MEDI-CAL EXPANSION POPULATION HEALTH SERVICES AGREEMENT BETWEEN SAN MATEO HEALTH COMMISSION AND SAN MATEO COUNTY HEALTH SYSTEM

This Medi-Cal Expansion Population Health Services Agreement ("Agreement") is entered into this **1st day of July 2014,** by and between San Mateo County Health System**,** a department of the County of San Mateo, which is in turn a political subdivision of the State of California (hereinafter referred to as "County"), and the San Mateo Health Commission, doing business as the Health Plan of San Mateo, an independent public agency arranging for the provision of Medi-Cal Benefits (hereinafter referred to as "Commission" or "Plan"). The parties agree as follows:

In addition to this Medi-Cal Expansion Population Health Services Agreement, the following are attached hereto and incorporated by reference herein:

EXHIBIT 1: COVERED SERVICES AND EXCLUSIONS

EXHIBIT 2: PAYMENT PROVISIONS

EXHIBIT 3: DIVISION OF RESPONSIBILITIES

EXHIBIT 4: REPORTING REQUIREMENTS

EXHIBIT 5: TIMELY ACCESS STANDARDS

MEDI-CAL EXPANSION POPULATION
HEALTH SERVICES AGREEMENT

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HEALTH CARE SERVICES AGREEMENT

Recitals:

WHEREAS, Plan is a County Organized Health System, formed pursuant to Welfare and Institutions Code Section 14087.51 and Sections 2.68.010, 2.68.020 and 2.68.030 of the San Mateo County Ordinance, which has entered into or will enter into and maintain contracts with the State of California under which certain San Mateo County Medi-Cal Members will receive, through the Plan, all medical services hereinafter defined as "Covered Services";

WHEREAS, San Mateo County Health System, which includes the San Mateo Medical Center division (including all affiliated clinics and providers), the Behavioral Health and Recovery Services division (including all affiliated clinics and providers and responsibilities as the County Mental Health Plan), the Family Health Services division, the Aging & Adult Services division, the Public Health division, the Health Coverage Unit division, and the Emergency Medical Services division, on behalf of its various divisions has previously entered into agreements with Plan to provide services with respect to Medi-Cal Plan members;

WHEREAS, Plan and County (collectively, the "Parties") now wish to enter into this Agreement by which certain San Mateo County Medi-Cal Members will receive care from the County's San Mateo Medical Center and Behavioral Health and Recovery Services divisions as outlined by this Agreement at a fixed rate per eligible Plan Member, a payment structure also known as a capitation; and

WHEREAS, Section 14199.1 of the California Welfare and Institutions Code requires Plan to assign many new Medi-Cal members to County as their "health home," and Members who previously lacked health coverage require extra care coordination and case management.

NOW, THEREFORE, it is agreed that the above Recitals are true and correct and as follows:

SECTION 1
DEFINITIONS

As used in this Agreement, the following terms (listed alphabetically) shall have the meaning set forth by this Section 1, except where, from the context, it is clear that another meaning is intended.

1.1 **"Agreement"** - **"Advanced Access"** - shall mean the provision, by an individual physician, physician group or the medical group to which a Member is assigned, of appointments with a primary care provider, or other qualified primary care provider such as a nurse physician or physician's assistant, within the same or next business day from the time an appointment is requested, and advance scheduling of appointments at a later date if the Member prefers not to accept the appointment offered within the same or next business day.

1.2 **"Agreement"** - shall mean this signed contract between Plan and County.

1.3 **"Appointment Waiting Time"** - shall mean the time from the initial request for health care services by a Member or the Member's PCP to the earliest date offered for the appointment for services inclusive of time for obtaining authorization from PLAN or completing any other condition or requirement of PLAN.

1.4 **“Assign”, “Assigned” or “Assignment”** - means the actions taken by the Plan to assign an eligible Plan member to a Primary Care Physician affiliated with San Mateo Medical Center for purposes of County providing or arranging Medically Necessary Covered Services to such Plan member.

1.5 **“Capitation Allocation”** - shall mean the payments made to County by Plan as a single, fixed, monthly amount, as set forth in Exhibit 2. A fixed rate is paid per Member per month as compensation for performing the services and responsibilities required under this Agreement, regardless of actual utilization.

1.6 **“Complaints” or “Grievances”** - shall have the meaning specified in the DHCS Agreement, as applicable, and in applicable statutes and regulations.

1.7 **“Coordination of Benefits”** - means the process by which the County or Plan, either together or separately, seek to recover costs of Covered Services provided for an incident of sickness or accident on the part of the Member, which may be covered by another insurer, service plan, government, third party payer, or other organization, from that insurer, service plan, government, third party payer, or other organization, subject to any limitations imposed by the DHCS Agreement.

1.8 **“Corrective Action”** - means a written request made by Plan or a regulatory agency to County to correct its performance or the performance of a provider to conform to the provisions of this Agreement.

1.9 **“Covered Services”** - means those Medically Necessary services to be provided under this Agreement that County is required to perform. These Covered Services, referenced in Exhibit 1, are set forth in Title 22, CCR, Chapter 3, Article 4, beginning with Section 51301, and Title 17, CCR, Division 1, Chapter 4, Subchapter 13, beginning with Section 6840, unless otherwise specifically excluded under the terms of this Agreement. Covered Services includes only services provided to Assigned Members by San Mateo Medical Center and/or Behavioral Health and Recovery Services providers, and Covered Services shall not include any other services, whether provided to Assigned Members by anyone other than authorized San Mateo Medical Center and/or Behavioral Health and Recovery Services providers or whether provided to anyone who is not an Assigned Member.

1.10 **“Credentialing”** - means the verification of professional or technical competence and qualification of a provider. The process involved will include verification of registration, certification, licensure and professional association membership, and eligibility to participate in federally funded programs.

1.11 **“Delegation”** - means the transfer or commitment of powers or functions by Plan to another party which may include the transfer of administrative and financial responsibility for specific Covered Services (e.g., Claims Processing, Credentialing, Utilization Management, etc.).

1.12 **“DHCS”** - means the California Department of Health Care Services.

1.13 **“DHCS Agreement”** - means the current Medi-Cal agreement, as amended, between the Plan and DHCS for the Plan to provide services to Medi-Cal beneficiaries in San Mateo County.

1.14 **“DMHC”** - means the California Department of Managed Health Care.

1.15 **"Emergency Medical Condition"** - means emergency medical condition as defined in the DHCS Agreement, as applicable, and in applicable statutes and regulations.

1.16 **"Emergency Medical Services"** - means emergency medical services as defined in the DHCS Agreement, as applicable, and in applicable statutes and regulations consistent with Section 1317.1 of the California Health and Safety Code.

1.17 **"Encounter"** – means any single medically-related service rendered by (a) Provider(s) to a Member during the date of service. It includes, but is not limited to, all services for which the County incurs any financial liability.

1.18 **"Encounter Data"** - means information which contains data regarding Encounters, which is maintained by County, and which is electronically submitted by County to Plan in a form and manner consistent with the requirements of this Agreement and DHCS.

1.19 **"Facility"** - means any premise that is owned, leased, used, or operated directly or indirectly by or for the County or its affiliates for purposes related to this Agreement or maintained by a provider to provide services on behalf of the County pursuant to this Agreement.

1.20 **"Medically Necessary" or "Medical Necessity"** - means reasonable and necessary services to protect life, to prevent significant illness or significant disability, or to alleviate severe pain through the diagnosis or treatment of disease, illness, or injury. When determining the Medical Necessity of Covered Services for a Medi-Cal beneficiary under the age of 21, "Medical Necessity" is expanded to include the standards set forth in 22 CCR 51340 and 51340.1.

1.21 **"Member"** - means any individual certified by DHCS as being eligible to receive Medi-Cal services who is enrolled in Plan and Assigned by Plan to a Primary Care Physician affiliated with San Mateo Medical Center for purposes of County providing Medically Necessary Covered Services under this Agreement. Members are limited to participants in Plan membership who are assigned the following aid codes: L1, M1, and 7U.

1.22 **"Non-Covered Services"** - means those health care services which are not Covered Services under this Agreement and/or are excluded services. Non-covered services therefore may be the financial responsibility of another person, another entity, the Plan (to the extent the service in question does not fall under those provided pursuant to this Agreement),or the Member. A Non-Covered Service, if provided by the County's San Mateo Medical Center, shall only be the financial responsibility of the Member if permitted by Medi-Cal and other applicable law or contract and then only if the County or the treating provider has properly disclosed to the Member in advance of treatment that the service is a Non-Covered Service and therefore will be the Member's financial responsibility as specified in Exhibit 1.

