

## **AGREEMENT**

**THIS AGREEMENT** is entered into as of \_\_\_\_\_, between the **COUNTY OF TULARE**, referred to as **COUNTY**, and **GOLDEN STATE HEALTH CENTERS INC. dba: SYLMAR HEALTH AND REHABILITATION CENTER**, a California Corporation, referred to as **CONTRACTOR**, with reference to the following:

A. **COUNTY** wishes to retain the services of **CONTRACTOR** for the purpose of providing a comprehensive and balanced range of mental health services. **COUNTY** has determined the need among severely and persistently mentally disabled residents for mental health services. **COUNTY** has determined the need among severely and persistently mentally disabled residents for mental health services in a closely structured rehabilitation program to improve their basic functioning; and

B. **CONTRACTOR** has the experience and qualifications to provide the services **COUNTY** requires pertaining to **COUNTY'S** Mental Health Rehabilitation Program; and

C. **CONTRACTOR** is willing to enter into this Agreement with **COUNTY** upon the terms and conditions set forth herein.

### **ACCORDINGLY, IT IS AGREED:**

1. **TERM:** This Agreement shall become effective as of July 1, 2012 and shall expire at 11:59 PM on June 30, 2013 unless otherwise terminated as provided in this Agreement.

2. **SERVICES TO BE PERFORMED:** See attached **EXHIBIT A**

3. **PAYMENT FOR SERVICES:** See attached **EXHIBIT B and B-1**.

4. **INDEPENDENT CONTRACTOR STATUS:**

(a) This Agreement is entered into by both parties with the express understanding that **CONTRACTOR** will perform all services required under this Agreement as an independent contractor. Nothing in this Agreement shall be construed to constitute the **CONTRACTOR** or any of its agents, employees or officers as an agent, employee or officer of **COUNTY**.

(b) **CONTRACTOR** agrees to advise everyone it assigns or hires to perform any duty under this agreement that they are not employees of **COUNTY**. Subject to any

performance criteria contained in this Agreement, CONTRACTOR shall be solely responsible for determining the means and methods of performing the specified services and COUNTY shall have no right to control or exercise any supervision over CONTRACTOR as to how the services will be performed. As CONTRACTOR is not COUNTY'S employee, CONTRACTOR is responsible for paying all required state and federal taxes. In particular, COUNTY will not:

1. Withhold FICA (Social Security) from CONTRACTOR'S payments.
2. Make state or federal unemployment insurance contributions on CONTRACTOR'S behalf.
3. Withhold state or federal income tax from payments to CONTRACTOR.
4. Make disability insurance contributions on behalf of CONTRACTOR.
5. Obtain unemployment compensation insurance on behalf of CONTRACTOR.

(c) Notwithstanding this independent contractor relationship, COUNTY shall have the right to monitor and evaluate the performance of CONTRACTOR to assure compliance with this Agreement.

5. **COMPLIANCE WITH LAW:** CONTRACTOR shall provide services in accordance with applicable Federal, State, and local laws, regulations and directives. With respect to CONTRACTOR'S employees, CONTRACTOR shall comply with all laws and regulations pertaining to wages and hours, state and federal income tax, unemployment insurance, Social Security, disability insurance, workers' compensation insurance, and discrimination in employment.

6. **GOVERNING LAW:** This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The parties agree that this contract is made in and shall be performed in Tulare County, California.

7. **RECORDS AND AUDIT:** CONTRACTOR shall maintain complete and accurate records with respect to the services rendered and the costs incurred under this Agreement. In addition, CONTRACTOR shall maintain complete and accurate records with respect to any payments to employees or subcontractors. All such records shall be prepared in accordance with generally accepted accounting procedures, shall be clearly identified, and shall be kept readily accessible. Upon request, CONTRACTOR shall make such records available within Tulare County to the Auditor of Tulare County and to

his agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the date of final payment under this Agreement.

