LAC DMH
LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH
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ROBIN KAY, PH.D.
Acting Director

DENNIS MURATA, M.S.W.
Acting Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

45 June 14, 2016

LORI GLASGOW
EXECUTIVE OFFICER

June 14, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPT A RESOLUTION TO APPROVE A PARTICIPATION AGREEMENT WITH THE CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY TO FUND THE MULTI-YEAR STATE HOSPITAL BED PROCUREMENT PROGRAM
AND
APPROVAL OF THE MEMORANDUM OF UNDERSTANDING FOR THE PURCHASE OF STATE HOSPITAL BEDS
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

SUBJECT

Request adoption of a resolution approving a Participation Agreement with the California Mental Health Services Authority to continue participation in a multi-year State Hospital Bed Procurement Program, and Board approval to execute a Purchase of State Hospital Beds Memorandum of Understanding with the California Department of State Hospitals and the California Mental Health Services Authority.

IT IS RECOMMENDED THAT THE BOARD:

1. Adopt and instruct the Chair of your Board to sign and execute a resolution (Attachment I), authorizing the Acting Chief Deputy Director of Mental Health to sign Participation Agreement No. 238-2016-SHB-LA (Attachment II) with the California Mental Health Services Authority (CalMHSA), governed by CalMHSA's Joint Exercise of Powers Agreement, to continue participation in a multi-year State Hospital Bed Procurement Program. The term of the agreement is effective July 1, 2016 through June 30, 2019. The Participation Agreement authorizes CalMHSA to negotiate and contract on behalf of participating counties for the procurement of State hospital beds. The Participation Agreement is funded by 2011 Realignment revenue with an annual Total Contract Amount (TCA) of

$269,000 per fiscal year. The cost of the participation agreement does not include cost of state hospital beds.

2. Authorize the Acting Chief Deputy Director, or his designee, to sign a Purchase of State Hospital Beds Memorandum of Understanding (MOU) in a form substantially similar to Attachment III with the California Department of State Hospitals (DSH) and CalMHSA for FY 2016-17 to allow CalMHSA to act as the administrative agent for participating Counties and negotiate a joint agreement with DSH and serve as liaison agency for matters of compliance with terms and conditions.

3. Delegate authority to the Acting Chief Deputy Director, or his designee, to sign future similar CalMHSA participation agreements, amendments or modifications to the CalMHSA Participation Agreement, including amendments that increase the TCA for FYs 2016-17 through 2019-20 provided that: 1) the County's total payment in any fiscal year does not exceed an increase of 10 percent from the applicable TCA; 2) your Board has appropriated sufficient funds for all changes; 3) approval by County Counsel, or his designee, is obtained prior to any such amendment; 4) the County and CalMHSA may, by written amendment, reduce services without reference to the ten percent limitation and revise the applicable TCA; and 5) the Acting Chief Deputy Director, or his designee, notifies your Board and the Chief Executive Officer (CEO) of any such changes in writing within 30 days after execution of each

4. Delegate authority to the Acting Chief Deputy Director, or his designee, to sign future similar Purchase of State Hospital Beds MOUs, amendments or modifications with DSH and CalMHSA for the purchase of State hospital beds for FYs 2016-17 through 2019-20 on terms negotiated by CalMHSA, subject to the review and approval of County Counsel, or his designee, and the Acting Chief Deputy Director, or his designee, notifies your Board and the CEO in writing within 30 days after execution of any such MOU, amendment or modification.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Adoption of the resolution and approval of recommendations 1 and 2 will enable DMH, through the CALMHSA State Hospital Bed Procurement Program, to join with other counties to continue to provide one voice in negotiations with DSH regarding the use and cost of State hospital beds. CalMHSA acts on behalf of member counties in the development of an annual joint purchase agreement with DSH for statewide utilization of State hospital beds, and will be responsible for fiscal accountability, ensuring quality of care, and development of alternatives to State hospitals.

The participation agreement authorizes CalMHSA to contract on behalf of the county and the MOU is a tripartite agreement between the County, State and CalMHSA for the purchase of state hospital beds.

CalMHSA was formed in July 2009 and the County of Los Angeles has been a member since 2010. CalMHSA was formed for the purpose of jointly developing and funding mental health services and education programs on a Statewide, regional, or local basis. CalMHSA provides a mechanism to facilitate the efficient use of resources for multiple counties by maximizing group purchasing power; jointly developing requests for proposals and establishing contracts with providers to accomplish mutual goals; reducing administrative overhead; centralizing compliance with reporting requirements; sharing research information and strategy; and negotiating cost-effective rates with various subcontractors Statewide. CalMHSA and participating counties have negotiated successfully with the State over the past three years to maintain bed rates at the FY 2013-14 levels.

Prior to development of the MOU with CalMHSA, counties and the California Behavioral Health Directors Association had concerns regarding State hospital bed management by the State. These concerns relate to a lack of compliance with statutory notice periods, third party reimbursements, incomplete information about the setting of rates, challenges in the access to beds paid for by counties, overpayment or duplicate payment of bed days, issues of quality of care, lack of indemnification by the State, and difficulties for County personnel who must conduct oversight on the grounds of State hospitals. Additionally, in the years preceding the MOU, DSH increased the average daily bed rate annually and Counties were unable to sustain the trending cost increases for bed procurement. The Counties considered alternative measures and CalMHSA was identified as an entity with the ability to effectively negotiate and contract with DSH on behalf of interested counties for the use of State hospital beds.

Approval of recommendation 3 will allow DMH to amend the Participation Agreement with CalMHSA for the use of an estimated 220 beds and to increase the TCA by not more than 10% in the event of increases in use of State hospital beds for individuals from County hospitals; prisons; jails; and individuals currently housed in State Penal Code beds in State hospitals that convert to Lanterman-Petris-Short beds and become the responsibility of the County.

Approval of recommendation 4 will allow DMH to sign future similar Purchase of State Hospital Beds MOUs, amendments or modifications with DSH and CalMHSA for the purchase of State hospital beds.

Implementation of Strategic Plan Goals

The recommended actions support the County's Strategic Plan Goal 1, Operational Effectiveness/Fiscal Sustainability and Goal 3, Integrated Services Delivery.

FISCAL IMPACT/FINANCING

The Participation Agreement with CalMHSA for FY 2016-17 is funded by 2011 Realignment revenue in the amount of $269,000, which is included in the FY 2016-17 CEO Recommended Budget. Funding for future years will be requested through DMH's annual budget request process.

The Participation Agreement does not include the cost of State hospital beds. The MOU allows CalMHSA to negotiate and contract with DSH for State hospital beds. Los Angeles County currently utilizes approximately 220 beds annually.

There is no net County cost impact associated with this action

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Welfare and Institutions Code (WIC) Section 17601 requires cities and counties to reimburse the State for their use of State hospital beds. WIC Sections 4330 through 4335 allows counties, including those counties acting jointly, to contract with the DSH for use of State hospital facilities.

Under Government Code Section 6500 et seq., CalMHSA is a joint powers authority of counties and cities with mental health programs that provides administrative and fiscal services in support of, and addresses common interests in, the administration of such programs. Current CalMHSA County

members are Butte, Calusa, Contra Costa, Fresno, Glenn, Imperial, Kern, Lake, Los Angeles, Madera, Marin, Modoc, Monterey, Orange, Placer, Riverside, Sacramento, San Bernardino, San Luis Obispo, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Sutter/Yuba, Trinity, Ventura, and Yolo. CalMHSA functions as the intermediary between the counties and the State to ensure that contract requirements are negotiated and not dictated by DSH and that DSH adheres to the contractual terms on behalf of participating counties.

