



**AMENDMENT NO. 2  
TO  
MASTER AGREEMENT NO. MA-042-19010140  
FOR  
ADULT MENTAL HEALTH INPATIENT SERVICES**

This Amendment (“Amendment No. 2”) to Master Agreement No. MA-042-19010140 for Adult Mental Health Inpatient Services is made and entered into on July 1, 2022 (“Effective Date”) between CHCM, INC., DBA COSTA MESA MEDICAL CENTER HOSPITAL (“Contractor”), with a place of business at 301 Victoria Street, Costa Mesa, CA 92627, and the County of Orange, a political subdivision of the State of California (“County”), through its Health Care Agency, with a place of business at 405 W. 5th St., Ste. 600, Santa Ana, CA 92701. Contractor and County may sometimes be referred to individually as “Party” or collectively as “Parties”.

**RECITALS**

WHEREAS, the Parties executed Master Agreement No. MA-042-19010140 (“Contract”) with various providers for Adult Mental Health Inpatient Services, effective July 1, 2018 through June 30, 2021, in an aggregate amount not to exceed \$8,357,619, renewable for two additional one-year terms; and

WHEREAS, the Parties executed Amendment No. 1 to amend the Contract to modify specific terms and conditions in the Contract and to renew the Contract for one year, effective July 1, 2021 through June 30, 2022, in an aggregate amount not to exceed \$2,521,552, for a revised cumulative total aggregate amount not to exceed \$10,879,171; and

WHEREAS, the Parties now desire to enter into this Amendment No. 2 to amend the Referenced Contract Provisions and Exhibit A of the Contract and to renew the Contract for one year for County to continue receiving and Contractor to continue providing the services set forth in the Contract.

NOW THEREFORE, Contractor and County agree to amend the Contract as follows:

1. The Contract is renewed for a term of one (1) year, effective July 1, 2022 through June 30, 2023, in an aggregate amount not to exceed \$2,521,552 for this renewal term, for a revised cumulative total aggregate amount not to exceed \$13,400,723; on the amended terms and conditions.
2. Page 4, Referenced Contract Provisions, Term provision and Aggregate Amount Not To Exceed provision, of the Contract are deleted in their entirety and replaced with the following:

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**“Term:** July 1, 2018 through June 30, 2023  
 Period One means the period from July 1, 2018 through June 30, 2019  
 Period Two means the period from July 1, 2019 through June 30, 2020  
 Period Three means the period from July 1, 2020 through June 30, 2021  
 Period Four means the period from July 1, 2021 through June 30, 2022  
 Period Five means the period from July 1, 2022 through June 30, 2023

**Aggregate Amount Not To Exceed:**

Period One Amount Not To Exceed: \$ 2,785,873  
 Period Two Amount Not To Exceed: 2,785,873  
 Period Three Amount Not To Exceed: 2,785,873  
 Period Four Amount Not To Exceed: 2,521,552  
 Period Five Amount Not To Exceed: 2,521,552  
 TOTAL AMOUNT NOT TO EXCEED: \$13,400,723”

3. All references to “Maximum Obligation” in the Contract shall be replaced with “Amount Not To Exceed”.
4. Exhibit A is deleted in its entirety and replaced with the following:

**I. COMMON TERMS AND DEFINITIONS**

The parties agree to the following terms and definitions, and to those terms and definitions which for convenience are set forth elsewhere in the Agreement.

A. Acute Day means those days authorized by ADMINISTRATOR’s designated Utilization Management Unit when the client meets medical necessity criteria set forth in Title 9 of the California Code of Regulations (CCR), section 1820.205.

B. Administrative Day means those days authorized by ADMINISTRATOR’s designated Utilization Management Unit when the client no longer meets medical necessity criteria for acute psychiatric hospital services but has not yet been accepted for placement at a non-acute licensed residential treatment facility in a reasonable geographic area.

C. ADL means Activities of Daily Living and refers to diet, personal hygiene, clothing care, grooming, money and household management, personal safety, symptom monitoring, etc.

D. Additional Income Source means Additional Income Source and refers to all income other than SSI and includes such sources of income as retirement income, disability income, trust fund income, SSI, Veteran’s Affairs disability income, etc.

E. AMHI Services means Adult Mental Health Inpatient and, for payment purposes, refers to all services required by this Agreement except Computerized Tomography Scan Testing Services and Medical Services.