**8. CONFLICT OF INTEREST:**

(a) CONTRACTOR agrees to, at all times during the performance of this Agreement, comply with the law of the State of California regarding conflicts of interests and appearance of conflicts of interests, including, but not limited to Government Code Section 1090 et seq., and the Political Reform Act, Government Code Section 81000 et seq. and regulations promulgated pursuant thereto by the California Fair Political Practices Commission. The statutes, regulations and laws previously referenced include, but are not limited to, prohibitions against any public officer or employee, including CONTRACTOR for this purpose, from making any decision on behalf of COUNTY in which such officer, employee or consultant/contractor has a direct or indirect financial interest. A violation can occur if the public officer, employee or consultant/contractor participates in or influences any COUNTY decision which has the potential to confer any pecuniary benefit on CONTRACTOR or any business firm in which CONTRACTOR has an interest, with certain narrow exceptions.

(b) CONTRACTOR agrees that if any facts come to its attention which raise any questions as to the applicability of conflicts of interests laws, it will immediately inform the COUNTY designated representative and provide all information needed for resolution of this question.

**9. INSURANCE:** Prior to approval of this Agreement by COUNTY, CONTRACTOR shall file with the submitting department evidence of the required insurance as set forth in **EXHIBIT C** attached. Insurance policies shall not be used to limit CONTRACTOR'S liability or to limit the indemnification provisions and requirements of this contract or act in any way to reduce the policy coverage and limits available from the insurer(s)

**10. INDEMNIFICATION:** CONTRACTOR shall hold harmless, defend and indemnify COUNTY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including COUNTY property, arising from, or in connection with, the performance by CONTRACTOR or its agents, officers and employees under this Agreement. This indemnification specifically includes any claims that may be made against COUNTY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against COUNTY alleging civil rights violations by CONTRACTOR under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on COUNTY for CONTRACTOR'S failure to provide form DE-542,

when applicable.

## 11. TERMINATION:

(a) Without Cause: County will have the right to terminate this Agreement without cause by giving thirty (30) days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination. County will pay to the CONTRACTOR the compensation earned for work performed and not previously paid for to the date of termination. County will not pay lost anticipated profits or other economic loss. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from CONTRACTOR of any and all plans, specifications and estimates, and other documents prepared by CONTRACTOR in accordance with this Agreement. No sanctions will be imposed.

(b) With Cause: This Agreement may be terminated by either party should the other party:

- (1) be adjudged a bankrupt, or
- (2) become insolvent or have a receiver appointed, or
- (3) make a general assignment for the benefit of creditors, or
- (4) suffer any judgment which remains unsatisfied for 30 days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or
- (5) materially breach this Agreement.

In addition, COUNTY may terminate this Agreement based on:

- (6) material misrepresentation, either by CONTRACTOR or anyone acting on CONTRACTOR's behalf, as to any matter related in any way to COUNTY's retention of CONTRACTOR, or
- (7) other misconduct or circumstances which, in the sole discretion of the COUNTY, either impair the ability of CONTRACTOR to competently provide the services under this Agreement, or expose the COUNTY to an unreasonable risk of liability.

County will pay to the CONTRACTOR the compensation earned for work performed and not previously paid for to the date of termination. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from CONTRACTOR of any and all plans, specifications and estimates, and other documents prepared by

CONTRACTOR by the date of termination in accordance with this Agreement. County will not pay lost anticipated profits or other economic loss, nor will the County pay compensation or make reimbursement to cure a breach arising out of or resulting from such termination. If this Agreement is terminated and the expense of finishing the CONTRACTOR's scope of work exceeds the unpaid balance of the agreement, the CONTRACTOR must pay the difference to the County. Sanctions taken will be possible rejection of future proposals based on specific causes of non performance.

(c) **Effects of Termination:** Expiration or termination of this Agreement shall not terminate any obligations to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities. Where CONTRACTOR's services have been terminated by the County, said termination will not affect any rights of the County to recover damages against the CONTRACTOR.

(d) **Suspension of Performance:** Independent of any right to terminate this Agreement, the authorized representative of COUNTY for which CONTRACTOR's services are to be performed, may immediately suspend performance by CONTRACTOR, in whole or in part, in response to health, safety or financial emergency, or a failure or refusal by CONTRACTOR to comply with the provisions of this Agreement, until such time as the cause for suspension is resolved, or a notice of termination becomes effective.

12. **LOSS OF FUNDING:** It is understood and agreed that if the funding is either discontinued or reduced for this project for the COUNTY, that the COUNTY shall have the right to terminate this Agreement. In such event, the affected party shall provide the other party with at least thirty (30) days prior written notice of such termination.