Prior to FY 2013-14, DSH dictated non-negotiable terms for the County's State Hospital Beds Purchase and Usage Agreement. Since then, CalMHSA has successfully negotiated a mutually acceptable contract between participating counties and DSH that includes: 1) determination of rates; 2) the right, for the first time, for counties to conduct audits; 3) indemnification by DSH; 4) the establishment of performance standards for quality/continuity of care; 5) increased accessibility of beds; 6) establishment of an appropriate payment processing system between DSH and counties for guaranteed beds; and 7) the creation of a DSH database for counties to use that collectively will track bed usage by county, bed type, and State hospital to capture pertinent use and contract data so that counties can efficiently evaluate DSH hospital performance and contract compliance. Continued use of CalMHSA for these efforts have resulted in the development of a Purchase of State Hospital Beds MOU and counties have been able to avoid rate increases over the past three years.

The Participation Agreement and the MOU have been approved as to form by County Counsel.

The DMH Supervising Mental Health Psychiatrist currently serves on the Board of Directors of CalMHSA Joint Exercise of Powers Agreement, but he is not compensated and does not benefit financially in any way from serving in that position. In addition, Supervising Mental Health Psychiatrist did not participate in the approval process for this Participation Agreement with CalMHSA. County Counsel has advised that the conflict of interest laws, therefore, do not preclude the County from entering into an agreement with CalMHSA.

CONTRACTING PROCESS

Statutory authority permits counties acting singularly or in combination with other counties to contract with DSH for State hospital beds. On May 11, 2010, your Board authorized DMH to sign the CalMHSA Joint Exercise of Powers Agreement in order to jointly exercise powers with other participating counties and cities that are members of CalMHSA, for the purpose of jointly developing and funding mental health services and education programs on a Statewide, regional, or local basis. The recommended actions would enable DMH to utilize CalMHSA to negotiate for the use of State hospital beds and authorize execution of the Purchase of State Hospital Beds MOU.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

These recommended actions will enable DMH to negotiate effectively through CalMHSA with DSH for the use and purchase of State hospital beds. It is anticipated that the State Hospital Bed Procurement Program will result in quality of care improvements for Los Angeles County residents in State hospitals and significant cost savings to the County.

CONCLUSION

DMH requires three original executed resolutions. It is requested that the Executive Officer of the Board notify DMH Contracts Development and Administration Division at (213) 738-4684 when the documents are available.

Respectfully submitted,

Dennis Murata, M.S.W.

Acting Chief Deputy Director of Mental Health

DM:AB:MM:DKH:rl
r

Enclosures

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel
Chairperson, Mental Health Commission

ATTACHMENT I

RESOLUTION OF
THE BOARD OF SUPERVISORS OF
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors (Board) of the County of Los Angeles (County), does hereby approve and authorize Dennis Murata, M.S.W., Acting Chief Deputy Director of the Department of Mental Health to sign Participation Agreement No. 238-2016-SHB-LA entered into by and between the County and the California Mental Health Services Authority. It is further resolved that the Board approves and authorizes the Acting Chief Deputy Director of the Department of Mental Health to sign future Amendments or modifications to Agreement No. 238-2016-SHB-LA and to enter into similar agreements for future fiscal years.

The foregoing Resolution was adopted on the 14th day of June, 2016, by the Board of Supervisors of the County of Los Angeles, and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities, for which said Board so acts.

Hilda L. Solis

Chair, Board of Supervisors

Attest:
Lori Glasgow, Executive Officer
Board of Supervisors of the
County of Los Angeles

By Carla Little
Deputy

APPROVED AS TO FORM:

Mary C. Wickham
County Counsel

By Sharon a Reidhm
Deputy

ATTACHMENT II

Agreement No. 238-2016-SHB-LA

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT
COVER SHEET

1. Los Angeles County ("Participant") desires to participate in the Program identified below.

   Name of Program: Procurement of State Hospital Beds

2. California Mental Health Services Authority ("CalMHSA") and Participant acknowledge that the Program will be governed by CalMHSA's Joint Powers Agreement and its Bylaws, and by the MOU through which non-Members participate. The following exhibits are intended to clarify how the provisions of those documents will be applied to this particular Program. The content may be subject to change based on changes in the MOU, statutes, and/or wishes of the participants.

   ☑ Exhibit A General Program Description
   ☑ Exhibit B Scope of Services
   ☑ Exhibit C Terms and Conditions
   ☑ Exhibit D Budget Detail and Payment Provisions
   ☐ Exhibit E Special Terms and Conditions (optional)

3. The term of the Program is 7/1/2016 through 6/30/2019.

4. Authorized Signatures:

CalMHSA

Signed: _____ Name (Printed): Wayne Clark, PhD.

Title: Executive Director Date: _____

Participant

Signed: _____ Name (Printed): _____

Title: _____ Date: _____

PARTICIPATION AGREEMENT

Exhibit A – General Program Description

I. RECITALS

Government Code section 6500 *et seq.* allows California public entities to form separate entities to exercise powers held by its members. California Counties have under the authority of the Government Code formed the California Mental Health Services Authority (CalMHSA). CalMHSA is authorized by its Joint Exercise of Powers Act to jointly develop, and fund mental health services under, among other things, Division 5 of the California Welfare and Institutions Code, including the provision of necessary administrative services.

Sections 4330 through 4335 of the Welfare and Institutions Code provide for Counties, including Counties acting jointly, to contract with the State Department of State Hospitals for use of State Hospital facilities for their civil commitments under Division 5 of the California Welfare and Institutions Code. Certain members of CalMHSA desire to authorize CalMHSA to jointly negotiate and contract with the State Department of State Hospitals for use of such facilities on their behalf.

Under subdivision (b)(1) of Section 17601 of the Welfare and Institutions Code, Cities and Counties must provide reimbursement to the State for their use of State Hospital beds each month; and under subdivision (b)(2) of Section 17601 of the Welfare and Institutions Code, Cities and Counties may annually elect to have the State Controller withhold funds from their State Hospital and Community Mental Health Allocations in order to reimburse the State Hospitals Account for their use of State Hospital beds, in lieu of making payment themselves.

Based on the foregoing, the parties do hereby enter into this Participation Agreement for the CalMHSA State Hospital Bed Program to authorize CalMHSA to contract for State Hospital beds on behalf of Program consistent with the provisions of this Participation Agreement and the MOU to be entered into by CalMHSA and DSH.

II. NAME OF PROGRAM

The CalMHSA State Hospital Bed Program (SHBP).

III. PROGRAM GOALS

A. CONTRACTING. In accordance with Welfare and Institutions Code section 4330 et seq., Participants will come together to act jointly through CalMHSA in contracting with the California Department of State Hospitals (DSH) for access and use of state hospital bed resources, and to ensure compliance by DSH with all applicable requirements and provisions of CalMHSA's contract with DSH.

B. FISCAL: Work closely with DSH in the analysis of cost containment strategies that create efficiency in the purchasing of state hospital beds and overall cost.

