure the admission of all persons who are able to benefit from the services provided. Such standards and procedures shall exclude the admission of persons whose disabilities or degree of disabilities would be inappropriate to the level of service intended to be provided by Contractor.

#### 4. Services to be Provided

For the term of this Agreement, psychiatric treatment services provided by Contractor shall include the following services to eligible clients as defined in Exhibit A, Paragraph II.B.3., Resident Eligibility.

##### a. MHRC Clinical Services

Contractor shall provide an integrated, co-occurring capable

rehabilitation and recovery program aimed at improving the adaptive functioning of persons with mental illnesses and co-occurring conditions to enable client to move to a less restrictive environment.

Services shall include, but are not limited to, the following services. These services shall be provided in a manner consistent with the terms and provisions of this Agreement and subject to procedures and standards mutually agreed upon by Contractor and County. Transportation support shall be provided for groups that take place away from Cordilleras. Programs, groups, meetings, social and recreational activities will be available 7 days a week.

- 1) **Wellness Management and Recovery**  
Contractor shall assist clients to develop strategies for managing mental illness and progressing in recovery. Staff shall provide information strategies and skills to be used by clients to further their own recoveries. Emphasis shall be on setting and pursuing personal goals, and on utilizing recovery strategies and Evidenced-Based Practices. Staff shall have training to support the development and use of Wellness Recovery Action Plans. Groups and activities shall be provided that:
  - a) Introduce and teach wellness and recovery concepts.
  - b) Support clients in efforts to move towards wellness and recovery.
  - c) Make available wellness recovery and action planning groups to clients.
- 2) **Skill Building (Cognitive Behavioral and Evidence Based Practice Emphases)**

Staff shall assist clients in the development of skills needed to succeed in living in the community. The focus of these activities shall be to increase clients' understanding of their cognitive and emotional processes and how these affect their behavior.

- 3) **Co-occurring Disorder Groups**  
Contractor shall offer services for clients needing services to address mental illness and substance abuse issues. These services shall include:
  - a) Psycho education
  - b) Support for clients in all stages of treatment readiness, and

- c) Relapse prevention skill building
- 4) Health Education: groups and activities will be provided.
- 5) Family education groups monthly and family meetings as clinically indicated.
- 6) Arts and crafts groups.
- 7) Indoor and outdoor sports activities.
- 8) Active discharge planning activities.
- 9) Transportation and support to clients to attend community reintegration activities.
- 10) Specialty programs and activities for young adults

**b. MHRC Client Services**

Contractor shall provide treatment services in accordance with all applicable federal, state, county, and municipal laws and ordinances and regulations, including Title 9 of the California Administrative Code, applicable sections of the California Welfare and Institutions Code, including, but not limited to, Workers' Compensation requirements and standards for participating in the State and County program.

- 1) Services shall include, but are not limited to the following:
  - a) room and dietetic service;
  - b) nursing services (including medication administration and resident care);
  - c) housekeeping;
  - d) laundry;
  - e) medical records management;
  - f) medication order processing; and
  - g) emergency medical and ancillary service provisions.
- 2) Program Monitoring  
The State of California and County and their appropriate agencies have the right to inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed and to audit and inspect any books and records of Contractor with respect to services performed under this Agreement.

**c. MHRC Program for Clients Needing Specialty Co-Occurring Services**

Contractor shall provide integrated recovery oriented, stage-matched treatment services for clients who have a co-existing mental illness and substance abuse diagnosis



and are in need of co-occurring services.

- 1) The program shall include both individual and group counseling.
- 2) The treatment objectives for the specific co-existing services shall be specified in the client's treatment plan.
- 3) Program should include:
  - a) Trauma informed services
  - b) WRAP for co-occurring clients
  - c) CBT groups
  - d) Individual work
  - e) Motivational Interviewing
  - f) Relapse prevention, and
  - g) Psycho education
  - h) Smoking cessation

d. Psychiatric Services

- 1) Contractor will work with a County-provided physician who will fulfill the required psychiatric services. The County physician will have administrative, clinical, and consultative responsibilities and shall participate in interdisciplinary meetings or other processes that review administrative and clinical issues.
- 2) The County will ensure that all licensing requirements are met through the provision of the County psychiatric services. The roles and responsibilities of the County physician will be detailed in a separate Memorandum of Understanding developed by the San Mateo Medical Center (SMMC) and BHRS and is incorporated by reference.
- 3) Contractor will utilize the Psychiatric Emergency Services (PES) department of SMMC for on-call coverage for evenings and weekends to include but not limited to MD orders, medication issues, authorizations for seclusion in the event of a crisis, and consultation on medical and clinical issues.
- 4) Contractor and County will meet on a regularly scheduled basis and minimally at least once a quarter to plan, coordinate, and ensure the quality of physician services provided by the County.

e. Physician Services

Contractor shall provide a licensed, qualified psychiatrist to provide part-time psychiatric services. The staff psychiatric responsibilities will be:

- 1) Case Documentation (all services) – Case documentation shall be maintained in compliance with the California State Department of Mental Health guidelines and regulations for the Medi-Cal program and in accordance with the BHRS Documentation Manual. Documentation shall include completion of the physician's initial note, BHRS Medication Consent Forms, and progress and prescribing note. Charts shall be subject to annual medication monitoring review.
  - 2) Adequate coverage in the provision of psychiatric services for facility clients (MHRC only).
  - 3) Provision of court testimony (MHRC only).
  - 4) In coordination with the Medical lead psychiatrist, provide scheduled coverage five (5) days per week (Monday-Friday) in such a format as to allow admissions and discharges to be made five days per week (MHRC only).
  - 5) Receive supervision from the Medical lead psychiatrist provided by the County.
- f. Adult Residential Facility Services (Suites)
- 1) Program is designed to be co-occurring capable and serve clients who are able to leave the locked setting, yet require the structure of a facility like Cordilleras Center.
  - 2) Clients may be referred from the general MHRC population. Admissions may also be referred directly from the community, upon the mutual agreement of Contractor and County.
  - 3) To gain greater independence, clients shall be encouraged to participate in community activities. Contractor shall provide transportation and support to assist residential clients in attending community activities when appropriate.
  - 4) Contractor will provide Admissions Coordinator to provide intake and discharge coordination.
  - 5) Contractor will encourage and offer assistance to all clients to develop and complete a Wellness and Recovery Action Plan (WRAP). Contractor will recruit and coordinate efforts with a County-trained facilitator.

- 6) Contractor shall provide services designed to improve the clients' daily living skills and help clients become engaged in meaningful activities on a daily basis. These service shall include:
- a) Supplemental Services
    - i. Transportation and support to clients to attend community reintegration activities.
    - ii. Medication management services
    - iii. Coordination of medical appointments, including transportation
    - iv. Development of a personal support system in the community
    - v. Practicing social skills
    - vi. Planning and implementing leisure activities, including:
      - o Providing incentives to increase clients' participation in meaningful community-based activity
      - o Assisting clients in making healthy choices about daily activities
      - o Reviewing clients' daily activities on a regular basis to adjust, when necessary, daily activity goals
    - vii. Learning basic living skills, including:
      - o meal preparation
      - o shopping
      - o housekeeping
      - o personal hygiene
      - o recreation
      - o physical fitness
      - o use of public transportation
      - o money management
      - o use of community resources
  - b) Mental health services:
    - i. Integrated service coordination, including case management services
    - ii. Crisis intervention services
    - iii. Resident Community Meetings, which may address the following topics:
      - o recovery planning
      - o weekly goals
      - o relapse prevention
      - o coping skills
    - iv. Contractor shall provide County care coordination.
    - v. On-site DBT groups and coaching

- vi. Pre-vocational Counseling
  - vii. Securing long-term community housing
- 7) Peer Counseling  
Contractor shall employ a peer counselor to work with the clients in the residence.
- 8) Reporting  
Contractor shall report to County the total number of hospital days for clients annually and any other data provided by Caminar.

g. Vegetable Garden and Fruit Trees

Contractor shall work with clients to develop and maintain a vegetable garden and fruit tree orchard. Garden and orchard produce shall be used to supplement the client food supply.

5. Video Monitoring System

Contractor shall utilize a video monitoring system for the MHRC program to improve patient safety and reduce serious incidents. The system will cover public areas including hallways, dayrooms, exits, entrances, lobbies, stairwells, and areas outside of the facility immediately adjacent to the building. It will not monitor private areas including bedrooms, bathrooms, and shower areas.

Contractor will:

- a. Monitor exits and entrances to identify possible elopement risks, analyze details of elopements to enhance security measures and provide a detailed patient description to law enforcement when elopement occurs.
- b. Monitor hallways to prevent patients from wandering into other patient's rooms in order to reduce high-risk incidents such as theft, assault, and unwanted sexual contact.
- c. Provide increased surveillance during times of lighter staffing (nights and weekends) in unsupervised areas such as the stairwell and elevator lobby.
- d. Reduce incidents of contraband and illicit substances brought into the facility by visitors.
- e. Review patient incidents when they actually occur to determine preceding events, to debrief the incidents, and to

learn how to prevent such incidents in the future.

#### IV. Goals and Objectives

##### A. Mental Health Services

##### 1. MHRC

On an annual basis, Contractor will report, in writing, on the outcomes of the following goals:

**Goal:** To develop new skills and supports and increase adaptive behaviors enabling clients to live in a less restrictive, more independent residential environment.

**Objective:** A minimum of eighty percent (80%) of clients who respond to the MHSIP will indicate that they “strongly agree” or “agree” with the statement “I do better in social situations.”

**Objective:** A minimum of eighty percent (80%) of clients who respond to the MHSIP will indicate that they “strongly agree” or “agree” with the statement “I am better able to deal with crisis.”

**Goal:** To minimize client seclusion

**Objective:** Client seclusion rate shall be less than 1.99 days per 1,000 bed days.

**Goal:** To enhance client satisfaction with services received

**Objective:** A minimum of ninety percent (90%) of clients who complete a satisfaction survey will be satisfied with the program. A satisfaction survey will be administered on a voluntary basis at discharge.

**Objective:** A minimum of seventy-five percent (75%) of clients shall report that Contractor staff are sensitive to cultural and ethnic background of client.

**Goal:** Increase flow of client admissions and discharges in the acute/sub acute service system.

**Objective:** 132 admissions will be made per fiscal year.

Objective: Community discharges will be maintained at 89 during each fiscal year.

#### Hospitalizations

Goal: To maintain the number of clients in their current or a lower level of care and out of the hospital.

Objective: No more than fifteen percent (15%) of clients admitted to the facility shall be returned to a higher level of care within 15 days of admission.

#### Smoke-Free Environment

Goal: To become a smoke-free environment by end of FY 2012-13.

Objective: Smoking cessation group services will be offered.

## 2. Adult Residential Facility

On an annual basis, the Contractor will report, in writing, on the outcomes of the following goals:

Goal: To develop new skills and supports and increase adaptive behaviors enabling clients to live in a less restrictive, more independent residential environment.

Objective: A minimum of eighty percent (80%) of clients who respond to the MHSIP will indicate that they “strongly agree” or “agree” with the statement “I do better in social situations.”

Objective: A minimum of eighty percent (80%) of clients who respond to the MHSIP will indicate that they “strongly agree” or “agree” with the statement “I am better able to deal with crisis.”

Contractor to provide MHSIP response data.

Objective: At least eight (8) clients currently residing in the Suites will have a completed WRAP Plan.

Contractor to provide data.

Goal: To enhance client satisfaction with services received

Objective: A minimum of ninety percent (90%) of clients who complete a satisfaction survey will be satisfied with the program. A satisfaction survey will be administered on a voluntary basis at discharge.

Contractor to provide data.

Objective: A minimum of seventy-five percent (75%) of clients shall report that Contractor staff are sensitive to cultural and ethnic background of client.

Contractor to provide data.

### 3. Hospitalizations

Goal: To minimize inappropriate or unnecessary acute hospitalization.

Objective: Program clients will have no more than a total of 4 Psychiatric Emergency Services visits per month.

Contractor to provide data.

### 4. Homelessness

Goal: To increase or maintain the number of clients in community housing and not becoming homeless.

Objective: No more than five percent (5%) of clients shall become homeless.

Contractor to provide data.

### 5. Employment

Goal: To increase or maintain the number of clients working in paid or unpaid positions, or actively seeking employment.

Objective: At least 10% of clients shall be working in paid or unpaid positions, or actively seeking employment.

Contractor to provide data.