F. ASO means Administrative Services Organization and refers to administrative and mental health services components that include maintenance of a contract provider network including credentialing and contracting, adjudication of provider claims for outpatient and inpatient specialty mental health services, and the operation of a 24-hour telephone access and authorization line.

G. Client Day means one (1) calendar day during which CONTRACTOR provides all of the services described hereunder, including the day of admission and excluding the day of discharge. If admission and discharge occur on the same day, one (1) client day shall be charged.

H. Client or Consumer means an individual, referred by COUNTY or enrolled in CONTRACTOR's program for services under the Agreement, who is dealing with a chronic mental illness.

I. Crisis Stabilization Unit (CSU) means a psychiatric crisis stabilization program that operates twenty-four (24) hours a day that serves Orange County residents aged thirteen (13) and older who are experiencing a psychiatric crisis and need immediate evaluation. Individuals receive a thorough psychiatric evaluation, crisis stabilization treatment, and referral to the appropriate level of continuing care. As a designated outpatient facility, the CSU may evaluate and treat individuals for no longer than twenty-three (23) hours and fifty-nine (59) minutes.

J. Diagnosis means the definition of the nature of the client's disorder. When formulating the diagnosis of client, CONTRACTOR shall use the diagnostic codes as specified in the most current edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) and/or ICD published by the American Psychiatric Association.

K. DSM means Diagnostic and Statistical Manual of Mental Disorders and refers to the publication by the American Psychiatric Association that is used as a guide in the diagnosis of mental disorders.

L. ECT means Electro Convulsive Therapy and refers to a psychiatric treatment in which seizures are electrically induced in anesthetized patients for therapeutic effect.

M. Engagement means the process where a trusting relationship is developed over a short period of time with the goal to link the individual(s) to appropriate services within the community. Engagement is the objective of a successful outreach.

N. Face-to-Face means an encounter between the individual/parent/guardian and provider where they are both physically present. This does not include contact by phone, email, etc., except for Telepsychiatry provided in a manner that meets COUNTY protocols.

O. Health Care Services refers to any preventive, diagnostic, treatment, or support services, including professional services, which may be medically necessary to protect life, prevent significant disability, and/or treat diseases, illnesses, or injuries in order to prevent a serious deterioration of health.

P. HIPAA means Health Insurance Portability and Accountability Act and refers to the federal law that establishes standards for the privacy and security of health information, as

well as standards for electronic data interchange of health information. HIPAA law has two main goals, as its name implies: making health insurance more portable when persons change employers, and making the health care system more accountable for costs-trying especially to reduce waste and fraud.

Q. Hospital Based Ancillary Services means services which include but are not limited to ECT and MRI. Other ancillary services include: the use of facilities; laboratory, medical and social services furnished by CONTRACTOR including drugs such as take-home drugs, biologicals, supplies, appliances and equipment; nursing, pharmacy and dietary services; and supportive and administrative services required to provide Psychiatric Inpatient Hospital Services. Ancillary services do not include physician or psychologist services that are separately billed to DHCS.

R. Integrated Records Information System (IRIS) means ADMINISTRATOR's database system and refers to a collection of applications and databases that serve the needs of programs within COUNTY and includes functionality such as registration and scheduling, laboratory information system, billing and reporting capabilities, compliance with regulatory requirements, electronic medical records, and other relevant applications.

S. ITP means Individualized Treatment Plan for each client. All psychiatric, psychological, and social services must be compatible with the ITP.

T. Lanterman–Petris–Short (LPS) Act (Cal. Welf & Inst. Code, sec. 5000 et seq.) means the Act that went into effect July 1, 1972 in California. The Act in effect ended all hospital commitments by the judiciary system, except in the case of criminal sentencing (e.g. convicted sexual offenders) and those who were "gravely disabled" defined as unable to obtain food, clothing, or shelter. It expanded the evaluative power of psychiatrists and created provisions and criteria for involuntary detentions. The Act provides guidelines for handling involuntary civil commitment to a mental health institution in the State of California.

U. Licensed Clinical Social Worker (LCSW) means a licensed individual, pursuant to the provisions of Chapter 14 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force, and not suspended or revoked.

V. Licensed Marriage Family Therapist (MFT) means a licensed individual, pursuant to the provisions of Chapter 13 of the California Business and Professions Code, pursuant to the provisions of Chapter 14 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force, and not suspended or revoked.