13. **FORM DE-542:** If CONTRACTOR is an individual, CONTRACTOR acknowledges that this Agreement is subject to filing obligations pursuant to Unemployment Insurance Code Section 1088.8. Accordingly, COUNTY has an obligation to file a report with the Employment Development Department, which report will include the CONTRACTOR's full name, social security number, address, the date this contract was executed, the total amount of the contract, the contract's expiration date or whether it is ongoing. CONTRACTOR agrees to cooperate with COUNTY to make such information available and to complete Form DE- 542. Failure to provide the required information may, at COUNTY's option, prevent approval of this Agreement, or be grounds for termination by COUNTY.

14. **NOTICES:**

(a) Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

**COUNTY:**

CONTRACT UNIT

TULARE COUNTY HEALTH & HUMAN SERVICES AGENCY

5957 S. Mooney Boulevard

Visalia, CA 93277

**Fax No.:** 559-737-4572

**Phone No.:** 559-624-7445

**CONTRACTOR:**

Golden State Health Centers Inc dba:

Sylmar Health and Rehabilitation Center

12220 Foothill Boulevard

Sylmar, CA. 91342

**Fax No.:** \_\_\_\_\_

**Phone No.:** (818) 834-5082

(b) Notice personally delivered is effective when delivered. Notice sent by facsimile transmission is deemed to be received upon successful transmission. Notice sent by first class mail shall be deemed received on the fifth day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

15. **ASSIGNMENT/SUBCONTRACTING:** Unless otherwise provided in this Agreement, COUNTY is relying on the personal skill, expertise; training and experience of CONTRACTOR and CONTRACTOR'S employees and no part of this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of COUNTY.

16. **DISPUTE RESOLUTION:** If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties; otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.

17. **FURTHER ASSURANCES:** Each party will execute any additional documents and perform any further acts that may be reasonably required to effect the purposes of this Agreement.

18. **CONSTRUCTION:** This Agreement reflects the contributions of all undersigned parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any alleged uncertainty or ambiguity.

19. **HEADINGS:** Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

20. **NO THIRD-PARTY BENEFICIARIES INTENDED:** Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

21. **WAIVERS:** The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.

22. **EXHIBITS AND RECITALS:** The recitals and the exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

23. **CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY:** This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties to be, in conflict with any code or regulation governing its subject matter, only the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

24. **ENTIRE AGREEMENT REPRESENTED:** This Agreement represents the entire agreement between CONTRACTOR and COUNTY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

25. **ASSURANCES OF NON-DISCRIMINATION:** CONTRACTOR shall not discriminate in employment or in the provision of services on the basis of any

characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

(a) It is recognized that both the Contractor and the County have the responsibility to protect County employees and clients from unlawful activities, including discrimination and sexual harassment in the workplace. Accordingly, Contractor agrees to provide appropriate training to its employees regarding discrimination and sexual harassment issues, and to promptly and appropriately investigate any allegations that any of its employees may have engaged in improper discrimination or harassment activities. The County, in its sole discretion, has the right to require Contractor to replace any employee who provides services of any kind to County pursuant to this Agreement with other employees where County is concerned that its employees or clients may have been or may be the subjects of discrimination or harassment by such employees. The right to require replacement of employees as aforesaid shall not preclude County from terminating this Agreement with or without cause as provided for herein.

**26. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA):**

(a) CONTRACTOR shall comply with the Health Insurance Portability and Accountability Act (HIPAA) Business Associate exhibit, as set forth in **EXHIBIT D** attached.

(b) At termination of this Agreement, CONTRACTOR shall, if feasible, return or destroy all protected health information received from, or created or received by, CONTRACTOR on behalf of the COUNTY that CONTRACTOR still maintains in any form, and retain no copies of such information; or, if such return or destruction is not feasible, extend the protections of this Agreement to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information feasible.

(c) COUNTY may immediately terminate this Agreement if COUNTY determines that CONTRACTOR has violated a material term of this provision.