1.23 **"Participating Provider" or "Provider"** - means a licensed or certified physician, nurse, technician, researcher, hospital, home health agency, nursing home, or any other individual or institution that is employed by or contracts with County to provide medical services to Members. Provider shall also have the meaning specified in the Knox Keene Act, Title 28 of the CCR or other applicable law.

1.24 **"Primary Care Physician" (PCP)** - means a licensed physician who is responsible for supervising, coordinating, and providing initial and primary care to patients and who serves as the

medical home for Members. The medical home is the location or facility where care is accessible, continuous, comprehensive, and culturally competent. The PCP may be a general practitioner, internist, pediatrician, family practitioner, or obstetrician/gynecologist (OB/GYN).

1.25 **"Prior Authorization"** - means a formal process requiring a health care provider to obtain advance approval from Plan to provide specific services or procedures.

1.26 **"Service Area"** - means San Mateo County and/or zip codes in which Plan is licensed to operate a health care service plan as specified in the DHCS Agreement as applicable.

1.27 **"State"** - means the State of California.

1.28 **"Utilization Management" (UM)** - means those review processes and procedures which are designed to determine whether services are Covered Services or Medically Necessary.

SECTION 2
HEALTH SERVICES TO BE PROVIDED BY COUNTY

2.1 **Covered Services**

County shall provide or arrange for Members all Medically Necessary Covered Services as referenced in Exhibit 1 in accordance with prevailing practices and standards in the San Mateo County medical community at the time of treatment. This Agreement does not apply to services provided by County to other participants of Plan who are not Members pursuant to this Agreement, and such services shall continue to be provided by County to such individuals pursuant to other agreements between Plan and County, as applicable.

2.2 **Emergency Care**

County shall ensure that a Member with an Emergency Medical Condition will be seen on an emergency basis and that Emergency Medical Services will be available and accessible within the Service Area 24 hours a day, 7 days a week. County shall cover Emergency Medical Services without prior authorization pursuant to Title 28 CCR 1300.67(g)(1). County shall coordinate access to Emergency Medical Services in accordance with the County's DHCS-approved Emergency Department protocol. County shall ensure adequate follow-up care for those Members who have been screened in the Emergency Room and require non-emergency care.

2.3 **Access and Availability**

County shall ensure that each Member has a PCP who is available and physically present at the service site for sufficient time to ensure access for the assigned Member to the PCP. This requirement does not preclude an appropriately licensed professional from being a substitute for the PCP in the event of vacation, illness, or other unforeseen circumstances.

County shall ensure Members access to Participating Provider specialists for Medically Necessary Covered Services. County shall ensure adequate staff, including physicians and administrative and other support staff directly and/or through subcontracts, sufficient to assure that health services will be provided in accordance with this Agreement, the DHCS Agreement, and the DMHC Timely Access Standards, as outlined in Exhibit 5.

County shall ensure the continuous availability and accessibility of adequate number of Participating Provider physicians to provide Covered Services to Members on a 24-hour basis, 7 days a week, including the provision of Emergency Medical Services. County will, at a minimum, meet the availability and accessibility standards as required by the Plan's DHCS Agreement. County shall establish and meet acceptable accessibility standards in accordance with applicable laws including Titles 22 and 28 CCR and the DHCS Agreement.

2.4 **Drug Formulary**

County shall comply whenever possible with the drug formulary adopted by Plan. Plan shall provide a copy of such formulary upon request.

2.5 **Performance Measures**

County's provision of services to Members under this Agreement shall be assessed by Plan no less than annually. During the initial term of this Agreement, Plan and County shall agree upon

measures of County's performance, as well as expectations for such measures based upon Plan's own reporting of those measures for regulatory or accreditation oversight. Any changes to these performance measures shall be mutually agreed upon by the Parties.

SECTION 3
PLAN'S ADMINISTRATIVE DUTIES AND RESPONSIBILITIES

3.1 **Administration**

Notwithstanding the terms and provisions of this Agreement, the Plan maintains, under the terms of this Agreement, responsibility for adhering to and otherwise fully complying with all terms and conditions of the Plan's Programs and Agreements. The Plan shall perform all necessary administrative, accounting, and reporting requirements and other functions consistent with its requirements, the Plan's agreements, and the administration of this Agreement. The Plan shall establish and maintain ongoing monitoring and oversight of County's performance of its obligations in connection with the applicable Plan program. County shall cooperate with Plan in its oversight and compliance efforts and shall take corrective action as Plan reasonably determines necessary to comply with applicable laws, DHCS Agreement, and Plan policies governing the duties of County. County understands that Plan may be held accountable by regulatory agencies if County or a Participating Provider fails to perform its duties under this Agreement or any subcontract or under any delegation amendment thereto.

3.2 **Eligibility List**

The Plan shall maintain a system for Member identification of eligible Members Assigned to County, including Member identification cards and an electronic interface between County and the Plan to enable Participating Providers to promptly determine a Member's eligibility for services.

3.3 **Disclosure of Information**

The Plan shall make available in electronic form to the County any applicable Provider Manual and shall make the applicable Provider Manual available on the Plan Website. The County, upon contracting and upon written request, as well as on-line, shall make available to Participating Providers such information as is required by the regulations of Title 28 California Code of Regulations Sections 1300.71(l) and (o). At County's request, Plan shall provide on its website a link to, or instructions on how to access, County's website for Section 1300.71(l) and (o) disclosure information.

3.4 **Support Services**

The Plan will provide reasonable support for and will cooperate with the County to perform its duties under the Agreement. The Plan agrees to provide such cooperation and support.

3.5 **Plan Policies and Provider Manual**

The parties agree that provisions of this Agreement shall control, and be given effect, over any conflicting provision of any Plan policies and/or Provider Manual adopted before or after the execution of this Agreement. County agrees to cooperate with Plan's policies and procedures, as applicable to County.

3.6 **Members Assigned to County**

The Plan has assigned and will continue to assign Members to County for the provision of services under this Agreement in accordance with Section 14199.1 of the California Welfare and Institutions Code. The parties agree that Plan's assignment of members to County under this Agreement

should not exceed County's capacity to perform the responsibilities of this Agreement. Therefore, on a periodic basis, or at any time upon request of either party, County's capacity for further Member assignments shall be examined, and the parties shall agree on the quantity of further assignments and a timeframe for re-examining the County's capacity for further assignments.

3.7 **Responsibility for Member/Provider Initiated Grievance, Appeal, and Provider Dispute Procedure**

Plan has primary responsibility for the formulation, maintenance, and review of the Grievance, Appeal, and Provider Dispute review systems, including related policy changes and procedural improvements. County agrees that all disputes or disagreements arising out of this Agreement between County and the Plan or the Member shall be resolved in accordance with such Grievance, Appeal, or Provider Dispute resolution processes, as set forth in Plan's Provider Manual. Plan may establish and amend these processes from time to time. To the extent permitted by law, in accordance with applicable provisions of the Knox-Keene Health Service Plan Act of 1975, as amended, and the regulations promulgated hereunder by the Department of Managed Health Care, County shall permit Plan to inspect and make copies of any and all records pertaining to any such dispute or disagreement and shall provide copies of such records to Plan upon request.

County may submit Grievances, Appeals, or Provider Disputes to Plan by calling Plan's Grievance and Appeals Coordinator at 650-616-2850 or Provider Disputes Unit at 650-616-2836.

County shall display in a prominent place at each place of service a notice informing Members how to contact Plan and file a complaint.

County shall provide the telephone number of Plan to any Member wishing to file a complaint.

SECTION 4
COUNTY'S DUTIES AND RESPONSIBILITIES

4.1 **Organizational/Administrative Capability**

County shall maintain the organizational and administrative capabilities to carry out its duties and responsibilities under the Agreement. This will include at a minimum the following:

4.1.1 Member and Panel Assignment reporting systems.

4.1.2 Data reporting capabilities sufficient to provide necessary and timely reports to Plan for submission to DHCS in a format to be agreed upon by the parties.

4.2 **Financial Viability**

County shall maintain throughout the term of this Agreement financial viability to perform the duties herein.