C. QUALITY OF CARE: Work collaboratively with the DSH in establishing "standardization of services" and consistency in services provided to ensure the quality and levels of patient care needed by counties.

D. ALTERNATIVE OPTIONS FOR SERVICES: Work collectively across counties in the identification and determination of the feasibility of utilizing alternatives to state hospital resources.
E. OTHER OPPORTUNITIES: Evaluate collaborative opportunities in the development of programs for special populations requiring secure 24 hour treatment services (i.e., IMD, court commitments, acute treatment, incompetent to stand trial, etc.).

IV. PROGRAM OUTCOMES

As directed by Participants, CalMHSA will collectively work in achieving efficiencies as a single administrative body engaging in a single negotiation of terms and rates for bed utilization, monitor billing to assure accuracy and fiscal stability, establish quality assurance standards and procedures, review shared financial analysis, and explore opportunities and alternatives.

F. CONTRACTING:

1. Develop new contract terms that address all critical responsibilities, establish performance standards, protect counties from improper inflation of rates, clearly denote bed classification and processes, and require the state to indemnify counties for liability due to the state's negligent acts.
2. Provide counties the ability to audit DSH costs, appeal DSH decisions, and pursue recourse for unfair dealings by DSH.
3. Develop fair and accurate rates.
4. Enable counties to have more control over realignment funds owed to them. (WIC Section Code 17601)
5. Maximize flexibility of bed utilization.

G. FISCAL:

1. Create a baseline to use as a projection of bed use by county and type of bed.
2. Create and maintain an actual cost reimbursement structure. (WIC Section Code 4330)
3. Ensure accuracy of costs charged based on actual use by county and for each bed type.
4. Create a fair and established process for assigning beds.
5. Stabilize and flat line individual county costs.
6. Facilitate an efficient and timely process for invoicing Participants and paying the state.
7. Review excess bed use bills for accuracy.
8. Develop a process for county notification and reconciliation of federal reimbursement for services (Medicare).
9. Begin establishment of a database in order to efficiently evaluate DSH and state hospital services and contract compliance, as well as to evaluate alternatives.
10. Use database to enhance bed rate efficiency by bed type.

H. QUALITY OF CARE SERVICES:

1. Create a baseline for performance measurements and review for compliance.
2. Provide for regular audits/reviews of performance activity of the counties and Hospitals to ensure expectations are being met.
3. Enhance patient care.

4. Reduce bed use and/or length of stay, leading to less cost.
5. Allow CalMHSA to research options for patient services not provided.
6. Ensure standardization across the board and creation of a system to measure against.
7. Track services not provided but needed by counties.
8. Allow counties to be more informed and better served, and for DSH to be more informed, resulting in better service to counties. Enhance processes and outcomes.

I. ALTERNATIVES:

1. Determine what services are needed but not provided by DSH.
2. Evaluate alternative treatment providers.
3. Evaluate alternative treatment resources, allowing counties greater control.

J. OTHER OPPORTUNITIES:

1. Develop a list of challenges in the area of care where a collective solution (two or more counties, regionally, or statewide) could benefit the members.

PARTICIPATION AGREEMENT

Exhibit B – Scope of Services

I. RELATIONSHIP OF THE PARTIES

Sections 4330 through 4335 of the Welfare and Institutions Code (WIC) require counties to contract with DSH to reimburse DSH for use of state hospital beds/services provided pursuant to Part 1 (commencing with Section 5000) of Division 5 of the WIC. Sections 4330 through 4335 of WIC provide for counties to contract in combination with other counties.

The purpose of this Participation Agreement is to grant CalMHSA the authority to contract with DSH for state hospital bed utilization on behalf of Participants, and to define roles and responsibilities between CalMHSA and Participants in the context of an MOU between CalMHSA and DSH.

Participant must demonstrate and provide proof of authorization to enter into this Agreement on behalf of Participant, consisting of a resolution of Participant's Board authorizing such signature, proof of delegated authority to execute contracts of a class that includes this Participation Agreement, or other comparable authority.

II. GOVERNANCE

A. Per CalMHSA Bylaws, CalMHSA members have the authority to create a Program such as the SHSP, while participants in the SHSP govern its operation through adoption and execution of this Participation Agreement.

B. Participants may determine the need for an oversight committee for this program.

III. GENERAL RESPONSIBILITIES OF PARTIES

A. Responsibilities of CalMHSA may include:

1. Comply with applicable laws, regulations, guidelines, CalMHSA's Joint Powers Agreement, Bylaws, this Participation Agreement, and the Program Bylaws.
2. Provide Participants access to state hospital beds by CalMHSA on behalf of Participants.
3. Use best efforts to obtain an appropriate placement for Participants' patients in a state hospital.
4. Facilitate coordination of treatment and case management by DSH and Participant as to each of Participant's patients.
5. Act as fiscal and administrative agent for Participants in the Program in purchasing state hospital beds at state hospitals from DSH for Lanterman-Petris-Short (LPS) hospital services for those patients referred by Participant for treatment at state hospitals, including those admitted pursuant to Sections 1370.01 of the Penal Code (PC), Murphy Conservatorship (Section 5008(h)(1)(B) of the WIC) and those committed pursuant to provisions of the PC which are converted to LPS billing status.
6. Provide dedicated administrative staff as necessary to perform under this Agreement.
7. Manage funds received through the Program, consistent with the requirements of any applicable laws, regulations, guidelines and/or contractual obligations.

8. Provide regular fiscal and operational reports to Participants and any other public agencies with a right to such reports.
9. Develop allocation model for allocation of beds, funds and expenses among Participants.
10. Facilitate operation of Participant focus groups, training, bed triage process, and dispute resolution process.
11. Credit to account of Participant any financial credits, penalties, payments, offsets, or other receipt of funds attributable to Participants' patient.

B. Responsibilities of Participant may include:

1. Compliance with applicable laws, regulations, guidelines, contractual agreements, joint powers agreements and bylaws.
2. Timely payment, assignment, or other transfer of funds assessed for the Program, which may consist of payments toward the pre-payment fund, payments for beds, and any necessary administrative and management costs.
3. Designate CalMHSA as Participant's agent in contracting with DSH for purchase of beds at State Hospitals on behalf of Participant pursuant to WIC 4330 through 4335.
4. Identification of a representative authorized to act for Participant and receive notices on behalf of Participant.
5. Provide input and feedback as necessary to accomplish the purposes of the Program.
6. Timely and complete submission of information in response to requests.
7. Acknowledgement that certain funds contributed by the Participant will be aggregated with the funds of other Participants in the Program, and jointly used to meet the objectives of the Program, pursuant to the allocation formula adopted. Acknowledge that Program expenses will include a proportionate share of CalMHSA's administrative expenses and management costs.
8. Agree to pay for bed/days, and for associated administrative and management costs for Participant's patients upon adoption and approval by the Participants of a budget for administrative costs.