B. Garfield Neurobehavioral Center (SNF) Services

Goal 1: To provide a safe and supportive environment that meets the complex medical, psychiatric, and social needs of conservatees who may have dementia or other organic processes which limit their abilities to live in a less restrictive setting.

Goal 2: To minimize inappropriate or unnecessary state and local acute hospitalization to the extent clinically appropriate by providing quality twenty-four (24) hour sub-acute care.

Objective 1: No more than ten percent (10%) of all admissions will be discharged to an acute psychiatric level of care.

Data collection to be completed by the County in cooperation with Contractor.

V. Administrative Requirements (for all service components)

A. Paragraph 16 of the Agreement and Exhibit B, Section IV.S.4. notwithstanding, Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary medical and/or clinical records for a period of seven (7) years, except that the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until one (1) year beyond the person's eighteenth (18<sup>th</sup>) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.

B. Administering Satisfaction Surveys

Contractor agrees to administer/utilize any and all survey instruments as directed by the County BHRS Division, including outcomes and satisfaction measurement instruments.

C. Cultural Competency

Implementations of these guidelines are based on the National Culturally and Linguistically Accessible Services (CLAS) Standards issued by the Department of Health and Human Services. For more information about these standards, please contact the Health Equity Initiatives Manager (HEIM) at 650-573-2714 or [jafrica@smcgov.org](mailto:jafrica@smcgov.org).

1. Contractor will submit an annual cultural competence plan that details on-going and future efforts to address the diverse needs of



clients, families and the workforce. This plan will be submitted to the BHRS Program Manager and the Health Equity Initiatives Manager (HEIM) by September of the fiscal year.

The annual cultural competence plan will include, but is not limited to the following:

- a. Implementation of policies and practices that are related to promoting diversity and cultural competence.
  - b. Contractor forum for discussing relevant and appropriate cultural competence-related issues (such as a cultural competence committee).
  - c. Collection of client cultural demographic information, including race, ethnicity, primary language, gender and sexual orientation.
  - d. Staffing objectives that reflect the cultural and linguistic diversity of the clients. (Contractor will recruit, hire and retain clinical staff members who can provide services in a culturally and linguistically appropriate manner.)
  - e. Staff training plan related to cultural competency. Contractor will ensure that all program staff receive at least 8 hours of external training per year (i.e. sponsored by BHRS or other agencies) on how to provide culturally and linguistically appropriate services.
2. Contractor will actively participate in at least one cultural competence effort within BHRS and/or to send a representative to attend the Cultural Competence Council for the term of the Agreement. Contractor shall submit to BHRS ODE by March 31<sup>st</sup>, a list of staff who have participated in these efforts. For more information about the Cultural Competence Council (CCC), and other cultural competence efforts within BHRS, contact HEIM.
  3. Contractor will establish the appropriate infrastructure to provide services in County identified threshold languages. Currently the threshold languages are: Spanish, Tagalog and Chinese (Mandarin and Cantonese). If contractor is unable to provide services in those languages, the contractor is expected to contact Access Call Center or their BHRS Program Manager for consultation. If additional language resources are needed, please contact HEIM.

4. Contractor will translate relevant and appropriate behavioral health-related materials (such as forms, signage, etc.) in County identified threshold languages in a culturally and linguistically appropriate manner. BHRS strongly encourages its contractors to use BHRS-sponsored forms in an effort to create uniformity within the system of care. Contractor shall submit to HEIM by March 31<sup>st</sup>, copies of Contractor's health-related materials in English and as translated.
  5. Should Contractor be unable to comply with the cultural competence requirements, Contractor will meet with the Program Manager and HEIM ([jafrica@smcgov.org](mailto:jafrica@smcgov.org)) to plan for appropriate technical assistance.
- D. Contractor shall submit a copy of any licensing report issued by a licensing agency to BHRS Deputy Director of Adult and Older Adult Services within 10 business days of Contractor's receipt of any such licensing report.
  - E. Contractor shall provide all pertinent documentation required for federal Medi-Cal reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes).
  - F. Contractor shall maintain certification through San Mateo County to provide Short-Doyle Medi-Cal reimbursable services.
  - G. Contractor may not employ any person deemed an Ineligible Person by the Office of the Inspector General in the provision of services for the County through this agreement. Any employee(s) of Contractor determined to be an Ineligible Person will be removed from responsibility for, or involvement with County clients or operations. An "Ineligible Person" is an individual who (1) is currently excluded, suspended, debarred or otherwise ineligible to participate in Federal health care programs, or (2) has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the Federal health care programs after a period of exclusion, suspension, debarment or ineligibility. Ineligibility may be verified by checking: [www.Exclusions.OIG.HHS.Gov](http://www.Exclusions.OIG.HHS.Gov).
  - H. Contractors providing State funded health services may not employ any persons deemed an Ineligible Person by the California Department of Health Services (CDHS) in the provision of services for the County through this Agreement. Any employee(s) of contractor determined to be an Ineligible Person will be removed from responsibility for, or involvement with County clients or operations. An "Ineligible Person" is an individual who has been (1) convicted of a crime involving fraud or

abuse of the Medi-Cal program, or (2) suspended from the federal Medicare program for any reason. Ineligibility may be verified by checking:

<http://files.medical.ca.gov/pubsdoco/publications/bulletins/part1/part1bull.asp>.

I. Advance Directives

Contractor will comply with County policies and procedures relating to advance directives.

J. Beneficiary Rights

Contractor will comply with County policies and procedures relating to beneficiary's rights and responsibilities.

K. Physician Incentive Plans

Contractor shall obtain approval from County prior to implementing a Physician Incentive Plan as described by Title 42, CFR, Section 438.6(h). The County will submit the Physician Incentive Plan to the State for approval. The State shall approve the Contractor's request for a Physician Incentive Plan only if the proposed Physician Plan complies with all applicable federal and state regulations.

L. Availability and Accessibility of Service

Contractor shall offer hours of operation that are no less than the hours of operation offered to commercial enrollees, if the Contractor also serves enrollees of a commercial plan, or that are comparable to the hours the Contractor makes available for Medi-Cal services that are not covered by the County or another Mental Health Plan, if the Contractor serves only Medi-Cal clients.

M. Compliance Plan and Code of Conduct

Contractor shall read and be knowledgeable of the compliance principles contained in the Mental Health Compliance Plan and Code of Conduct. In addition, Contractor shall assure that Contractor's workforce is aware of compliance mandates, and are informed of the existence and how to use the Compliance Improvement Hotline Telephone Number (650) 573-2695.

N. Beneficiary Brochure and Provider Lists

Contractor agrees to provide Medi-Cal clients who are new to the Mental

Health System with a brochure (an original of which shall be provided by County) when a client first receives a specialty mental health service from the Contractor. Such brochure shall contain a description of County services available; a description of the process for obtaining County services, including the County's state-wide toll-free telephone number; a list of the County's providers; a description of the County's beneficiary problem resolution process, including the complaint resolution and grievance processes; and a description of the beneficiary's right to request a fair hearing at any time before, during or within 90 days after the completion of the beneficiary problem resolution problem.

End of Exhibit A

EXHIBIT B – PAYMENTS AND RATES  
TELECARE CORPORATION  
FY 2012-15

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

I. Total Maximum Obligation

The maximum amount County shall be obligated to pay for all services rendered under this Agreement shall not exceed TWENTY-TWO MILLION FOUR HUNDRED THIRTY-FIVE THOUSAND SEVEN HUNDRED FIFTY-EIGHT DOLLARS (\$22,435,758) for the three fiscal years 2012-15. The maximum amount for each fiscal year is as follows:

FY 2012-13:	\$7,397,582
FY 2013-14:	\$7,463,530
FY 2014-15:	<u>\$7,574,646</u>
Total	\$22,435,758

II. Care for Patients in the State/Local Program for Regional Civil Detention of Persistently Non-Adherent Tuberculosis (TB) Patients

A. Room and Board:

The maximum amount County shall pay for the one bed reserved for the State/Local Program for Regional Civil Detention of Persistently Non-Adherent Tuberculosis Patients shall not exceed TWO HUNDRED SEVENTY-THREE THOUSAND THREE HUNDRED EIGHTY-FIVE DOLLARS (\$273,385) for the three fiscal years 2012-15. The maximum amount for each fiscal year is as follows:

FY 2012-13:	\$90,520
FY 2013-14:	\$90,885
FY 2014-15:	<u>\$91,980</u>
Total	\$273,385

- B. If the number of bed days exceeds three hundred sixty-five (365), Contractor shall bill the sending local health jurisdiction ("LHJ") (including San Mateo County if the TB detention client is a San Mateo County resident) on a quarterly basis at the effective daily rate.

- C. In the event that a TB client requires services not covered in Exhibit A, the need for these services must be discussed with and approved in writing by the sending LHJ before such services are rendered. If such services are rendered and the payment by a third party insurer, less deductibles and co-payments, falls below the Medi-Cal rate for such services, the Contractor shall bill and be reimbursed by the sending LHJ. CDPH TBCB may reimburse the sending LHJ up to SEVENTY-FIVE DOLLARS (\$75) per day for such services.
- D. Quarterly invoices for the bed will be sent to:
- Public Health  
San Mateo County Health System  
225 37<sup>th</sup> Avenue  
San Mateo, CA 94403
- E. Payments for services as described in Paragraph I. of Exhibit A shall be contingent upon receipt of funding designated for these services from the California Department of Public Health, subject to the program terms and conditions as established by California Department of Public Health, Tuberculosis Control Branch. It is the intention of both parties to amend this Agreement as necessary to maintain compliance with these same terms and conditions.
- F. Contractor agrees to make all efforts to bill any eligible third party payor, including Medi-Cal and Medicare, for these services. The payments made under the terms of this Agreement are designed to assure that there is a fair minimum payment made to the Contractor for services.

III. Services at Garfield Neurobehavioral Center (SNF)

- A. The County shall pay TWO HUNDRED TWENTY DOLLARS AND SIXTY-FIVE CENTS (\$220.65) per client per bed day for access to beds for individuals who require additional care and supervision beyond the basic level, not to exceed NINE HUNDRED SIXTY THOUSAND DOLLARS (\$960,000) for the three fiscal years 2012-15. The maximum amount per fiscal year is THREE HUNDRED TWENTY THOUSAND DOLLARS (\$320,000).
- B. If client is not Medi-Cal eligible, an additional rate of TWO HUNDRED FORTY-SEVEN DOLLARS AND TWENTY-EIGHT CENTS (\$247.28) per client per day and additional charges for physicians and ancillary will be billed. This additional charge is set at the State Medi-Cal rate and will be adjusted if the Medi-Cal rate changes. If client is not Medi-Cal eligible, County will be notified within 30 days following SNF's receipt of written notice of such lack of eligibility.

- C. Payment by County to Contractor shall be monthly. Contractor shall submit one monthly invoice to the County on or before the tenth (10<sup>th</sup>) working day of each month for the prior month. The invoice shall include the facility name, client name, and a summary of services and charges for the month of service. The invoice must document the resident's Authorization Number and Units of Service. Invoices shall be sent to:

Aging and Adult Services  
San Mateo County Health System  
225 37<sup>th</sup> Avenue  
San Mateo, CA 94403

- D. In addition Contractor shall provide back-up to the invoice. Such back-up shall be in the form of:
1. County provided service reporting form(s) ("Service Reporting Form(s)") completed by Contractor according to the instructions accompanying the Service Reporting Form(s), or
  2. County approved form(s) which provide detailed description of services provided including but not limited to: patient names, number of patient days, daily negotiated rate, and type of service provided (Ex: Day Treatment, etc).
- E. All compensation will be payable during the month following the month of days utilized by residents covered by this Agreement ("Utilization Month") unless the absence of Medi-Cal eligibility is not determined until later. In the event that Medi-Cal eligibility is denied after the utilization month, then SNF may bill and be paid for the denied service. Bed will be considered occupied if bed is on "Bed Hold" while resident is receiving acute treatments..
- F. County shall pay Contractor for 1:1 services at the rate of \$23.20 per hour. This payment is in addition to the per bed day rate established in Article III, Sections A and B of Exhibit B. Prior to admission or at any point during the client's stay in the Garfield Neurobehavioral Center, Contractor will be in close collaboration with the County to address the potential need for 1:1 services. As care is provided, based on safety considerations, evaluation for continued 1:1 services will be made by the Contractor, with progress reports provided to the County as requested.