W. Licensed Professional Clinical Counselor (LPCC) means a licensed individual, pursuant to the provisions of Chapter 13 and 16 of the California Business and Professions Code, who can provide clinical service to individuals they serve. The license must be current and in force, and not suspended or revoked.

X. Licensed Psychiatric Technician (LPT) means a licensed individual, pursuant to the provisions of Chapter 10 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force, and not

suspended or revoked.

Y. Licensed Psychologist means an individual who meets the minimum professional and licensure requirements set forth in CCR, Title 9, Section 624; they are a licensed individual, pursuant to the provisions of Chapter 6.6 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force and not suspended or revoked.

Z. Licensed Vocational Nurse (LVN) means a licensed individual, pursuant to the provisions of Chapter 6.5 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force, and not suspended or revoked.

AA. Live Scan means an inkless, electronic fingerprint which is transmitted directly to the Department of Justice (DOJ) for the completion of a criminal record check, typically required of employees who have direct contact with the individuals served.

AB. Long Term Care (LTC) refers to the County department that reviews referrals for placement in county-contracted long term care facilities.

AC. Medi-Cal means the State of California's implementation of the federal Medicaid health care program which pays for a variety of medical services for children and adults who meet eligibility criteria.

AD. Medical Necessity means the requirements as defined in the MHP Medical Necessity for Medi-Cal reimbursed Specialty Mental Health Services that includes diagnosis, impairment criteria and intervention related criteria. Meeting medical necessity for acute psychiatric inpatient hospital services includes having an included DSM/ICD diagnosis; the client cannot be safely treated at a lower level of care; and the client requires psychiatric inpatient hospital services, as a result of a mental disorder, due to symptoms or behaviors that represent a current danger to self or others, or significant property destruction; and/or prevent the client from providing for, or utilizing, food, clothing, shelter; and/or present a severe risk to the client's physical health; and/or represent a recent, significant deterioration in ability to function.

AE. Mental Health Services means interventions designed to provide the maximum reduction of mental disability and restoration or maintenance of functioning consistent with the requirements for learning, development and enhanced self-sufficiency. Services shall include:

a. Assessment means a service activity, which may include a clinical analysis of the history and current status of a beneficiary's mental, emotional, or behavioral disorder, relevant cultural issues and history, diagnosis and the use of testing procedures.

b. Medication Support Services means those services provided by a licensed physician, registered nurse, or other qualified medical staff, which includes prescribing, administering, dispensing and monitoring of psychiatric medications or biologicals and which are necessary to alleviate the symptoms of mental illness. These services also include evaluation and documentation of the clinical justification and effectiveness for use of the medication,

dosage, side effects, compliance and response to medication, as well as obtaining informed consent, providing medication education and plan development related to the delivery of the service and/or assessment of the beneficiary.

c. Rehabilitation Service means an activity which includes assistance in improving, maintaining, or restoring a client's or group of clients' functional skills, daily living skills, social and leisure skill, grooming and personal hygiene skills, meal preparation skills, support resources and/or medication education.

d. Therapy means a service activity which is a therapeutic intervention that focuses primarily on symptom reduction as a means to improve functional impairments. Therapy may be delivered to an individual or group of beneficiaries which may include family therapy in which the beneficiary is present.

AF. MHSA means Mental Health Services Act and refers to the voter-approved initiative to develop a comprehensive approach to providing community-based mental health services and supports for California residents. It is also known as "Proposition 63."

AG. Milestones of Recovery Scale (MORS) refers to a Recovery scale that COUNTY uses in Adult Mental Health programs. The scale assigns Consumers to their appropriate level of care and replaces diagnostic and acuity of illness-based tools.

AH. Outreach means linking individuals to appropriate Mental Health Services within the community. Outreach activities will include educating the community about the services offered and requirements for participation in the various mental health programs within the community. Such activities will result in CONTRACTOR developing its own Referral sources for programs being offered within the community.

AI. Peer Recovery Specialist/Counselor means an individual in a paid position who has been through the same or similar Recovery process as those being assisted to attain their Recovery goals in the CSU. A peer Recovery Specialist practice is informed by personal experience.

AJ. UOS means units of service and refers to one (1) calendar day during which CONTRACTOR provides all of the Mental Health Inpatient Services described hereunder, with the day beginning at twelve o'clock midnight. The number of billable UOS shall include the day of admission and exclude the day of discharge unless admission and discharge occur on the same day.

AK. Psychiatric Inpatient Hospital Services means services, including ancillary services, provided in an acute care hospital for the care and treatment of an acute episode of mental disorder.

