SERVICE AGREEMENT

THIS SERVICE AGREEMENT (hereinafter referred to as the "AGREEMENT") is entered into this ____ day of _____ 2014, between the San Mateo Health Commission, doing business as Health Plan of San Mateo, hereinafter referred to as "HPSM", and the County of San Mateo Health System, Behavioral Health and Recovery Services, hereinafter referred to as "BHRS."

WHEREAS, HPSM is an independent public agency authorized to negotiate and to enter into hospital agreements with institutional health care providers for the purpose of arranging for the provision of "Medi-Cal Benefits", as that term is defined and more particularly set forth in this Agreement, (hereinafter referred to as "Benefits" or "Covered Services"), to "Medi-Cal Members", as that term is defined and more particularly set forth in this Agreement and in HPSM's Medi-Cal Services Contract with the State of California, Department of Health Care Services (hereinafter referred to as "DHCS); and

WHEREAS, BHRS has developed expertise in arranging for and managing delivery of mental health and substance abuse recovery services to the low-income beneficiaries served by HPSM's Medi-Cal Services Contract with the State of California;

WHEREAS, HPSM seeks a delegated mental health and substance abuse recovery service benefit administrator to arrange for and manage the provision of medically necessary outpatient mental health services to adults and children diagnosed with a mental health condition resulting in mild to moderate impairment of mental, emotional, or behavioral functioning;

NOW THEREFORE, in consideration of the mutual promises and agreement herein contained, HPSM and BHRS hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Behavioral health treatment. The term "Behavioral health treatment" means professional services and treatment programs that comprise the outpatient mental health services enumerated in sections 14132.03 and 14189 for the California Welfare and Institutions Code, by which HPSM is responsible to cover and pay for the delivery of certain mental health services to members with mild to moderate impairment of mental, emotional, or behavioral functioning resulting from a mental health condition defined by the current Diagnostic and Statistical Manual (DSM).

1.2 Benefit Plan. The term "Benefit Plan" shall mean those services for which Medi-Cal Members are eligible pursuant to Welfare and Institutions Code, Sections 14000 et seq. and regulations promulgated thereto, and all other services designated by HPSM, and which are set forth in the program's Evidence of Coverage. Also may be referred to as "Covered Service".

1.3 Contracted Physician. The term "Contracted Physician" shall mean a physician who is duly licensed to practice medicine or osteopathy under California law and who has contracted with HPSM or is employed by or contracts with BHRS to provide Covered Services to HPSM Members.

1.4 Contracted Provider. The term "Contracted Provider" shall mean a Contracted Physician, contracted services agency, contracted licensed health facility, or other contracted health professional which has entered into an agreement with BHRS to provide Covered Services to HPSM Members.

1.5 Covered Services. The term "Covered Services" shall mean those health care services, equipment and supplies, to which Medi-Cal Members are eligible pursuant to Welfare and Institutions Code, Sections 14000 et seq. and regulations promulgated thereto, and all other services designated by HPSM, and which are set forth in the program's Evidence of Coverage.

1.6 Downstream Entity. The term "Downstream Entity" shall mean any party that enters into an acceptable written arrangement with BHRS below the level of the arrangement between HPSM and BHRS. These written arrangements continue down to the level of the ultimate provider of health and/or administrative services.

1.7 Emergency. The term "Emergency" shall mean a health condition manifesting itself by acute symptoms of sufficient severity of need and intensity that immediate attention is required: (i) because a patient demonstrates a clear and reasonable inference of imminent serious harm to self or others; or (ii) because a patient's condition would lead to serious, imminent and dangerous deterioration of the patient's general medical or mental health without immediate assessment, intervention or management; or (iii) because a patient is substantially unable to care for his/her self because of a psychiatric condition.

1.8 Evidence of Coverage. The term "Evidence of Coverage" shall mean the document issued by HPSM to an HPSM Member that sets forth HPSM's Covered Services under each of its respective lines of business.

1.9 HPSM Members. The term "HPSM Members" shall mean those individuals who are enrolled in HPSM's Medi-Cal line of business and who are entitled to receive Covered Services.

1.10 Medically Necessary. The term "Medically Necessary" means services and medical supplies which are required for prevention, diagnosis, or treatment of sickness or injury, and which are:

1.10.1 Consistent with the symptoms of a medical or psychiatric condition or treatment of a medical condition;
1.10.2 Appropriate with regard to standards of good medical practice and generally recognized by the medical scientific community as effective;
1.10.3 Not solely for the convenience of the HPSM Member or provider of the service or medical supplies; and
1.10.4 The most cost effective of the alternative levels of service or medical supplies which can be safely provided to the HPSM Member in HPSM's judgment.

1.11 "Medi-Cal Member" shall mean any person certified as eligible for the Medi-Cal Program, pursuant to Welfare and Institutions Code, Sections 14016 and 14018, whose Member I.D. number contains San Mateo County Code Number "41", as the first two numbers and whose Aid Code is included for capitation payment in HPSM's contract with the State of California.

1.12 Mental Health Provider. The term "Mental Health Provider" means a professional, practicing independently or as staff of a county or private service agency, who is qualified in California to offer services under a county mental health program. Categories of such professionals include psychologists, psychiatrists, registered nurses, nurse practioners, marriage and family therapists, licensed clinical social workers, registered marriage and family therapy interns, registered associate clinical social workers, and psychology assistants.

1.13 Non-Covered Services. The term "Non-Covered Services" means those services and supplies that HPSM is not required to provide to HPSM Members pursuant to the Evidence of Coverage.

1.14 Non-Participating Provider. The term "Non-Participating Provider" means a provider of health care services or equipment that does not have a contract with HPSM to provide such services or equipment to HPSM or BHRS Members.

1.15 Participating Providers. The term "Participating Providers" shall mean those individuals or organizations which contract with HPSM or BHRS to provide health care services or equipment for HPSM Members

1.16 Primary Care Provider (PCP). The term "Primary Care Provider" or "PCP" means a Participating Provider selected by an HPSM Member to render first contact medical care and certain Covered Services. Primary Care Providers offer, as appropriate, mental health services within the scope of their primary care practice to HPSM members assessed as having mild to moderate impairment of mental, emotional, or behavioral functioning resulting from a mental health disorder as defined by the current DSM. Primary care providers participate in BHRS's coordination of care for such members, as assessed by BHRS' licensed mental health professionals.

1.17 Share of Cost. The term "Share of Cost" shall mean the monthly dollar amount some Medi-Cal Members must pay, or agree to pay, toward their healthcare expenses before they qualify for Medi-Cal benefits. A Medi-Cal Member's Share of Cost is similar to a private insurance plan's out-of-pocket deductible.

ARTICLE 2
DUTIES TO BE PERFORMED BY HPSM

2.1 HPSM Member Eligibility. HPSM shall provide up-to-date information on the eligibility status of HPSM Members via its HPSM Web Claims system. Eligibility information provided shall be in accordance with HPSM's best available information. However, if retroactive changes are made to individual members' eligibility, final eligibility status information shall be honored by BHRS.

2.2 Benefit Plan Information. HPSM will deliver to BHRS detailed Benefit Plan Information. Such information shall contain all of the elements required by BHRS so that BHRS may verify, price, and pay the Claims submitted by Participating Providers, as well as prepare the various reports as described in Exhibit A. In addition, HPSM shall provide any Benefit Plan Information changes to BHRS within thirty (30) days of the date such changes shall become effective (the "change date").