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**THE PARTIES**, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

**COUNTY OF TULARE**

Date: \_\_\_\_\_ BY \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST: JEAN M. ROUSSEAU  
County Administrative Officer/Clerk of the Board  
of Supervisors of the County of Tulare

By \_\_\_\_\_  
Deputy Clerk

**GOLDEN STATE HEALTH CENTERS INC., dba:  
SYLMAR HEALTH AND REHABILITATION  
CENTER**

Date: 4/17/2012 By \_\_\_\_\_  
TITLE President

Date: 4/17/2012 By \_\_\_\_\_  
TITLE Secretary

Corporations Code section 313 requires that contracts with a corporation be signed by both (1) the chairman of the Board of Directors, the president or any vice-president, and (2) the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer, unless the contract is accompanied by a certified copy of the corporation's Board of Directors' resolution authorizing the execution of the contract.

Approved as to Form  
County Counsel

By \_\_\_\_\_  
Deputy

Date \_\_\_\_\_

**GOLDEN STATE CENTER INC. DBA:  
SYLMAR HEALTH & REHABILITATION  
EXHIBIT B-1  
FISCAL YEAR 2012-2013**

**A. ANNUAL COST REPORT**

CONTRACTOR shall submit an annual Mental Health Cost Report on or before the last day of the fourth month following the close of each County fiscal year, or on or before the last day of the fourth month following the termination of this Agreement. Extensions of time to file the cost report at any later date must be approved in writing by the Director of Mental Health, Deputy Director – Managed Care, or Deputy Director – Fiscal Services. Such cost report shall be prepared in accordance with the requirements set forth in the California Department of Mental Health's Cost Reporting/Data Collection Manual and must be submitted on appropriate fiscal year forms supplied by the California Department of Mental Health. The annual cost report shall not be used for the year-end settlement of the cost of services provided under this fixed rate Agreement.

**B. REPAYMENT OR REIMBURSEMENT TO STATE OR OTHERS**

CONTRACTOR agrees that any repayment or reimbursement that must be made by COUNTY to the State of California or others as a result of an audit or conduct by the CONTRACTOR, its agents, officers, employees, or subcontractors of the programs or services provided under this Agreement, shall be paid by CONTRACTOR, out of its own funds, rather than by COUNTY, within thirty (30) days after the parties are notified that repayment or reimbursement is currently due. Offsets made by the State are included within the phrase "repayment or reimbursement."

**C. EXCEPTIONS TO REPAYMENT OR REIMBURSEMENT**

The reimbursement provisions set forth above will not be applicable if any action or direction by COUNTY with regard to the program is the principal reason for repayment or reimbursement being required. The reimbursement provisions shall also not be applicable if COUNTY fails to give timely notice of any appeal, which results in the termination or barring of any appeal, and thereby causes prejudice to CONTRACTOR. COUNTY shall have no obligation to appeal or financially undertake the cost of any appeal, but it shall be able to participate in every stage of any appeal at its discretion. Any action or failure to act by CONTRACTOR, or by its agents, officers, employees, or subcontractors, including a failure to make diligent effort to resolve an audit exception with the State, which has resulted in a required repayment or reimbursement to the State or others, shall be paid by CONTRACTOR in accordance with this Exhibit.

**GOLDEN STATE CENTER, INC. DBA:  
SYLMAR HEALTH & REHABILITATION  
EXHIBIT A  
SCOPE OF SERVICES  
FISCAL YEAR 2012-2013**

**A. DESCRIPTION OF SERVICES**

In accordance with and pursuant to the terms and conditions of this Agreement, CONTRACTOR agrees to provide a basic mental health rehabilitation program as described in Title 9, Chapter 3.5 of the California Code of Regulations to assist COUNTY in meeting the needs of their target population clients who require this level of care. These clients require continuous supervision and may be expected to benefit from an active rehabilitation program designed to improve their adaptive functioning or prevent any further deterioration of their adaptive functioning. Services are provided to individuals having special needs or deficits in one or more of the following areas: self-help skills, behavioral adjustment, interpersonal relationships, prevocational preparation, and alternative placement planning. CONTRACTOR will be funded to provide a program to County residents who have been determined by the Director of Mental Health, or his designee, as appropriate for CONTRACTOR's program.