County agrees to pay within 30 days the hourly rate set out herein based on the number of hours of service provided as reflected on the billing presented by Contractor. Contractor shall submit one monthly invoice to the County on or before the tenth (10<sup>th</sup>) working day of each month for the prior month. The invoice shall include the facility name, client name, and a summary of services and charges for the month of service. The invoice must document the resident's Authorization Number and Units of Service.

#### IV. Mental Health Services

In full consideration of the mental health treatment services provided by Contractor pursuant to this Agreement it is hereby agreed by the parties hereto that County shall pay Contractor in the manner described below, except that any and all such payments shall be subject to the conditions contained in this Agreement.

##### A. Maximum Obligation

Notwithstanding the method of payment set forth herein, in no event shall County pay or be obligated to pay Contractor more than TWENTY ONE MILLION TWO HUNDRED TWO THOUSAND THREE HUNDRED SEVENTY-THREE DOLLARS (\$21,202,373) for the three fiscal years 2012-15 for mental health services provided at Cordilleras Mental Health Center. The maximum amount per fiscal year is as follows:

FY 2012-13:	\$6,987,062
FY 2013-14:	\$7,052,645
FY 2014-15:	<u>\$7,162,666</u>
Total	\$21,202,373

##### B. Payments and Rates

1. The daily per bed rate for MHRC shall be as follows:

FY 2012-13:	\$238.18
FY 2013-14:	\$240.02
FY 2014-15:	\$243.02



2. The daily rate for board and care supplement is NINETY-FOUR DOLLARS (\$94).

3. Psychiatric Services

Payment for psychiatric services shall not exceed TWO HUNDRED SEVENTY THOUSAND AND TWENTY-SEVEN DOLLARS (\$270,027) for the three fiscal years 2012-15. The maximum amount per fiscal year is as follows:

FY 2012-13:	\$87,362
FY 2013-14:	\$89,983
FY 2014-15:	<u>\$92,682</u>
Total:	\$270,027

Such funding is included in the Total Maximum obligation described in Exhibit B, Paragraph IV.A.

4. Payment for residential treatment services provided at Cordilleras is based on net costs. Contractor may bill and retain any Supplemental Security Income (SSI) or State Supplemental Payment (SSP) income payable by clients for room and board costs.
5. Unless otherwise authorized by the Chief of the Health System or designee, the monthly rate of payment by County to Contractor for mental health services shall be one-twelfth (1/12) of the maximum annual obligation, as established in Paragraph IV.A. of this Exhibit B. These monthly payments shall be in the following amounts:

FY 2012-13:	\$582,255.20
FY 2013-14:	\$587,720.42
FY 2014-15:	\$596,888.83

- B. The Gross Operating Income described in Exhibit D (Budget) shall not exceed ONE MILLION THREE HUNDRED ONE THOUSAND TWO HUNDRED SEVENTY-FOUR DOLLARS (\$1,301,274) for the three fiscal years 2012-15, without the express written consent of the Chief of the Health System. Funding for such Gross Operating Income is included in the Total Maximum Obligation set forth in Exhibit B, Paragraph I. The maximum amount for each fiscal year is as follows:

FY 2012-13:	\$425,000
FY 2013-14:	\$433,694
FY 2014-15:	<u>\$442,580</u>
Total	\$1,301,274

- D. Budget modifications may be approved by the Chief of the Health System or designee, subject to the maximum obligation set forth in Paragraph 3 of the Agreement and the Gross Operating Income Limitations.
- E. The Chief of the Health System or designee is authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.
- F. Contractor shall bill County on or before the tenth (10<sup>th</sup>) working day of each month for the current month. All claims shall clearly reflect and in reasonable detail give information regarding the services, as described in Exhibit A, for which claim is made. Invoices shall be sent to:

Behavioral Health and Recovery Services  
San Mateo County Health System  
225 37<sup>th</sup> Avenue  
San Mateo, CA 94403

- G Contractor shall provide a monthly written summary of services provided, including caseload, units of service, and vacancy rates per service. This summary shall be provided on the services reporting form provided by the County, and shall accompany the monthly invoice.
- H. In the event that funds provided under this Agreement are expended prior to the end of the contract period, Contractor shall provide ongoing services under the terms of this Agreement through the end of the contract period without further payment from County.
- I. Contractor shall submit to County a year-end cost report no later than ninety (90) days after the end of each applicable year for the term of this Agreement. This report shall be in accordance with the principles and format outlined in the Cost Reporting/Data Collection (CR/DC) Manual. Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report shall be submitted to County along with the Cost Report.
- J. If the annual Cost Report provided to County reveals that total payments to contractor, less the Gross Operating Income as established in Paragraph IV.C. of this Exhibit B, exceed the total allowable costs for all of the services rendered by Contractor to eligible clients during the reporting period, a single payment in the account of the contract savings shall be made to County by Contractor, unless otherwise authorized by the Chief of the Health System or designee.

- K. County anticipates revenues from various sources to be used to fund services provided by Contractor through this Agreement. Should actual revenues be less than the amounts anticipated for any period of this Agreement, the maximum payment obligation and/or payment obligations for specific services may be reduced at the discretion of the Chief of the Health System or designee.
- L. If County or Contractor finds that performance is inadequate, at the County's discretion, a meeting may be called to discuss the causes for the performance problem, and this Agreement may either be renegotiated, allowed to continue to end of term, or terminated pursuant to Paragraph 4 of this Agreement. Any unspent monies due to performance failure may reduce the following year's agreement, if any.
- M. In the event Contractor claims or receives payment from County for a service, reimbursement for which is later disallowed by County or the State of California or the United States Government, then Contractor shall promptly refund the disallowed amount to County upon request, or, at its option, County may offset the amount disallowed from any payment due or become due to Contractor under this Agreement or any other agreement.
- N. Contractor shall provide all pertinent documentation required for federal Medi-Cal reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes). The County may withhold payment for any and all services for which the required documentation is not provided, or if the documentation provided does not meet professional standards as determined by the County BHRS Quality Improvement Manager.
- O. In the event this Agreement is terminated prior to June 30, 2015, Contractor shall be paid on a prorated basis for only that portion of the contract term during which Contractor provided services pursuant to this Agreement. Such billing shall be subject to the approval of the BHRS Director.
- P. Contractor may rollover unspent funding from the County according to the following procedures.
  - 1. Contractor shall submit a projected calculation of any savings no later than ninety (90) days before end of the fiscal year. The projected calculation will be a separate report from the year-end cost report.

2. At the time of the submission of the projected calculation Contractor may request to rollover some or all of any savings. The request must be made in writing to the BHRS Director or designee. The request shall identify specifically how the rollover funds will be spent, including a detailed budget. Savings shall not be spent until Contractor receives a written approval of the request. Approved rollover funds shall be spent only for the succeeding fiscal year and only for the specific purpose(s) requested and approved.
3. Contractor shall submit an accounting report of the rollover savings. This report shall include copies of the detailed expenses. The report is due ninety (90) days after the specific purpose has been completed, or ninety (90) days after the end of the fiscal year, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.
4. If the specific purpose is not yet complete as of the end of the succeeding fiscal year, contractor may request to rollover the unspent funds to the succeeding second fiscal year by submitting a written request with the accounting report. The unspent rollover funds shall not be spent until the request is approved by the BHRS Director or designee.
5. A final accounting of the rollover funds shall be submitted ninety (90) days after the specific purpose has been completed, or ninety (90) days after the end of the second fiscal year, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.

**Q. Beneficiary Billing**

Contractor shall not submit a claim to, 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. The Contractor shall not hold beneficiaries liable for debts in the event that the County becomes insolvent, for costs of covered services for which the State does not pay the County, for costs of covered services for which the State or the County does not pay the Contractor, for costs of covered services provided under this or other contracts, referral or other arrangement rather than from the County, or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary with an emergency psychiatric condition.

R. Election of Third Party Billing Process

Contractor shall select an option for participating in serial billing of third-party payors for services provided through this Agreement through the completion of Attachment C – Election of Third Party Billing Process. The completed Attachment C shall be returned to the County with the signed Agreement. Based upon the option selected by the Contractor the appropriate following language shall be in effect for this Agreement.

1. Option One

- a. Contractor shall bill all eligible third-party payors financially responsible for a beneficiary's health care services that Contractor provides through this Agreement. Within ten (10) days of the end of each month, Contractor shall provide to County copies of the Explanation of Benefits or other remittance advice for every third-party payment and/or denial of such third-party payments for services provided by Contractor during such month. The amount of any such third-party payment shall be deducted from the total actual costs for all services rendered by Contractor as reflected on the Cost Report as defined in Paragraph M. of this Exhibit B. County accepts no financial responsibility for services provided to beneficiaries where there is a responsible third-party payor, and to the extent that County inadvertently makes payments to Contractor for such services rendered, County shall be entitled to recoup such reimbursement, through the Cost Report reconciliation.
- b. Contractor shall provide a copy of each completed Payor Financial Form (Attachment D) and subsequent annual updates for all clients who receive services through this Agreement. For clients who begin to receive services during the term of this Agreement, completed Payor Financial Forms shall be provided to the County with client registration forms. For clients who were receiving services prior to the start date of this Agreement and who continue to receive services through this Agreement, completed Payor Financial Forms are due within ten (10) days of the end of the first month of the Agreement.

2. Option Two

- a. Contractor shall provide information to County so that County may bill applicable/eligible other third-parties for services provided by Contractor through this Agreement. County shall retain these revenues and shall not offset these revenues against payments to Contractor.
- b. Contractor shall provide a copy of the completed Payor Financial Form (Attachment D) and subsequent annual updates for all clients who receive services through this agreement. For clients who begin to receive services during the term of this Agreement, completed Payor Financial Forms shall be provided to the County with client registration forms. For clients who were receiving services prior to the start date of this Agreement and who continue to receive services through this Agreement, completed Payor Financial Forms are due within ten (10) days of the end of the first month of the Agreement.

S. Claims Certification and Program Integrity

1. Contractor shall comply with all state and federal statutory and regulatory requirements for certification of claims, including Title 42, Code of Federal Regulations (CFR) Part 438, Sections 438.604, 438.606, and, as effective August 13, 2003, Section 438.608, as published in the June 14, 2002 Federal Register (Vol. 67, No. 115, Page 41112), which are hereby incorporated by reference.
2. Anytime Contractor submits a claim to the County for reimbursement for services provided under Exhibit A of this Agreement, Contractor shall certify by signature that the claim is true and accurate by stating the claim is submitted under the penalty of perjury under the laws of the State of California.

The claim must include the following language and signature line at the bottom of the form(s) and/or cover letter used to report the claim.

"Under the penalty of perjury under the laws of the State of California, I hereby certify that the above claim for services complies with all terms and conditions referenced in the Agreement with San Mateo County.

"Executed at \_\_\_\_\_ California, on \_\_\_\_\_, 20\_\_\_\_  
Signed \_\_\_\_\_ Title \_\_\_\_\_  
Agency \_\_\_\_\_"

3. The certification shall attest to the following for each beneficiary with services included in the claim:
- a. An assessment of the beneficiary was conducted in compliance with the requirements established in this Agreement;
  - b. The beneficiary was eligible to receive services described in Exhibit A at the time the services were provided to the beneficiary;
  - c. The services included in the claim were actually provided to the beneficiary;
  - d. Medical necessity was established for the beneficiary as defined under California Code of Regulations, Title 9, Division 1, Chapter 11, for the service or services provided, for the timeframe in which the services were provided;
  - e. A client plan was developed and maintained for the beneficiary that met all client plan requirements established in this Agreement;
  - f. For each beneficiary with supplemental specialty mental health services included in the claim, all requirements for Contractor payment authorization for supplemental specialty mental health services were met, and any reviews for such service or services were conducted prior to the initial authorization and any re-authorization periods as established in this Agreement; and
  - g. Services are offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.

4. Except as provided in Exhibit A, Paragraph III.A.3. relative to medical records, Contractor agrees to keep for a minimum period of three years from the date of service a printed representation of all records which are necessary to disclose fully the extent of services furnished to the client. Contractor agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California, to the California Department of Health Services; the Medi-Cal Fraud Unit; California Department of Mental Health; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services, Managed Risk Medical Insurance Board or their duly authorized representatives, and/or the County.