4.3 **Health Home Designation**

Upon Plan's assignment of a Member to County, County shall assign each such Member to a Primary Care Physician affiliated with County through whom that Member will seek all medical services.

County shall establish procedures by which Members may change their choice of Primary Care Physician. County shall also assist the Member to make another choice if an assigned Primary Care Physician does not believe that a satisfactory physician/patient relationship can be developed or continued with that Member. County shall track the Member and the Primary Care Physician generated change requests for quality purposes.

4.4 **Primary Care Physician as Case Manager**

The Member's Primary Care Physician shall be the principal source of a Member's primary medical contact and advice. The Primary Care Physician shall be responsible for the management of all of a Member's medical care, except where specifically excepted herein, for the Member until such time as County changes the Member's Primary Care Physician at the request of the Member or the Primary Care Physician.

4.5 **Physician Responsibility**

The Member's Primary Care Physician, and any Attending Physician or Referral Provider to whom County has delegated the authority to proceed with treatment or the use of resources, shall be responsible for monitoring all medical advice and services performed or prescribed through them for the Member. County shall support the Primary Care Physician in coordinating the care of the Member among multiple providers. In addition, it is expected that, to the extent possible, any services provided to Plan members are rendered according to evidence-based guidelines. County is responsible for oversight of the quality of care the Member receives.

4.6 **Claims Submission**

County shall submit claims to Plan for all services to Plan Members, and Plan shall pay claims for Covered Services under this contract at the amount of zero dollars ($0) because they are

reimbursed by the Capitation Allocation.

4.7 Submission of Data

The parties understand and agree that DHCS is increasingly focusing on, and beginning to assess penalties related to, Plan reports and data submissions to DHCS. County recognizes that County's non-compliance with the requirements of this section and Exhibit 4 may subject Plan to administrative burdens, additional regulatory scrutiny, and penalties. Accordingly, County agrees to comply with Plan's data reporting requirements, as set forth in this section and detailed further in Exhibit 4.

4.7.1 Quality Data

County shall submit quality data to the Plan in the form, manner, and frequency as set forth in Exhibit 5.

County shall provide Plan with access to Member medical charts and records as required by Plan for quality data review.

County may be subject to Corrective Action and assessed penalties, as set forth in Section 4.3.3, for failure to comply with the quality data requirements of this Section and Exhibit 4.

4.7.2 Penalties

If, due to County's non-compliance with requirements of this Agreement or the State, sanctions or penalties are imposed on Plan, Plan may assess County a penalty or penalties equal to the amount assessed or to be assessed Plan by State. Plan's process for assessing such a penalty or penalties shall be consistent with the process and manner by which such a penalty or penalties may be assessed Plan by DHCS.

4.7.3 Corrective Action

County's failure to submit data and reports in accordance with the requirements of this Agreement may result in Corrective Action. Where Corrective Action is required, County shall submit to Plan a Corrective Action Plan (CAP) in a form and manner consistent with the requirements established by DHCS for the correction of deficiencies in data submission.

4.8 Health Insurance Portability and Accountability Act of 1996 (HIPAA)

County shall comply with HIPAA and all federal and State statutes and regulations affecting confidentiality of Member medical records and Member information.

County shall also cooperate with Plan by providing Plan, as permitted by applicable federal and State law, with such information on any HIPAA breach affecting Members as may be needed by the Plan to comply with DHCS reporting requirements.

4.9 Discrimination Prohibited

County shall ensure compliance with Title VI of the Civil Rights Act of 1964 and any implementing regulations (42 USC 2000d, 45 CFR 80) that prohibit recipients of federal financial assistance from discriminating against persons based on race, color, religion, or national origin. County shall also ensure compliance with Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975.

4.10 Access for Disabled Members

County's facilities and medical office buildings shall comply with the requirements of Title III of the Americans with Disabilities Act of 1990, including without limitation, ramps, elevators, restrooms, designated parking spaces, and drinking water.

4.11 **Interpreter Services**

County shall provide twenty four (24) hour access to interpreter services for all Assigned Members either through telephone language services or on-site interpreters as required by the DHCS Agreement, applicable statute, or law. Plan contracts with a qualified telephonic interpreter service to assist providers in complying with this requirement. County is encouraged to use this service if language assistance would otherwise not be available to Plan members.

4.12 **Medical Records**

County shall ensure that appropriate Medical Records for Members are maintained, pursuant to 28 CCR 1300.80(b)(4) and 42 USC 1396a(w), and consistent with appropriate medical and professional practice. Medical records shall be maintained for at least five (5) years from the close of the State's fiscal year in which this Agreement was in effect or such longer period as is required by law and/or Plan's DHCS Agreement. During the same five (5) year period, Plan and authorized federal and State agencies, or their duly authorized representatives, shall have the right to inspect, evaluate, and audit all books and records maintained by County pertaining to the provision of Covered Services to Members under this Agreement at any time during normal business hours. Plan will make all reasonable attempts to coordinate these audits/inspections.

To the extent required by law, County will permit Plan to inspect and make copies of Member medical records or, upon request, provide Plan with copies of Member medical records at no charge to Plan or Member.

4.13 **Utilization Management (UM) Program**

County shall cooperate with Plan in the implementation of the Utilization Management Program established by the Plan to review and control the utilization of health care services and provide procedures for the coordination and monitoring of a Member's care, including but not limited to medical evaluation of Member's health condition, referral, consultation, admission to hospitals, follow up care, and coordination of referred health care services in order to make sure that Member receives cost effective, quality care.

4.14 **UM Delegated by Plan**

In subsequent years to this program the Plan intends to delegate UM to the County. At such time, the County shall develop, implement, and continuously update and improve a UM program that ensures appropriate processes are used to review and approve the provision of Medically Necessary Covered Services to Members, in accordance with Health and Safety Code Section 1363.5, applicable State or federal law and the Plan's DHCS Agreement.

4.15 **Credentialing**

The Plan delegates to County credentialing and re-credentialing functions and facility review and medical records review functions for services provided by San Mateo Medical Center and Behavioral Health and Recovery Services to Members pursuant to this Agreement. County shall use a professional review system in accordance with Title 22, CCR, Section 53280. County shall perform all delegated functions in compliance with the Plan's DHCS Agreement and applicable State or federal law. County shall ensure all physicians credentialed on Plan's behalf have staff privileges at least one hospital contracted with Plan.

4.16 **Quality Management Monitoring and Oversight by Plan**

County shall cooperate with Plan in performing County's duties under this Agreement to facilitate Plan's oversight and monitoring of County's performance. County shall also cooperate with Plan in monitoring County's programs aimed at improving quality of care and assisting Plan in collecting appropriate data and assisting Plan in accordance with applicable law. County's program shall include, at a minimum, the following:

4.16.1 County's quality improvement responsibilities and specific functions and activities of the County;
4.16.2 County's oversight, monitoring, and evaluation processes and any subcontractor's agreement to such processes;
4.16.3 County's reporting requirements and approval processes; and
4.16.4 County's actions/remedies if obligations are not met.

4.17 **Member Selection or Assignment**

County shall accept all Members who are Assigned to County by the Plan. County shall accept and maintain Members without regard to health status, frequency of visits, costs of care, or cultural or linguistic factors. County acknowledges that a Member may request transfer in accordance with Member's applicable Plan program.

4.18 **Member Transfers**

Subject to any applicable DHCS guidelines or requirements, County may request from the Plan that a Member be reassigned from County back to Plan for cause, as allowed by law. The Plan shall review and respond to such request within ten (10) calendar days of the request. Approval of such request shall not be unreasonably withheld.

4.19 **Accreditation; Cooperation with Requirements**

The parties mutually agree that County's performance of duties delegated under this Agreement is subject to continuing the oversight by the Plan. Parties further acknowledge that Plan is, in turn, subject to the continuing oversight and regulation by DHCS, DMHC, and other State and federal authorities. To the extent Plan seeks to be accredited by the National Committee for Quality Assurance (NCQA), Plan may be subject to additional quality, oversight, and performance requirements and Plan may be required to exercise additional oversight over subcontractors, including County. County agrees to cooperate with Plan with regard to any increased oversight of County by Plan as may be required for Plan to meet initial and continuing accreditation requirements.

4.20 **Support Services**

County will have the duty to provide reasonable support for and cooperate with the Plan in County's performance of duties under the Agreement. County agrees to provide such cooperation and support.