**B. ELIGIBILITY**

- a. CONTRACTOR shall admit clients with a DSM-IV diagnosis who are in need of 24-hour skilled psychiatric nursing services, clients who, without prompt and adequate treatment, are evaluated as being at risk of displaying behavioral symptoms (such as combativeness, elopement, suicide threats, and excessive verbal abusiveness) which precluded them from being admitted to a lower level of care. The frequency, scope, and severity of these behaviors are determining factors for admission, which is negotiated between COUNTY and CONTRACTOR for each client admission. Individuals, whose mental illness is deemed by COUNTY to be appropriate for acute care, individuals suffering exclusively from developmental disability, mental retardation, or physical illness without a psychiatric component, shall not be considered for admission.
- b. A client's eligibility for admission to CONTRACTOR's facility shall be certified by COUNTY prior to admission. Eligibility for Medi-Cal will be verified or confirmed by COUNTY. Any referral source that wishes to access funding for an individual client to enter CONTRACTOR's facility must petition the Director of Mental Health for authorization by submitting a referral packet. This packet shall include, but may not be limited to:
  1. A physician's order for admission with a current psychiatric evaluation that identifies why an IMD and/or MHRC is the least restrictive, most appropriate level of care where services can be safely and adequately delivered.
  2. A current diagnosis of serious mental illness.

**GOLDEN STATE CENTER, INC. DBA:  
SYLMAR HEALTH & REHABILITATION  
EXHIBIT A  
SCOPE OF SERVICES  
FISCAL YEAR 2012-2013**

3. A list of client problems/behaviors that led to the referral.
  4. A clear statement of what the referral source's expectations are for treatment at the facility.
- c. If the Assistant Agency Director agrees that the presented information justifies admission to CONTRACTOR's facility, or if Director of Mental Health determines that a situation exists that requires waiving the preadmission packet submission requirement, Director of Mental Health will sign an Authorization for IMD and/or MHRC Admission form authorizing treatment. At a minimum, this form shall contain clear client identification, admission date, and County approval of the admission.
- d. CONTRACTOR shall not obtain non-urgent services for any Tulare County patients without prior authorization from Director of Mental Health or those persons designated by Tulare County, said services may be provided by independent contractors. CONTRACTOR agrees that all subcontractors will perform per terms of this Agreement.

Where special non-authorized psychiatric services are deemed necessary, authorization by Tulare County shall be obtained as established.

- e. Notification shall be given to Tulare County if patient requires emergency hospitalization or is the subject of or committed any unusual incident.
- f. CONTRACTOR shall make available to COUNTY, on request, a list of the person who will provide services under this Agreement. This list shall state the name, title, professional degree, and job description.
- g. CONTRACTOR shall provide sufficient staffing levels so that during the provision of services under this Agreement such levels shall be in compliance with applicable state and federal law.
- h. CONTRACTOR warrants that all staff, including their subcontractors, who perform services under this Agreement, shall be fully licensed and qualified to perform such services, shall be competent in the performance of such services, and shall perform such services according to acceptable professional standards of the applicable professional community.

**C. TRAINING PROGRAM CONTRACTOR**

CONTRACTOR will maintain active in-service and other training programs as stipulated in Title 9, Chapter 3.5 of the California Code of Regulations, other appropriate regulations, and as otherwise required.

**GOLDEN STATE CENTER, INC. DBA:  
SYLMAR HEALTH & REHABILITATION  
EXHIBIT A  
SCOPE OF SERVICES  
FISCAL YEAR 2012-2013**

**D. CONTRACTOR'S STAFF**

During the term of this Agreement, CONTRACTOR shall provide and maintain sufficient qualified employees, agents, and personnel to perform its duties and obligations hereunder.

**E. REFERRALS**

Referrals to CONTRACTOR for provision of services may be made by any provider designated by the Director of Mental Health. COUNTY shall not be responsible for cost of any services, which are not made pursuant to a referral as set forth in this paragraph.

**F. DISPUTES**

Any dispute arising on admission of an individual patient shall be resolved between the Director of Mental Health and the Administrator of CONTRACTOR, or their respective designees, and with the safety of all patients taken into consideration.

**G. CLIENT MONITORING**

COUNTY and CONTRACTOR recognize that in order to maintain close coordination of services that frequent, in person contacts between the assigned case manager and CONTRACTOR's staff is vital.