IV. SERVICES TO BE CONTRACTED WITH DEPARTMENT OF STATE HOSPITALS AS DETAILED IN THE MOU WITH DSH.

A. Facilities, Payments, and Services
B. Records and Services
C. Contractor Responsibility
D. Description of Covered Hospital Services
E. Standards of Care
F. Planning
G. Admissions and Discharge Procedures
H. Authorizations
I. Coordination of Treatment/Case Management with County
J. In compliance with Patient's Rights
K. Bed Usage

L. Utilization Review
M. Performance Improvement
N. Exchange of Information
O. Records
P. Revenue
Q. Inspections and Audits
R. Notices
S. Notification of Death
T. Specific Provisions

V. BED USAGE (Subject to Statute and appropriateness, and shall be determined annually)

PARTICIPATION AGREEMENT

Exhibit C - General Terms and Conditions

I. DEFINITIONS

Throughout this Participation Agreement, the following terms are defined as follows:

A. CalMHSA - California Mental Health Services Authority, a Joint Powers Authority created to jointly develop and fund mental health services and education programs for its Member Counties and Partner Counties.

B. Department of State Hospitals (DSH) – The California Department of State Hospitals

C. Member – refers to a County (or JPA of two or more Counties) that has joined CalMHSA and executed the CalMHSA Joint Powers Agreement.

D. Mental Health Services Act (MHSA) – Initially known as Proposition 63 in the November 2004 election, which added sections to the Welfare and Institutions Code providing for, among other things, PEI Programs.

E. Partner - A non-Member County (or multi-county JPA) participating in a Program with CalMHSA Members.

F. Participant– Counties participating in the Program either as Members of CalMHSA or as Partners under a Memorandum of Understanding with CalMHSA.

G. Program – The program identified in the Cover Sheet.

II. RESPONSIBILITIES

A. Responsibilities of CalMHSA may include:

1. Develop Program plan, updates, and/or work plans as necessary on behalf of and in coordination with Participants that are consistent with applicable laws, regulations, guidelines and/or contractual obligations.

2. Act as fiscal and administrative agent for Participants in the Program.

3. Directly or indirectly (through a contracted JPA Management firm) hire and employ Program Directors and other administrative staff as necessary to perform under this Memorandum.

4. Submission of plans, updates, and/or work plans on behalf of and/or in coordination with Participants for review and approval by any public agency with authority over the Program.

5. Management of funds received the Program consistent with the requirements of any applicable laws, regulations, guidelines and/or contractual obligations.

6. Provide regular fiscal reports to Participants and/or other public agencies with a right to such reports.

7. Develop allocation model for allocation of funds and expenses among Participants, years, and Programs.

8. Compliance with CalMHSA's Joint Powers Agreement and Bylaws.

C. Responsibilities of Participants may include:

1. Timely assignment of funds assessed for operating the Program.

2. Identification of a representative authorized to act for Participant and receive notices on behalf of Participant. Identification of an alternate to attend meetings in absence of representative.

3. Attend advisory committee meetings for the Program, and provide input as necessary to accomplish the purposes of the Program.

4. Cooperate by providing CalMHSA with requested information and assistance in order to fulfill the purpose of the Program.

5. Provide feedback on Program performance.

6. Timely and complete submission in response to requests for information and items needed.

7. Acknowledgement that funds contributed by the Participant will be pooled with the funds of other Participants in the Program, and jointly used to meet the objectives of the Program, pursuant to the allocation formula adopted for the Program. Program expenses will normally include a proportionate share of CalMHSA's general administrative expenses, since there is no independent source of funding for such expenses.

8. Compliance with applicable laws, regulations, guidelines, contractual agreements, joint powers agreements and bylaws.

III. DURATION OF TERMS

A. The term of the Program is July 1, 2016 through and including June 30, 2019.

B. The Participant may withdraw from the Program upon 30 days written notice. Notice shall be deemed served on the date of mailing.

C. The majority of the Participants may vote to expel a Participant from the Program for cause. Cause shall be defined as any breach of this Participation Agreement, any misrepresentation, or fraud on the part of any Participant.

IV. WTIHDRAWAL, CANCELLATION, AND TERMINATION

A. The withdrawal of a Participant from the Program shall not automatically terminate its responsibility for its share of the expenses and liabilities of the Program. The contributions of current and past Participants are chargeable for their respective share of unavoidable expenses and liabilities arising during the period of their participation

B. Upon cancellation, termination or other conclusion of the Program, any funds remaining undisbursed after CalMHSA satisfies all obligations arising from the operation of the Program shall be distributed and apportioned among the Participants in proportion to their contributions.

V. FISCAL PROVISIONS

A. Funding required from the Participants will not exceed the Total Compensation Amount (TCA). Participants will share in the costs of planning, administration and evaluation in the same proportions as their overall contributions, which are included in the TCA.

PARTICIPATION AGREEMENT

EXHIBIT D - BUDGET DETAIL AND PAYMENT PROVISIONS

STATE HOSPITAL BED PURCHASE AND USAGE

I. CONTRACT AMOUNT AND PAYMENT PROVISIONS

The TCA amount payable by Participant to CalMHSA concerning this Agreement shall be $269,000.00, per fiscal year. The amount for operations does not include the financial obligation of the Participant for actual bed use. The amount reflected here was computed based on the information contained in the Exhibit 3 of the DSH MOU. The amount represents the application of the State Hospital Rates for the Fiscal Year as published by DSH, which by this reference is made a part hereof, to Participant's contracted beds. In addition, this amount includes an administrative charge assessed on the number of contracted beds listed in Exhibit 3 of the DSH MOU, based the SHSP administrative budget adopted for the fiscal year by the Participants.

BED USAGE (Subject to Statute and appropriateness, to be determined annually)

II. BUDGET CONTINGENCIES

This Agreement is subject to any restrictions, limitations, or conditions enacted by the Legislature and contained in the Budget Act or any statute enacted by the Legislature which may affect the provisions, terms, or funding of this Agreement in any manner. If statutory or regulatory changes occur during the term of this Agreement, both parties may renegotiate the terms of the Agreement affected by the statutory or regulatory changes.

This Agreement may be amended only in writing upon mutual consent of the parties. A duly authorized representative of each party shall execute such amendments.

STATE OF CALIFORNIA — DEPARTMENT OF STATE HOSPITALS EDMUND G. BROWN JR., GOVERNOR

OFFICE OF ADMINISTRATION
1600 Ninth Street, Room 150
Sacramento, CA 95814

Purchase of State Hospital Beds

Memorandum of Understanding

California Department of State Hospitals
and
The California Mental Health Services Authority (CalMHSA) and Participating Counties

I. RECITALS

A. The parties to this Memorandum of Understanding ("MOU") are the California Department of State Hospitals ("DSH"), the California Mental Health Services Authority ("CalMHSA") as administrative agent for participating Counties, and each participating County which has executed this MOU ("County") as indicated in Exhibit 1. "MOU" shall be deemed to include Exhibits 1-4, attached hereto.

B. The DSH has jurisdiction over all state hospitals ("Hospitals") which provide services to persons with mental disorders, in accordance with Welfare and Institutions Code Section 4100 et seq. All Hospitals shall comply with the responsibilities noted for DSH in this MOU. A description of services provided by the DSH shall be included in Exhibit 2.

C. Welfare and Institutions Code section 4330 requires counties to reimburse DSH for its use of Hospital beds and services provided pursuant to the Lanterman-Petris-Short Act ("LPS", Welfare and Institutions Code section 5000 et seq.) in accordance with annual MOUs between DSH and each county acting singly or in combination with other counties, pursuant to Welfare and Institutions Code section 4331.