SECTION 5
PAYMENT FOR COVERED SERVICES

5.1 **Payment for Covered Services**

Plan shall pay County for Medically Necessary Covered Services provided by County under this Agreement. Payment for services shall be provided on the 10th day of each month. Capitation Allocation payments shall be made in accordance with Exhibit 2 and any other applicable Schedule or Exhibit of this Agreement.

5.1.1 Notwithstanding the foregoing, the timeliness of payment by Plan shall be contingent upon and may be delayed or deferred as a result of non-payment or deferral of payment from the California Department of Health Care Services to Plan for a period not to exceed six (6) months. Once Plan receives full payment from DHCS, Plan shall pay County any and all amounts owed by Plan within ten (10) business days of receiving payment from DHCS.

5.1.2 Plan shall provide County with a thirty (30) calendar days written notification before non-payment can occur. Notwithstanding the foregoing, this requirement shall not apply in instances where Plan does not receive at least thirty (30) calendar days' written notice of such nonpayment by DHCS.

5.1.3 Notwithstanding the foregoing, in the event of non-payment or deferral of payment by DHCS, Plan shall make efforts to pay County whatever portion of amounts owed by Plan to the extent reasonably feasible.

5.2 **Renegotiation of Rate**

Plan and County shall review and negotiate the Capitation Allocation referenced in Exhibit 2 no less than every six months to determine whether such Allocation rate shall be increased, decreased, or remain the same, sometimes on a retroactive basis.

5.2.1 Plan shall have a duty to notify County as promptly as possible of any reduction in the capitation rate paid to Plan by DHCS for Plan Members. In no event shall Plan notify County more than 15 days from the date the Plan first receives notice from DHCS of such a reduction.

5.2.2 A reduction/increase in rates by DHCS shall be addressed promptly by way of a negotiation between the Parties to this Agreement. The Parties shall have sixty (60) days from the time County receives notice of the reduction/increase to reach agreement about how the reduced rate shall be handled.

5.2.3 If the Parties are unable to reach agreement during this timeframe, and the Plan provides reliable and reasonable evidence that continuing the Capitation Allocation will cause the Plan to incur medical expenses in excess of 85% of the total amount paid to Plan by DHCS for all Plan members in aid codes L1, M1, and 7U, the Agreement shall be terminated automatically 30 days after the end of the sixty (60) day negotiation period.

5.2.4 Should the Agreement terminate under Section 5.2.3, Plan shall be entitled to recoup the difference between the Capitation Allocation paid to County and 64% of the new capitation rate paid by DHCS to Plan for the months during which Plan received the lower capitation rate. The Parties shall agree upon a method and schedule for Plan to recapture any such overpayment amounts so as not to cause undue financial hardship to either party. Notwithstanding the foregoing, the Parties are aware of the requirements of Section 14301(a), Welfare & Institutions Code, which addresses the manner in which overpayments shall be recaptured by Plan. The Parties shall work together to ensure compliance with the Fraud Enforcement and Recovery Act of 2009 and the Patient Protection and Affordable Care Act of 2010 in relation to capitation payments.

5.3 **Member Liability**

County shall look only to the Plan for compensation for Medically Necessary Covered Services and shall at no time seek compensation from Members for Medically Necessary Covered Services, including but not limited to, nonpayment by the Plan or the Plan's insolvency, dissolution, bankruptcy, or breach of the Agreement. The County shall not bill, charge, surcharge, collect a deposit or other sum, or seek compensation, remuneration, or reimbursement from, or maintain any action or have any other recourse against any Member, for any debts owed by Plan under this Agreement for Covered Services payable by the Plan.

The obligations set forth in this section shall survive the termination of this Agreement, regardless of the cause giving rise to such termination and shall be construed for the benefit of Members. The provisions of this section shall supersede any oral or written agreement to the contrary now existing or hereafter entered into between County and the Member or any persons acting on their behalf for Covered Services provided pursuant to this Agreement.

5.4 **Member Held Harmless**

County agrees and shall ensure to hold harmless the Member in the event the Plan cannot or will not pay for Covered Services performed by County pursuant to the terms of the Agreement.

5.5 **Coordination of Benefits / Third Party Liens**

In the event the Plan or the Medi-Cal program is not the primary payor for Services a Member is to receive, any and all right to bill and receive coordination of benefits shall be a right of County, unless such right is retained by DHCS pursuant to the DHCS Agreement as applicable to Coordination of Benefits / Third Party Liens, or as provided by law. Any and all rights to impose and receive reimbursement pursuant to third party liens shall be a right solely of the Plan or of DHCS, as set forth in the DHCS Agreement. County shall provide all information in its possession which is necessary to permit the Plan to report workers' compensation and third party lien information to DHCS as may be required by the DHCS Agreement or required by applicable federal and State law.

5.6 **Offsets**

Any penalty or sanction by Plan against County may be recovered by Plan from County by an offset to the Capitation Allocation payments made to County. At least 30 calendar days prior to seeking such recovery, Plan shall notify County to explain the recovery and describe the process. The process of offsetting for such penalties or sanctions shall be consistent with the applicable provisions of DHCS policy letters, guidance, or the DHCS Agreement. Any Party may resolve a dispute regarding such an offset via the provisions of Section 8.14, "Dispute Resolution," of this Agreement.

SECTION 6
TERMINATION

6.1 **Term**

This Agreement shall be for a term of one (1) year from the date it becomes effective and shall be automatically renewed for subsequent terms of one (1) year each. This Agreement may be terminated or amended as hereinafter provided.

6.2 **Termination -** This Agreement may be terminated as follows:

6.1.1 **Termination Without Cause** - Either party may terminate this Agreement without cause by providing ninety (90) calendar days prior written notice to the other party.

6.1.2 **Termination For Cause** - If either party materially breaches this Agreement and fails to cure the material breach to the satisfaction of non-breaching party within thirty (30) calendar days after the non-breaching party gives written notice of the material breach to the breaching party, the non-breaching party may terminate this Agreement immediately at the end of the thirty (30) day notice period. The following shall constitute a material breach for purposes of termination under this Section.

6.1.3 **Material Breach by Plan shall include**

6.1.3.1 Plan fails to pay County the compensation set forth in Exhibit 2 within twenty (20) calendar days of such payment's due date except as noted in Section 5.1, but Plan may fail to pay County for a period not to exceed six (6) months if Plan does not receive payment from the Department of Health Care Services;

6.1.3.2 Revocation of Plan's license necessary for the performance of this Agreement or termination of the DHCS Agreement;

6.1.3.3 A petition is filed by the Plan to declare bankruptcy or to reorganize under the bankruptcy laws of the United States or a receiver is appointed over all or any portion of the Plan's assets;

6.1.3.4 The Plan breaches any material term, covenant, or condition of this Agreement; or

6.1.3.5 Withhold of payment for a period longer than six (6) months due to DHCS' non-payment of Plan.

6.1.4 **Material Breach by County shall include**:

6.1.4.1 Any license or certification, such as enrollment in the Medi-Cal program, necessary for County's performance under this Agreement is revoked;

6.1.4.2 A petition is filed by the County to declare bankruptcy or to reorganize under the bankruptcy laws of the United States or a receiver is appointed over all of any portion of the County's assets; or

6.1.4.3 County breaches any material term, covenant, or condition of this Agreement.

6.1.5 **Immediate Termination by Plan**

Notwithstanding any other provision of this Agreement, Plan may terminate this Agreement immediately upon notice to County in the event County is excluded from participation in the Medicare or Medicaid programs under Sections 1128 and 1128A of the Social Security Act.

6.1.6 **Immediate Termination by County**

Notwithstanding any other provision of this Agreement, County may terminate this Agreement immediately upon notice to Plan in the event Plan fails to timely and fully compensate County the amounts required by this Agreement for providing Covered Services except as noted in Section 5.1.1, which states that Plan may fail to pay County for a period not to exceed six (6) months if Plan does not receive payment from the Department of Health Care Services.

6.1.7 **Rejection of Legally-Required Modification**

Either party may terminate this Agreement upon a minimum of ninety (90) calendar days prior written notice to the other party if the other party rejects a Legally-Required Modification pursuant to Section 8.4 "Amendments", of this Agreement which governs Amendments.

6.1.8 **Effect of Termination**

Except as provided in Section 6.1.10, as of the effective date of the termination of this Agreement, this Agreement shall be considered of no further force or effect, and each of the parties shall be relieved of their obligations hereunder, except that:

6.1.8.1 Termination shall not affect any rights or obligations hereunder which have previously accrued or which shall arise prior to the effective date of termination, and such rights and obligations shall continue to be governed by this Agreement.