End of Exhibit B



**EXHIBIT C (Schedule C)**  
**LICENSE FOR USE OF REAL PROPERTY**

**between**

**COUNTY OF SAN MATEO**

**and**

**TELECARE CORPORATION**

**Granting a revocable license for the use of**

**The Cordilleras Mental Health Center  
Redwood City, California**

**July 1, 2012**

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EXHIBIT 1 - PREMISES

## EXHIBIT C (Schedule C)

### REVOCABLE LICENSE TO ENTER AND USE REAL PROPERTY BY AND BETWEEN THE COUNTY OF SAN MATEO AND TELECARE CORPORATION (No. 5106)

THIS REVOCABLE LICENSE TO ENTER AND USE REAL PROPERTY (this "License"), dated for reference purposes only as of July 1, 2012, is between the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County" or "Licensor"), and TELECare CORPORATION, a California corporation ("Licensee" or "Contractor")

#### RECITALS

This agreement is made with reference to the following facts:

- a. County and Contractor are parties to that certain agreement for professional services to which this License is attached as Schedule C, and which is titled *Agreement With Telecare Corporation For Professional Services* and dated July 1, 2012 (the "Agreement"). This License is incorporated as part of the Agreement, and sets forth the rights and obligations of the parties in relation to the use of certain real property, which use is necessary in performance of the Agreement.
- b. Licensee's use and occupancy of the Premises as set forth in Section 5, hereof, shall be on the terms and conditions set forth herein.

#### AGREEMENT

Therefore, for good and valuable consideration as set forth in the Agreement, the receipt and sufficiency of which are hereby acknowledged, the County grants to Licensee and Licensee accepts from the County the revocable rights set forth in this License.

##### 1. Basic License Information

The following is a summary of Basic License information (the "Basic License Information"). Each item below shall be deemed to incorporate all of the terms in this License pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this License, the more specific provision shall control.

License Reference Date:	July 1, 2012
Licensor:	COUNTY OF SAN MATEO
Licensee:	TELECARE CORPORATION
Building (Section 2.1):	That certain skilled nursing facility located at 200 Edmonds Road, Redwood City, California, and commonly known as Cordilleras Mental Health Center (the "Building")
Premises (Section 2.1):	All of that certain portion of San Mateo Assessor's Parcel 050-470-050 as more particularly described in the attached Exhibit 1, together with the improvements thereon (the "Premises").

Term (Section 3.1):	Commencement date: July 1, 2012
Expiration date:	Upon termination of the Agreement or as otherwise set forth herein.
Base Fee (Section 4.1):	Consideration for the Use of the Premises under this License is included in the terms of the Agreement. Additional Charges and other amounts due from Licensee shall be referred to herein as Fee.
Use (Section 5.1):	Licensee shall use the Premises solely for the purpose of providing professional services as set forth in the Agreement, and for no other purpose without the expressed written consent of Licensor.
Licensee Improvements: (Section 7.1)	None
Utilities and Services (Section 10.1):	Provided by the Licensee at its sole cost and expense.
Security	Licensee shall be solely responsible for the security of the Premises. No measure shall be established which in any way interferes with County's security at its surrounding facilities.
Notice Address of County (Section 27.1):	Fax No.: (650) 363-4832  County of San Mateo Real Property Services 400 County Center Redwood City, California 94063
Telephone No.:	(650) 599-1388
Notice Address for Licensee (Section 26.1):	Richard Panell Telecare Corporation 1080 Marina Village Parkway, #100 Alameda, CA 94501-1043 Tel: 1 (510) 337-7950; Fax No.: 1 (510) 337-7969
Key Contact for Licensee:	Carolyn Rapier
Telephone No.:	(650) 367-1890 Ext. 146
Brokers (Section 26.8):	None

## **2. PREMISES; AS IS CONDITION**

2.1. License Premises. County confers to Licensee a revocable, personal, unassignable, non-exclusive and non-possessory privilege to enter upon and use the Premises identified in the Basic License Information and shown on Exhibit 1, for the limited purpose and subject to the terms, conditions and restrictions set forth below. This License gives Licensee a license only, revocable at any time at the will of County, and notwithstanding anything to the contrary herein, this License does not constitute a grant by County of any ownership, leasehold, easement or other property interest or estate whatsoever in the Premises, or any portion thereof. The Premises, including the land upon which the Building is located and all other improvements on and appurtenances to such land are referred to collectively as the "Property."

2.2. As Is Condition. LICENSEE ACKNOWLEDGES AND AGREES THAT THE PREMISES ARE BEING LICENSED AND ACCEPTED IN THEIR "AS IS" CONDITION, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, AND SUBJECT TO ALL APPLICABLE LAWS, RULES AND ORDINANCES GOVERNING THEIR USE, OCCUPANCY AND POSSESSION. LICENSEE REPRESENTS AND WARRANTS TO COUNTY THAT LICENSEE HAS INVESTIGATED AND INSPECTED, EITHER INDEPENDENTLY OR THROUGH AGENTS OF LICENSEE'S OWN CHOOSING, THE CONDITION OF THE PREMISES AND THE SUITABILITY OF THE PREMISES FOR LICENSEE'S INTENDED USE. LICENSEE HAS DETERMINED, BASED SOLELY ON ITS OWN INVESTIGATION, THAT THE PREMISES ARE SUITABLE FOR LICENSEE'S BUSINESS AND INTENDED USE.

## **3. TERM**

3.1 License Term. The privilege given to Licensee pursuant to this License is temporary only and for a term (the "Term") that shall commence on the date of commencement of the Agreement (the "Commencement Date"), or such earlier date upon which County delivers and Licensee accepts possession of the Premises or any portion of the Premises, and shall expire on the termination of the Agreement unless earlier terminated under this License. Without limiting any of its rights hereunder, County may at its sole option freely revoke this License at any time, without cause and without any obligation to pay any consideration to Licensee. County shall deliver the Premises to Licensee on the Commencement Date in their then existing as-is condition as further provided above, with no alterations being made by County.

3.2 Confirmation of Commencement Date. The dates on which the Term commences and terminates pursuant hereto are referred to respectively as the "Commencement Date" and the "Expiration Date."

## **4. FEE**

4.1 Fee. This License is granted in consideration of the services provided under the Agreement. Throughout the Term beginning on the Commencement Date, Licensee shall pay all financial obligations set forth in this License ("Additional Charges") as such obligations become due. As used in this License, the term "Fee" shall include the Additional Charges and any other amounts Licensee is obligated to pay hereunder, whether or not any such amounts are specifically characterized as a fee.

4.2 Default Interest. Any Fee due to Licensor, if not paid within five (5) days following the due date, shall bear interest from the due date until paid at the rate of ten percent (10%) per year or, if a higher rate is legally permissible, at the highest rate an individual is permitted to charge under law. However, interest shall not be payable on late charges incurred by Licensee nor on any amounts on which late charges are paid by Licensee to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Licensee.

## **5. USE**

5.1 Permitted Use. Licensee shall use and continuously occupy the Premises during the Term solely for the purposes set forth in the Agreement as necessary to meet its obligations under the Agreement and for no other purpose.

5.2 No Unlawful Uses, Nuisances or Waste. Without limiting the foregoing, Licensee shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Licensee shall take all precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises. Licensee shall not conduct any business, place any sales display, or advertise in any manner in areas outside the Premises or on or about the Property.

## **6. NOT USED**

## **7. ALTERATIONS**

7.1 Licensee's Alterations. Licensee shall not make or permit any alterations to the Premises or to the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security and other mechanical, electrical, communications systems of the Premises ("Building Systems"), and shall not make or permit any alterations, installations, additions or improvements, structural or otherwise (collectively, "Alterations"), in, on or about the Premises, without County's prior written consent in each instance. All Alterations shall be done in accordance with plans and specifications approved by County, only by duly licensed and bonded contractors or mechanics approved by County, and subject to any conditions that County may reasonably impose.

7.2 Title to Improvements. Except for Licensee's Personal Property (as described in the next section), or as may be specifically provided to the contrary in approved Plans, all appurtenances, fixtures, improvements, equipment, additions, and other property attached or affixed to or installed in the Premises at the Commencement Date or during the Term, including, without limitation, any Alterations shall, at County's sole discretion, remain County's property or be removed at the termination of this License. Licensee may not remove any such property at any time during or after the Term unless County so requests as further provided in Section 24 [Surrender of Premises], below.

7.3 Licensee's Personal Property. All furniture, trade fixtures, office equipment and articles of movable personal property installed in the Premises by or for the account of Licensee, without expense to County, and that can be removed without structural or other damage to the Premises (collectively, "Licensee's Personal Property") shall be and remain Licensee's property. Licensee may remove its Personal Property at any time during the Term, subject to the provisions of Section 24 [Surrender of Premises], below. Licensee shall pay any taxes or other impositions levied or assessed upon Licensee's Personal Property, at least ten (10) days prior to delinquency, and shall deliver satisfactory evidence of such payment to County upon request.

7.4 County's Personal Property. Licensee may use County's personal property itemized in Schedule E to the Agreement in connection with providing services under the Agreement. Licensee shall be responsible for the maintenance, repair, and replacement of said personal property. Upon termination or expiration of this License, Licensee shall return to County said personal property in good condition, reasonable wear and tear excepted.

7.5 County's Alterations of the Building and Building Systems. County reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the Building or the Building Systems, provided that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the Permitted Use set forth in Section 4.1 [Permitted Use].

## **8. REPAIRS AND MAINTENANCE**



8.1 County's Repairs. Except for damage arising from the willful or negligent act of Licensee, County shall, at its cost, repair and maintain the structural portions of the Premises, including the Building Systems and the common areas; provided, however, Licensee shall reimburse County for any damage, excluding normal wear and tear, caused by any act or omission of Licensee, its Agents or Invitees (as such terms are defined in Section 26.5 [Parties and their Agents], below). For the purpose of making any such repairs, County may use structures in the Premises where reasonably required by the character of the work to be performed, provided that such work shall not block the main entrance to the Parking Lot or Building nor unreasonably interfere with Licensee's business. Licensee waives any claim for damages for any injury or inconvenience to or interference with Licensee's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned thereby. County will maintain the Building in a manner that will minimize breakdowns and loss of use of the Premises by Licensee as a result of deferred or inadequate maintenance. The County specifically agrees, during the Term of this License, to provide the following repairs, maintenance and services:

- (a) plant maintenance and operations;
- (b) carpentry, plumbing, and electrical services;
- (c) maintenance of existing refrigeration, boilers, radiators, sump pumps, domestic water tanks, hot water tanks, heating and cooling, locks, and all related building systems and equipment;
- (d) landscape maintenance, including irrigation, pruning and lawn-cutting;
- (e) maintenance of parking lot and exterior grounds;
- (f) elevator maintenance;
- (g) pest control;
- (h) maintenance of storm drains, weirs, culverts and sanitary sewers;
- (i) maintenance of emergency generators, fire sprinkler system, fire and smoke detection systems and nurse call systems;
- (j) maintenance of window frames and walls (excluding glass and doors), roof, gutters and downspouts;
- (k) painting of interior and exterior portions of the Premises, as such is determined by the County to be necessary, provided that touch-ups and phasing of such work shall be at the sole election of the County.

Licensee shall report in writing in a timely manner to the Director of Mental Health Services, with a copy to the Director of Public Works, any need for repair and maintenance services called for herein, and failure to do so will relieve the County of any liability for failure to make such repairs or provide such maintenance services. Decisions regarding the scheduling of maintenance, repair and replacement as set forth herein shall otherwise be at the sole discretion of the Director of Public Works.

8.2 Licensee's Repairs. Except as provided hereinabove, Licensee shall, at its cost, maintain the Premises in good repair and working order and in a clean, secure, safe and sanitary condition. Licensee shall maintain, without limitation, all of County's personal property, signs, plate glass, windows, floors, built-in furniture, fixtures, and furnishings as part of the Premises, and shall at all times maintain Licensee's personal property in the Premises in good condition and repair. Licensee shall promptly make all required repairs and replacements: (a) at its sole expense, (b) through the County per the terms of the Agreement or by licensed contractors or qualified mechanics approved by County, (c) so that the same shall be at least equal in quality, value and utility to the original work or installation, (d) in a manner and using equipment and materials that will not interfere with or impair the operations, use or occupation of the Premises or the Building Systems, and (e) in accordance with all applicable laws, rules and regulations. Licensee hereby waives all rights to make repairs at County's expense under Sections 1941 and 1942 of the California Civil Code or under any similar law, statute or ordinance now or hereafter in effect.