D. CalMHSA is a joint powers authority pursuant to Government Code section 6500 (Joint Exercise of Powers Act) of counties and cities with mental health programs. CalMHSA was requested by its members to negotiate a joint agreement with DSH and serve as liaison agency for matters of compliance with terms and conditions.

E. The parties are independent agents. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between the parties or any of their agents or employees. Notwithstanding the

independence of the parties, all patient services must be integrated and coordinated across levels of care for continuity of care.

II. TERMS AND CONDITIONS

A. The term of this MOU is July 1, 2016 through June 30, 2018 ("FY 16-17/FY 17-18").

B. County Referred Patient ("Patient")

1. County shall screen, determine the appropriateness of, and authorize all referrals for admission of Patients to the Hospital. The County shall, at the time of admission, provide admission authorization and identify the preferred Hospital and bed type to which a Patient is being referred, and identify the estimated length of stay for each Patient. However, the Hospital's Medical Director or designee shall make the determination of the appropriateness of a Patient for admission to the preferred Hospital and assign the Patient to the appropriate level of care and treatment unit.

2. If Medical Director or designee's assessment determines the Patient shall not be admitted to the preferred Hospital, the preferred Hospital will notify the County and the DSH – Sacramento Patient Management Unit (PMU) for review and consideration of placement within an alternative appropriate DSH facility.

3. The County shall name a point-of-contact and provide assistance to the Hospital treatment staff in the screening of Patients to initiate, develop and finalize discharge planning and necessary follow-up services for the Patients. Either party may initiate this process by contacting the other party.

C. Description of Provided Hospital Services

1. The DSH defines bed types and uses in accordance with the following California Department of Public Health hospital licensing definitions. These definitions shall apply to the MOU:

2. Acute Psychiatric Hospital (APH) Acute psychiatric hospital means a hospital having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff which provides 24-hour inpatient care for mentally disordered, incompetent or other Patients referred to in Division 5 (commencing with section 5000) or Division 6 (commencing with section 6000) of the Welfare and Institutions Code, including the following basic services: medical, nursing, rehabilitative, pharmacy and dietary services. An acute psychiatric hospital shall not include separate buildings which are used exclusively to house personnel or provide activities not related to hospital patients.

3. Intermediate Care Facility (ICF) Intermediate care facility is a health facility, or a distinct part of a hospital or skilled nursing facility which provides

inpatient care to patients who have need for skilled nursing supervision and need supportive care, but do not require continuous nursing care.

4. Skilled Nursing Facility (SNF) Skilled nursing facility is a health facility or a distinct part of a hospital which provides continuous skilled nursing care and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis. A skilled nursing facility provides 24-hours inpatient care and, as a minimum, includes physician, skilled nursing, dietary, pharmaceutical services and an activity program.

5. As the Hospitals' bed capacity permits, the DSH shall provide inpatient psychiatric health care and treatment, including outside medical health care and treatment, ancillary care and treatment, and/or support services, to those Patients referred by the County for LPS services, including those admitted pursuant to Penal Code Section 1370.01 and Welfare and Institutions Code Section 5008, subdivision (h)(1)(B) (Murphy Conservatorships). A summary of services provided to LPS Patients and the definition of care is detailed in Exhibit 2.

6. The DSH and the County shall provide or cause to be provided, expert witness testimony by appropriate mental health professionals in legal proceedings required for the commitment, admission, or treatment of the Patients.

7. The County is responsible for transportation to and from the Hospitals in the following circumstances: court appearances, County-initiated medical appointments or services, and pre-placement visits and final placements. The County is also responsible for transportation between Hospitals when the County initiates the transfer. The DSH is responsible for all DSH-initiated transportation between the Hospitals and transportation to and from local medical appointments or services. The reimbursement rates in Exhibit 3, entitled "Statement of Annual Bed Rates and County Estimated Bed Need," include reimbursement for transportation that is the responsibility of DSH.

8. Hospitals shall be culturally-competent (including sign-language) in staff and resources to meet the needs of Patients treated pursuant to this MOU.

9. Multi-disciplinary treatment team composition will be provided as set forth in Exhibit 2.

D. Admission and Discharge Procedures

1. Hospital admissions, intra-hospital transfers, inter-hospital transfers, referrals to outside medical care, and discharges shall be in accordance with the admission and discharge criteria established by court order, statute, and the DSH. A complete admission package must be submitted with the referral, including all assessments available.

2. Patients converting from a Penal Code (PC) commitment to a civil commitment will become county-billable on the effective date of the civil

commitment. If determined clinically appropriate, Patients occupying a bed within the Hospital's secure treatment area will be placed in an LPS bed outside of the secure treatment area upon conversion from a PC to civil commitment. Or, if a bed outside of the security treatment area is not immediately available, the Patient will remain in the secure treatment area until transfer to an available LPS bed outside of the secure treatment occurs. All intra-hospital, and inter-hospital transfers shall be communicated to the County by the transferring Hospital Medical Director, and/or appropriate staff, prior to transfer taking place.

3. All denials of admission shall be in writing with an explanation for the denial. Any denial of admission shall be based on the lack of the Patient's admission criteria, the Hospital's lack of bed capacity, or an inability to provide appropriate treatment based on patient-specific treatment needs. A denial of admission may be appealed as provided in the next paragraph.

4. Appeal Process for Admissions. When agreement cannot be reached between the County staff and the Hospital admitting staff regarding whether a Patient meets or does not meet the admission criteria for the bed(s) available, the following appeal process shall be followed; the case may be referred to the Hospital Medical Director and the County Medical Director, or designee, within two (2) working days. Such appeals may be made by telephone, and shall be followed up in writing; email being an acceptable option. If the Hospital Medical Director and the County Medical Director, or designee, are unable to achieve agreement, the case may be referred to the Hospital Executive Director and the County Mental Health Director, or designee, within two (2) working days. If the Hospital Executive Director and the County Mental Health Director, or designee, are unable to achieve agreement, the case may be referred to the DSH Deputy Directors of Clinical Operations and Strategic Planning and Implementation within two (2) working days. The DSH Deputy Directors of Clinical Operations and Strategic Planning and Implementation shall discuss the case with the Hospital Medical Director, or designee, and Executive Director and shall obtain additional consultation from the County Mental Health Director, or designee. The DSH shall render a final decision within two (2) working days after receiving the documented basis on which the appeal is based. Appeal resolution for cases involving complex factors may exceed the timelines referenced in section D4, above.

5. Discharge planning shall begin at admission. The Hospital shall discharge a Patient at the County's request, or in accordance with the approved discharge plan except: (1) if at the time the discharge is to occur, the Hospital's Medical Director, or designee, determines that the Patient's condition and the circumstances of the discharge would pose an imminent danger to the safety of the Patient or others; or, (2) when a duly appointed conservator refuses to approve the Patient's discharge or placement. A denial of discharge may be appealed as provided the next paragraph.