AL. Program Director means an individual who is responsible for all aspects of administration and clinical operations of the behavioral health program, including development and adherence to the annual budget. This individual also is responsible for the following: hiring, development and performance management of professional and support staff, and ensuring mental health treatment services are provided in concert with COUNTY and state rules and regulations.

AM. Protected Health Information (PHI) means individually identifiable health information usually transmitted through electronic media. PHI can be maintained in any medium as defined in the regulations, or for an entity such as a health plan, transmitted or maintained in any other medium. It is created or received by a covered entity and is related to the past, present, or future physical or mental health or condition of an individual, provision of health care to an individual, or the past, present, or future payment for health care provided to an individual.

AN. Psychiatrist means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 623, and, preferably, has at least one (1) year of experience treating children and TAY.

AO. Quality Improvement Committee (QIC) means a committee that meets quarterly to review one percent (1%) of all "high-risk" Medi-Cal recipients in order to monitor and evaluate the quality and appropriateness of services provided. At a minimum, the committee is comprised of one (1) ADMINISTRATOR, one (1) clinician, and one (1) physician who are not involved in the clinical care of the cases.

AP. Referral means effectively linking individuals to other services within the community and documenting follow-up provided within five (5) business days to assure that individuals have made contact with the referred service(s).

AQ. Registered Nurse (RN) means a licensed individual, pursuant to the provisions of Chapter 6 of the California Business and Professions Code, who can provide clinical services to the individuals served. The license must be current and in force and not suspended or revoked. Also, it is preferred that the individual has at least one (1) year of experience treating TAY.

AR. Seriously Emotionally Disturbed (SED) children or adolescent minors means individuals under the age of eighteen (18) years who have a behavioral health disorder, as identified in the most recent edition of the DSM and/or the ICD 10, other than a primary substance use disorder or developmental disorder, which results in behavior inappropriate to the individual's age according to expected developmental norms. W&I 5600.3.

AS. Serious Persistent Mental Impairment (SPMI) means an adult with a behavioral health disorder that is severe in degree and persistent in duration, which may cause behavioral functioning that interferes substantially with the primary activities of daily living, and which may result in an inability to maintain stable adjustment and independent functioning without treatment, support, and rehabilitation for a long or indefinite period of time. W&I 5600.3.

AT. Supervisory Review means ongoing clinical case reviews in accordance with procedures developed by ADMINISTRATOR, to determine the appropriateness of Diagnosis and treatment and to monitor compliance to the minimum ADMINISTRATOR and Medi-Cal charting standards. Supervisory review is conducted by the program/clinic director or designee.

AU. Token means the security device which allows an individual user to access COUNTY's computer-based IRIS.

AV. Uniform Method of Determining Ability to Pay (UMDAP) means the method used for determining an individual's annual liability for Mental Health Services received from COUNTY's mental health system and is set by the State of California.

AW. Wellness Action & Recovery Plan (WRAP) means a self-help technique for monitoring and responding to symptoms to achieve the highest possible levels of wellness, stability, and quality of life.

AX. NPI means National Provider Identification and refers to the standard unique health identifier that was adopted by the Secretary of Health and Human Services (HHS) under Health Insurance Portability and Accountability Act (HIPAA) for health care providers.

AY. NPP means Notice of Privacy Practices and refers to the document that notifies individuals of uses and disclosures of Protected Health Information (PHI) that may be made by or on behalf of the health plan or health care provided as set forth in HIPAA.

AZ. Serious Medical Conditions means medical conditions that require urgent health care services. Such conditions include preventive, diagnostic, treatment, or supportive services, including professional services, that are medically necessary to protect life, present significant disability, and/or treat diseases, illnesses, or injuries in order to prevent serious deterioration of health.

BA. Skilled Nursing Facility (SNF) means a facility that provides twenty-four (24) hour/day skilled nursing care and supervision.

BB. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Common Terms and Definitions Paragraph of this Exhibit A to the Agreement.

## II. ISSUE RESOLUTION

For resolution of issues between CONTRACTOR and ADMINISTRATOR with respect to the implementation and operation of this Agreement or COUNTY's policies and procedures regarding services described herein, the following sequential steps shall apply:

A. CONTRACTOR shall routinely utilize all informal communication processes and methods with ADMINISTRATOR program and administrative staff including, but not limited to, telephone contact, electronic mail (e-mail), FAX, written correspondence and meetings, to resolve any issues or problems regarding the implementation and operation of this Agreement or COUNTY's policies and procedures regarding services described herein.