2.3 Notification Requirements. HPSM will review all reports, statements, and invoices provided by BHRS and shall notify BHRS in writing of any errors or objections within ninety (90) days of receipt. Specifically, this shall also apply to all service requests, benefit change requests, and any operation change requests. Until HPSM notifies BHRS in writing of any errors or objections, BHRS will be entitled to rely on the information contained in the reports, statements, and invoices. If HPSM does not notify BHRS in writing of any errors or objections within the ninety (90) day period, the information contained therein will be deemed accurate, complete, and acceptable to HPSM, and thereafter BHRS shall have no liability related thereto. This does not apply with respect to any undercharges or underpayments of HPSM. BHRS shall document and retain supporting documentation for audit purposes. If HPSM notifies BHRS within the ninety (90) day period of any errors or objections, BHRS shall compensate HPSM for any verifiable errors or objections. Nothing in this article will absolve BHRS of any liability of errors, discrepancies, objections, or omissions identified under Section 5.3 of this contract.

2.4 Mental Health Services within Primary Care Scope of Practice. HPSM will ensure Primary Care Providers offer, as appropriate, mental health services within the scope of their primary care practice to HPSM members assessed as having mild to moderate impairment of mental, emotional, or behavioral functioning resulting from a mental health disorder as defined by the current DSM. HPSM will also ensure Primary Care Providers participate in BHRS's coordination of care for such members, as assessed by BHRS' licensed mental health professionals.

ARTICLE 3
DUTIES TO BE PERFORMED BY BHRS

3.1 Provision of Services to HPSM. BHRS shall provide to HPSM the services listed in Exhibit A, attached hereto and incorporated herein as referenced. These services shall be provided at the agreed upon rates described in Exhibit B, attached hereto and incorporated herein as referenced.

3.2 Compliance with Laws and Regulations. BHRS shall comply with all applicable federal, state, and local laws, regulations, reporting requirements, and with HPSM's policies and procedures and contractual obligations with the California Department of Health Care Services, California Department of Managed Health Care, including, but not limited to, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, the Americans with Disabilities Act, Federal criminal law, the False Claims Act (31 U.S.C. §3729 et.seq.) and the Anti-Kickback statute (section 1128B(b) of the Act), HIPAA, and the HIPAA administrative simplification rules at 45 CFR Part 160, 162, and 164. BHRS agrees to include the requirements of this section in its contracts with any Downstream Entity, and to require any Downstream Entity to comply accordingly.

3.3 Monitoring Services Delivery. BHRS shall ensure and monitor appropriate and timely access of HPSM members to BHRS services. BHRS will implement and maintain procedures to ensure that HPSM members have access to systems for requesting the services listed in Exhibit A, and receive appropriate approvals and referrals to receive such services. BHRS and HPSM shall collaborate on measures to ensure the

appropriate and timely provision of administrative and clinical services under this contract, and such measures will be included in the reporting listed in Appendix 1-F.

ARTICLE 4
PAYMENT DUE BHRS AND TO HEALTH CARE PROVIDERS

4.1 Payment to Health Care Providers. BHRS shall process and issue payments to health care providers based on approved claims for Covered Services provided to HPSM Members.

4.2 Payment of Health Care Costs. BHRS shall electronically submit claims to HPSM for reimbursement of health care costs paid under this Agreement. HPSM shall issue payment according to Exhibit B for adjudicated claims to BHRS within thirty (30) calendar days from the date of submission.

4.3 No Member Liability. BHRS agrees that neither BHRS nor any of its Downstream Entities, in any circumstances, including, but not limited to nonpayment by HPSM shall bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against any HPSM member for services performed under this Agreement, with the exception any Medi-Cal Share of Cost as identified through the State On-Line Eligibility Verification System. This provision shall survive the termination of this Agreement for any reason and shall be construed to be for the benefit of HPSM members.

ARTICLE 5
RECORDS

5.1 Maintenance of Records. BHRS shall maintain, and require any of its Downstream Entities, contractors, or subcontractors to maintain, documentation of all activity conducted under this Agreement, including Claims processed, for a minimum of seven (7) years. Such documentation, including books and records, shall be in a format and media deemed appropriate by BHRS and HPSM, and sufficient to accommodate periodic auditing of records to evaluate the quality, appropriateness, and timeliness of services performed by BHRS under this Agreement. The records shall be accessible to HPSM upon thirty (30) days prior written notice for annual audits, or sooner if required by the circumstances or state or local oversight agencies.

5.2 Use of Information. BHRS and HPSM may use, reproduce, or adapt information obtained in connection with this Agreement, including Claims data information and eligibility information, in any manner they deem appropriate, except that each party and its agents, employees, and contractors shall maintain the confidentiality of this information to the extent required by applicable Law, including the provisions of the Health Insurance Portability and Accountability Act of 1996, Subtitle F – Administrative Simplification, (referred to in this Agreement as "HIPAA"), and may not use the information in any way prohibited by Law. Each party shall be solely responsible for its own use of the information, and shall indemnify and hold the other party harmless for, from and against any and all costs, losses, and damages incurred by such other party as a result of such use.

5.3 Right to Audit Claims and Business Records. BHRS agrees to permit access to, inspection, and audit by HPSM, the California Department of Managed Health Care, the California Department of Health Care Services, the United States Department of Health and Human Services, the Centers for Medicare and Medicaid Services, the Comptroller General of the United States, and or their designees, at all reasonable times of all facilities, books, records and documents maintained or utilized by BHRS in the performance of this Agreement.

HPSM and representatives of a regulatory or accreditation agency may each inspect and audit, at least once quarterly or as required, BHRS's business records that directly relate to billings made to HPSM for Claims. BHRS may inspect and audit, or cause to be inspected and audited, once annually, the books and records of HPSM directly relating to this Agreement, including the existence and number of Members. HPSM and BHRS shall fully cooperate with and assist and provide information to representatives of each other, independent accountants hired by either party, and representatives of any regulatory or accreditation agency, to conduct any such inspection or audit. To the extent that HPSM and/or BHRS have control of the following, such audits shall be at the auditing party's sole expense and shall only be made during normal business hours, following thirty (30) days written notice, without undue interference to the audited party's business activity, and in accordance with reasonable audit practices. Where a regulatory or accreditation agency imposes demands that do not meet the above standards for conducting an audit, HPSM and BHRS will cooperate with the requirements of the auditing agency to the extent possible. An audit of BHRS's records may be conducted at BHRS's office where such records are located and shall be limited to transactions over the ten (10) year period preceding such audit unless the document retention period is extended according to applicable law. If a completed audit reveals a discrepancy in the results and the previous calculations of the audited party, then the auditing party shall deliver written notice setting forth in reasonable detail the basis of such discrepancy. The parties shall use reasonable efforts to resolve the discrepancy within thirty (30) days following delivery of the notice, and such resolution shall be final, binding, and conclusive upon the parties. Upon a final and conclusive determination of a discrepancy revealed by an audit procedure under this Agreement, the party that owes money shall pay such sums to the other party within thirty (30) days of the delivery of the conclusive audit findings.

ARTICLE 6
INDEMNIFICATION

6.1 Mutual Indemnification. HPSM and BHRS shall indemnify and hold harmless each other from and against all third party claims, demands, losses, damages and reasonable expenses, arising from or in connection with the performance of the terms of this Agreement, except to the extent that such claims, demands, losses, damages and expenses result from the negligence of the other.

6.2 Concurrent Negligence. In the event of concurrent negligence of HPSM, its officers and/or employees, and BHRS, its officers and/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.

ARTICLE 7
NON-DISCRIMINATION

7.1 Non-Discrimination.

7.1.1 BHRS 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.

7.1.2 *General non-discrimination.* No person shall, on the grounds of race, color, ethnicity, religion, ancestry, gender, age (over 40), national origin, medical condition, physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, claims experience, medical history, evidence of insurability, genetic information, source of payment, or political affiliation be denied any benefits or be subject to discrimination under this Agreement. BHRS shall implement procedures to ensure that HPSM Members are not discriminated against in the delivery of health care services consistent with the benefits covered under Medi-Cal based on any of these factors.