- a. The purpose of the contacts will be to:
  1. Assure that the treatment plan clearly addresses the reason why the client requires extended placement in CONTRACTOR's facility.
  2. Monitor the client's participation to assure the client is making the fullest use of the program provided.
  3. Monitor the client's progress to assure that appropriate discharge plans are made and completed on a timely basis.
- b. To facilitate close coordination of services, COUNTY agrees to:
  1. Provide an assigned case manager to make visits to CONTRACTOR's facility to review the client's progress, assist in the treatment planning process, and to monitor the client's participation in the program.
  2. Assure that the case manager has access to necessary COUNTY resources to facilitate the client's care and to accomplish discharge plans.
  3. Move clients in a timely fashion when a written discharge request is delivered.
  4. Regularly contact CONTRACTOR's designee to receive information on progress between case manager visits.

**GOLDEN STATE CENTER, INC. DBA:  
SYLMAR HEALTH & REHABILITATION  
EXHIBIT A  
SCOPE OF SERVICES  
FISCAL YEAR 2012-2013**

5. Contact CONTRACTOR's intake coordinator regarding any potential admission to the facility.
- c. To facilitate close coordination of services, CONTRACTOR agrees to:
  1. Assure, to the extent possible, the availability of appropriate program staff to meet with the case manager during facility visits.
  2. Prepare written discharge requests that include a statement of the client's current condition, a statement of recommended level of care, a list of current medications, and a statement of the client's continuing treatment needs and deliver these to COUNTY promptly so discharge arrangements can be made in a timely fashion.
- d. In providing mental health services, CONTRACTOR further agrees:
  1. To furnish all personnel, facilities, insurance, equipment and administrative services as reasonably necessary to competently and professionally conduct the mental health services and programs provided for by this Agreement.
  2. To provide the COUNTY, in satisfaction of Section 621 of Title 9 of the California Code of Regulations, with the services of a psychiatrist with the qualifications set forth in Section 623 of that Code, who shall have the duties and responsibilities set forth in Section 522 of the Code.
  3. To comply with those provisions of Titles 9 and 22 of the California Code of Regulations, the Cost Reporting/Data Collection Manual of the State Department of Health policies and regulations, and interagency agreements to which COUNTY and CONTRACTOR are parties, all of which are hereby incorporated by this reference.

**H. REPORTS**

- a. CONTRACTOR shall provide COUNTY, to the satisfaction of the Director of Mental Health, monthly reports of the units of service performed.
- b. CONTRACTOR shall prepare a revenue collection report, which shall reflect all revenue collected by CONTRACTOR from COUNTY on a monthly basis, and such report shall be forwarded to COUNTY with the monthly billings.
- c. CONTRACTOR shall provide client data information within specified time periods including, but not limited to, client identification, admission, and discharge data.
- d. CONTRACTOR shall, without additional compensation, make further fiscal, program evaluation and progress reports as required by Director of Mental Health or by the State Department of Mental Health concerning CONTRACTOR's activities as they affect the contract duties and purposes herein. COUNTY shall provide and explain reporting instructions and formats.

**GOLDEN STATE HEALTH CENTERS, INC. DBA:  
SYLMAR HEALTH & REHABILITATION  
EXHIBIT B  
COMPENSATION  
FISCAL YEAR 2012-2013**

**COMPENSATION**

- A. COUNTY agrees to compensate SYLMAR HEALTH & REHABILITATION CENTER based on the level of care authorized for each day that each authorized County client is in SYLMAR HEALTH & REHABILITATION'S facility as follows:

	<u>Basic IMD/STP</u>	<u>Patch</u>	<u>Total</u>
1. Augmented Program (including PATCH)	\$147.67	\$26.84	\$174.51
2. Standard IMD Program	\$154.34	N/A	\$154.34
3. Level A Subacute Program	\$147.67	\$58.35	\$206.02
4. Level B Subacute Program	\$147.67	\$88.02	\$235.69
5. Level C Subacute Program	\$147.67	\$113.02	\$260.69
6. Leave of Absence Bed Hold Rate Reduction	\$147.67	\$-5.54	\$142.13

This daily rate times the number of days utilized by clients in the program will determine the reimbursement to SYLMAR HEALTH & REHABILITATION to the maximum yearly amount of **ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000.00)** for Fiscal Year 2012-2013. Said daily rate may be changed by amendment to this Agreement.