B. If the parties are unable to resolve the issue, CONTRACTOR shall give written notice to ADMINISTRATOR setting forth in specific terms the existence and nature of any unresolved matter or concern related to the purposes and obligations of this Agreement. ADMINISTRATOR shall have fifteen (15) calendar days following such notice to obtain resolution of any issue(s) identified in this manner, provided, however, by mutual consent this period of time may be extended to thirty (30) calendar days.

C. If the parties are unable to obtain resolution of the issue, they shall submit a joint written Statement describing the facts of the issue, within thirty (30) calendar days after the written notice described above to ADMINISTRATOR's Director of Behavioral Health Care for final resolution.

D. The rights and remedies provided by this paragraph are in addition to those



provided by law to either party.

E. CONTRACTOR AND ADMINISTRATOR may mutually agree, in writing, to modify the Issue Resolution Paragraph of this Exhibit A to the Agreement.

### III. PATIENT'S RIGHTS

A. CONTRACTOR shall post the current California Department of Health Care Services Patients' Rights poster as well as the Orange County HCA Mental Health Plan Complaint and Grievance poster in all County threshold languages in locations readily available to Clients and staff and have complaint forms and complaint envelopes readily accessible to Clients.

B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have complaint resolution and grievance processes approved by ADMINISTRATOR, to which the beneficiary shall have access.

1. CONTRACTOR's complaint resolution processes shall emphasize informal, easily understood steps designed to resolve disputes as quickly and simply as possible.

2. CONTRACTOR's complaint resolution and grievance processes shall incorporate COUNTY's grievance, patients' rights, and utilization management guidelines and procedures.

C. Complaint Resolution and Grievance Process – ADMINISTRATOR shall implement complaint and grievance procedures that shall include the following components:

1. Complaint Resolution. This process will specifically address and attempt to resolve Client complaints and concerns at CONTRACTOR's facility. Examples of such complaints may include dissatisfaction with services or with the quality of care, or dissatisfaction with the condition of the physical plant.

2. Formal Grievance. When the Client's complaint is not resolved at CONTRACTOR's facility and the Client or Client representative requests it, the complaint becomes a formal grievance. The request is made to County Adult and Older Adult Behavioral Health Inpatient Services and represents the first step in the formal grievance process.

3. Title IX Rights Advocacy. This process may be initiated by a Client who registers a statutory rights violation or a denial or abuse complaint with the County Patients' Rights Office. The Patients' Rights office shall investigate the complaint, and Title IX grievance procedures shall apply, which involve ADMINISTRATOR'S Director of Behavioral Health Care and the State Patients' Rights Office.

D. The Parties agree that Clients have recourse to initiate a complaint to CONTRACTOR, appeal to the County Patients' Rights Office, file a formal grievance, and file a Title IX complaint. The Patients' Advocate shall advise and assist the Client, investigate the cause of the complaint or grievance, and attempt to resolve the matter

E. No provision of this Agreement shall be construed as to replacing or conflicting with the duties of County Patients' Rights Office pursuant to Welfare and Institutions Code Section 5500.

F. CONTRACTOR AND ADMINISTRATOR may mutually agree, in writing, to modify the Patient's Rights Paragraph of this Exhibit A to the Agreement.

#### IV. PAYMENTS

A. AMHI Services - COUNTY shall pay CONTRACTOR, at the following rates; provided, however, the total of all payments to CONTRACTOR and all other contract providers of AMHI Services shall not exceed COUNTY's Aggregate Amount Not To Exceed for Period One, Period Two, Period Three, Period Four and Period Five as specified in the Referenced Contract Provisions of the Agreement.

1. CONTRACTOR shall bill ADMINISTRATOR at the rate of \$950 per bed day.

2. Rates are inclusive of all psychiatric inpatient hospital services and shall constitute payment in full for these services.

B. Physician/Psychologist Services – COUNTY shall include reimbursement for physician and psychologist services in COUNTY's reimbursement to hospital providers in the daily rate payment to Hospitals. Hospital providers shall bill on behalf of the physician and/or psychologist providing services to COUNTY clients and Hospital providers shall be responsible for ensuring that this reimbursement is provided to the physician and/or psychologist.

C. COUNTY will pay for ambulance or medical van transportation to and from designated mental health or health facilities for COUNTY clients receiving services in accordance with COUNTY's Medical Transportation contract.

