

**COMMUNITY BENEFIT AGREEMENT BETWEEN
PENINSULA HEALTH CARE DISTRICT
AND THE COUNTY OF SAN MATEO
REGARDING THE SAN MATEO COUNTY ACE PROGRAM**

This Agreement is made this ___ day of _____, 2012, by and between the Peninsula Health Care District (“District”) and the County of San Mateo (“County”).

RECITALS

- A. District is a public health care district formed and operating pursuant to the Local Health Care District Law. (California Health and Safety Code Sections 32000 et seq.)
- B. District and County have determined that there is a public need for the provision of basic health care for uninsured district residents residing in San Mateo County.
- C. County has created the San Mateo County Access and Care for Everyone Program for the provision of health insurance for the uninsured throughout the County (“County ACE Program” or “Program”)
- D. District’s financial support of the County ACE Program benefiting eligible individuals residing in District as set forth herein is consistent with District’s healthcare purposes, which include providing “assistance in the operation of ... health services including... other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district.” (Health and Safety Code §32121(j))
- E. The parties believe that enhancing access to medical care for individuals without health coverage is not only humane but also necessary to improve the health of the community. Funds extended to County hereunder are intended to cover overhead expenses of County services provided under the ACE Program, including physician, nursing, technical staff, as well as facilities and equipment costs.
- F. District further extends this grant of funds in an effort to assist the County in meeting its safety net role while federal and state assistance for the medically underserved transitions toward the 2014 full implementation of the Affordable Care Act.

NOW, THEREFORE, County and District agree as follows:

1. **Purpose.**

This Agreement is entered into for the purpose of confirming District's decision on July 26, 2012, to support the County ACE Program as herein described for eligible residents of the District.

2. **District to Help Fund County ACE Program.**

To help support the continuance of the County ACE Program, District shall pay to County for the fiscal years 2012 – 2013 \$2.3 million to fund the participation of eligible residents living within the District in the County ACE program. Notwithstanding the foregoing, County understands and acknowledges that this funding by District is subject to the following terms and conditions.

2.1 The funds extended hereunder shall be applied by County to meet the following targeted program outcomes:

a) At least 979 District residents will be covered by the ACE program in FY 12-13.

b) At least 90% of patients served by the Innovative Care Clinic will be assigned to the clinic as a "medical home."

c) The waiting list for new ACE clients seeking non-urgent primary care from the Innovative Care Clinic will be reduced by 20%.

d) The "no show" rate for the Innovative Care Clinic will be 15% or lower as we target full use of current capacity.

e) The inpatient admission rate for uncontrolled diabetes will be 10% or lower as more than 90% of clients with diabetes have their care managed in an ambulatory setting.

- 2.2 The District's funds shall be applied only for the benefit of eligible residents living within District and shall only be used to fund the ACE Program overhead costs associated with physician, medical and non medical staff, clinic and facility expenses associated with the Program, as described for FY 2012 – 13 in the Budget Detail, San Mateo Medical Center, Metrics and Outcomes, Recommended Budget, as proposed to District by County, attached and incorporated herein.
- 2.3 The first year of the District's grant of \$2.3 million will be funded on a quarterly basis, beginning September 30, 2012.
- 2.4 At the end of the one-year term of this Agreement, the County will report to the District on the use of the funds hereby extended to County and the Program's performance compared to the attached metrics and outcomes and other terms and conditions of this Agreement. County will also present updated metrics and targeted outcomes and budget details for the FY 2013 – 14 to provide for the District's funding the second year of its intended support for the ACE Program. Upon the presentation of performance and updated information as described, the District Board of Directors will review and consider approval of the intended additional \$2.3 million in funding for FY 2013 – 14. Such additional funding will be based on a one year extension of this Agreement based upon updated metrics and targeted outcomes and other modifications deemed appropriate by the District.
- 2.5 If the Program is terminated or substantially modified at any time during the grant period, the District may withdraw any remaining grant funds not yet paid.
- 2.6 If the Program is substantially modified or performs in a manner that District determines no longer meets the expectations of District, then District shall notify County of such determination and the reasons thereof. County thereafter shall have 30 days to revise such modification performance to the satisfaction of the District or to convince District to reverse its determination. If District's determination remains that the Program has been so modified or has performed in a manner such that it no longer meets the expectations of District, then District may terminate this Agreement effective upon such determination by District or upon any date thereafter as set by District, and no grants shall be payable hereunder by District after such termination date.
- 2.7 If District loses or relinquishes its right to receive tax collections within the term of this Agreement, this Agreement shall terminate

effective as of the effective date of such event, and no grants shall be payable hereunder by District after such date.

- 2.8. The District is currently engaged in a substantial financial and strategic planning update initiative with the assistance of community and professional input. The District's policy evaluation and planning efforts have been generated by a need to update its existing 2007 Financial Policy and Legislative reviews of the operations and functions of Healthcare Districts. Because of existing Legislative-based uncertainty in the District's overall Grants Program and its ability to budget its tax revenues and healthcare activities in a manner consistent with its historic financial operations, if the Legislature enacts or is deemed by the District likely to enact new statutory schemes that alter the District's ability to either implement its existing budgets or to effectively plan its future budget for this Program and its other grant funding, the District may in its prudent discretion suspend or terminate payments or extensions of this funding. Similarly, and as with the entirety of its Grants Program, the District must reserve the right to so suspend or terminate this funding or any extensions thereof in all prudence should substantive proceedings commence to alter the District's organizational existence compared to its historic organizational structure and operations.
- 2.9 County shall indemnify, defend, and hold harmless District, its directors, officers, staff and authorized representatives, from and against all costs, expenses, and attorney's fees arising directly or indirectly out of, in connection with, or relating to the District's participation in the County ACE program pursuant to this Agreement. This obligation shall not be qualified or eliminated by any allegation, finding, judgment, or verdict that any indemnitee is responsible for a passively negligent act or omission, except where such negligence was the principal cause.

3. **Other District Health Care Activities.**

County supports and welcomes the continuation of District's involvement in the County ACE Program (as well as the other health care related activities of District) and supports and welcomes District's use of property tax revenues to help support the County ACE Program.

4. **Notices.**

All notices, payments, reports, requests, demands and other communication to be given under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally, or on the second day after mailing if mailed to the party to whom notice is given by first class mail, registered or certified, postage prepaid and addressed as follows:

District: Chair, Board of Directors
Peninsula Health Care District
1600 Trousdale Drive
Burlingame, California, 94010

County: County Manager
County of San Mateo
400 County Center
Redwood City, California 94063

The parties shall provide notice in writing of any change of address.

5. **Choice of Law and Attorney's Fees.**

This Agreement shall be construed in accordance with and governed by the internal laws of the State of California, except choice of law rules that would require the application of the laws of any other jurisdiction. If either party brings an action for any relief or collection against the other party, declaratory or otherwise, arising out of the arrangement described in this Agreement, the losing party shall pay to the prevailing party a reasonable sum for attorneys' fees and costs actually incurred in bringing such action.

6. **Counterparts.**

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

7. **Entire Agreement.**

This Agreement is the entire understanding and agreement of the parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understandings or discussions between the parties. No other understanding between the parties shall be binding on them unless set forth in writing, signed and attached to this Agreement.

Date: _____

PENINSULA HEALTH CARE DISTRICT

By: _____

Its: Chair, Board of Directors

Date: _____

COUNTY OF SAN MATEO

By: _____

Its: President, Board of Supervisors

Attest:

By: _____

Its: Clerk of Said Board