7.1.3 *Equal employment opportunity.* BHRS 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. BHRS's equal employment policies shall be made available to HPSM upon request.

7.1.4 *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject BHRS to penalties, to be determined by the HPSM Executive Director, including but not limited to:

7.1.4.1 termination of this Agreement;
7.1.4.2 disqualification of BHRS from bidding on or being awarded a contract with HPSM for a period of up to 3 years;
7.1.4.3 liquidated damages of $2,500 per violation;
7.1.4.4 imposition of other appropriate contractual and civil remedies and sanctions, as determined by the Executive Director.

To effectuate the provisions of this section, the Executive Director or his/her designee shall have the authority to examine BHRS'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 BHRS under the Service Agreement or any other Service Agreement between BHRS and HPSM.

BHRS shall report to HPSM 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 BHRS 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. BHRS shall provide HPSM with a copy of their response to the Complaint when filed.

7.1.5 *Compliance with Equal Benefits Ordinance.* With respect to the provision of employee benefits, BHRS shall comply with the San Mateo 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.

7.1.6 Where applicable, BHRS 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.

7.1.7 *Jury Service.* BHRS shall comply with the San Mateo 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 BHRS, 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 BHRS or that BHRS deduct from the employees' regular pay the fees received for jury service.

ARTICLE 8
CONFIDENTIALITY

8.1 Confidential Information. The term "Confidential Information" means information of a confidential or proprietary nature relating to the subject matter described in this Agreement which is taken from or disclosed by one party (the "Disclosing Party") to the other (the "Receiving Party"). Confidential Information includes, but is not limited to, matters of a technical nature such as trade secrets, methods, compositions, data and know-how, designs, systems, processes, computer programs, files and documentation, similar items or research projects, and any information derived therefrom; matters of a business nature, such as the terms of this Agreement (including any pricing terms and contract terms which must be subject to a protective order), marketing, sales, strategies, proposals, and lists of actual or potential HPSM Members, Participating Providers as well as any other information that is designated by either party as confidential.

8.2 Treatment of Confidential Information. Subject to the California Public Records Act and related state and federal legislation, the Receiving party agrees: (i) to hold the Disclosing Party's Confidential Information in strict confidence and to take reasonable precautions to protect such Confidential Information (including, without limitation, all precautions Receiving Party employs with respect to its own confidential materials); (ii) not to divulge any such Confidential Information or any information derived therefrom to any third party unless required in the performance of the Receiving Party's duties under this Agreement or pursuant to controlling law; (iii) not to make any use whatsoever at any time of such Confidential Information except for the purpose of this Agreement and will not use it for its own or any third party's benefit; and (iv) not to copy, analyze,

transcribe, transmit, decompile, disassemble or reverse engineer any such Confidential Information, and not use such Confidential Information in any patent application. The confidentiality obligations of this Section 8.2 shall not apply to information which, as evidenced in writing:

8.2.1 is or becomes publicly known by Receiving Party through no breach of this Agreement;
8.2.2 is learned by the Receiving Party from a third party entitled to disclose it;
8.2.3 is rightfully obtained by the Receiving Party prior to this Agreement; or
8.2.4 is required by law to be disclosed.

The confidential obligations contained in the foregoing clauses (i), (ii), (iii) and (iv) shall be perpetual. Receiving Party may make disclosures required by law or court order provided Receiving Party uses diligent, reasonable efforts to afford the Disclosing Party the opportunity to limit disclosure and to obtain confidential treatment or a protective order.

8.3 No Transfer Of Right Or Title. Receiving Party acknowledges that it shall not acquire any rights or title to any Confidential Information merely by virtue of its use or access to such Confidential Information hereunder. Neither the execution of this Agreement nor the furnishing of any Confidential Information hereunder shall be construed as granting, either expressly or by implication, or otherwise, the Receiving Party any license under any invention or patent now or hereafter owned by or controlled by the Disclosing Party. Each party agrees that it may not be adequately compensated for damages arising from a breach or threatened breach of any of the covenants contained in this Article 8 by the other party, and each party shall be entitled to injunctive relief and specific performance in addition to all other remedies. None of the information that may be submitted or exchanged by the parties shall constitute any representation, warranty, assurance, guarantee, or inducement by a party to the other with respect to the infringement of patents, copyrights, trademarks, trade secrets, or any other rights of third persons.

ARTICLE 9
[BLANK]

Article 9 of the Agreement is intentionally left blank.

ARTICLE 10
TERM AND TERMINATION

10.1 Term. This Agreement shall have an Effective Date of January 1, 2014 and shall be for a term of three (3) years, ending December 31, 2016. Termination shall have no effect upon the rights and obligations of the parties arising out of any transactions occurring prior to the effective date of such termination.

10.2 Termination With Cause. This Agreement may be terminated at any time by either party based on a material breach of any terms or conditions herein stated provided that thirty (30) days' advance written notice of such material breach shall be given to the other party and such party shall have the opportunity to cure such material breach during such thirty (30) day notice period.

10.3 Effect of Termination. If this Agreement is terminated pursuant to this Article 10: (i) all further obligations of the parties under this Agreement shall terminate (but not such party's obligation to make payments arising prior to the termination of this Agreement or any obligation surviving the termination hereof); (ii) all Confidential Information provided by either party shall, except for Confidential Information required by law to be retained by a party, be immediately returned by a Receiving Party (as defined in Section 8.1), or such Receiving Party shall certify to the Disclosing Party that such materials have been destroyed; (iii) neither party shall be relieved of any obligation or liability arising from any prior breach of such party or any provision of this Agreement; and (iv) the parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in Sections 5.1, 5.2, 5.3, 6.1, 6.2, 8.1, 8.2, 8.3, 11.1, 11.7, 11.9, 11.10, 11.12, 11.13, 11.17, 11.18, 11.19, 12.1, 12.2, and 12.3.

ARTICLE 11
GENERAL PROVISIONS

11.1 Use of BHRS Software. HPSM acknowledges that BHRS owns, or possesses license rights (including off-the-shelf vendor agreements) from certain third parties to the entire software system used by BHRS in processing Claims and preparing reports including computer programs, system and program documentation, and other documentation relating thereto (collectively, including certain license rights, the "BHRS Software System"), and that BHRS Software System is the exclusive and sole property of BHRS. HPSM disclaims any rights to BHRS Software System as described above (including access to any applicable source codes), any procedures or forms developed by BHRS, as well as development or modification of BHRS Software System as a result of any customization performed by any party.

11.2 Insurance. Each party shall obtain (to the extent not already possessed) and maintain, with respect to the activities in which such party engages pursuant to this Agreement, professional liability (errors and omissions) insurance in amounts reasonable and customary for the nature and scope of business engaged in by such party and comprehensive liability insurance. In addition, each party shall maintain, with respect to the activities in this Agreement, general liability insurance of not less than $1,000,000 per occurrence for bodily injury and property damage combined. This general liability insurance shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under the insured agreement. Upon request, either party shall promptly deliver to the other party evidence of such insurance. Each party agrees to notify the other party immediately upon such party's receipt of any notice canceling, suspending or reducing the coverage limits of its professional liability insurance or comprehensive liability insurance.

11.3 Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either party hereto (whether by operation of law or otherwise) without the prior written consent of the other party hereto. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns. Notwithstanding anything to the contrary contained in this Agreement (including this Section 11.3), no consent shall be required and this Agreement will apply

to, be binding in all respects upon, and inure to the benefit of any successors of HPSM to this Agreement resulting from a Change of Control. A "Change of Control" shall occur if as a result of one or a series of related transactions: (i) all or substantially all the assets of BHRS are disposed of to any entity not wholly owned and controlled by HPSM, outside the ordinary course of business; (ii) BHRS effects a merger with one or more other entities in which HPSM is not the surviving entity; or (iii) HPSM engages in a transaction that results in any entity holding securities possessing a majority of the voting power that does not hold such voting power as of the time of this Agreement. HPSM shall provide BHRS with thirty (30) days' advance written notice in the event of any transaction(s) resulting in a Change of Control, as well as an Officer's Certificate from the successor entity, agreeing to be bound by the terms and conditions of this Agreement.