#### D. CONCURRENT REVIEW

1. CONTRACTOR shall comply with Concurrent Review Policies and Procedures per DHCS Information Notice 19-026, and any future letters from DHCS outlining updates to this process, including:

a. CONTRACTOR shall notify ADMINISTRATOR's Third-Party contractor for Concurrent Review and Authorization of services within twenty-four (24) hours of Client admission.

b. CONTRACTOR shall participate in ongoing concurrent reviews and discharge review with ADMINISTRATOR's third-party contractor for all ongoing authorization of treatment based upon medical necessity criteria, for the entire duration of the client's admission.

E. CONTRACTOR's invoice shall be on a form approved or supplied by COUNTY and provide such information as is required by ADMINISTRATOR. Invoices are due the tenth (10th) day of the following month. Invoices received after the due date may not be paid within the same month. Payments to CONTRACTOR should be released by COUNTY no later than

thirty (30) calendar days after receipt of a correctly completed invoice.

1. Upon receipt of a correctly completed billing form and all required supporting documentation, ADMINISTRATOR shall:

a. Approve the claim if medical necessity criteria are present for the requested reimbursement period.

b. Deny the claim if medical necessity criteria are not present for the requested reimbursement period.

2. CONTRACTOR may appeal ADMINISTRATOR's decision by sending a cover letter with an explanation of CONTRACTOR's disagreement to ADMINISTRATOR within ninety (90) calendar days of receiving the claim.

3. ADMINISTRATOR shall submit to CONTRACTOR a written summary of the review and rationale for each decision within sixty (60) calendar days of receiving the letter of appeal. The decision of ADMINISTRATOR shall be final.

4. In the event that the appeal is overturned, ADMINISTRATOR shall coordinate with CONTRACTOR regarding the submission of an adjusted invoice.

F. CONTRACTOR shall make a good faith effort to bill and collect to the full extent of coverage those claims covered by all known third-party, primary, or other insurance or third party-payors (including client fees) for hospital services provided.

G. CONTRACTOR shall submit a copy of the Medi-Cal Eligibility Response Report along with AMHI Treatment Authorization Request (TAR) submission.

H. CONTRACTOR shall provide MediCal confirmation notice that an application for MediCal benefits was submitted for all admissions of 7 days or longer.

I. CONTRACTOR shall document and include with AMHI TAR submission, efforts made by CONTRACTOR to follow-up and obtain MediCal benefits application status prior to discharge. If CONTRACTOR, during the term of the Agreement, identifies and receives reimbursement from a third party, primary or other insurance claim for services reimbursed through this or any prior Contract, CONTRACTOR shall, within thirty (30) calendar days of receipt, reimburse COUNTY an amount equal to the payment for the services paid by COUNTY to CONTRACTOR or the third party, primary or other insurance claim payment, whichever is less.

J. If any reimbursement due COUNTY is not paid by CONTRACTOR in accordance with Subparagraph F. above, ADMINISTRATOR shall reduce CONTRACTOR's payment by an amount not to exceed the amount to be reimbursed.

K. Following notification from ADMINISTRATOR that any client served under this Agreement has become eligible for Medi-Cal, CONTRACTOR agrees to submit retroactive Medi-Cal TARs to ADMINISTRATOR for review. Further, CONTRACTOR agrees to submit hospital claims to the State of California medical billing services, and upon receipt of payment, shall remit payment to COUNTY within sixty (60) calendar days for the total amount previously paid for bed day stay less payment made for professional services during the Medi-Cal eligibility

period.

L. When Health Care Services are provided to any COUNTY client who does not have medical insurance coverage, hospital providers may submit a claim to COUNTY's Medical Safety Net (MSN) program. MSN provides for services that are medically necessary to protect life, prevent significant disability, or prevent the serious deterioration of health. The Medical Safety Net Program does not provide comprehensive health coverage, primary, or preventive care. Claims may be submitted under the following scenarios:

1. The AMHI client must be currently eligible for MSN and the service may have to be prior approved by the MSN Authorizations Department.

2. If clinically appropriate, the AMHI client must be transferred to an acute medical bed should the client need treatment related to a medical service that is covered under the scope of the MSN program.

3. If the AMHI client needs ancillary services related to a medical condition while housed in the psychiatric unit, MSN may cover the service.