## **9. LIENS AND ENCUMBRANCES**

9.1 Liens. Licensee shall keep the Premises and the rest of the Property free from any liens arising out of any work performed, material furnished or obligations incurred by or for Licensee. In the event Licensee does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, County shall have, in addition to all other remedies, the right, but not the obligation, to cause the lien to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by County and all expenses incurred by it in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to County by Licensee upon demand. County shall have the right to post on the Premises any notices that County may deem proper for the protection of County, the Premises, and the Building, from mechanics' and materialmen's liens. Licensee shall give to County at least fifteen (15) days' prior written notice of commencement of any repair or construction on the Premises.

9.2 Encumbrances. Licensee shall not create, permit or suffer any liens or encumbrances affecting any portion of the Premises, the Property or County's interest therein or under this License.

## **10. UTILITIES AND SERVICES**

10.1 Utilities and Services. Licensee shall, at its cost, make arrangements for service and provide all utilities and services to the Building including, without limitation, gas, electricity, water, telephone service, janitorial service, trash collection, and all connection charges. If the County allows the use of any part of the Building by an occupant other than Licensee, County and Licensee shall agree on an equitable reimbursement to Licensee of the cost of such Utilities and Services. Such reimbursement shall be computed based on the ratio of the floor area of the Building occupied by others as compared to the total floor area of the Building.

10.2 Mandatory or Voluntary Restrictions. In the event any law, ordinance, code or governmental or regulatory guideline imposes mandatory or voluntary controls on County or the Property or any part thereof, relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions, or the provision of any other utility or service provided with respect to this License, or in the event County is required or elects to make alterations to any part of the Premises in order to comply with such mandatory or voluntary controls or guidelines, such compliance and the making of such alterations shall in no event entitle Licensee to any damages, relieve Licensee of the obligation to pay the Additional Charges reserved hereunder or to perform each of its other covenants hereunder or constitute or be construed as a constructive or other eviction of Licensee.

10.3 Floor Load. Without County's prior written consent, which County may give or refuse in its sole discretion, Licensee shall not place or install in the Premises any equipment that weighs in excess of the normal load-bearing capacity of the floors of the Building. If County consents to the placement or installation of any such machine or equipment in the Premises, County shall reinforce the floor of the Premises prior to the installation of such machine or equipment.

## **11. COMPLIANCE WITH LAWS AND RISK MANAGEMENT REQUIREMENTS**

11.1 Compliance with Laws. Licensee shall promptly comply, at its sole expense, with all present or future laws, orders, regulations and requirements of all governmental authorities relating to the Premises or the use or occupancy thereof, whether in effect at the time of the execution of this License or adopted at any time thereafter and whether or not within the present contemplation of the parties. Licensee further understands and agrees that it is Licensee's obligation, at its sole cost, to cause the Premises and Licensee's uses thereof to be conducted in compliance with the Americans With Disabilities Act, 42 U.S.C.A. §§ 12101 et seq. Licensee shall not be required to make any structural Alterations in order to comply with such laws unless such Alterations shall be occasioned, in whole or in part, directly or indirectly, by the Licensee Improvements or any other Alterations, Licensee's use of the Premises, or any act or omission of Licensee, its Agents or Invitees. Any Alteration made by or on behalf of Licensee

pursuant to the provisions of this Section shall comply with the provisions of Section 8.2, Licensee's Repairs, above.

#### 11.2 Regulatory Approvals.

(a) Responsible Party. Licensee understands and agrees that Licensee's use of the Premises may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Licensee shall be solely responsible for obtaining any and all such regulatory approvals. Licensee shall not seek any regulatory approval without first obtaining the written consent of County hereunder. Licensee shall bear all costs associated with applying for and obtaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Licensee's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Licensee, and County shall have no liability, monetary or otherwise, for any such fines or penalties. Licensee shall Indemnify County and the other Indemnified Parties hereunder against all Losses arising in connection with Licensee's failure to obtain or comply with the terms and conditions of any regulatory approval.

(b) County Acting as Owner of Real Property. Licensee further understands and agrees that County is entering into this License in its capacity as a property owner, and not as a regulatory agency. Nothing in this License shall limit in any way Licensee's obligation to obtain any required approvals from County departments, boards or commissions having jurisdiction over the Premises. By entering into this License, County is in no way modifying or limiting Licensee's obligation to cause the Premises to be used and occupied in accordance with all applicable laws, as provided further above.

11.3 Compliance with County's Risk Management Requirements. Licensee shall not do anything, or permit anything to be done, in or about the Premises which would be prohibited by or increase the rates under a standard form fire insurance policy or subject County to potential premises liability. Licensee shall faithfully observe, at its expense, any and all requirements of County's Risk Manager with respect to Licensee's use and occupancy of the Premises, so long as such requirements do not unreasonably interfere with Licensee's use of the Premises.

11.4 Security. Licensee shall be solely responsible for the security of the Premises. No measure shall be established that in any way interferes with County's security at its surrounding facilities.

### 12. **SUBORDINATION**

This License is and shall be subordinate to any reciprocal easement agreement, ground lease, facilities lease or other underlying leases or licenses and the lien of any mortgage or deed of trust, that may now exist or hereafter be executed affecting the Property, or any part thereof, or County's interest therein. Notwithstanding the foregoing, County or the holder shall have the right to subordinate any such interests to this License. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Licensee shall attorn to the successor-in-interest to County, at the option of such successor-in-interest. The provisions of this Article shall be self-operative and no further instrument shall be required. Licensee agrees, however, to execute and deliver, upon demand by County and in the form requested by County, any additional documents evidencing the priority or subordination of this License.

### 13. **INABILITY TO PERFORM**

If County is unable to perform or is delayed in performing any of County's obligations under this License, by reason of acts of God, accidents, breakage, repairs, strikes, lockouts, other labor disputes, protests, riots, demonstrations, inability to obtain utilities or materials or by any other reason beyond County's reasonable control, no such inability or delay shall constitute an actual or constructive eviction, in whole or in part, or entitle Licensee to any abatement or diminution of fee or relieve Licensee from any of its obligations under this License, or impose any liability upon County or its Agents by reason of

inconvenience, annoyance, interruption, injury or loss to or interference with Licensee's business or use and occupancy or quiet enjoyment of the Premises or any loss or damage occasioned thereby.

#### **14. DAMAGE AND DESTRUCTION**

14.1 Damage and Destruction. If the Premises or the Building is damaged by fire or other casualty County shall have no obligation to repair the Premises or Building, County shall use reasonable efforts to promptly notify Licensee whether or not such damage can be repaired. In no event shall County be required to repair any damage to Licensee's Personal Property or any interior or exterior finishes or fixtures such as paneling, decorations, railings, floor coverings, or any Licensee Alterations installed or made on the Premises by or at the expense of Licensee.

14.2 Licensee Waiver. County and Licensee intend that the provisions of this Section govern fully in the event of any damage or destruction and accordingly, County and Licensee each hereby waives the provisions of Section 1932, subdivision 2, and Section 1933, subdivision 4, of the Civil Code of California or under any similar law, statute or ordinance now or hereafter in effect.

#### **15. EMINENT DOMAIN**

##### **15.1 Definitions.**

(a) "Taking," means a taking or damaging, including severance damage, by eminent domain, inverse condemnation or for any public or quasi-public use under law. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation or in settlement of a condemnation action.

(b) "Date of Taking" means the earlier of (i) the date upon which title to the portion of the Property taken passes to and vests in the condemnor or (ii) the date on which Licensee is dispossessed.

(c) "Award" means all compensation, sums or anything of value paid, awarded or received for a Taking, whether pursuant to judgment, agreement, settlement or otherwise.

15.2 General. If during the Term or during the period between the execution of this License and the Commencement Date, there is any Taking of all or any part of the Premises or any interest in this License, the rights and obligations of Licensee shall be determined pursuant to this Section. County and Licensee intend that the provisions hereof govern fully Licensee's rights in the event of a Taking and accordingly, Licensee hereby waives any right to terminate this License in whole or in part under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure or under any similar law now or hereafter in effect.

15.3 Total Taking; Automatic Termination. If there is a total Taking of the Premises, then this License shall terminate as of the Date of Taking.

##### **15.4 Partial Taking; Election to Terminate.**

(a) If there is a Taking of any portion (but less than all) of the Premises, then this License shall terminate in its entirety under either of the following circumstances: (i) if all of the following exist: (A) the partial Taking renders the remaining portion of the Premises unsuitable for continued use by Licensee, (B) the condition rendering the Premises unsuitable either is not curable or is curable but County is unwilling or unable to cure such condition, and (C) Licensee elects to terminate; or (ii) if County elects to terminate.

(b) If Licensee elects to terminate under the provisions of this Section 15 Licensee shall do so by giving the written notice to the County before or within thirty (30) days after the Date of Taking, and thereafter this License shall terminate upon receipt of such notice.

15.5 Fee; Award. Upon termination of this License pursuant to an election under Section 15.4 above, then: (i) Licensee's obligation to pay fee shall continue up until the date of termination, and thereafter shall cease, except that fee shall be reduced as provided in Section 15.6 below for any period during which this License continues in effect after the Date of Taking, and (ii) County shall be entitled to the entire Award in connection therewith (including, but not limited to, any portion of the Award made for the value of Licensee's interest under this License), and Licensee shall have no claim against County for the value of any unexpired term of this License, provided that Licensee may make a separate claim for compensation, and Licensee shall receive any Award made specifically to Licensee, for Licensee's relocation expenses or the interruption of or damage to Licensee's business or damage to Licensee's Personal Property.

15.6 Partial Taking; Continuation of License. If there is a partial Taking of the Premises under circumstances where this License is not terminated in its entirety under Section 15.4 above, then this License shall terminate as to the portion of the Premises so taken, but shall remain in full force and effect as to the portion not taken, and the rights and obligations of the parties shall be as follows: (a) Base Fee shall be reduced by an amount that is in the same ratio to the Base Fee as the area of the Premises taken bears to the area of the Premises prior to the Date of Taking; provided, however, in no event shall the monthly Base Fee be reduced to less than seventy-five percent (75%) of the monthly Base Fee immediately prior to the Date of Taking, and (b) County shall be entitled to the entire Award in connection therewith (including, but not limited to, any portion of the Award made for the value of the Licensehold estate created by this License), and Licensee shall have no claim against County for the value of any unexpired term of this License, provided that Licensee may make a separate claim for compensation, and Licensee shall receive any Award made specifically to Licensee, for Licensee's relocation expenses or the interruption of or damage to Licensee's business or damage to Licensee's Personal Property.

15.7 Temporary Takings. Notwithstanding anything to contrary in this Section, if a Taking occurs with respect to all or any part of the Premises for a limited period of time not in excess of one hundred eighty (180) consecutive days, this License shall remain unaffected thereby, and Licensee shall continue to pay fee and to perform all of the terms, conditions and covenants of this License. In the event of such temporary Taking, Licensee shall be entitled to receive that portion of any Award representing compensation for the use or occupancy of the Premises during the Term up to the total fee owing by Licensee for the period of the Taking, and County shall be entitled to receive the balance of any Award.

## **16. ASSIGNMENT AND SUBLETTING**

Restriction on Assignment and Subletting. Licensee shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Licensee), voluntarily or by operation of law, sell, assign, encumber, pledge or otherwise transfer (collectively, "Assignment") any part of its interest in or rights with respect to the Premises, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet or license any portion of the Premises (collectively, "Subletting"), without County's prior written consent in each instance.

## **17. DEFAULT; REMEDIES**

17.1 Events of Default. Any of the following shall constitute an event of default by Licensee hereunder:

(a) a failure to pay any Fee when due, and such failure continues for three (3) days after the date of written notice by County.

(b) a failure to comply with any other covenant, condition or representation made under this License and such failure continues for fifteen (15) days after the date of written notice by County,

provided that if such default is not capable of cure within such 15-day period, Licensee shall have a reasonable period to complete such cure if Licensee promptly undertakes action to cure such default within such 15-day period and thereafter diligently prosecutes the same to completion within sixty (60) days after the receipt of notice of default from County. County shall not be required to provide such notice more than twice in any twelve (12) month period and after the second notice in any calendar year, any subsequent failure by Licensee during such 12-month period shall constitute an event of default hereunder;

(c) a vacation or abandonment of the Premises for a continuous period in excess of five (5) business days; or

(d) an appointment of a receiver to take possession of all or substantially all of the assets of Licensee, or an assignment by Licensee for the benefit of creditors, or any action taken or suffered by Licensee under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted, if any such receiver, assignment or action is not released, discharged, dismissed or vacated within sixty (60) days.