6.1.8.2 Members assigned to County under this Agreement, as well as Members pending assignment to County consistent with paragraph 3.6 above, may continue assignment to County under separate agreements existing between Plan and County, such as agreements for Primary Care Medical Services and Hospital Services.

6.1.9 **Termination of DHCS Agreement**

In the event of termination of the DHCS Agreement between Plan and DHCS, County shall assist Plan in the orderly transfer of Members and medical care to other providers, if necessary, as required by the DHCS Agreement or other DHCS directive.

6.1.10 **Survival of Obligations**

Only provisions of this Agreement that by their nature are to be performed or complied with following the expiration or termination of this Agreement survive the expiration or termination of this Agreement

SECTION 7
INSURANCE

7.1 **Liability Insurance**
County shall carry at its sole expense liability insurance of at least ONE MILLION DOLLARS ($1,000,000) and THREE MILLION DOLLARS ($3,000,000) per person per occurrence/in aggregate, insuring against professional errors and omissions (malpractice) in providing medical services under the terms of this Agreement and for the protection of the interests and property of County, its agents and employees, and, in relation to their receipt of services under this Agreement, Plan Members.

7.2 **Other Insurance Coverage**
County shall carry at its sole expense at least THREE HUNDRED THOUSAND DOLLARS ($300,000) per person per occurrence of the following insurance for the protection of the interest and property of County, its employees, Plan Members (in relation to their receipt of care from County pursuant to this Agreement), the Plan (in relation to Members' receipt of care from County pursuant to this Agreement), and third parties; namely, personal injury on or about the premises of the County, general liability, employer's liability and Workers' Compensation to the extent said Workers' Compensation is required by law.

7.3 **Mutual Hold Harmless**

a. It is agreed that County shall defend, hold harmless, and indemnify Plan and its officers, employees, agents, and servants from any and all claims, suits, or actions of every name, kind, and description brought by a third party which arise out of the terms and conditions of this Agreement and which result from the negligent (or malicious/reckless) acts or omissions of County and/or its officers, employees, agents, and servants.

b. It is agreed that Plan shall defend, save harmless, and indemnify County and its officers, employees, agents, and servants from any and all claims, suits, or actions of every name, kind, and description brought by a third party which arise out of the terms and conditions of this Agreement and which result from the negligent (or malicious/reckless) acts or omissions of Plan and/or its officers, employees, agents, and servants.

c. The duty of each party to defend, hold harmless, and indemnify the other as set forth herein shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

d. In the event of concurrent negligence (or malicious/reckless acts) of County and/or its officers, employees, agents, and servants, on the one hand, and Plan and/or its officers, employees, agents, and servants, on the other hand, 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.

7.4 **Certificates of Insurance**
County shall at its sole expense, if any, provide to Plan on request certificates of insurance or verifications of required coverage for the duration of the Agreement's term and shall notify the Plan of any notice of cancellation for any and all coverage required by this Agreement.

7.5 **Automatic Notice of Termination**
County shall arrange with the insurance carrier to have automatic notification of insurance coverage

termination given to the Plan.

SECTION 8
GENERAL PROVISIONS

8.1 **Compliance with Laws, Standards, and DHCS Agreement**

The parties shall comply with all applicable federal and State laws and guidelines and with the applicable terms of the DHCS Agreement. The Plan will provide County a copy of the DHCS Agreement and applicable amendments before the effective date of this Agreement and shall provide copies of amendments effective after the execution of this Agreement, within 30 calendar days of the Plan's execution. The DHCS Agreement and subsequent amendments are incorporated herein by reference. The required elements of this Agreement shall conform to the DHCS Agreement as amended. Any future amendment to the DHCS Agreement that has a material impact on County's obligations under this Agreement may, at County's option, be treated as a Legally Required Modification pursuant to Section 8.4.

8.2 **Governing Law**

This Agreement shall be construed and enforced in accordance with the laws of the State, applicable federal law, Plan's contract with DHCS, and applicable DHCS policy letters and guidance related to the obligations of the parties as provided under this Agreement.

8.3 **Independent Contractor**

In the performance of the obligations under this Agreement each of the parties shall at all times be acting as independent contractors. Nothing in this Agreement shall be construed or deemed to create a relationship of employer, employee, partner, joint venture, or principal and agent between the parties.

8.4 **Amendments**

Unless otherwise specified herein, this Agreement may be amended only upon mutual written consent of the parties. Notwithstanding the foregoing, if DHCS, the United States Department of Health and Human Services (DHHS), the Centers for Medicare & Medicaid Services (CMS), or DMHC requires any modification of this Agreement in order for this Agreement to be in conformity with laws and regulations concerning County's duties and responsibilities under this Agreement, one party shall deliver to the other party a copy of the proposed modification, herein referred to as "Legally Required Modifications", and give the reasons the party believes the Legally Required Modification is mandated. Such modifications shall be deemed accepted by the other party and an amendment to this Agreement if the other party does not reject the Legally Required Modification in writing within thirty (30) calendar days following notice by the other party. If the receiving party gives notice that it rejects the Legally Required Modification, then the notifying party may give ninety (90) calendar days notice of termination of this Agreement, unless a shorter notice is required by applicable law or regulation.

This Agreement may also be amended by Plan if a change in contractual obligations is necessitated by a State or federal reduction in the funding of the Medi-Cal program that substantially alters the financial assumptions and conditions under which the parties entered into this Agreement. Such reductions that alter financial assumptions and conditions under which parties entered into this Agreement shall be considered a Legally Required Modification. In order to effect a change to this Agreement under this section, Plan shall deliver to County the directive from the relevant State agency that specifies the reduction in capitation rates.

The Plan shall advise County at least thirty (30) calendar days in advance of any material changes to administrative policies, procedures, or provider manuals. Any amendment to the Plan policies,

procedures, or provider manual shall be provided to the County subject to the Amendment process in this Section 8.4.

8.5 **Oversight**

Plan is responsible for the monitoring and oversight of County's performance under this Agreement, including the oversight and monitoring of obligations as applicable in the DHCS Agreement that Plan has delegated to County. In carrying out its responsibilities Plan has the authority to:

8.5.1 Implement, maintain, and enforce the Plan's policies governing County's duties under this Agreement. The parties agree that provisions of this Agreement shall control, and be given effect, over any conflicting provision and any Plan Policies.

8.5.2 Conduct audits, inspections, and/or investigations in order to oversee the provision of designated health services to Plan members.

8.5.3 Require County to take corrective action if Plan, DHCS, DMHC, or an applicable federal regulator determines that corrective action is needed with regard to any activity concerning implementation of Plan's Medi-Cal line of business.

8.5.4 Revoke any such delegation to County and adjust the payment rates in Exhibit 2 accordingly, if required corrective action has not been taken to the satisfaction of Plan or the requesting regulatory agency. Prior to such revocation and adjustment, Plan shall give written notice of the issue to County, and County shall have thirty (30) calendar days after receiving notice to cure the issue.

8.6 **Inspection Rights**

County shall allow Plan, DHCS, DHHS, the Comptroller General of the United States, the Department of Justice, the Bureau of Medi-Cal Fraud, DMHC, and other authorized State agencies, or their duly authorized representatives, to inspect, monitor, or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this Agreement and to inspect, evaluate, and audit any and all books, records, and facilities maintained by County and subcontractors pertaining to these services at any time during normal business hours. The Plan will make all reasonable attempts to coordinate these audits/inspections.

Books and records include, but are not limited to, all physical records originated or prepared pursuant to the performance under this Agreement, including working papers, reports, financial records, books of account, medical records, prescription files, subcontracts, and any other documentation pertaining to Covered Services for Members.