11.4 Waiver. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or other term or condition of this Agreement on any future occasion.

11.5 Severability. In the event that any provision of this Agreement shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

11.6 Further Assurances. Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (at or after the date hereof) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

11.7 Choice of Law. This Agreement shall be construed, interpreted, and governed according to the laws of the State of California without regard to its conflict of laws and rules.

11.8 Force Majeure. The performance obligations of BHRS and/or HPSM respectively hereunder shall be suspended to the extent that all or part of this Agreement cannot be performed due to causes which are outside the control of BHRS and/or HPSM, and could not be avoided by the exercise of due care, including but not limited to acts of God, acts of a public enemy, acts of a sovereign nation or any state or political subdivision or any department or regulatory agency thereof or entity created thereby, acts of any person engaged in a subversive or terrorist activity or sabotage, fires, floods, earthquakes, explosions, strikes, slow-downs, lockouts or labor stoppage, freight embargoes, or by any enforceable law, regulation or order. The foregoing shall not be considered to be a waiver of any continuing obligations under this Agreement, and as soon as conditions cease, the party affected thereby shall fulfill its obligations as set forth under this Agreement. In order to benefit from the provisions of this Section 11.8, the party claiming force majeure must notify the other reasonably promptly in writing of the force majeure condition. If any event of force majeure, in the reasonable judgment of the parties, is of a severity or duration such that it materially reduces the value of this Agreement, then this Agreement may be terminated without liability or further obligation

of either party (except for any obligation expressly intended to survive the termination of this Agreement and except for all amounts that have become or will become due and payable hereunder).

11.9 Entire Agreement; No Third Party Beneficiaries. This Agreement, including the Exhibits: (i) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof; and (ii) is intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third party beneficiary rights, and this Agreement does not confer any such rights, upon any other third party.

11.10 Use of Name. Neither party shall use the other party's name, trade or service mark, logo, or the name of any affiliated company in any advertising or promotional material, presently existing or hereafter established, except in the manner and to the extent permitted by prior written consent of the other party.

11.11 Notice. Any notice required or permitted by this Agreement, unless otherwise specifically provided for in this Agreement, shall be in writing and shall be deemed given: (i) one (1) day following delivery to a nationally reputable overnight courier; (ii) one (1) day following receipt by facsimile during the receiving party's business hours with written confirmation thereof; or (iii) three (3) days after the date it is deposited in the United States mail, postage prepaid, registered or certified mail, or hand delivered addressed as follows:

To: BHRS
Stephen Kaplan, Director
Behavioral Health and Recovery Services
225 West 37th Ave
San Mateo, CA 94403

To: HPSM
Maya Altman, Chief Executive Officer
Health Plan of San Mateo
701 Gateway Blvd., Suite 400
South San Francisco, CA 94080

Any party may at any time change its address for notification purposes by mailing a notice stating the change and setting forth the new address.

11.12 Counterparts; Facsimile. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. This Agreement may be executed and delivered by facsimile and upon such delivery the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party. The original signature copy shall be delivered to the other party by express overnight delivery. The failure to deliver the original signature copy and/or the nonreceipt of the original signature copy shall have no effect upon the binding and enforceable nature of this Agreement.

11.13 Independent Contractors. HPSM and BHRS are independent entities and nothing in this Agreement shall be construed or be deemed to create a relationship of employer and employee or principal and agent or franchiser and franchisee or any relationship, fiduciary or otherwise, other than that of independent parties contracting with each other solely for the purpose of carrying out the provisions of this Agreement. Nothing in this Agreement is intended to be construed, or be deemed to create, any rights or remedies in any third party, including but not limited to an HPSM Member. Nothing in this Agreement shall be construed or deemed to confer upon BHRS any responsibility for or control over the terms or validity of the Covered Services. BHRS shall have no final discretionary authority over or responsibility for HPSM's administration. Further, because BHRS is not an insurer or HPSM sponsor, BHRS shall have no responsibility for: (i) any funding of HPSM; or (ii) any insurance coverage relating to HPSM or any BHRS contract of HPSM or HPSM Members, except as described in Exhibit A.

11.14 Consent to Amend. This Agreement or any part or section of it may be amended at any time during the term of this Agreement only by mutual written consent of duly authorized representatives of BHRS and HPSM.

11.15 Headings. The headings of Articles, Sections and Exhibits contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

11.16 Compliance with Laws and Regulations. This Agreement will be in compliance with all pertinent federal and state statutes and regulations. If this Agreement, or any part hereof, is found not to be in compliance with any pertinent federal or state statute or regulation, then the parties shall renegotiate the Agreement for the sole purpose of correcting the non-compliance.

11.17 Construction.

11.17.1 For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

11.17.2 The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

11.17.3 As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

11.17.4 Except as otherwise indicated, all references in this Agreement to "Articles," "Sections" and "Exhibits" are intended to refer to Articles of this Agreement, Sections of this Agreement and Exhibits to this Agreement.

11.18 Remedies Cumulative; Specific Performance. The rights and remedies of the parties hereto shall be cumulative (and not alternative). The parties to this Agreement agree that to the extent permitted by applicable law, in the event of any breach or threatened breach by any party to this Agreement of any covenant, obligation or other provision set forth in this Agreement for the benefit of any other party to this Agreement, such other party shall be entitled (in addition to any other remedy that may be available to it) to:

(i) a decree or order of specific performance to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach. Neither party shall be required to provide any bond or other security in connection with any such decree, order or injunction or in connection with any related action or legal proceeding.

11.19 HIPAA Compliance. For the purposes of this Agreement, BHRS is deemed to be a "Business Associate" of HPSM, and HPSM is deemed to be a "Business Associate of BHRS" as such term is defined in the Health Insurance Portability and Accountability Act of 1996 (known as HIPAA), as amended by the HITECH Act (Title XIII, Subtitle D of the American Recovery and Reinvestment Act of 2009). The parties will endeavor to comply with all applicable regulations published pursuant to HIPAA, as of the effective enforcement date of each standard. In addition, without limiting any other provision of this Agreement:

11.19.1 all services provided under this Agreement will be provided in such a manner as to enable both parties to remain at all times in compliance with all applicable HIPAA regulations, to the extent that either party's compliance depends upon the manner in which such services are performed by the other party;

11.19.2 alcohol and drug abuse services provided under this Agreement will be provided in such a manner as to enable both parties to remain at all times in compliance with federal regulations enforcing the confidentiality of alcohol and drug abuse patient records under the Public Health Service Act, as codified at 42 U.S.C. 290dd-3 and 42 U.S.C. 290ee-3;

11.19.3 all software, application programs and other products licensed or supplied by BHRS under this Agreement will contain such characteristics and functionality (including as applicable, but not limited to, the ability to accept and securely transmit data using the standard HIPAA transaction sets) as necessary to ensure that HPSM's use of such software, application programs and other products and associate documentation from BHRS, when utilized by HPSM in the manner as directed by BHRS, will fully comply with the HIPAA regulations applicable to HPSM. In the event any amendment to this Agreement is necessary for HPSM to comply with the HIPAA regulations as they relate to this Agreement or its subject matter, including, but not limited to, requirements pertaining to Business Associate agreements, HPSM and BHRS will negotiate in good faith and amend this Agreement accordingly, with such amendment to be effective prior to the date compliance is required under each standard of the HIPAA regulations; and

11.19.4 all software, application programs, eligibility lists or other member-specific information and other products licensed or supplied by HPSM under this Agreement will contain such characteristics and functionality (including as applicable, but not limited to, the ability to accept and securely transmit data using the standard HIPAA transaction sets) as necessary to ensure that BHRS's use of such software, application programs and other products and associate documentation from HPSM, when utilized by BHRS in the manner as directed by HPSM, will fully comply with the HIPAA regulations applicable to BHRS. In the event any amendment to this Agreement is necessary for BHRS to comply with the HIPAA regulations as they relate to this Agreement

or its subject matter, including, but not limited to, requirements pertaining to Business Associate agreements, BHRS and HPSM will negotiate in good faith and amend this Agreement accordingly, with such amendment to be effective prior to the date compliance is required under each standard of the HIPAA regulations.