17.2 Remedies. Upon the occurrence of an event of default by Licensee, County shall have the right to terminate the Agreement in addition to all other rights and remedies available to County at law or in equity:

17.3 County's Right to Cure Licensee's Defaults. If Licensee defaults in the performance of any of its obligations under this License, then County may, at its sole option, remedy such default for Licensee's account and at Licensee's expense by providing Licensee with three (3) days' prior written or oral notice of County's intention to cure such default (except that no such prior notice shall be required in the event of an emergency as determined by County). Such action by County shall not be construed as a waiver of such default or any rights or remedies of County, and nothing herein shall imply any duty of County to do any act that Licensee is obligated to perform. Licensee shall pay to County upon demand, as additional fee, all costs, damages, expenses or liabilities incurred by County, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such default. Licensee's obligations under this Section shall survive the termination of this License.

## **18. WAIVER OF CLAIMS; INDEMNIFICATION**

18.1 Limitation on County's Liability; Waiver of Claims. County shall not be responsible for or liable to Licensee, and Licensee hereby assumes the risk of, and waives and releases County and its Agents from all Claims (as defined below) for, any injury, loss or damage to any person or property in or about the Premises by or from any cause whatsoever including, without limitation, (i) any act or omission of persons occupying adjoining premises or any part of the Building adjacent to or connected with the Premises which are not occupied by County, (ii) theft, (iii) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (iv) stopped, leaking or defective Building Systems, (v) Building defects, and (vi) any other acts, omissions or causes. Nothing herein shall relieve County from liability caused solely and directly by the gross negligence or willful misconduct of County or its Agents, but County shall not be liable under any circumstances for any consequential, incidental or punitive damages.

18.2 Licensee's Indemnity. Licensee, on behalf of itself and its successors and assigns, shall indemnify, defend and hold harmless ("Indemnify") County including, but not limited to, all of its boards, commissions, departments, agencies and other subdivisions, including, without limitation, its Health Services Agency and Real Property Services Division and all of its respective Agents, and their respective heirs, legal representatives, successors and assigns (individually and collectively, the "Indemnified Parties"), and each of them, from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses, including, without limitation, direct and vicarious liability of every kind (collectively, "Claims"), incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, including, without limitation, employees of Licensee, or loss of or damage to property, howsoever or by whomsoever caused, occurring in or about the Property; (b) any default by Licensee in the observation or performance of any of the terms,

covenants or conditions of this License to be observed or performed on Licensee's part, including without limitation the terms, covenants or conditions of the Contractor Services Agreement; (c) the use or occupancy or manner of use or occupancy of the Premises by Licensee, its Agents or Invitees or any person or entity claiming through or under any of them; (d) the condition of the Premises; (e) any construction or other work undertaken by Licensee on the Premises whether before or during the Term of this License; or (f) any acts, omissions or negligence of Licensee, its Agents or Invitees, in, on or about the Premises or the Property; all regardless of the active or passive negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, except to the extent that such Indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this License and further except only such Claims as are caused exclusively by the willful misconduct or gross negligence of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and County's costs of investigating any Claim. Licensee specifically acknowledges and agrees that it has an immediate and independent obligation to defend the County from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Licensee by County and continues at all times thereafter. Licensee's obligations under this Section shall survive the termination of the License.

## **19. INSURANCE**

19.1 Licensee's Insurance. Licensee, at its sole cost, shall procure and keep in effect at all times during the Term insurance for the Premises in the form and amounts and under the terms and conditions specified in the Agreement and in compliance with County Risk Management guidelines.

19.2 Licensee's Personal Property. Licensee shall be responsible, at its expense, for separately insuring Licensee's Personal Property.

19.3 County's Self Insurance. Licensee acknowledges that County self-insures against casualty, property damage and public liability risks and agrees that County may at its sole election, but shall not be required to, carry any third party insurance with respect to the Building, the Premises or otherwise.

19.4 Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, to the extent permitted by their respective policies of insurance, County and Licensee each hereby waive any right of recovery against the other party and against any other party maintaining a policy of insurance covering the Building or the contents, or any portion thereof, for any loss or damage maintained by such other party with respect to the Building or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party. If any policy of insurance relating to the Premises carried by Licensee does not permit the foregoing waiver or if the coverage under any such policy would be invalidated due to such waiver, Licensee shall obtain, if possible, from the insurer under such policy a waiver of all rights of subrogation the insurer might have against County or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by such policy.

## **20. ACCESS BY COUNTY**

County reserves for itself and any of its designated Agents, the right to enter the Premises as follows: (i) on a regular basis without advance notice to supply any necessary or agreed-upon service to be provided by County hereunder; (ii) on an occasional basis, at all reasonable times after giving Licensee reasonable advance written or oral notice, to show the Premises to prospective Licensees or other interested parties, to post notices of non-responsibility, to conduct any environmental audit of Licensee's use of the Premises, to repair, alter or improve any part of the Building, Building Systems or the Premises, and for any other lawful purpose; and (iii) on an emergency basis without notice whenever County believes that emergency access is required. County shall have the right to use any means that it deems proper to open doors in an emergency in order to obtain access to any part of the Premises, and

any such entry shall not be construed or deemed to be a forcible or unlawful entry into or a detainer of, the Premises, or an eviction, actual or constructive, of Licensee from the Premises or any portion thereof. Licensee shall not alter any lock or install any new or additional locking devices without the prior written consent of County. All locks installed in the Premises (excluding Licensee's vaults, safes or special security areas, if any, designated by Licensee in writing to County) shall be by keyed to the Building master key system, and County shall at all times have a key with which to unlock all such doors. County rights to access shall be subject to State and federal laws concerning privacy.

## **21. LICENSEE'S CERTIFICATES**

Licensee, at any time and from time to time upon not less than ten (10) days' prior notice from County, shall execute and deliver to County or to any party designated by County a certificate stating: (a) that Licensee has accepted the Premises, (b) the Commencement Date and Expiration Date of this License, (c) that this License is unmodified and in full force and effect (or, if there have been modifications, that the License is in full force and effect as modified and stating the modifications), (d) whether or not there are then existing any defenses against the enforcement of any of Licensee's obligations hereunder (and if so, specifying the same), (e) whether or not there are any defaults then existing under this License (and if so specifying the same), (f) the dates, if any, to which the Base Fee and Additional Charges have been paid, and (g) any other information that may be required.

## **22. NOT USED**

## **23. NOT USED**

## **24. SURRENDER OF PREMISES**

Upon the Expiration Date or other termination of the Term of this License, Licensee shall immediately peaceably quit and surrender to County the Premises together with all Alterations approved by County in good order and condition, except for normal wear and tear after Licensee's having made the last necessary repair required on its part under this License, and further except for any portion of the Premises condemned and any damage and destruction for which Licensee is not responsible hereunder. The Premises shall be surrendered free and clear of all liens and encumbrances other than liens and encumbrances existing as of the date of this License and any other encumbrances created by County. Immediately before the Expiration Date or other termination of this License, Licensee shall remove all of Licensee's Personal Property as provided in this License, and repair any damage resulting from the removal. Notwithstanding anything to the contrary in this License, County can elect at any time prior to the Expiration Date or within thirty (30) days after termination of this License, to require Licensee to remove, at Licensee's sole expense, all or part of the Alterations or other improvements or equipment constructed or installed by or at the expense of Licensee. Licensee shall promptly remove such items and shall repair, at its expense, any damage to the Premises or the Building resulting from such removal. Licensee's obligations under this Section shall survive the Expiration Date or other termination of this License. Any items of Licensee's Personal Property remaining in the Premises after the Expiration Date or sooner termination of this License may, at County's option, be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by law.

## **25. HAZARDOUS MATERIALS**

25.1 Definitions. As used herein, the following terms shall have the meanings set forth below:

(a) "Environmental Laws," "Hazardous Material," and "Investigate and Remediate" shall have the meanings provided in Section 11.1 of the Contractor Services Agreement.



(b) "Release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Premises, or in, on, under or about any other part of the Property or into the environment.

25.2 No Hazardous Materials. Licensee covenants and agrees that neither Licensee nor any of its Agents or Invitees shall cause or permit any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Property or adjacent County-Owned Property, or transported to or from the Property, with the sole exception that Licensee may keep and use such substances in the Premises in such reasonably limited amounts as are customarily used for general office purposes (such as copy toner and other normal office and cleaning supplies) so long as such storage and use are in compliance with all applicable Environmental Laws at all times. Licensee shall immediately notify County if and when Licensee learns or has reason to believe a Release of Hazardous Material on or about the Premises or any other part of the Property has occurred that may require any Investigation or Remediation.

25.3 Licensee's Environmental Indemnity. If Licensee breaches any of its obligations contained in this Article, or, if any act or omission of Licensee, its Agents or Invitees, results in any Release of Hazardous Material in, on, under or about the Premises or any other part of the Property, then, without limiting Licensee's Indemnity contained in Section 18.2, Licensee shall, on behalf of itself and its successors and assigns, Indemnify the Indemnified Parties, and each of them, from and against all Claims (including, without limitation, damages for decrease in value of the Premises or the Property, the loss or restriction of the use of rentable or usable space or of any amenity of the Premises or the Property and sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees and costs) arising during or after the Term of this License and relating to such Release. The foregoing Indemnity includes, without limitation, costs incurred in connection with activities undertaken to Investigate and Remediate Hazardous Material and to restore the Property to its prior condition, fines and penalties imposed by regulatory agencies, and any natural resource damages. Without limiting the foregoing, if Licensee or any of its Agents or Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or any other part of the Property or adjacent County-Owned Property, Licensee shall immediately and at no expense to County take any and all appropriate actions to return the Premises or the Property affected thereby to the condition existing prior to such Release and otherwise Investigate and Remediate the Release in accordance with all Environmental Laws. Licensee shall afford County a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise or proceeding involving Hazardous Material.

## **26. GENERAL PROVISIONS**

26.1 Notices. Any notice given under this License shall be effective only if in writing and given by delivering the notice in person or by sending it first-class mail or certified mail with a return receipt requested or by overnight courier, return receipt requested, with postage prepaid, to: (a) Licensee (i) at Licensee's address set forth in the Basic License Information, if sent prior to Licensee's taking possession of the Premises, or (ii) at the Premises if sent on or subsequent to Licensee's taking possession of the Premises, or (iii) at any place where Licensee or any Agent of Licensee may be found if sent subsequent to Licensee's vacating, abandoning or surrendering the Premises; or (b) County at County's address set forth in the Basic License Information; or (c) to such other address as either County or Licensee may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Section at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made if sent by overnight courier, or upon the date personal delivery is made. For convenience of the parties, copies of notices may also be given by telefacsimile to the telephone number set forth in the Basic License Information or such other number as may be provided from time to time; however, neither party may give official or binding notice by facsimile.

26.2 No Implied Waiver. No failure by County to insist upon the strict performance of any obligation of Licensee under this License or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial Base Fee or Additional Charges during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of County, shall constitute a waiver of such breach or of County's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this License. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. Any consent by County hereunder shall not relieve Licensee of any obligation to secure the consent of County in any other or future instance under the terms of this License.

26.3 Amendments. Neither this License nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by both parties hereto.

26.4 Authority. If Licensee signs as a corporation or a partnership, each of the persons executing this License on behalf of Licensee does hereby covenant and warrant that Licensee is a duly authorized and existing entity, that Licensee has and is qualified to do business in California, that Licensee has full right and authority to enter into this License, and that each and all of the persons signing on behalf of Licensee are authorized to do so. Upon County's request, Licensee shall provide County with evidence reasonably satisfactory to County confirming the foregoing representations and warranties.

26.5 Parties and Their Agents; Approvals. The words "County" and "Licensee" as used herein shall include the plural as well as the singular. If there is more than one Licensee, the obligations and liabilities under this License imposed on Licensee shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party, and the term "Invitees" when used with respect to Licensee shall include the clients, customers, invitees, guests, licensees, assignees or sublicensees of Licensee. All approvals, consents or other determinations permitted or required by County hereunder shall be made by or through County's Manager of Real Property Services unless otherwise provided in this License, subject to applicable law.

26.6 Interpretation of License. The captions preceding the articles and sections of this License and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this License. This License has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this License. Provisions in this License relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or County holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this License, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

26.7 Successors and Assigns. Subject to the provisions of this License relating to Assignment and Subletting, the terms, covenants and conditions contained in this License shall bind and inure to the benefit of County and Licensee and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any sale, assignment or transfer by County named herein (or by any subsequent Licensor) of its interest in the Building as owner or lessee, including any transfer by operation of law, County (or any subsequent Licensor) shall be relieved from all subsequent obligations and liabilities arising under this License subsequent to such sale, assignment or transfer.