6. Appeals of Discharges. When the Hospital Medical Director determines that a discharge cannot occur in accordance with the approved plan or upon the request of the County, he/she will contact the County Medical Director, or

designee, immediately to review the case and shall make every effort to resolve the issues preventing the discharge. If this process does not result in agreement, the case may be referred to the Hospital Executive Director and the County Mental Health Director, or designee, by either the Hospital Medical Director, or designee, or the County Medical Director, or designee, within two (2) working days of the Hospital's denial. Such appeals may be made by telephone and shall be followed up in writing; email being an acceptable option. If the Hospital Executive Director and the County Mental Health Director, or designee, are unable to achieve agreement, the case may be referred to the DSH Deputy Directors of Clinical Operations and Strategic Planning and Implementation, within two (2) working days. The DSH Deputy Directors of Clinical Operations and Strategic Planning and Implementation shall discuss the case with the Hospital Medical Director and Executive Director and shall obtain additional consultation from the County Mental Health Director, or designee. The DSH shall make the final decision within two (2) working days of receiving the documentation of the basis of the disagreement regarding the discharge, and communicate this decision to the County Mental Health Director, or designee, and the Hospital Executive Director. Appeal resolution for cases involving complex factors may exceed the timelines referenced in section D6, above.

E. Bed Type Transfers

1. If, for any reason, a County Patient is in a bed that is inappropriate to that Patient's needs, the attending clinician shall develop, in consultation with the Hospital's treatment team and the County (except when the urgency of the Patient's situation precludes such consultation) a plan for transfer of the Patient to an appropriate unit in accordance with the treatment plan. This plan shall be developed and communicated to County within forty-eight (48) hours of any urgent transfer. The County may initiate a treatment team discussion with the attending Hospital clinician at any time County feels that a County Patient is in a bed that is inappropriate to the Patient's needs or does not accurately reflect the level of care the Patient requires (APH, ICF, or SNF).

2. The Hospital shall provide the County Point-of-Contact notice of transfers between bed types within two (2) working days of any such transfer.

3. Bed Types Appeals. When agreement cannot be reached between the County staff and the Hospital staff regarding the type of bed the Patient needs, the following appeal process shall be followed. When the County staff feels that an impasse has been reached and further discussions would not be productive, the bed type may be appealed, along with all available data and analysis, to the Hospital Medical Director and the County Medical Director, or designee, within two (2) working days. If the Hospital Medical Director and the County Medical Director, or designee, are unable to achieve agreement, the case may be referred to the Hospital Executive Director and the County Mental Health Director, or designee, within two (2) working days. Such appeals may be made by telephone and shall be followed up in writing; email being an acceptable option. If the Hospital Executive Director and the County Mental Health Director, or designee, are unable to achieve agreement, the

case may be referred to the DSH Deputy Directors of Clinical Operations and Strategic Planning and Implementation within two (2) working days. The DSH Deputy Directors of Clinical Operations and Strategic Planning and Implementation shall discuss the case with the Hospital Medical Director and Executive Director and shall obtain additional consultation from the County Mental Health Director, or designee, The DSH shall render a final decision within two (2) working days after receiving the documented basis on which the appeal is based. Appeal resolution for cases involving complex factors may exceed the timelines referenced in section E3, above.

F. Prior Authorization

1. The County shall, prior to admission, provide the Hospital with the complete medical records on file, the Short-Doyle Authorization Form, and all applicable court commitment orders for each Patient. The County shall identify an initial projected length of stay which the Hospital shall address in Patient's treatment plan and discharge plan.

G. Coordination of Treatment/Case Management

1. It is the intent of the Parties to this MOU to be collaborative in all matters and specifically in matters of Patient's care.

2. The County shall develop an operational case management system for Patients, and shall identify a case manager or case management team for each Patient. The case manager shall provide available assessment information on Patients admitted to the Hospital.

3. The Hospitals shall provide at least two weeks notification of treatment plan conferences or 90-day reviews. The Hospitals shall identify a treatment team member to function as the primary contact for the case manager or the case management team.

4. The County may direct the Hospital to discharge the Patient to a facility that the County determines to be more appropriate to the Patient's treatment requirements. The Hospital shall provide to County, within five-business days of request for copies of current medical records, copies of current medical records needed to assist in this process. In such cases, the Hospital shall discharge the Patient within two days of the date an alternative placement option is identified and available except if the discharge is contrary to the medical necessity of hospitalization or would pose an imminent danger to the safety of the Patient or others, or otherwise required by law.

5. When an agreement cannot be reached between the County and the DSH on clinical assessment, treatment or the Patient's acuity, the DSH Hospital Medical Director and County Medical Director shall confer for a resolution. If a resolution cannot be achieved, the issue will be elevated to the DSH Deputy Directors of Clinical Operations and Strategic Planning and Implementation to review the case and shall make every effort to resolve the issue. If a resolution is not achieved, the County may direct the Hospital to discharge

the Patient. In such an event, the DSH response will be handled in accordance with Section II, Admission and Discharge Procedures (D)(5-6).

H. Patient's Rights and Confidentiality

1. The parties to this MOU shall comply with The Health Insurance Portability and Accountability Act (HIPAA) and all applicable state laws, regulations, and policies relating to the Patient's rights and confidentiality.

I. Bed Usage and Availability

1. Based upon Hospital bed capacity, during the 2016-17 and 2017-18 FYs, DSH shall provide mental health treatment to approximately 556 Patients under this MOU, including those whose PC commitments are expiring and will transfer to an LPS commitment, admitted under the LPS Act, including Murphy Conservatorships, and under PC Section 1370.01.

2. The County shall notify DSH, through CalMHSA, by January 31 of each year of this MOU, of its estimate of the number and type of beds that the County expects to use during the subsequent fiscal year for bed planning purposes. Counties contracting directly with the DSH may submit the Statement of Annual Bed Rates and County Bed Need directly to the DSH. However, the County is only obligated to pay for beds it uses. The DSH will update Exhibit 3 with the County's bed need estimate and submit it to the county.

3. This MOU constitutes specific approval of the Director of State Hospitals, as described in Welfare and Institutions Code section 4333, for the elimination of the County bed commitments, to facilitate the maximum flexibility contemplated by Section 4333, subdivision (f) which constitutes an innovative arrangement for delivery of Hospital services as stated in Welfare and Institutions Code section 4335.

4. The County is required to execute Exhibit 1 of this MOU in order to obtain beds. A County that has not previously executed a FY 2016-17/FY 17-18 Exhibit 1 shall, upon application for admission of a Patient from the County, commit to executing Exhibit 1 by providing a signed "Purchase Agreement of State Hospital Beds" (Exhibit 4) to demonstrate the County's intent to execute Exhibit 1, within 120 days of submitting the bed Purchase Agreement of State Hospital Beds.

5. Patients under the care of the DSH, referred to outside medical facilities, will remain the responsibility of the DSH unless the County initiates discharge, at which time the Patient and all costs become the responsibility of the County. During all offsite leave, Counties will continue to be charged at the daily bed rate. For all offsite leave of greater than 30 days, the DSH and the County may, at the request of either party, discuss appropriate care options for Patients.

J. Bed Payment

1. The current bed rates, historical bed usage and current estimated bed usage are reflected in Exhibit 3.

2. This MOU involves a minimum commitment of zero beds. The amount that the Controller is authorized to reimburse DSH from the mental health account of the County's Health and Welfare Trust Fund, pursuant to Welfare and Institutions Code section 17601, subdivision (b), is based on the amounts provided to the Controller per the County Actual Use statement reflecting actual bed usage by the County for the prior month.

3. ICF and Acute Rates – The established bed rate reflects a blended Acute and ICF rate based on the prior year's established bed rates. This rate shall be in effect until the DSH can provide actual cost information in compliance with Welfare and Institutions Code section 4330, subdivision (c). The DSH will review rates on an annual basis, based on actual expenditures at Hospitals that serve LPS patients.