8.7 **Notices**

All notices to be given under this Agreement shall be in writing and shall be delivered in person or sent postage prepaid by certified, registered, or express mail, courier services, facsimile, or other means which can provide written proof of delivery and shall be deemed to be provided on the day received by County, except where personal delivery shall be deemed delivered on day of delivery, and shall be addressed as follows:

<u>If to Plan:</u>
Maya Altman
Chief Executive Officer
Health Plan of San Mateo
701 Gateway Blvd., Ste 400

<u>If to County:</u>
Jean Fraser
Health System Chief
San Mateo County Health System
225 37th Avenue

South San Francisco, CA 94080 San Mateo, CA 94403

8.8 **Non-Discrimination/Equal Employment**

County shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, color, religion, ancestry, national origin, physical disability (including HIV or AIDS), mental disability, medical condition (including cancer), marital status, age (over 40), sex, or denial of family care leave. County shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination and harassment. County shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900, *et seq*.) and the applicable regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0, *et seq*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. County shall give written notice of its obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

8.9 **Waiver**

A forgiveness by either party of any one or more defaults or performance failures on the part of the defaulting party herein shall not be construed to operate as a waiver by the forgiving party of its rights to pursue legal remedies with respect to future defaults or performance failures of the same or similar nature or the defaults or performance failures related to other obligations of the defaulting party as set forth in this Agreement.

8.10 **Severability**

In the event any part of this Agreement is found to be unlawful or is otherwise stricken, all other provisions shall remain in full force and effect and the parties shall continue to perform with respect thereto.

8.11 **Confidential Information**

Both Plan and County, and their respective officers, directors, employees, agents, and representatives, shall keep in strictest confidence and in compliance with all applicable State and federal laws the following information hereinafter defined as “Confidential Information”:

8.11.1 Any individually identifiable health information or protected health information (as defined pursuant to State or federal law); and

8.11.2 Any information which has been identified in writing by a party as confidential, including, but not limited to the following:

8.11.2.1. Any matter relating to the business of the other party, including, but not limited to, the other’s employees, products, services, eligibility list, prices, operations, trade secrets, business systems, planning and finance, and practice guidelines;

8.11.2.2. Materials, data, records or other information obtained from the other party during the course of or pursuant to this Agreement; and

8.11.2.3. Any information learned by Plan or County while performing obligations under this Agreement, which if provided by the other party, would be required to be kept confidential. Neither County nor Plan shall disclose such information without prior written authorization by the other party.

Upon either party's request, the other party shall execute a confidentiality agreement in the format reasonably required by such party and shall provide such agreement to such party prior to disclosure of Confidential Information. The parties shall advise all persons or entities authorized to receive Confidential Information of the obligations contained herein and shall take reasonable measure to prevent unauthorized persons or entities from having access to, obtaining, or being furnished with any Confidential Information. No such confidentiality agreement shall prohibit any disclosure of information required by law or permitted by law and required by the DHCS Agreement.

8.12 **Permitted Disclosure of Confidential Information**

Disclosure of Confidential Information is only permitted as authorized by applicable laws, regulations, accreditation standards, and legal process for subpoena. Notwithstanding Section 8.11, the Parties acknowledge that County is subject to the California Public Records Act (California Government Code Section 6250 *et seq.*), and the disclosure of certain information described by Section 8.11 may be required by law.

8.13 **Prior Notice of Disclosure of Confidential Information**

Either party agrees to give a minimum of 7 business days written notice before disclosing Confidential Information except as otherwise required by law.

8.14 **Dispute Resolution**

Plan and County agree to meet and confer in good faith to resolve any problems or disputes that may arise under this Agreement**.** If no satisfactory resolution is agreed upon, the Parties agree the dispute will be set for non-binding resolution by a mediator, mutually agreed upon by the Parties. Either Party requesting mediation under this Agreement shall make a written demand on the other Party. Each Party shall bear its own costs in preparation for such mediation, and the Parties shall equally share the cost of the mediator. In the event that the Parties do not resolve the dispute via mediation, then the aggrieved party may resort to any other remedy available by law.

8.15 **Third-Party Rights**

This Agreement is entered into by and between the Parties hereto and for their benefit. There is no intent by either Party to create or establish a third-party beneficiary status or rights in a third party to this Agreement, except for such rights expressly created and set forth in this Agreement. Except for such parties, no such third party shall have any right to enforce or any right to enjoy any benefit created or established under this Agreement.

8.16 **Remedies**

Remedies provided in this Agreement are not exclusive and are in addition to those provided by law. The parties recognize that monetary damages alone would be an insufficient remedy for a breach of confidentiality. If such a breach occurs, the non-breaching party shall be entitled to appropriate injunctive relief, in addition to all remedies, including monetary damages, to which it is entitled by law.

8.17 **Force Majeure**

Neither party shall be liable nor deemed to be in default for any delay or failure in performance under the Agreement or other interruption of service resulting, directly or indirectly, from a catastrophic occurrence or natural disaster, including without limitation, acts of God, war, accidents, fires, explosions, labor unrest, or earthquakes. However, each party shall utilize its best good faith efforts to perform under this Agreement in the event of any such occurrence or natural disaster.

8.18 **Ambiguities**

In the event of any ambiguity in this Agreement, this Agreement shall be interpreted according to its fair

intent and not for or against any one party on the basis of which party drafted the Agreement.

8.19 Captions

The captions herein are for convenience only and shall not affect the meaning or interpretation of this Agreement.

8.20 Counterparts

This Agreement and any amendments thereto may be executed in counterparts, each of which shall constitute an original document but which together shall constitute one and the same instrument.

8.21 Entire Agreement

This Agreement, together with all Exhibits and Schedules attached hereto and incorporated by reference, contains the complete and exclusive Agreement between the parties relating to the rights herein granted and the obligations herein assumed. It is the express intention of the parties that any and all prior or contemporaneous agreements, promises, negotiations, or representations, either oral or written, relating to the subject matter governed by this Agreement which are not expressly set forth or incorporated herein shall be of no further force, effect, or legal consequence after the effective date hereunder.

8.22 Assignment of Agreement; Delegation of Duties

This Agreement is one for the personal services of County and may not be assigned by County. Any attempt by County to assign this Agreement without the prior written consent of Plan and the State Department of Health Services shall be void. Further, except as permitted by this Agreement, any rights or duties hereunder may not be subcontracted or otherwise assigned or delegated by County without the prior written consent of Plan. By executing this Agreement, Plan is hereby consenting to any delegation expressly provided for under this Agreement. County shall be responsible for assuring performance by its contractors and/or subcontractors, and a breach or default by a contractor and/or subcontractor may be treated by Plan as a breach or default by County for purposes of the Termination and Default Section or the Sanctions Section hereof.

SECTION 9
SIGNATURE

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below.

County of San Mateo Health System

____
(Signature of individual or officer)

____
(Print name and title)

____
Date

Health Plan of San Mateo

____
(Signature of individual or officer)

____
(Print name and title)

____
Date

EXHIBIT 1
COVERED SERVICES AND EXCLUSIONS

1. **Covered Services**
   Covered Services are those Medically Necessary services that are listed in Exhibit 3. All Covered Services are subject to the limitations and exclusions set forth in the Member's Evidence of Coverage. Final determination of whether or not the service is covered will be made by the Plan in accordance with the DHCS Agreement, as applicable, and the Member's Evidence of Coverage.

2. **Medi-Cal Carve-Out Services Covered Outside Plan**
   In accordance with the DHCS Agreement, there are some Medi-Cal benefits which are not within the scope of Covered Services for Medi-Cal Members. Subject to the requirements of the California Medi-Cal program, they may be covered outside Plan with or without the necessity of disenrolling. A complete list of these benefits is in the Member's Evidence of Coverage and in Disclosure Forms located on the Plan's web site listed under Carve-Out Benefits.

3. **Benefit Exclusions and Limitations**
   There are certain services that Plan does not cover, or has set limitations to the service. A complete list of these benefits is in the Member's Evidence of Coverage and in Disclosure Forms listed under Benefit Exclusions and Limitations.

EXHIBIT 2
PAYMENT PROVISIONS

1. Plan shall pay County a Capitation Allocation of $531.00 per member per month at the start of this Agreement, to be modified periodically pursuant to Section 5.2 of the Agreement, for Plan Members with the aid code L1, M1, or 7U who are assigned to a San Mateo Medical Center provider as their Primary Care Physician. The payments shall be inclusive of the provision of Covered Services as set forth in Exhibit 1 of this Agreement.

   County understands and agrees that Plan receives different kinds of payments from DHCS that relate to capitation, and certain of those payments, including intergovernmental transfers, premium and/or sales taxes, and other payments, are supplemental payments that Plan does not receive for coverage of administration expenses and services provided to Members under this Agreement. Such supplemental payments not intended to cover administration and services provided to Members shall not be included in the base capitation amount that is used to determine the Capitation Allocation under this Agreement.