- B. SYLMAR HEALTH & REHABILITATION shall submit an invoice for services provided within (10) days after the close of the month. Invoice shall contain adequate detail of services provided which will include a list of the approved clients in the facility, with all provider services rendered. Payment will be processed upon receipt of all necessary information.
- C. SYLMAR HEALTH & REHABILITATION will be solely financially responsible for clients over the age of 65 that are placed in one of the SYLMAR HEALTH & REHABILITATION'S facilities for basic services.
- D. In the event SYLMAR HEALTH & REHABILITATION fails to comply with any provisions of this Agreement, COUNTY shall withhold payment until such noncompliance has been corrected. COUNTY will not fund services that have not been approved in advance by the Director of Mental Health, or his/her designee.

**FEES**

CONTRACTOR, with input from various sources, include the State and County, will determine the cost of services and will use this information to formulate the daily rate cost. COUNTY and CONTRACTOR mutually agree to follow all established regulations regarding this funding.

**GOLDEN STATE HEALTH CENTERS, INC. DBA:  
SYLMAR HEALTH & REHABILITATION  
EXHIBIT B  
COMPENSATION  
FISCAL YEAR 2012-2013**

**INVOICING**

CONTRACTOR understands that COUNTY will only pay for services actually rendered on a monthly basis. CONTRACTOR understands that COUNTY cannot make payment until all services are actually rendered and an invoice is submitted at the end of each monthly billing cycle. At the close of a monthly billing cycle, an invoice shall be submitted within ten working days.

By the tenth (10) working day of each month, CONTRACTOR shall submit a monthly invoice to:

Tulare County Health & Human Services Agency  
Department of Mental Health  
Attn: Billing  
3300 S. Fairway  
Visalia, CA 93277

Invoices shall be in the format approved by the Tulare County Health & Human Services Agency, Director of Mental Health. All payments made under this agreement shall be made within thirty (30) days of submission of all required documentation and in accordance with the County's payment cycle. Neither COUNTY nor the patient shall be responsible for billings which represent services rendered, if billings are presented more than sixty (60) days after the patient discharge date.



**Exhibit "C"**  
**INSURANCE REQUIREMENTS**

*CONTRACTOR shall provide and maintain insurance for the duration of this Agreement against claims for injuries to persons and damage to property, which may arise from, or in connection with, performance under the Agreement by the CONTRACTOR, his agents, representatives, employees or subcontractors, if applicable.*

**A. Minimum Scope & Limits of Insurance**

1. Coverage at least as broad as Commercial General Liability Insurance of \$1,000,000 combined single limit per occurrence. If the annual aggregate applies it must be no less than \$2,000,000.
2. Comprehensive Automobile Liability Insurance (if applicable) of \$1,000,000 per occurrence.
3. Workers' Compensation and Employer's Liability Insurance as required by law.
4. Professional Errors and Omissions Insurance of \$1,000,000.

**B. Specific Provisions of the Certificate**

1. The Certificate of Insurance for General Liability, Comprehensive Automobile Liability Insurance and Professional Errors and Omissions Insurance have to meet the following requirements:
  - a. *Name the COUNTY, Its officers, agents, employees and volunteers, individually and collectively, as additional insureds.*
  - b. *State that such Insurance for additional insureds shall apply as primary insurance and any other insurance maintained by COUNTY shall be excess.*
  - c. *Provide that coverage shall not be suspended, voided, canceled, reduced in coverage, or otherwise materially changed except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the County.*
2. The Certificate of Insurance for Workers Compensation, should include the following:
  - a. *Waiver of Subrogation. Contractor waives all rights against the County and its agents, officers, and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability.*

**C. Deductibles and Self-Insured Retentions**

The COUNTY Risk Manager must approve any deductible or self-insured retention that exceeds \$100,000.

**D. Acceptability of Insurance**

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than A (-) from a company admitted to do business in California, any waiver of these standards are subject to approval by the County Risk Manager or County Risk Manager's designee.

**E. Verification of Coverage**

Prior to approval of this Agreement by the COUNTY, the CONTRACTOR shall file with the submitting department, certificates of insurance with original endorsements effecting coverage in a form acceptable to the COUNTY. The COUNTY reserves the right to require certified copies of all required insurance policies at any time.