26.8 Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the License contemplated herein except as identified in the Basic License Information, whose commission, if any is due, shall be paid pursuant to a separate written agreement between such broker and the party through which such broker contracted. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Claims incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this License.

26.9 Severability. If any provision of this License or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this License, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this License shall be valid and be enforceable to the fullest extent permitted by law.

26.10 Governing Law. This License shall be construed and enforced in accordance with the laws of the State of California.

26.11 Entire Agreement. The Agreement together with this instrument, including the exhibits hereto, which are made a part of this License, contain the entire agreement between the parties and all prior written or oral negotiations, understandings and agreements are merged herein. The parties further intend that this License shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this License. Licensee hereby acknowledges that neither County nor County's Agents have made any representations or warranties with respect to the Premises, the Building or this License except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Licensee by implication or otherwise unless expressly set forth herein.

26.12 Time of Essence. Time is of the essence with respect to all provisions of this License in which a definite time for performance is specified.

26.13 Cumulative Remedies. All rights and remedies of either party hereto set forth in this License shall be cumulative, except as may otherwise be provided herein.

26.14 Survival of Indemnities. Termination of this License shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this License, nor shall it affect any provision of this License that expressly states it shall survive termination hereof.

26.15 Signs. Licensee agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Building or from the exterior of the Premises, without County's prior written consent, which County may withhold or grant in its sole discretion.

26.16 Relationship of the Parties. County is not, and none of the provisions in this License shall be deemed to render County, a partner in Licensee's business, or joint venturer or member in any joint enterprise with Licensee. Neither party shall act as the agent of the other party in any respect hereunder. This License is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided.

26.17 Taxes, Assessments, Licenses, Permit Fees and Liens. (a) Licensee recognizes and understands that this License may create a possessory interest subject to property taxation and that Licensee may be subject to the payment of property taxes levied on such interest. (b) Licensee agrees to

pay taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the interest hereby created and to pay all other taxes, excises, licenses, permit charges and assessments based on Licensee's usage of the Premises that may be imposed upon Licensee by law, all of which shall be paid when the same become due and payable and before delinquency. (c) Licensee agrees not to allow or suffer a lien for any such taxes to be imposed upon the Premises or upon any equipment or property located thereon without promptly discharging the same, provided that Licensee, if so desiring, may have reasonable opportunity to contest the validity of the same.

26.18 Non-Liability of County Officials, Employees and Agents. No elective or appointive board, commission, member, officer, employee or other Agent of County shall be personally liable to Licensee, its successors and assigns, in the event of any default or breach by County or for any amount which may become due to Licensee, its successors and assigns, or for any obligation of County under this Agreement.

26.19 No Relocation Assistance; Waiver of Claims. Licensee acknowledges that it will not be a displaced person at the time this License is terminated or expires by its own terms, and Licensee fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, County, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from County under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.), except as otherwise specifically provided in this License with respect to a Taking.

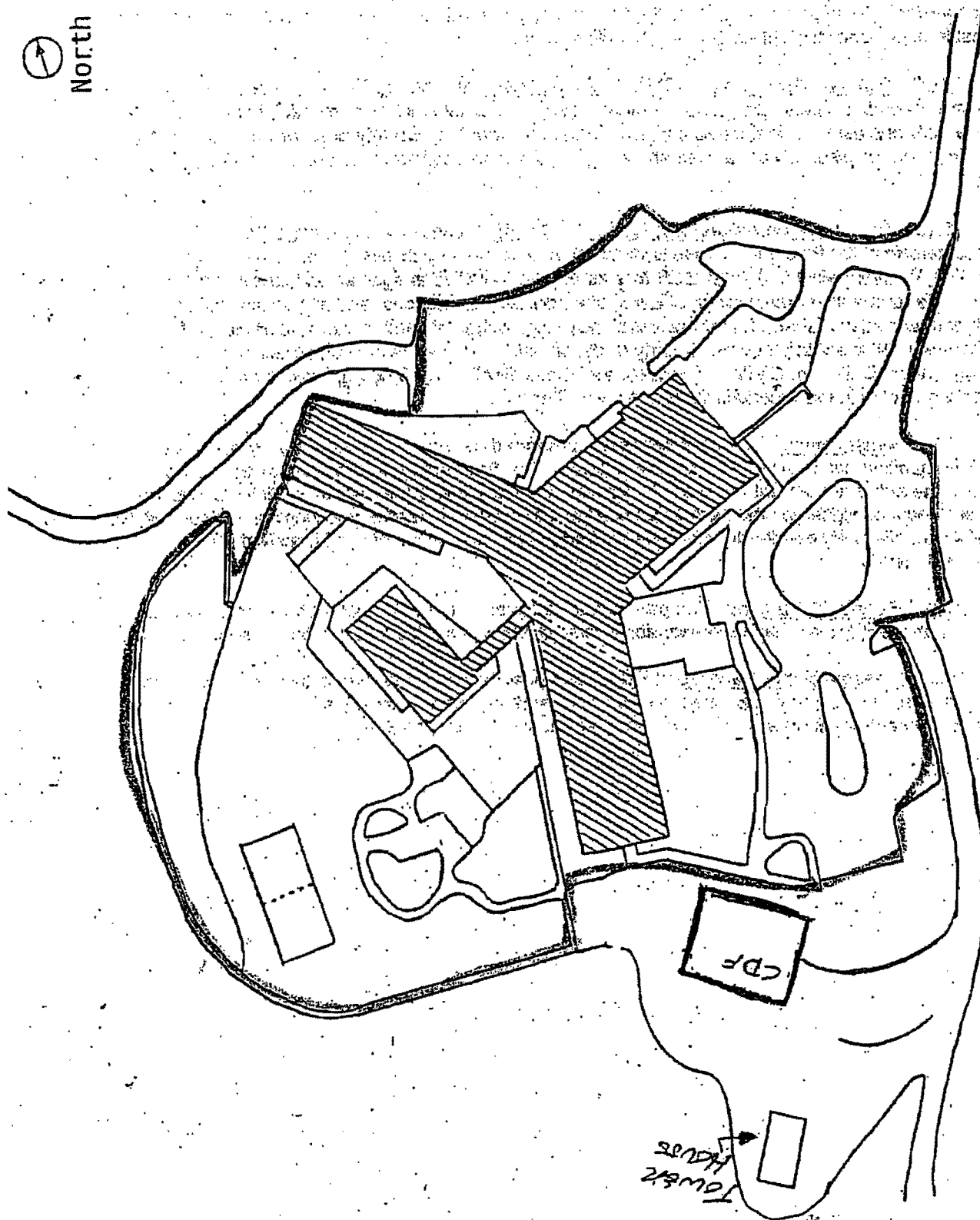
26.20 Amendments. Except as expressly amended as provided herein, the Agreement shall continue unmodified and remain in full force and effect. The Agreement as amended by this License constitutes the entire agreement between County and Contractor and may not be modified except by an instrument in writing signed by the party to be charged. In relation to issues effecting real property, in the event of any conflict between the terms of the Agreement and the terms of this License, the terms of this License shall control.

26.21 Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this License.

26.22 Reasonableness and Good Faith. Except as limited elsewhere in this License, whenever this License requires County or Licensee to give its consent or approval to any action on the part of the other, such consent or approval shall not be unreasonably withheld or delayed.



PREMISES



CORDILLERAS CENTER  
200 Edmonds Road, Redwood City

Site No. 2024

EXHIBIT D - CONTRACTOR'S BUDGET

<b>Cordilleras MHRC / Suites</b>	<b>FY 12-13</b>
	<b>Amount</b>
<b>Expenses</b>	
Salaries	\$ 4,371,001
Benefits	\$ 1,456,554
Sub-total	\$ 5,827,555
Services and Supplies	
Psychiatrists	\$ 87,362
Utilities (Gas, electricity)	\$ 165,000
Other Services and Supplies	\$ 1,534,167
Operating Income	\$ 425,000
<b>Total</b>	<b>\$ 8,039,084</b>
<b>Revenues</b>	
San Mateo	
MHRC	\$ 5,303,039
Residential with Case Management	\$ 1,684,023
Sub-total	\$ 6,987,062
VA	\$ 406,502
TB	\$ 90,520
Other	\$ -
SSI	\$ 555,000
Sub-total	\$ 1,052,022
<b>Total</b>	<b>\$ 8,039,084</b>
Surplus (deficit)	\$ 0
<b>Cost per Day</b>	
MHRC	\$ 238.18
SNF	\$ 220.65
<b>One time funding</b>	
	\$ -
<b>Garfield Neurobehavioral Center (SNF)</b>	<b>FY 12-13</b>
	<b>Amount</b>
Not to exceed for SNF services	\$ 320,000
<b>Agreement Maximum</b>	<b>\$ 7,397,582</b>

**EXHIBIT D - CONTRACTOR'S BUDGET**

<b>Cordilleras MHRC / Suites</b>	<b>FY 13-14</b>
	<b>Amount</b>
<b>Expenses</b>	
Salaries	\$ 4,458,421
Benefits	\$ 1,485,685
Sub-total	\$ 5,944,106
Services and Supplies	
Psychiatrists	\$ 89,983
Utilities (Gas, electricity)	\$ 169,950
Other Services and Supplies	\$ 1,572,175
Operating Income	\$ 433,694
<b>Total</b>	<b>\$ 8,209,909</b>
<b>Revenues</b>	
San Mateo	
MHRC	\$ 5,343,985
Residential with Case Management	\$ 1,708,660
Sub-total	\$ 7,052,645
VA	\$ 408,983
TB	\$ 90,885
Other	\$ 90,885
SSI	\$ 566,511
Sub-total	\$ 1,157,264
<b>Total</b>	<b>\$ 8,209,909</b>
Surplus (deficit)	\$ 0
<b>Cost per Day</b>	
MHRC	\$ 240.02
SNF	\$ 220.65
<b>One time funding</b>	
	\$ -
<b>Garfield Neurobehavioral Center (SNF)</b>	<b>FY 13-14</b>
	<b>Amount</b>
Not to exceed for SNF services	\$ 320,000
<b>Agreement Maximum</b>	<b>\$ 7,463,530</b>

**EXHIBIT D - CONTRACTOR'S BUDGET**

<b>Cordilleras MHRC / Suites</b>	<b>FY 14-15</b>
	<b>Amount</b>
<b>Expenses</b>	
Salaries	\$ 4,547,590
Benefits	\$ 1,515,398
Sub-total	\$ 6,062,988
Services and Supplies	
Psychiatrists	\$ 92,682
Utilities (Gas, electricity)	\$ 175,049
Other Services and Supplies	\$ 1,611,252
Operating Income	\$ 442,580
<b>Total</b>	<b>\$ 8,384,551</b>
<b>Revenues</b>	
San Mateo	
MHRC	\$ 5,410,780
Residential with Case Management	\$ 1,751,886
Sub-total	\$ 7,162,666
VA	\$ 413,910
TB	\$ 91,980
Other	\$ 137,970
SSI	\$ 578,025
Sub-total	\$ 1,221,885
<b>Total</b>	<b>\$ 8,384,551</b>
Surplus (deficit)	\$ 0
<b>Cost per Day</b>	
MHRC	\$ 243.02
SNF	\$ 220.65
<b>One time funding</b>	
	\$ -
<b>Garfield Neurobehavioral Center (SNF)</b>	<b>FY 14-15</b>
	<b>Amount</b>
Not to exceed for SNF services	\$ 320,000
<b>Agreement Maximum</b>	<b>\$ 7,574,646</b>



EXHIBIT D - CONTRACTOR'S BUDGET

<b>Cordilleras MHRC / Suites</b>	<b>FY 2012-15</b>
	<b>Amount</b>
<b>Expenses</b>	
Salaries	\$ 13,377,013
Benefits	\$ 4,457,637
Sub-total	\$ 17,834,649
Services and Supplies	\$ -
Psychiatrists	\$ 270,027
Utilities (Gas, electricity)	\$ 509,999
Other Services and Supplies	\$ 4,717,594
Operating Income	\$ 1,301,274
<b>Total</b>	<b>\$ 24,633,544</b>
<b>Revenues</b>	
San Mateo	
MHRC	\$ 16,057,804
Residential with Case Management	\$ 5,144,569
Sub-total	\$ 21,202,373
VA	\$ 1,229,395
TB	\$ 273,385
Other	\$ 228,855
SSI	\$ 1,699,536
Sub-total	\$ 3,431,171
<b>Total</b>	<b>\$ 24,633,544</b>
Surplus (deficit)	\$ 0
<b>Cost per Day</b>	
MHRC	
SNF	
<b>One time funding</b>	
	\$ -
<b>Garfield Neurobehavioral Center (SNF)</b>	<b>FY 14-15</b>
	<b>Amount</b>
Not to exceed for SNF services	\$ 960,000
<b>Agreement Maximum</b>	<b>\$ 22,435,758</b>