4. SNF Rates – The rate established in the prior year will remain in effect through June 30, 2018. This rate shall be in effect until such time the DSH can provide actual cost information in compliance with WIC 4330, subd. (c). The DSH will review rates on an annual basis, based on actual expenditures at Hospitals that serve LPS patients.

5. The bed rates in this MOU represent the total amount due from the county for services provided in Section II, Terms and Conditions (C)(1-6, 8-9) by the DSH. These rates do not represent the total claimable amount for services provided to the patient. Patient will be responsible for any costs exceeding the bed rates described in this MOU.

K. Utilization Review – Hospital Operations

1. The Hospitals shall have ongoing utilization review activities which shall address the appropriateness of Hospital admissions and discharges, clinical treatment, length of stay and allocation of Hospital resources, to most effectively and efficiently meet the Patient's care needs. Such reviews shall be at a minimum of one time per year and include the County's participation. The DSH will provide written results of the utilization review, if available.

2. The County shall take part in the utilization review activities.

L. Records

1. Patient Records

    a. Hospitals shall maintain adequate medical records on each Patient. These medical records shall include legal status, diagnosis, psychiatric evaluation, medical history, individual treatment plan,

records of patient interviews, progress notes, recommended continuing care plan, discharge summary, and records of services. These records shall be provided by various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services.

b. The DSH will provide access to Patient medical records to Counties through the use of a secure file sharing technology determined by the DSH. To facilitate such access, the DSH will work with Counties to make sure that each County has an authorized person with sufficient training and credentials (i.e., user name and password) that the person will be able to access DSH Patient records on behalf of the County.

c. Upon request by the County for medical records of County's Patient, the DSH will ordinarily upload and make available to the County through a secure file sharing technology all current records of Patient within seven working days, provided, however, that if records of a Patient are unusually voluminous the DSH may give notice that more than seven working days will be needed.

d. Upon request by the County for physical access to medical records of County's Patient, the DSH will make available all current records of Patient for inspection at the facility where Patient resides, within a timeframe agreed upon by the DSH hospital representative and the County.

2. Financial Records

a. The DSH shall prepare and maintain accurate and complete financial records of the Hospitals' operating expenses and revenue. Such records shall reflect the actual cost of the type of service for which payment is claimed, on an accrual basis. Additionally, such records shall identify costs attributable to County LPS Patients, versus other types of patients to whom the Hospitals provide services. Any apportionment of, or distribution of costs, including indirect costs, to or between programs or cost centers of the Hospitals shall be documented, and shall be made in accordance with generally accepted accounting principles and applicable laws, regulations, and state policies. The Patient eligibility determination, and any fee charged to and collected from Patients, together with a record of all billings rendered and revenues received from any source, on behalf of Patients treated pursuant to this MOU, shall be reflected in the Hospital's financial records.

3. Retention of Records

a. The Hospitals shall retain all financial and Patient records pursuant to the State and DSH record retention requirements.

M. Revenue

1. The DSH shall collect revenues from the Patients and/or responsible third parties (e.g., Medicare and/or insurance companies), in accordance with Welfare and Institutions Code sections 7275 through 7279, and related laws, regulations, and policies.

N. Inspections and Audits

1. Consistent with confidentiality provisions of Welfare and Institutions Code section 5328, any authorized representative of the County shall have access to the medical and financial records of the DSH for the purpose of conducting any fiscal review or audit during the Hospital's record retention period. The Hospital shall provide the County adequate space to conduct such review or audit. The County may, at reasonable times, inspect or otherwise evaluate services provided in the Hospitals; however, the County shall not disrupt the regular operations of the Hospitals.

2. The County shall not duplicate reviews conducted by other agencies (e.g., State Department of Public Health, County Coroner's Office, and District Attorney's Office), if the detailed review results, methods, and work papers of any such review are made available to the County and the County determines the review was sufficient for County purposes. Practitioner-specific peer review information and information relating to staff discipline is confidential and shall not be made available.

O. Notices

1. Except as otherwise provided herein, all communication concerning this MOU shall be as follows:

    a. Billing and general MOU provisions:

    Christian Jones, Associate Governmental Program Analyst
    CBBU@dsh.ca.gov
    (916) 651-8727

    b. Patient Placement and Appeals coordination:
    Candius Burgess, Chief – Patient Management Unit

    Candius.Burgess@dsh.ca.gov

    (916) 654-0090

The County has designated the following as its MOU coordinator:

Name:_____

E-mail:_____

Phone:_____

2. The Hospitals shall notify the County by telephone (with subsequent written confirmation), encrypted email or FAX, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature which involves a Patient. Such occurrences shall include, but are not limited to, homicide, suicide, accident, injury, battery, Patient abuse, rape, significant loss or damage to Patient property, and absence without leave.

3. The Hospitals shall notify the County by telephone at the earliest possible time, but not later than five (5) working days, after the treatment team determines that a Patient on a PC commitment will likely require continued treatment and supervision under a County-LPS commitment after the PC commitment expires. Within ten (10) working days of the date the treatment team's determination that continued treatment and supervision should be recommended to County, the Hospitals shall provide written notice to the County. The written notice shall include the basis for the Hospital's recommendation and the date on which the PC commitment will expire. The above notices to the County shall be given not less than thirty (30) days prior to the expiration of the PC commitment. If Hospital fails to notify the County at least thirty (30) days prior to the expiration of the PC commitment, the County's financial responsibility shall not commence until thirty (30) days after the Hospital's telephone notification. However, if the DSH is given less than thirty (30) days to change a Patient's commitment by court order, the DSH shall notify the County of this change at the earliest possible time. In the event a court order provides the DSH less than thirty (30) days to notify the County, the County's financial responsibility shall commence on the day after the expiration of the PC commitment.

4. The County shall be responsible for making the decision regarding the establishment of any LPS commitment at the expiration of the PC commitment. The County shall notify the Hospital, in writing, at least fifteen (15) days prior to the expiration of Patient's PC commitment, of its decision regarding the establishment of an LPS commitment and continued hospitalization. If the County is given less than fifteen (15) days prior to the expiration of a Patient's PC commitment to make its decision, the County shall notify the DSH of its decision at the earliest possible time prior to the expiration of the Patient's PC commitment.

5. Regardless of whether the County served proper notice on the DSH regarding the expiration of a patient's commitment and any decision of the County regarding an LPS conservatorship, both parties shall follow a court order for

the transportation of the Patient to the County for the purpose of LPS proceedings.

6. The Hospital shall notify the County of the conversion of a Patient on LPS status to a PC commitment status that results in the DSH becoming financially responsible for the placement of the Patient. The Hospital shall notify the County, by telephone at the earliest possible time, but not later than five (5) working days after such conversion. Such telephone notification shall be followed by a written notification to the County, which shall be submitted no later than ten (10) working days after the Patient's conversion.

III. SPECIAL PROVISIONS

A. This MOU is subject to and is superseded by, any restrictions, limitations, or conditions enacted by the Legislature and contained in the Budget Act, or any statute or regulations enacted by the Legislature which may affect the provisions, terms, or funding of this MOU. The parties do not intend to amend or waive any statutory provision applicable to the use of state hospital beds by counties pursuant to Part 1 of Division 5 of the Welfare and Institutions Code, unless the subsection to be amended or waived is specifically identified in this MOU with a statement indicating the parties' intent to amend or waive the provision as thereinafter described. If statutory, regulatory, bed rate, or billing process changes occur during the term of this MOU, the parties may renegotiate the terms of this MOU affected by the statutory, regulatory, bed rate or billing process changes.