11.20 Cultural Competence. BHRS shall ensure that all services, both clinical and non-clinical, are accessible to all HPSM members and are provided in a culturally competent manner, including those with limited English proficiency or reading skills and those with diverse cultural backgrounds.

ARTICLE 12
COMPLIANCE WITH LAWS AND REGULATIONS

12.1 BHRS understands and agrees that HPSM is responsible for the monitoring and oversight of all duties of BHRS under this Agreement, and that HPSM has the authority and responsibility to: (i) implement, maintain and enforce HPSM's policies governing BHRS's duties under this Agreement; (ii) conduct audits, inspections and/or investigations in order to oversee BHRS's performance of duties described in this Agreement; (iii) require BHRS to take corrective action if HPSM or an applicable federal or state regulator determines that corrective action is needed with regard to any duty under this Agreement; and/or (iv) revoke the delegation of any duty, if BHRS fails to meet HPSM standards in the performance of that duty. BHRS shall cooperate with HPSM in its oversight efforts and shall take corrective action as HPSM determines necessary to comply with the laws, accreditation agency standards, HPSM policies governing the duties of BHRS or the oversight of those duties.

12.2 BHRS agrees to furnish medical records and/or ensure that Participating Providers furnish medical records that may be required to obtain any additional information or corroborate the encounter data.

12.3 If BHRS gives Confidential Information including Protected Health Information, as defined in 45 CFR §164.501, received from HPSM, or created or received by BHRS on behalf of HPSM, to any of its Downstream Entities, including agents or subcontractors, BHRS shall require the Downstream Entity to agree to the same restrictions and conditions that apply to BHRS under this Agreement. BHRS shall be fully liable to HPSM for any acts, failures or omissions of the Downstream Entity in providing the services as if they were BHRS's own acts, failures or omissions, to the extent permitted by law. BHRS further expressly warrants that its agents will be specifically advised of, and will comply in all respects with the terms of this Agreement.

The provisions of this Agreement shall bind and inure to the benefit of the parties hereto and their heirs, legal representatives, successors and assignees. This Agreement constitutes the entire understanding between the parties hereto.

SAN MATEO HEALTH COMMISSION
d.b.a. HEALTH PLAN OF SAN MATEO

BY

MAYA ALTMAN
CHIEF EXECUTIVE OFFICER

August 18, 2014
DATE

COUNTY OF SAN MATEO

BY

DAVE PINE
PRESIDENT, BOARD OF SUPERVISORS

DATE

EXHIBIT "A"
SCOPE OF SERVICES

In consideration of the payments set forth in Exhibit "B", BHRS shall provide the services as set forth in the corresponding Appendix referenced below.

Appendix 1-A: Claims Processing and Data Management
Appendix 1-B: Behavioral Health and Recovery Services Benefit
Appendix 1-C: Provider Relations
Appendix 1-D: Utilization and Medical Management
Appendix 1-E: Quality Assessment and Improvement
Appendix 1-F: Reporting
Appendix 1-G: Grievances & Appeals

APPENDIX 1-A
CLAIMS PROCESSING AND DATA MANAGEMENT

1. Claims Processing. BHRS shall process claims for payment from Participating Providers, and Non-Participating Providers as needed, for authorized Covered Behavioral Health and Recovery Services on behalf of HPSM. Claims shall be processed at least twice per month.

2. Payment to Participating Providers. BHRS shall make payments to Participating Providers, and Non-Participating Providers as needed, for Covered Services to HPSM Members. BHRS shall not be obligated to pay Participating Providers (i) for services that are not Covered Services; or (ii) if Participating Providers fail to verify an individual's eligibility for Covered Services.

3. Encounter Data. BHRS shall submit encounter data in the form of claims to HPSM in electronic form. BHRS shall supply encounter data at least monthly, by the 10th of the month following the month of claim processing. BHRS will employ appropriate data security procedures to ensure rapid recovery and transmittal of all encounter data.

4. Certification of Data. BHRS agrees that by submitting any data to HPSM, BHRS is certifying that the information is based on its best knowledge, information and belief available, and such information is accurate, complete and truthful.

APPENDIX 1-B
BEHAVIORAL HEALTH AND RECOVERY SERVICES BENEFIT

BHRS shall provide behavioral health and recovery services benefit to HPSM Members under this contract. The behavioral health and recovery services benefit shall be provided in accordance with sections 14132.03 and 14189 for the California Welfare and Institutions Code, by which HPSM is responsible to cover and pay for the delivery of certain mental health services to members with mild to moderate impairment of mental, emotional, or behavioral functioning resulting from a mental health condition defined by the current Diagnostic and Statistical Manual (DSM).

BHRS shall be responsible for referring HPSM members with potential mental health disorders to qualified mental health professionals for assessment of whether members are impaired in mental, emotional, or behavioral functioning as a result of a mental health disorder as defined by the current DSM. For HPSM members assessed as mildly to moderately impaired, BHRS will coordinate members' care such that either: (a) members are referred within BHRS's network for mental health services, or (b) consultation and support is offered to members' primary care physicians for mental health services within their scope of practice.

The Medi-Cal Specialty Mental Health benefit for beneficiaries with serious mental illnesses is reimbursed via the Medi-Cal Specialty Mental Health Services 1915(b) waiver program. The services included in the Specialty Mental Health contract between the State and BHRS are not included in this Agreement but are coordinated by BHRS and HPSM through a separate Memorandum of Understanding (MOU) between HPSM and BHRS.

APPENDIX 1-C
PROVIDER RELATIONS

BHRS shall be responsible for maintaining and monitoring a network of behavioral health and recovery services providers that is sufficient to provide adequate access to and availability of covered behavioral health and recovery services. HPSM shall at all times monitor the performance of BHRS and the network of behavioral health and recovery services providers and retains the right to approve, suspend, or terminate any arrangement set up by BHRS that in the opinion of HPSM does not contribute to the provision of good quality care to Members.

BHRS will also engage in standard provider services activities with Participating Providers, including maintaining a Claims department responsible for responding to inquiries related to claims processing, claims submission, and claims payment and maintaining a Utilization Review department responsible for responding to inquiries related to prior authorization for Covered Services. Departments will be available to respond to provider inquiries during regular business hours, from 8:00 a.m. to 5:00 p.m. Monday through Friday.