**Exhibit "D"**  
**HIPAA REQUIREMENT**

The Health insurance Portability and Accountability Act of 1996 (HIPAA)

A. Definitions: Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Rule.

1. *Business Associate.* "Business Associate" shall mean CONTRACTOR.
2. *Covered Entity.* "Covered Entity" shall mean COUNTY.
3. *Individual.* "Individual" shall have the same meaning as the term "individual" in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
4. *Privacy Rule.* "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
5. *Protected Health Information.* "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
6. *Required By Law.* "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR 164.501.
7. *Secretary.* "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

B. Obligations and Activities of CONTRACTOR

1. CONTRACTOR agrees to not use or disclose Protected Health Information other than as permitted or required by the Agreement or as Required By Law.
2. CONTRACTOR agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
3. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR of a use or disclosure of Protected Health Information by CONTRACTOR in violation of the requirements of this Agreement.
4. CONTRACTOR agrees to report to COUNTY any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware.
5. CONTRACTOR agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by CONTRACTOR on behalf of COUNTY agrees to the same restrictions and conditions that apply through this Agreement to CONTRACTOR with respect to such information. CONTRACTOR agrees to provide access, at the request of COUNTY, and in the time and manner requested by COUNTY, to Protected Health Information in a Designated Record Set, to COUNTY or, as directed by COUNTY, to an Individual in order to meet the requirements under 45 CFR 164.524

6. CONTRACTOR agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the COUNTY directs or agrees to pursuant to 45 CFR 164.526 at the request of COUNTY or an Individual, and in the time and manner requested by COUNTY
7. CONTRACTOR agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by CONTRACTOR on behalf of, COUNTY to the COUNTY, in a time and manner requested by COUNTY for purposes of determining CONTRACTOR'S and/or COUNTY'S compliance with the Privacy Rule.
8. CONTRACTOR agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for COUNTY to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528
9. CONTRACTOR shall provide to COUNTY or an individual, in time and manner designated by COUNTY, information collected in accordance with Title 45, CFR, Section 164.528, to permit the Department to respond to a request by the individual for an accounting of disclosures of PHI in accordance with Title 45, CFR, Section 164.528

C. General Use and Disclosure Provisions: Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information on behalf of, or to provide services to, COUNTY, if such use or disclosure of Protected Health Information would not violate the Privacy Rule if done by COUNTY or the minimum necessary policies and procedures of the COUNTY.

D. Specific Use and Disclosure

1. Except as otherwise limited in this Agreement, CONTRACTOR may use Protected Health Information for the proper management and administration of the CONTRACTOR or to carry out the legal responsibilities of the CONTRACTOR.
2. Except as otherwise limited in this Agreement, CONTRACTOR may disclose Protected Health Information for the proper management and administration of the CONTRACTOR, provided that disclosures are Required By Law, or CONTRACTOR obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the CONTRACTOR of any instances of which it is aware in which the confidentiality of the information has been breached.
3. Except as otherwise limited in this Agreement, CONTRACTOR may use Protected Health Information to provide Data Aggregation services to COUNTY as permitted by 42 CFR 164.504(e)(2)(i)(B)

4. CONTRACTOR may use Protected Health Information to report violations of law to appropriate Federal and State authorities consistent with § 164.502(j)(1)

E. Obligations of COUNTY

1. COUNTY shall notify CONTRACTOR of any limitation(s) in its notice of privacy practices of COUNTY in accordance with 45 CFR 164.520, to the extent that such limitation may affect CONTRACTOR'S use or disclosure of Protected Health Information.
2. COUNTY shall notify CONTRACTOR of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect CONTRACTOR'S use or disclosure of Protected Health Information
3. COUNTY shall notify CONTRACTOR of any restrictions to the use or disclosure of Protected Health Information that COUNTY has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect CONTRACTOR'S use or disclosure of Protected Health Information.

F. Permissible Requests by COUNTY: Except as otherwise provided herein, COUNTY shall not request CONTRACTOR to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by COUNTY

G. Miscellaneous

1. *Regulatory References.* A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.
2. *Amendment.* The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for COUNTY to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub L. No. 104-191.
3. *Survival.* The respective rights and obligations of CONTRACTOR under this Exhibit shall survive the termination of this Agreement.
4. *Interpretation.* Any ambiguity in this Agreement shall be resolved to permit COUNTY to comply with the Privacy Rule.