M. For all services outlined above wherein CONTRACTOR has exhausted available funding sources and remains in whole or in part unfunded, CONTRACTOR may not invoice ADMINISTRATOR for said services.

N. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply with any provision of the Agreement.

O. CONTRACTOR shall not claim reimbursement for services provided beyond the expiration and/or termination of the Contract, except as may otherwise be provided under the Contract.

P. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Payments Paragraph of this Exhibit A to the Agreement.

## V. REPORTS

A. CONTRACTOR shall maintain records and make statistical reports as required by ADMINISTRATOR on forms provided by agency.

B. CONTRACTOR is required to comply with all applicable reporting requirements, including the requirements set forth in Division 5 of the California Welfare Institutions Code and Division 1, Title 9 of the California Code of Regulations, as well as any reports required of LPS designated facilities in the County of Orange.

C. CONTRACTOR shall provide ADMINISTRATOR a monthly report with the following outcome objectives tracked for COUNTY clients, outlined in the Program Outcomes Section of this Exhibit A.

D. ADMINISTRATOR may request additional reports of CONTRACTOR in order to determine the quality and nature of services provided hereunder. ADMINISTRATOR will be specific as to the nature of information requested and may allow up to thirty (30) calendar days

for CONTRACTOR to respond.

**E. UNUSUAL or ADVERSE INCIDENT REPORTING**

1. CONTRACTOR shall advise ADMINISTRATOR of any special incidents, conditions, or issue that materially or adversely affect the quality or accessibility of services provided by, or under contract with, COUNTY.

2. CONTRACTOR shall document all adverse incidents affecting the physical and/or emotional welfare of the individuals seen, including, but not limited to, serious physical harm to self or others, serious destruction of property, developments, etc., and which may raise liability issues with COUNTY.

3. CONTRACTOR shall notify COUNTY within twenty-four (24) hours of any such serious adverse incident.

F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Reports Paragraph of this Exhibit A to the Agreement.

**VI. SERVICES**

A. FACILITY – CONTRACTOR shall provide within a LPS designated, licensed, locked acute unit, AMHI Services at the following location:

CHCM, Inc. dba Costa Mesa Center Hospital

301 Victoria Street

Costa Mesa, CA 92627

B. CLIENTS SERVED - CONTRACTOR shall provide acute psychiatric inpatient services to Orange County residents who are experiencing a psychiatric crisis requiring immediate stabilization that cannot be safely treated at a lower level of care. These individuals may also be experiencing co-occurring medical and or substance use issues impacting their psychiatric stability. Adult Mental Health Inpatient Services (AMHI) are provided 24 hours a day, 7 days a week.

1. CONTRACTOR will prioritize admission of clients referred by ADMINISTRATOR who meet ADMINISTRATOR's criteria for medical necessity for acute inpatient hospital services and who also meet the admission criteria approved by Department of Health Care Services (DHCS) and the guidelines under Title 9, Chapter 11, Section 1820.205.

2. CONTRACTOR shall not refuse admissions of clients if they meet all the admission criteria identified above.

3. Clients may be deemed dangerous to themselves and/or others, gravely disabled and require this highly restrictive level of care to ensure the safety of themselves

and/or others.

4. Referrals from County and County-Contracted Crisis Stabilization Units will be prioritized for admission.

C. SERVICES TO BE PROVIDED:

1. CONTRACTOR will provide psychiatric inpatient hospital services in accordance with Welfare and Institutions Code (WIC), Sections 5774, et seq. and 14680, et seq.

2. CONTRACTOR services will be recovery oriented and trauma informed. Clients will be treated with the highest level of dignity and respect at all times and inpatient staff will engage clients with non-coercion, focusing on assisting clients in reaching psychiatric stabilization sufficient to be discharged or transferred to a lower level of care.

3. CONTRACTOR shall provide acute psychiatric inpatient hospital services, which include but are not limited to physician services, psychologist services, and transportation services, in accordance with WIC, Sections 5774, et seq. and 14680, et seq.

4. CONTRACTOR shall provide services that include but are not limited to psychiatric, ancillary, testimony, medical, specialized services, and additional services required of general acute care hospitals.

5. CONTRACTOR's services shall be designed to engage seriously mentally ill adults and/or seriously emotionally disturbed youth, including those who are dually diagnosed, in a partnership to achieve the individual's wellness and recovery goals. CONTRACTOR shall provide services in collaboration with COUNTY's Director of Behavioral Health, or designee.