1. Network Adequacy. BHRS shall be responsible for maintaining a network to ensure each Member in need of covered behavioral health and recovery services has a mental health professional available, with appropriate qualifications to ensure access to the services described in Appendix 1-B. BHRS shall ensure an adequate network across the service area, with a minimum ratio of one mental health professional per 2,000 Members, and with a mental health professional within 15 miles of each Member.
2. Timely Access. BHRS shall ensure that Members have timely access to services in accordance with standards set by DHCS, the Department of Managed Health Care, and the Centers for Medicare and Medicaid Services. For non-urgent appointments with non-physician mental health providers, for diagnosis or treatment, that standard is access to an appointment within ten (10) business days of a request for an appointment. An appointment time may be extended if the provider determines and notes in treatment records that a longer waiting time will not have a detrimental impact on the Member's health.
3. Credentialing. BHRS shall be responsible for credentialing and executing contracts with Participating Providers, to provide covered behavioral health and recovery services to HPSM Members. Credentialing requirements will be waived if BHRS already has on file an up-to-date credentialing record. However, BHRS will re-credential the provider in accordance with the Participating Provider's existing credentialing schedule. BHRS's credentialing and re-credentialing process shall adhere to federal, state, and local laws, rules, and guidelines.
4. Member records. In contracting with Providers, BHRS shall ensure that each provider contract contain a provision that Provider shall agree to safeguard HPSM Member privacy and confidentiality, consistent with all federal and state laws, and ensure accuracy of beneficiary medical, health, and enrollment information and records.
5. Members held harmless. In contracting with Providers, BHRS shall ensure that each provider contract contain a provision that Provider shall look only to BHRS for payment of Covered Services and shall at no time seek compensation from HPSM Members for Covered Services, except as related to any Medi-Cal Share of Cost as identified through the State On-Line Eligibility Verification System. Such payment by BHRS shall be considered payment in full. Providers shall not hold HPSM Members responsible for any cost sharing

except any Medi-Cal Share of Cost as identified through the State On-Line Eligibility Verification System. In addition, the Provider shall not invoice or balance bill an HPSM Member for the difference between the provider's billed charges and the reimbursement paid by BHRS for Covered Services.

Provider shall agree that neither the Provider or any of its Downstream Entities in any circumstances, including, but not limited to nonpayment by BHRS, insolvency of BHRS, or breach of this Agreement, shall bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against HPSM Members or persons other than BHRS for services provided pursuant to this Agreement, except any Medi-Cal Share of Cost as identified through the State On-Line Eligibility Verification System. At no time will Provider or any party with a claim against Provider for Covered Services provided to HPSM Members bill or otherwise seek compensation from HPSM Members for Covered Services except in the case when a third party payer is primarily responsible and has paid HPSM Member for a Covered Service.

6. Legal and Regulatory Compliance. In contracting with Providers, BHRS shall ensure that each provider contract contain a provision that Provider shall at all times during the term of this Agreement comply with, and require any of its Downstream Entities comply with, all applicable federal, state and municipal laws, regulations, reporting requirements, HPSM's contractual obligations to its oversight agencies, all HPSM policies and procedures related to health service delivery, and all applicable rules and regulations of the their applicable licensing bodies. This includes compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, the Americans with Disabilities Act, Federal criminal law, the False Claims Act (31 U.S.C. §3729 et.seq.) and the Anti-Kickback statute (section 1128B(b) of the Act), and HIPAA administrative simplification rules at 45 CFR Part 160, 162, and 164. Provider shall also agree to audits and inspections by HPSM's oversight agencies and/or their designees and cooperate, assist, and provide information as requested. If at any time during the term of this Agreement, Provider shall have Provider's license to practice in the State of California suspended, conditioned or revoked, Provider's agreement with BHRS shall terminate immediately and become null and void without regard to whether or not such suspension, condition or revocation has been finally adjudicated. Provider agrees to include the requirements of this section in its contracts with any Downstream Entity.

7. Non-discrimination. In contracting with Providers, BHRS shall ensure that each provider contract contain a provision that Provider shall agree: (1) not to differentiate or discriminate in his/her provision of Covered Services to HPSM Members because of race, color, national origin, ancestry, religion, sex, health status, marital status, sexual orientation, age, or other protected classes according to federal and state law; and (2) to render Covered Services to HPSM Members in the same manner, in accordance with the same standards and within the same time availability as offered to non-HPSM Members consistent with existing medical/ethical/legal requirements for providing continuity of care to any patient.

8. Quality Control. In contracting with Providers, BHRS shall ensure that each provider contract contain a provision that Provider shall agree that Provider understands that BHRS has certain obligations including the credentialing of Provider, and that BHRS and HPSM will have the right to oversee and review the quality of care and services provided to HPSM Members by Provider. Provider shall agree to be accountable to cooperate and comply with BHRS and HPSM whenever BHRS, HPSM, and/or their Medical Directors impose such obligations on Provider. Obligations may include, but may not be limited to: on-site review, member transfer from or to referring facilities, cooperation with Healthcare Effectiveness

Data Information Sets ("HEDIS") measurements and other internal and external quality review and improvement programs, and risk adjustment programs.

9. Prompt Payment. BHRS shall agree to promptly pay Provider for all clean claims within sixty (60) calendar days.

10. Cultural Competence. BHRS shall ensure that all services, both clinical and non-clinical, are accessible to all HPSM Members and are provided in a culturally competent manner, including those with limited English proficiency or reading skills and those with diverse cultural backgrounds.

11. Maintenance of Records. In contracting with Providers, BHRS shall ensure that each provider contract contain a provision that Provider shall maintain records related to any services provided to HPSM Members for a minimum of ten (10) years.

APPENDIX 1-D
UTILIZATION AND MEDICAL MANAGEMENT

1. Prior Authorization Review. BHRS shall perform initial review of prior authorization requests for Covered Services as determined by the Benefit Plan. BHRS agrees that in performance of prior authorization requests, BHRS shall comply with the prior authorization policies and procedures, and guidelines. These Policies and Procedures have been approved by HPSM and are developed in accordance with Federal and State laws, rules, and guidance for the Medi-Cal program. BHRS shall make authorization decisions based on relevant documentation.

2. Timeframes. BHRS shall make authorization decisions on all emergent and urgent authorizations within 72 hours of receipt of the information reasonably necessary to make a decision. BHRS shall make authorization decisions on all non-urgent authorizations within five (5) business days of receipt of the information reasonably necessary to make a decision, but no longer than fourteen (14) calendar days from the receipt of the authorization request. Decisions on non-urgent authorizations may be deferred and the time limit extended an additional 14 calendar days if BHRS can provide justification for the need of additional information and how deferral is in the Member's interest, or where the Member or the Member's provider requests an extension.

3. Criteria. BHRS shall maintain criteria for approving, modifying, deferring, or denying requested services. BHRS shall utilize evaluation criteria and standards to approve, modify, defer, or deny services.

4. Retroactive Authorizations. BHRS shall have a written process for reviewing retroactive authorizations for Covered Services and take action on all retroactive authorizations within thirty (30) calendar days of receipt of the information reasonably necessary to make a decision.

5. Notification of Decision. BHRS agrees that it shall issue a Notice of Action in writing, by mail, to the member or participating provider when it denies a service due to lack of medical necessity or denies, defers, or modifies a provider's request for services. BHRS agrees that such notification to HPSM Members shall be in English and Spanish and shall be provided within the same timeframes as those required for making the authorization decisions.

6. Utilization Management and Quality Review Programs. BHRS shall cooperate with, participate in, and comply with HPSM's Utilization Management and Quality Review Programs, including any revisions and updates that may occur upon review.

APPENDIX 1-E
QUALITY ASSESSMENT AND IMPROVEMENT

BHRS shall provide the following quality assessment and improvement services:

1. Cooperation with oversight. BHRS shall cooperate with HPSM oversight, monitoring and evaluation of delegated functions through the reporting stated in Appendix1-F, responsiveness to Grievances and Appeals processed in accordance with Appendix 1-G, and documentation of actions/remedies in an Annual Quality Report. The Annual Quality Report shall provide a response to issues of concern identified by HPSM, where BHRS's performance of delegated functions does not meet BHRS's obligations under this Agreement, in addition to the reporting on improvement projects in paragraph 4, and HPSM's performance review in paragraph A below.

2. Grievances & Appeals. BHRS shall regularly confer with HPSM to review grievances and appeals, and to address any quality of care concerns that arise. A clinical staff member shall be made available to HPSM to review any issues involving clinical quality of care; a physician must confer on any issues involving medication management.