B. Should the DSH's ability to meet its obligations under the terms of this MOU be substantially impaired due to loss of a Hospital license, damage or malfunction of the Hospital, labor union strikes, or other cause beyond the control of the DSH, the parties may negotiate modifications to the terms of this MOU.

C. Mutual Indemnification

1. The County shall defend, indemnify, and hold the DSH and its agencies, their respective officers, employees and agents, harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damages arising out of the performance of this MOU but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the County, its officers, agents, or employees.

2. The DSH shall defend, indemnify, and hold the County, its officers, employees, and agents, harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damage arising out of the performance of this MOU but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the DSH and/or its agencies, their officers, agents, or employees.

D. The signatories below represent that they have the authority to sign this MOU on behalf of their respective agencies. Execution by a participating County of Exhibit 1 confirms the participating County agrees to the terms of this MOU and Exhibits 1-4. This MOU and its Exhibit 1 may be executed in counterparts.

E. This MOU, which includes Exhibits 1-4, comprises the entire agreement and understanding of the parties and supersedes any prior agreement or understanding.

F. This MOU which includes Exhibits 1-4 may be amended or modified only by a written amendment signed by the parties.

Maureen Bauman, President CalMHSA	Date
Dawn DiBartolo, Chief Acquisitions and Business Services Office Department of State Hospitals	Date

EXHIBIT 1

Execution indicates that County is a participating County under the MOU.

_____ _____

Signature Date

Name_____Title_____

Los Angeles County

EXHIBIT 2

LPS SERVICES SUMMARY

Licensure

The Hospitals comply with all applicable federal and state laws, licensing regulations and provide services in accordance with generally accepted practices and standards prevailing in the professional community at the time of treatment. The Hospitals, which are accredited, shall make a good-faith effort to remain accredited by the Joint Commission throughout the term of the MOU.

The DSH provides the services to its LPS patients as follows:

Core Treatment Team and Nursing Care

The Hospitals provide Treatment Team services that are the core to a Patient's stabilization and recovery. The Treatment Team groups consist of the following individuals: Psychiatrist, Psychologists, Social Workers, Rehabilitation Therapists, and Nurses. These teams provide a highly-structured treatment for mental rehabilitation and re-socialization in preparation for an open treatment setting or community placement.

Treatment Team Ratios		
Treatment Team Member:	ICF Staffing Ratio:	Acute Care Staffing Ratio:
Psychiatrist	1:35	1:15
Psychologist	1:35	1:15
Social Worker	1:35	1:15
Rehabilitation Therapist	1:35	1:15
Registered Nurse	1:35	1:15

The Hospitals provide nursing care according to nursing licensing ratio requirements for state hospitals as follows:

Licensing Compliance Nursing Staff Ratios (Non-Treatment Team)		
Nursing Shift:	ICF Staffing Ratio:	Acute Care Staffing Ratio:
A.M. Shift	1:8	1:6
P.M. Shift	1:8	1:6
NOC Shift	1:16	1:12

The ratios provided above are the current staffing standards employed by the DSH. Each facility may adjust unit ratios as necessary for the continued treatment and safety of Patients and staff.

Skilled Nursing Facility services provide continuous skilled nursing care and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis. A skilled nursing facility provides 24-hours inpatient care and, as a minimum, includes physician, skilled nursing, dietary, pharmaceutical services and an activity program.

Additional Treatment Services

Medical Services: Medical Clinics include Neurology, GYN, Ophthalmology, Optometry, Endocrinology, Cardiology, Podiatry, Dental and X-Ray services as well as referral services for Gastro-Intestinal care, Hematology, Nephrology, Surgery and related care for diseases of the liver (e.g., Hepatitis C). Full Acute Medical Care services are provided via contracts with community hospitals and/or a County Hospital.

Physical, Occupational and Speech Therapy (POST): Department provides physical rehabilitation services to all the patients at Napa State Hospital with the goal of assisting Patients to reach or maintain their highest level of functioning. The POST Team provides assessment services, treatment services and training to staff and Patients on the use and care of adaptive equipment that has been evaluated as appropriate for the Patient.

Individualized Active Recovery Services: Active Recovery Services focus on maximizing the functioning of persons with psychiatric disabilities and are provided both within the residential units and in the Treatment Mall. Treatment is geared to identify, support and build upon each person's strengths to achieve their maximum potential in meeting the person's hopes, dreams, treatment needs and life goals.

Active Recovery Services at the Hospitals:

- Are based on the specific needs of each patient.
- Are developed and delivered based on a philosophy of recovery.
- Provide a wide range of courses and activities designed to help patients develop the knowledge and skills that support recovery, and transition toward community living.
- Are organized to fully utilize staff resources and expertise.
- Provide a range of services that lead to a more normalized environment outside of the residential areas.
- Are facilitated by psychiatrists, psychologists, social workers, rehabilitation therapy staff, and nursing staff.

Industrial Therapy: Opportunities include dining room cleaning services, grounds maintenance, as well as other therapeutic services. Participants must demonstrate an appropriate level of behavior to ensure safety and security.

EXHIBIT 3

LOS ANGELES COUNTY
STATEMENT OF ANNUAL BED RATES
AND
COUNTY-ESTIMATED BED NEED July 1, 2014 through June 30, 2015

1. STATE HOSPITAL BED RATE FOR FY 2014-15

Acute	$626
Intermediate Care Facility (ICF)	$626
Skilled Nursing Facility (SNF)	$775

2. BED USAGE BY ACUITY (IN BED DAYS)

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimated	*FY 2014-15 Annualized
Acute	14,097	31,824	0	0
ICF	51,497	33,416	190	69,350
SNF	2,993	6,262	0	0
Total	**68,587**	**71,502**	**190**	**69,350**

*FY 2014-15 Estimated number multiplied by 365 for total estimated bed need for entire FY.

EXHIBIT 4

Purchase Agreement of State Hospital Beds

Fiscal Year 2016-17 through Fiscal Year 2017-18

California Department of State Hospitals

By signing this Purchase Agreement, the County agrees to all recitals, terms and conditions, and special provisions between the County below and the Department of State Hospitals, (DSH) contained within the Fiscal Year (FY) 2014-15/FY 2015-16 Memorandum of Understanding (MOU) for the purchase of state hospital beds from the DSH. The DSH shall be reimbursed for use of state hospital beds by counties pursuant to Welfare and Institutions Code section 4330 et seq. Any County signing this form will be entitled to the same services contained in the FY 2014-15/FY 2015-16 MOU. The County will also abide by the same remunerative and legal policies contained within the FY 2014-15/FY 2015-16 MOU. The County agrees to sign Exhibit 1 of the MOU within the next 120 days. The DSH reserves the right to not accept patients from any county without a signed Exhibit 1.

County

County Mental Health Director or Director designee – print

County Mental Health Director or Director designee – sign/date

Dawn DiBartolo, Chief, DSH

Dawn DiBartolo, Acquisitions and Business Services Office – print

Dawn DiBartolo, Acquisitions and Business Services Office – sign/date