2. The parties acknowledge that capitation rates are subject to changes by DHCS. Changes by DHCS that reduce the capitation amount such that Plan wishes to reduce the Capitation Allocation to County shall be handled in the manner described in Section 5.2 of the Agreement.

EXHIBIT 3
DIVISION OF RESPONSIBILITIES

The purpose of this Division of Responsibilities is to identify how Health Plan of San Mateo has allocated to San Mateo County Health System components of the medical costs associated with the provision of Covered Services. That is, the Capitation Allocation in this Agreement is based upon the Plan being financially responsible for the provision of Covered Services as indicated in this Matrix. If Health Plan of San Mateo's obligation with respect to any of the Covered Services that San Mateo County Health System is to provide is limited, for example, to a maximum number of days of certain types of at-home or inpatient care, then San Mateo County Health System 's obligation has the same limitation. The San Mateo County Health System also maintains the obligation of any other service provided by The Health Plan of San Mateo that is a Medi-Cal covered benefit but not listed.

Service/Procedure	Medi-Cal Covered	Health Plan of San Mateo Covered	County Provides
Abortions 0-12 weeks:			
Professional	Yes	Yes	Yes
Facility	Yes	Yes	Yes
Abortions 13+ weeks:			
Professional	Yes	Yes	Yes
Facility	Yes	Yes	Yes
Acupuncture	Yes	Yes	No
AIDS/HIV:			
Professional	Yes	Yes	Yes
Facility	Yes	Yes	Yes
Allergy:			
Testing	Yes	Yes	No
Serum	Yes	Yes	No
Ambulance:			
In-Area Emergency (San Mateo County)	Yes	Yes	No
Out-of San Mateo County (OOA) Emergency	Yes	Yes	No
Anesthesiologist/Nurse Anesthetist:			
Professional – Outpatient	Yes	Yes	Yes
Professional – Inpatient	Yes	Yes	Yes
Audiology:			
Screening and Exam	Yes	Yes	Yes
Behavioral Health:			

Service/Procedure	Medi-Cal Covered	Health Plan of San Mateo Covered	County Provides
Mild-Moderate Impairment	Yes	Yes	Yes
Severe Mental Illness	Yes	Carve out	Carve out
Behavioral Health Treatment for Autism Spectrum Disorder under age 21	Yes	Yes	Yes
Blood or Blood Products:			
Autologous Blood Donation	Yes	Yes	Yes
Storage	Yes	Yes	Yes
California Children's Services (CCS)	Yes	Yes	No
Cardiac Rehab (CORF and CARF):			
Outpatient – Professional and Facility	Yes	Yes	No
Chemical Dependency Detox Inpatient	No	Carve out	Carve out
Chemical Dependency Treatment – Outpatient	Yes-Limited	Carve out	Carve out
Chemotherapy - Outpatient:			
Professional	Yes	Yes	Yes
Medications (See Medication – Specialty Outpatient)	Yes	Yes	Yes
Chemotherapy - Inpatient:			
Professional	Yes	Yes	Yes
Facility	Yes	Yes	Yes
Child Health and Disability Prevention	Yes	Yes	Yes
Chiropractic Medicine	Yes	Yes	No
Circumcision - Medically Indicated:			
Professional	Yes	Yes	Yes
Facility	Yes	Yes	Yes
Community Based Adult Services	Yes	Yes	No
Dental Services:			
Elective	Yes	Carve out	Carve out
Emergent – Trauma to natural teeth	Yes	Carve out	Carve out
Anesthesiologist (If prior authorized as Medically Necessary and not elective)	Yes	Yes	Yes
Facility (If prior authorized as Medically Necessary and not elective)	Yes	Yes	Yes

Service/Procedure	Medi-Cal Covered	Health Plan of San Mateo Covered	County Provides
Diabetic Supplies – glucometer, test strips and lancets per Plan Formulary Medical Supplies (Attachment C)	Yes	Yes	No
Dialysis, including hemodialysis, peritoneal and other:			No
Dialysis - Outpatient:			No
O/P Professional and Facility	Yes	Yes	No
O/P Medications (See Medication – Specialty Outpatient)	Yes	Yes	No
Dialysis - Inpatient:			
I/P Facility	Yes	Yes	Yes
I/P Professional	Yes	Yes	Yes
Durable Medical Equipment:			
Outpatient	Yes	Yes	No
Inpatient	Yes	Yes	No
Emergency Services - Out of San Mateo County and out of San Mateo Medical Center:			
Facility	Yes	Yes	No
Attending Physician	Yes	Yes	No
Anesthesiologist	Yes	Yes	No
Pathology	Yes	Yes	No
Radiology	Yes	Yes	No
Consults	Yes	Yes	No
Interpretations	Yes	Yes	No
Emergency Services – In San Mateo County at San Mateo Medical Center:			
Facility	Yes	Yes	Yes
Attending Physician	Yes	Yes	No
Pathology	Yes	Yes	Yes
Radiologist	Yes	Yes	Yes
Consults	Yes	Yes	Yes
Interpretations	Yes	Yes	Yes
Employment Ins. Court ordered Physical	No	No	No
Endoscopic Studies:			
Office procedure	Yes	Yes	Yes
Professional	Yes	Yes	Yes

Service/Procedure	Medi-Cal Covered	Health Plan of San Mateo Covered	County Provides
Facility	Yes	Yes	Yes
Experimental Procedures	No	No	No
Family Planning:			
Oral/Topical Contraceptives	Yes	Yes	Yes
All Other Contraceptives	Yes	Yes	Yes
Genetic Counseling	Yes	Yes	No
Health Education – Non CPSP	Yes	Yes	Yes
Hearing Aid Device	Yes	Yes	Yes
Home Health:			
Professional Services	Yes	Yes	No
Infusion Therapy (including IV Antibiotics, TPN/PPN)	Yes	Yes	No
Hospice Care – In Home	Yes	Yes	No
Hospice Care – Facility-Based:			
Professional Services	Yes	Yes	No
Facility	Yes	Yes	No
Immunizations:			
Pediatric	Yes	Yes	Yes
Adult (See Medication - Specialty Outpatient pharmaceuticals)	Yes	Yes	Yes
Work/travel immunizations	No	No	No
Infant Special Formula	Yes	Yes	No
Infertility Services	No	No	No
Inpatient Services:			
Facility	Yes	Yes	Yes
Attending Physician	Yes	Yes	Yes
Anesthesiologist	Yes	Yes	Yes
Pathologist	Yes	Yes	Yes
Radiologist	Yes	Yes	Yes
Consults	Yes	Yes	Yes
Interpretations	Yes	Yes	Yes
Laboratory Services - Outpatient	Yes	Yes	Yes
Lithotripsy:	Yes	Yes	
Professional	Yes	Yes	Yes
Facility	Yes	Yes	Yes
Long-Term Care – Inpatient (Limited to month of admission plus one	Yes	Yes	No

Service/Procedure	Medi-Cal Covered	Health Plan of San Mateo Covered	County Provides
month)			
Medical Supplies – Outpatient, Disposable	Yes	Yes	No
Medication – Specialty Outpatient:			
Injections/infusion – Professional (admin.)	Yes	Yes	Yes
Injectable chemotherapeutic medications and injectable adjunct pharmaceutical therapies for side effects	Yes	Yes	Yes
Injectable medications or blood products used for hemophilia- Admin. Only	Yes	Yes	Yes
Injectable medications related to transplant services – Admin. Only	Yes	Yes	No
Adult vaccines – Admin Only	Yes	Yes	Yes
Self-Injectable medications (excluding insulin) – admin. only	Yes	Yes	Yes
Pediatric Vaccines – admin. only	Yes	Yes	Yes
Other injectables administered in office under $250/dose	Yes	Yes	Yes
Other injectables administered in office over $250/dose	Yes	Yes	Yes
Medication (outpatient) (i.e. oral, topical medications dispensed by retail pharmacy)	Yes	Yes	No
Mental Health: Medical History and Physical (H&P)	Yes	Yes	Yes
Neonatology	Yes	Yes	No
Nuclear Medicine:	Yes	Yes	No
O/P Professional	Yes	Yes	No
O/P Facility	Yes	Yes	No
I/P Professional	Yes	Yes	No
I/P Facility	Yes	Yes	No
Radiopharmaceuticals	Yes	Yes	No
Nutritional Counseling	Yes	Yes	Yes
Obstetrical Services:			
California Comprehensive Perinatal Services Program (CPSP)	Yes	Yes	Yes
Alfa Fetal Protein (State Program)	Yes	Carve Out	Carve Out
Amniocentesis	Yes	Yes	No