3. Utilization monitoring. BHRS shall regularly monitor utilization to protect against overutilization and underutilization of behavioral health and recovery services, using measures selected by DHCS from the HEDIS Use of Service measures and communicated to BHRS by HPSM. Quarterly meetings involving clinical staff members from BHRS and HPSM shall be held to review encounter data reported on a monthly basis by BHRS.

4. Improvement projects. BHRS shall develop at least one clinical and one non-clinical quality improvement project annually that demonstrate its commitment to Quality Assessment and Improvement. These should represent different age ranges, if they are not immediately applicable to all age ranges. Periodic monitoring to demonstrate maintenance of improvement should occur, even after the projects have closed. The Annual Quality Report submitted according to the schedule in Appendix 1-F shall describe the plans, methodology, implementation and outcomes for these projects, in a Plan/Do/Study/Act format, or comparable form, to demonstrate improvements achieved.

HPSM bears ultimate responsibility for quality assurance, including:

A. Evaluation and review. HPSM shall evaluate BHRS's ability to perform the delegated activities, including an initial review to assure that BHRS has the administrative capacity, task experience, and budgetary resources to fulfill its responsibilities under this Agreement. BHRS's performance of delegated activities shall be reviewed by HPSM on a regular basis, no less than annually, and HPSM shall present BHRS with an assessment of how BHRS's provision of administrative and clinical services under this contract meet HPSM's programmatic and accreditation needs.

B. Uphold standards. HPSM shall ensure that BHRS meets standards set forth by HPSM, by DHCS, or by Department of Managed Health Care.

C. Continuous monitoring. HPSM shall remain responsible for the continuous monitoring, evaluation and approval of functions delegated under this Agreement.

APPENDIX 1-F
REPORTING

HPSM is responsible for the monitoring and oversight of BHRS's performance under this Agreement. BHRS will provide the following reports to support HPSM's monitoring and oversight, and facilitate Plan's compliance with State regulatory agencies or private accreditation requirements. Additional reports or information, which may not be set forth in this Agreement, may be required of HPSM by State or federal regulatory agencies or private accreditation organizations from time to time. BHRS shall provide such reports and information to HPSM in a mutually agreeable time and manner that enables HPSM to meet its obligations.

1. Required Reports:

Category	Report Name	Frequency	Due Date to HPSM	HPSM Contact for Report Submission
Call Center	Monthly Call Center Statistics	Monthly	5th day of each month	Director of Provider Network Development and Services
Claims	Claims Settlement Practices Report	Quarterly	Jan 24 April 23 Jul 23 Oct 24	Director of Finance and Administrative Services
Provider Network	Provider Network Adequacy Report with additions/deletions and telehealth capabilities	Monthly	5th day of each month	Director of Provider Network Development and Services
Provider Network	Appointment Access Report	Annually	Mar 30	Director of Provider Network Development and Services
Quality	Monthly Complaints Log	Monthly	5th day of each month	Medical Director
Quality	Quality Improvement Annual Report and Work Plan	Annually	April 30	Medical Director
Utilization Management	UM Summary Report	Monthly	5th day of each month	Medical Director

APPENDIX 1-G
GRIEVANCES AND APPEALS

1. Definitions. Complaints include both appeals and grievances, as follows:

   a. Appeals. Appeals are complaints related to BHRS or HPSM's decision to deny a benefit to the member to which he/she believes he/she is entitled. Appeals are generated in response to a denied request for authorization. BHRS shall differentiate between standard Appeals and expedited Appeals. An Appeal shall be processed on an expedited basis anytime the standard timeframe for processing an appeal could seriously jeopardize the participant's life, health, or ability to regain maximum function.

   b. Grievances. Grievances are complaints related to any other aspect of HSPM or BHRS operations, excluding Appeals. Examples of grievances are complaints related to quality of care, access problems, or provider interactions.

2. Referral of Complaints. HPSM shall refer all Member complaints related to the Benefits identified in Appendix 1-B, or Medi-Cal Specialty Mental Health benefits for beneficiaries with serious mental illnesses, to BHRS for investigation and resolution. BHRS shall promptly notify HPSM, by email to Grievance&Appeals@hpsm.org, of Member complaints received by BHRS related to the Benefits identified in Appendix 1-B.

   BHRS staff may refer complaints to HPSM on behalf of HPSM Members, as appropriate, for complaints not related to accessing or utilizing behavioral health services.

3. Acknowledgement. HPSM will acknowledge receipt of all Appeals or Grievances related to the Benefits identified in Appendix 1-B within 5 business days, by a written letter to the Member. BHRS will acknowledge to Members receipt of all Appeals or Grievances related to the Medi-Cal Specialty Mental Health benefit for beneficiaries with serious mental illnesses.

4. Resolution. For Appeals or Grievances related to the Benefits identified in Appendix 1-B, BHRS shall investigate and resolve the complaint, and notify HPSM of the proposed outcome. HPSM shall send a resolution letter to the Member.

   BHRS will investigate, resolve and send resolution letters for all Appeals or Grievances related to the Medi-Cal Specialty Mental Health benefit for beneficiaries with serious mental illnesses.

   For complaints related to the Benefits identified in Appendix 1-B, Appeals and Grievances will be resolved within 30 calendar days from the date of receipt. Expedited Appeals shall be resolved within 72 hours from the time of receipt by BHRS or HPSM.

EXHIBIT "B"
PAYMENT

1. Fee schedule
Payment by HPSM to BHRS shall be based on a fee schedule agreed upon by both parties. The initial fee schedule agreed upon by the parties is attached to and incorporated herein to this agreement as Exhibit B-1. This fee schedule may be replaced at any time during the term of this agreement by written mutual consent of both parties. Payment for claims made under the fee schedule shall reflect payment for health care costs that BHRS has incurred in payments to Providers for Covered Services provided to HPSM Members, as well as expenses for clinical services provided by BHRS staff. Claims shall be paid in accordance with the lower of the fee schedule or the actual amount of the claim.

2. Review and revision of fee schedule
HPSM and BHRS shall meet and confer on a bi-annual basis to review and, if necessary, revise the fee schedule for covered services, with consideration for the reimbursement received by HPSM under the Medi-Cal Managed Care program for the benefit described in Appendix 1-B. HPSM and BHRS agree that these bi-annual reviews will bring the fee schedule in conformity with BHRS's total expenses for services to these beneficiaries and the amounts claimed by, and paid to, BHRS, in consideration of the capitated payment received by HPSM for these beneficiaries.

3. Services not subject to payment under this Agreement
Effective July 1, 2014, services delivered to MediCal Expansion members identified with aid codes L1, M1 and 7U that are assigned by the Plan to the County as their "health home" under the provisions of California Welfare and Institutions Code 14199.1 will not be subject to payment under this agreement. BHRS will continue to deliver services to these members and BHRS will continue to submit claims for these services. Plan shall pay claims for Covered Services to these MediCal Expansion members under this agreement at the amount of zero dollars ($0).