**TELECARE CORPORATION: FY 2012-15  
EXHIBIT E (Schedule E)  
COUNTY EQUIPMENT**

**Storage area:**

**20 center pieces out of rooms**

**Kitchen:**

**2 Walk-Ins Refer boxes**

**1 2-door refrig**

**1 1-door refrig**

**Sinks Steam tables**

**Pizza Oven (County Removed)**

**Counters**

**1 Freezer**

**1 8-burner stove with oven**

**Basement:**

**Alex's Office (except our phone)**

**County workshop**

**Boilers**

**Admin area:**

**Water fountain**

**Walk-in safe**

**Shelves in the wall**

**Clinic:**

**All but the phones and medical equipment**

**Magnolia:**

**12 beds (moved to second floor)**

**12 nightstands (moved to second floor)**

**7 standing closets (moved to second floor)**

**Edgewood:**

**17 beds (**

**17 nightstands (**

**11 Standing closets (**

**Lockers (**

**1 Desk (**

**Dishwasher (In Rehab)**

**Oven (in Rehab)**

**Auditorium:**

**4 Square tables**

**Dining room:**

**Steam table with heater**

**8 tables**

**32 chairs**

**Willow:**

**23 Beds**

**23 Nightstands**

**23 Chairs**

**2 Desks**

**2<sup>nd</sup> Floor North Wing:**

**2 Beds**

**3 Desks**

**2<sup>nd</sup> East Wing**

**Water Fountain**

**5 Desks**

**2 Square tables**

**4 Chairs**

**6 Dining tables**

**24 Dining chairs**

**2<sup>nd</sup> Floor Kitchen**

**1 Heated serving table**

**1 Stove with oven**

**Common Areas**

**Video Monitoring System**

**Attachment C**  
**Election of Third Party Billing Process**

San Mateo County Health System is required to bill all other insurance (including Medicare) before billing Medi-Cal for beneficiaries who have other coverage in addition to Medi-Cal. This is called "serial billing." All claims sent to Medi-Cal without evidence of other insurance having been billed first will be denied.

In order to comply with the serial billing requirement you must elect which of the two following options to use in our contract with you. In either case, you will need to establish the eligibility of your clients through the completion of the standard form (Payor Financial Form) used to collect this information. Please select and complete one of the two options below:

Option One

Our agency will bill other insurance, and provide San Mateo County Behavioral Health and Recovery Services (BHRS) with a copy of the Explanation of Benefits provided by that insurance plan before billing BHRS for the remainder.

We, Telecare Corporation, elect option one.

\_\_\_\_\_  
Signature of authorized agent

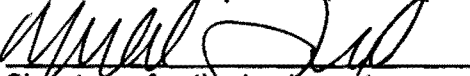
\_\_\_\_\_  
Name of authorized agent

\_\_\_\_\_  
Telephone number

Option Two

Our agency will provide information to San Mateo County Behavioral Health and Recovery Services (BHRS) so that BHRS may bill other insurance before billing Medi-Cal on our agency's behalf. This will include completing the attached client Payor Financial Form and providing it to the BHRS Billing Office with the completed "assignment" that indicates the client's permission for BHRS to bill their insurance.

We, Telecare Corporation, elect option two.

  
\_\_\_\_\_  
Signature of authorized agent

Marshall Langfeld  
\_\_\_\_\_  
Name of authorized agent

(510) 337-7950  
\_\_\_\_\_  
Telephone number

Please note if your agency already bills private insurance including Medicare for services you provide, then you must elect Option One. This is to prevent double billing. Please return this completed form to:

Doreen Avery, Business Systems Manager  
Behavioral Health and Recovery Services  
225 37<sup>th</sup> Avenue  
San Mateo, CA 94403  
(650) 573-2284

## Attachment D - Payor Financial Form

## AGENCY NAME:

Client's Last Name/MH ID # (if known)

First Name

M.I.

Alias or other names Used

Client Date of Birth

Undocumented? ☐ Yes ☐ No  
If no, Social Security Number (Required)26.5 (AB3632) ☐ Yes ☐ No  
IEP (SELPA) start dateDoes Client have Medi-Cal? ☐ Yes ☐ No Share of Cost? ☐ Yes ☐ No Client's Medi-Cal Number (BIC Number)?~~Please attach copy of Medi-Cal card. If client is not on Medi-Cal, skip the remaining sections of this form and fax to MIS/Billing Unit 533-2110~~Is Client Potentially Eligible for Medi-Cal Benefits? ☐ Yes ☐ No Client Referred to Medi-Cal? ☐ Yes, give date: ☐ NoIs this a Court-ordered Placement? ☐ Yes ☐ NoDoes Client have Medicare? ☐ Yes ☐ No If yes, please check all that apply ☐ Part A ☐ Part B ☐ Part D (effective 1/1/06)

What is the Client's Medicare Number?

Responsible Party's Information (Guarantor):

Name Phone Relationship to Client ☐ Self

Address City State Zip Code

☐ Refused to provide Financial Information and will be charged full cost of service.

## FINANCIAL ASSESSMENT - Annual UMDAP (Uniform Method of Determining Ability to Pay)

## Gross Monthly Income (include all in the Household)

- A. Self .....\$
- B. Parents/Spouse/Domestic Partner .....\$
- C. Other .....\$

Number of Persons Dependent on Income

## Asset Amount (List all liquid assets)

- A. Savings.....\$
- B. Checking.....\$
- C. Stocks.....\$

## Allowable Expenses

- A. Court Ordered Monthly Obligation \$
- B. Monthly Child Care Payments  
(Only if Necessary for Employment) \$
- C. Monthly Dependent Support Payments \$
- D. Monthly Medical Expense Payments \$
- E. Monthly Mandated Deductions for  
Retirement Plan (Do not include  
Social Security).....\$
- F. Housing Cost (Mortgage/Rent) \$

3<sup>rd</sup> Party HEALTH INSURANCE INFORMATION

## Health Plan or Insurance Company (Not employer)

Name of Company

Street Address

City

State Zip

Insurance Co. phone number

Policy Number

Group Number

Name of Insured Person

Relationship to Client

Social Security Number of Insured Person  
(if other than client)Does this Client have Healthy Families Insurance? ☐ Yes ☐ No  
If Yes, complete San Mateo County Mental Health SED form.Does this Client have Healthy Kids Insurance? ☐ Yes ☐ No  
Does this Client have HealthWorx Insurance.? ☐ Yes ☐ No

## CLIENT AUTHORIZATION - This section is not required for Full scope Medi-Cal Clients

I affirm that the statements made herein are true and correct. I understand that I am responsible for paying the UMDAP liability amount or cost of treatment received by myself or by members of my household during each 1-year period. If the cost of service is more than the UMDAP liability amount, I pay the lesser amount. It is my responsibility and I agree to provide verification of income, assets and expenses. If I do not, I will be billed in full for services received. I authorize San Mateo County Mental Health to bill all applicable mental health services to Medi-Care and/or my insurance plan, including any services provided under 26.5. I authorize payment of healthcare benefits to San Mateo County Mental Health.

Signature of Client or Authorized Person

Date

Reason if client is unable to sign

I affirm that the statements made herein are true and correct: ☐ (Please check if applicable) Date Reason

Name of Interviewer

Phone Number

Best Time to Contact

ENTERED BY

San Mateo County Mental Health Services Use Only  
CLIENT ACCOUNT #

DATA ENTRY DATE

**MEDI-CAL AND HEALTHY FAMILIES/HEALTHY KIDS/HEALTH WORKS ELIGIBILITY**

Below are instructions for accessing the State's MEDS (Medi-Cal Eligibility Determination System) to determine eligibility and clearing share of cost through the internet. If you do not have access to the internet, please call Bernadette Ortiz (phone: 650-573-2712) or Analiza Salise (phone: 650-573-2442) to verify eligibility.

**Instructions for Obtaining Medi-Cal Eligibility Using Internet**

- Double click on Internet Explorer
- Type in the address box: **<https://www.medi-cal.ca.gov/eligibility>**
- From the Login Center Transaction Services screen, enter  
Userid: **usually 5 zeros followed by your provider number**
- Enter state assigned password – call Medi-Cal Provider Relations Phone Support @  
1-800-541-5555
- Click on Submit or press enter
- From the Transaction Services screen, double click on Determine Patient's Eligibility
- From Perform Eligibility screen fill in the following fields:
  - Recipient ID – enter the client's Social Security # (without dashes)
  - Date of Birth – enter the client's DOB (mm/dd/yyyy)
  - Date of Card Issue – if unknown, enter today's date (mm/dd/yyyy)
  - Date of Service – enter the date on which the service is to be performed (mm/dd/yyyy)
  - Click on Submit or press enter

**Note:**

Click on Back - to return to Transaction Services screen

Clear – press this button to clear the fields in the form

Patient Recall – once any transaction has been performed on a client, pressing this button will fill in the common fields with all of the information from the last transaction. This is useful for using the same client on different transaction (such as an eligibility verification, then a Share of Cost) or for correcting data when a transaction has gone through with incorrect data.

### **Instructions for Clearing Medi-Cal Share of Cost Using Internet**

- Double click on Internet Explorer
- Type in the address box: <https://www.medi-cal.ca.gov/eligibility>
- From the Login Center Transaction Services screen, enter  
Userid: **your provider number preceded by 5 zeros**
- Enter state assigned password - call Medi-Cal Provider Relations Phone Support @  
1-800-541-5555
- Click on Submit or press enter
- From the Transaction Services screen, double click on Determine  
Share of Cost
- From Perform SOC screen fill in the following fields:
  - Recipient ID – enter the client’s Social Security # (without dashes)
  - Date of Birth – enter the client’s DOB (mm/dd/yyyy)
  - Date of Card Issue – if unknown, and clearing service for the current month, enter today’s date. If you are clearing a retroactive service, you must have the BIC issue date. (mm/dd/yyyy)
  - Date of Service – enter service date for the “SOC Clearance.” (mm/dd/yyyy)
  - Procedure Code – enter the procedure code for which the SOC is being cleared. The procedure code is required. (90862, 90841, 90882, etc.)
  - Billed Amount – enter the amount in dollars and cents of the total bill for the procedure code. (ex. 100 dollars would be entered as 100.00). If you do not specify a decimal point, a decimal followed by two zeros will be added to the end of the amount entered.
  - Share of Cost Case Number – optional unless applying towards family member’s SOC case
  - Amount of Share of Cost – optional unless a SOC case number was entered
  - Click on Submit or press enter

**Note:**

Click on Back - to return to Transaction Services screen

Clear – press this button to clear the fields in the form

Patient Recall – once any transaction has been performed on a client, pressing this button will fill in the common fields with all of the information from the last transaction. This is useful for using the same client on different transaction (such as an eligibility verification, then a Share of Cost) or for correcting data when a transaction has gone through with incorrect data.

Select SOC Case – this item affects how the Patient Recall button (described above) functions. Simply select the circle above the SOC case number that you want the Patient Recall button to use when it fills out the form. Note that the SOC case numbers are only available if the previous transaction was an Eligibility transaction.

The “Last Used” choice contains the SOC Case number that was used if the previous transaction was a SOC transaction. This is also a default choice if none are selected.

ATTACHMENT I

**Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended**

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- ☐ a. Employs fewer than 15 persons.
- ☒ b. Employs 15 or more persons and, pursuant to section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

Marshall Langfeld  
Name of 504 Person - Type or Print

Telecare Corporation  
Name of Contractor(s) - Type or Print

1080 Marina Village Parkway, Suite 100  
Street Address or P.O. Box

Alameda, CA 94501  
City, State, Zip Code

I certify that the above information is complete and correct to the best of my knowledge.

[Signature]  
Signature

Senior Vice President and CFO  
Title of Authorized Official

7/30/12  
Date

\*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a disabled person seeking its services, there is no method of complying with (the facility accessibility regulations) other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."