Service/Procedure	Medi-Cal Covered	Health Plan of San Mateo Covered	County Provides
Ultrasound – Outpatient	Yes	Yes	Yes
Fetal Monitoring - Outpatient	Yes	Yes	Yes
Fetal Monitoring-Professional	Yes	Yes	Yes
Prenatal Care	Yes	Yes	Yes
Postpartum Care	Yes	Yes	Yes
I/P Facility	Yes	Yes	No
Office Visits - All Specialties:			
Professional	Yes	Yes	Yes
Supplies	Yes	Yes	Yes
Optometry/Vision Care:			
Screening	Yes	Yes	Yes
Lenses (through PIA) (Limited to those under 21)	Yes	Yes	No
Frames	Yes	Yes	No
Dispense Fee – Lenses and frames	Yes	Yes	No
Refractions	Yes	Yes	Yes
Contact lenses – Medically Necessary	Yes	Yes	No
Orthotics	Yes	Yes	No
Ostomy Supplies	Yes	Yes	No
Outpatient Diagnostic Services:			
Angiograms – Professional	Yes	Yes	No
CT Scans – Professional	Yes	Yes	Yes
2D Echo – Professional	Yes	Yes	Yes
EEG – Professional	Yes	Yes	Yes
EKG – Professional	Yes	Yes	Yes
Mammography – Professional	Yes	Yes	Yes
MRI – Professional	Yes	Yes	Yes
PET Scans – Professional	Yes	Yes	No
Thallium & Adenosine – Professional	Yes	Yes	No
Ultrasound – Professional	Yes	Yes	Yes
X-Ray – Professional	Yes	Yes	Yes
Outpatient Surgery:			
Professional	Yes	Yes	Yes
Facility	Yes	Yes	Yes
Pathology (Clinical/Anatomical):			
All Outpatient	Yes	Yes	Yes
I/P Professional	Yes	Yes	Yes
Perinatology	Yes	Yes	No

Service/Procedure	Medi-Cal Covered	Health Plan of San Mateo Covered	County Provides
Prayer and Spiritual Healing	Yes	Yes	No
Prosthetic Devices:			
Surgically Implanted	Yes	Yes	Yes
Non-Surgically Implanted	Yes	Yes	No
Radiation Therapy:			
I/P Professional	Yes	Yes	No
O/P Professional	Yes	Yes	No
Reconstructive Surgery for the following conditions only:			
a. Due to accidental injury or to improve the function of a malformed body part b. Reconstructive Breast surgery is covered for mastectomy and to produce a symmetrical appearance			No
Professional	Yes	Yes	No
Facility	Yes	Yes	No
Rehabilitation – (PT, ST, OT):			Yes
Outpatient – Professional and Facility	Yes	Yes	Yes
Skilled Nursing Facility/Sub-Acute Care(Up to 62 days):	Yes	Yes	No
Specialty Care (Within Medical Group's Contracted Network provided at San Mateo Medical Center)	Yes	Yes	Yes
Specialty Care (Outside Medical Group's Contracted Network - Non-Emergent, Non-Complex Case)	Yes	Yes	No
Sterilization (Tubal Ligation/Vasectomy):			
Professional	Yes	Yes	Yes
Inpatient Facility	Yes	Yes	Yes
Transfusion Services:			
Outpatient	Yes	Yes	Yes
Inpatient	Yes	Yes	Yes
Transplant – other than Kidney:			
Professional	Yes	Yes	No
Facility	Yes	Yes	No
Transplant – Kidney	Yes	Yes	No
Urgent Care (Free Standing):			

Service/Procedure	Medi-Cal Covered	Health Plan of San Mateo Covered	County Provides
In-Area	Yes	Yes	No
Out of San Mateo County	Yes	Yes	No

EXHIBIT 4
REPORTING REQUIREMENTS

1. Plan is responsible for the monitoring and oversight of County's performance under this Agreement. County will provide the following reports to support Plan's monitoring and oversight and facilitate Plan's compliance with DHCS and DMHC activities. Plan retains the oversight provisions as stated in Section 8.5 of this agreement. County shall make every effort to submit reporting requirements to the Plan's FTP site; however, should the FTP site be inaccessible due to Plan maintenance or County's access to the FTP site has been interrupted, County will submit reporting requirements by secure email to the Plan until the maintenance or interruption is corrected.

   Other reports or information, which may not be set forth in this Agreement, may be required of Plan by DHCS or DMHC from time to time. County shall provide such reports and information to Plan in a mutually agreeable time and manner that enables Plan to meet its obligations.

2. <u>Reports Required by Plan</u>

Plan Department	Plan Contact	Name of Report	Format	Frequency	Method of Transmission	Due Date
Provider Network		Timely Access Report (See Exhibit 7 of this Agreement for standards) Provider Satisfaction Report	DMHC reporting format	Annually	Secure email	Within 45 calendar days of the end of the 1st quarter.
Provider Network		Detailed Provider Report (Taxonomy, Medi-Cal Members Served, etc.)	Excel file	Quarterly	Secure email	Within 30 calendar days of the end of the quarter.
Credentialing		Quarterly Added/Deleted Providers Report (Initials and Re-credentials for the Quarter)	Excel file	Quarterly	Secure email	Within 30 calendar days of the end of the quarter.
Legal and Compliance		HIPAA Breach Reporting	HIPPA reporting format	As Applicable	Secure email	As Applicable

EXHIBIT 5
TIMELY ACCESS STANDARDS

1. **Appointments**
To ensure that members have timely access to care Plan follows the following standards set by DMHC.

Service	Access Time Frame
Urgent Care Appointment PCP and Specialists • Services not requiring a Prior Authorization • Services requiring a Prior Authorization	 • Within 48 hours of request for appointment* • Within 96 hours of request for appointment*
Non-urgent Appointment For the diagnosis or treatment of injury, illness, or other health condition. PCP and Non-Physician Mental Health Providers Specialist and Ancillary Services	 Within 10 business days of request for appointment** Within 15 business days of request for appointment**
Telephone Triage or Screening All Providers	• Triage or screening waiting time does not exceed 30 minutes. • Triage or screening must be available to Enrollees 24 hours per day, 7 days a week.‡

* Exception 1: appointment may be extended if the referring/treating and/or triage licensed health care provider determines and notes in the relevant record that a longer waiting time will not have a detrimental impact on the health of the enrollee.

** Exception 2: Exception 1 plus Preventive care services, and periodic follow up care, including but not limited to, standing referrals to specialist for chronic conditions, periodic office visits to monitor and treat pregnancy, cardiac or mental health conditions, and laboratory and radiological monitoring for recurrence of disease, may be scheduled in advance consistent with professionally recognized standards of practice as determined by the treating licensed health care provider acting within the scope of practice.

‡ Note: Triage/screening after hours is done via different methods depending on the nature of the issue. For medical (non-mental health-related) calls outside normal business hours, Plan maintains a contract with NurseWise to perform 24-hour-a-day, 7-day-a-week nurse advice screening for Plan

members, which will include Members under this Agreement. For mental health-related calls outside normal business hours, County's Behavioral Health and Recovery Services is implementing a new after-hours coverage service that will include a live person answering phones but will not have the ability to screen or refer to providers after hours. These two services will meet the requirements of this Agreement.

County shall have been deemed to meet its Access Time Frame requirement listed above if it offers Member an appointment during the listed timeframe or otherwise makes available to Member an option to be seen/assessed during that timeframe. If the Member cannot make the offered time(s), County shall offer another option within a reasonable timeframe as close as possible to the Access Time Frame, but in any even County shall have met its scheduling requirement.

When it is necessary for a provider or Member to reschedule an appointment, the appointment shall be promptly rescheduled in a manner that is appropriate for the Member's health care needs, and ensures continuity of care consistent with good professional practice.

2. **After Hours Services**
County shall employ an answering service or a telephone answering machine during non-business hours which shall provide instructions regarding how Members may obtain urgent or emergent care including, when applicable, how to contact another provider who has agreed to be on-call to triage or screen by phone or, if needed, deliver urgent or emergency care.

3. **Interpreter Services**
When applicable, interpreter services shall be coordinated with scheduled appointments in a manner that ensures the provision of interpreter services at the time of appointment. Language interpretation services may be offered either by telephone, videoconference, on-site, or through other technologies in the provider's office.