EXHIBIT "B-1"
Initial Fee Schedule

Service Description	CPT Code	MD Rate	Mod	NP	Mod	PHD Rate	Mo	MFT/LCSW	Mod	MSO AG	Interface	Mod
Psychiatric Evaluation (no medical svcs)	90791					149.12	PH	116.60	MF	136.40	1536.00	CO
PSYCH EVAL WITH MED. 105 MINS/Med MD/NP Assess	90792	183.42	MD	135.56	NU					154.00	2836.80	CO
Therapy 30 minutes or up to 44 for Interface	90832	62.66	MD			35.20	PH	35.20	MF		281.60	CO
Outpatient therapy 60 minutes or 45-59 Interface	90834	117.35	MD			66.00	PH	63.80	MF	96.80	377.60	CO
Therapy 60 minutes or 60 + interface	90837	140.25	MD								1536.00	CO
FAMILY THERAPY 60 MINS or 1-999 interface	90847	138.81	MD			69.30	PH	69.30	MF	99.00	1536.00	CO
GROUP THERAPY 15 MINUTES or intreface grp 1-999 or agency up to2 hours	90853	28.13	MD	28.13	NU	28.13	PH	16.50	MF	64.68	1536.00	CO
GROUP INTERVENTION GROUP SERVICE	96153	5.00	MD	5.00	NU	5.00	PH					
MULTI FAMILY COUNSELING	90849	34.96	MD	34.96	NU	34.96	PH					
ELECTROCONVULSIVE THERAPY 25 MINUTES	90870	190.00	MD									
PSYCH TESTING PACK YOUTH OPT 540 MINS	96101									450.00		
PSYCH TESTING PACK YOUTH INPT 600 MINS	96101					520.30	PH					
NEUROPSYCH TESTING	96118					100.00	PH					
MEDICATION INJECTION including Risperdal	96372										2836.80	CO
INIT ASSESS OUTPT HIGH COMPLEXITY 60 MIN	99205	168.23	MD							154.00		
OFFICE/OPT VISIT ESTABLISHED PT 10 MINS or med sppt 1-14	99212	62.40	MD							68.64	165.48	CO
OFFICE/OUTPT VISIT ESTAB PT 15 MINS or med sppt 15-24	99213	85.54	MD								283.68	CO
OFFICE/OUTPT VISIT ESTAB PATIENT 25 MINS or med sppt 25-40	99214	124.10	MD								460.98	CO
OUTPATIENT FOLLOW UP HIGH COMPLEX 40 MIN or med sppt 41-999	99215	153.00	MD								2836.80	CO
NURS FAC VIS COMP ASSESS LOW COMPLEX 30	99304	46.00	MD	46.00	NU							
NURSE FAC VIS COMP ASSESS MOD COMPLEX 50	99305	77.00	MD	77.00	NU							
NURSE FACILITY VISIT LOW COMPLEX 15 MINS	99308	23.00	MD	23.00	NU							
NURSE FAC VISIT MOD COMPLEXITY 30 MINS	99309	65.00	MD	65.00	NU							
NURSE FAC VISIT SUBS HIGH COMPLEX 60 MIN	99310	82.00	MD	82.00	NU							
NURSING FACILITY DISCHARGE 30 MINS	99315	58.69	MD									
DOM REST HM VISIT NEW PT LOW SEVE 30 MIN	99325	40.85	MD	40.85	NU							
DOM REST HM VISIT NEW PT MOD SEVE 45 MIN	99326	49.68	MD	49.68	NU							
DOM REST HM VISIT NEW PT HIGH SEV 60 MIN	99327	71.76	MD	71.76	NU							
DOM REST HM VISIT ESTABLISHED PT LOW SEVE 30 MIN	99335	33.00	MD	33.00	NU							
DOM REST HM VISIT DSTABLISHED PT LOW SEVE 30 MIN	99336	53.00	MD	53.00	NU							
DOM REST HM VISIT ESTRABLISHED PT LOW SEVE 30 MIN	99337	60.00	MD	60.00	NU							
CONSULT NEW PT OFFICE PROBLEM FOCUSED & STRAIGHTFOWARD	99241	51.59	MD									
CONSULT NEW PT OFFICE LOW COMPLEXITY	99243	69.00	MD									
CONSULT NEW PT OFFICE MODERATE COMPLEXITY	99244	104.00	MD									
PHONE CONFERENCE 15 MINUTES	X8255	10.00	MD							12.00		
PHONE CONFERENCE 15 MINUTES	X2255					10.00	PH	10.00	MF			
CASE CONFERENCE	X9546					34.10	PH	34.10	MF			
CASE CONFERENCE - COLLATERAL SERVICE	90887									59.00	1536.00	CO
OUT OF OFFICE CALL	X9548					10.00	PH	10.00	MF			

EXHIBIT "C"
Division of Operational Responsibility

The following Matrix identifies Health Plan of San Mateo allocation to BHRS of functions for which Health Plan of San Mateo bears delegation oversight responsibility, or will bear delegation oversight responsibility during the course of this agreement (through forthcoming accreditation or program requirements). The responsibilities in this matrix will be further described in the parties' Memorandum of Understanding (MOU) for the services covered by this agreement, as well as in MOUs between the parties for services covered in separate agreements between the parties.

Function	Responsibility	
	HPSM	BHRS
Network Contracting and Credentialing		
Maintain criteria on types of practitioners to contract/credential for covered non-specialty mental health Medi-Cal services		X
Contract with providers for covered non-specialty mental health Medi-Cal services		X
Ensure network meets geo-access standards (distance)		X
Ensure network meets timely access standards (appointments)		X
Maintain criteria for credentialing and re-credentialing		X
Collect and verify credentialing and re-credentialing information from behavioral health providers		X
Oversee Behavioral Health Services Credentialing Committee		X
Set standards for site criteria and record-keeping		X
Conduct initial site visits		X
Devise and oversee corrective actions for sites that do not meet criteria, including follow-up visits		X
Maintain policies & procedures for monitoring of sanctions and complaints between re-credentialings		X
Maintain system for documenting provider site/records/ sanctions/complaints assessments		X
Claims Processing and Submission		
Process claims from providers for covered Medi-Cal services		X
Submit encounter data to HPSM at least monthly		X
Pay providers for covered Medi-Cal services		X
Verify member eligibility, upon request from BHRS or provider	X	
Utilization Management		
Designate a senior behavioral health practitioner and other qualified staff to UM program		X
Adopt medical necessity criteria for covered non-specialty mental health Medi-Cal services		X
Determine any non-specialty mental health Medi-Cal services that require prior authorization and communicate to Network Providers		X
Determine protocols for concurrent or retrospective review of any covered non-specialty mental health Medi-Cal services		X
Adopt triage and referral protocols for behavioral health, including protocols for stratification according to severity of mental health issues		X

Assign appropriately licensed behavioral health clinicians for medical-necessity review decisions, including MD/PsyD/PhD for reviews of denials, and make them available to practitioners		X
Document review decisions and notify members/providers		X
Make available an appeals process for denials		X
Report UM activities (appeals, denials, deferrals, and modifications) on quarterly basis		X
Evaluate member/provider satisfaction with the BHRS UM process		X
Analyze data for under- and over-utilization	X	
Care Coordination		
Establish inter-disciplinary care coordination teams	X	
Assess needs of member population with co-occurring physical/behavioral health needs to determine criteria for referrals to complex case management services		X
Adopt criteria for referrals of members to inter-disciplinary care teams, or assignment of members by request		X
Adopt protocols for communication of inter-disciplinary care coordination efforts to members and providers		X
Select indicators to measure performance of coordination teams	X	
Design protocols for documenting care coordination activities in case management system	X	
Adopt policies and procedures to encourage member self-care and/or self-management of behavioral health issues		X
Quality Assurance and Improvement		
Update BHRS quality program for behavioral health to include new members or providers carved in through new Medi-Cal benefits		X
Document scheduled BHRS quality committee meetings will include providers of outpatient mental health services		X
Review contracts with outpatient mental health services providers for inclusion of quality provisions (open communication with members, member access to records, confidentiality of records)		X
Distribute policies/standards on record-keeping to provider sites		X
Designate a behavioral health practitioner and other qualified BHRS staff to participate in HPSM's QI Committee		X
Assess BHRS provider network against cultural needs of members		X
Define high-volume behavioral health providers		X
Document BHRS performance measures and improvement goals		X
Evaluate complaints and appeals regarding mental health services		X
Adopt and disseminate clinical practice guidelines for chronic care		X
Identify and select two opportunities for improvement annually		X
Member/Consumer Access		
Staff call center to serve as an entry point for members requesting covered mental health services		X
Report call center response times and abandonment rates		X
Process grievances and eligibility appeals within appropriate program timeframes	X	