D. PSYCHIATRIC SERVICES - CONTRACTOR shall provide psychiatric treatment and support services in accordance with all applicable laws and regulations to all COUNTY clients, including but not limited to:

1. Psychiatric evaluation, within twenty-four (24) hours of admission, by a licensed psychiatrist which shall include a psychiatric history, diagnosis, and evaluation in accordance with the current version of the DSM/ICD.

2. On-Call psychiatric coverage twenty-four (24) hours per day, seven (7) days per week.

3. Assessment and re-assessment for voluntary and involuntary treatment.

4. Ongoing psychiatric re-evaluation and daily rounds by psychiatrists; Daily face to face and documented progress notes by psychiatrists on all COUNTY clients.

5. Psycho-social assessment completed within forty-eight (48) hours of admission.

6. Psychometrics upon admission to gather clinical baseline and inform treatment decision-making and evidence-based practices.

7. Medical history and physical examination of each COUNTY client within

twenty-four (24) hours of admission.

8. Laboratory and diagnostic services as indicated throughout admission; this includes urine drug screens as applicable within the first twenty-four (24) hours of admission to assess underlying causes of the current crisis.

9. Initial Individualized Treatment Plan (ITP) for each COUNTY client developed with the interdisciplinary team and client, and completed with signatures of the treatment team and the client (or explanation of the inability to obtain client signature) within seventy-two (72) hours of admission.

10. Medication Services, including ongoing psychiatric medication evaluation and monitoring.

11. Nursing, Psychological, Therapeutic, and Social Services compatible with ITPs.

12. Treatment for co-occurring substance use disorders based on either harm-reduction or abstinence-based models to wellness and recovery.

13. Individual, group and collateral therapies which includes provision or supervision of family therapy sessions as indicated for youth; including but not limited to:

a. Appropriate one-on-one COUNTY client-to-staff counseling as appropriate to the diagnosis and ITP, or at least once per week, whichever is more frequent.

b. Documentation of COUNTY client's attendance/participation in collateral therapy including schedule of therapies, attendance log, and medical record progress notes.

14. Activities therapy.

15. Crisis Intervention.

16. Education, including psychoeducational support, to COUNTY client and family/support network.

17. Transportation Services.

18. Services will involve families, significant others, or natural support systems throughout the duration of the treatment episode.

19. Testimony Services.

20. Collaboration with Peer Mentors, as available, to provide direct support, education, and advocacy, as well as resource and linkage assistance to clients.

21. Weekly Interdisciplinary Treatment Team meetings for each COUNTY client.

E. DISCHARGE PLANNING - CONTRACTOR shall provide discharge planning that includes but is not limited to continuing care planning and referral services. COUNTY shall provide such assistance, as COUNTY deems necessary, to assist providers' Social Services

staff to initiate, develop and finalize discharge planning and necessary follow-up services. Discharge planning and coordination of care services include, but are not limited to:

1. Coordination with current outpatient providers for continuity of treatment during clients' admissions;

2. Referral and linkage to aftercare providers for continued treatment to address the individual's whole health, including primary care linkage, peer support, substance use treatment and HCA outpatient mental health and recovery services providers;

F. For COUNTY clients who are being referred at discharge to a licensed SNF or Board and Care, CONTRACTOR shall document in the medical record at least four (4) SNF or Board and Care contacts daily, Monday through Friday, until the client is either discharged or no longer requires SNF level of care.

G. For COUNTY clients waiting for long term care placement, CONTRACTOR shall document in the medical record contact with COUNTY's Long Term Care Unit at least once every seven (7) days until the client is either discharged or no longer requires long-term care. If CONTRACTOR fails to document contact with ADMINISTRATOR within a seven (7) day period, CONTRACTOR will be ineligible for Administrative Day reimbursement until the next contact with ADMINISTRATOR.

H. CONTRACTOR may continue to request extensions for treatment and authorization of services through the Concurrent Review process and will comply with providing updates and clinical justification for ongoing treatment as requested by ADMINISTRATOR or Third Party contractor acting on behalf of the Mental Health Plan.

I. If ADMINISTRATOR does not approve CONTRACTOR's request for continued authorization of treatment, CONTRACTOR shall be responsible for effecting the appropriate transfer and/or discharge of COUNTY client. In any case, if CONTRACTOR elects to provide inpatient treatment without the express authorization of ADMINISTRATOR, CONTRACTOR shall assume responsibility for the cost of such treatment.

J. Primary criteria for continued treatment within the acute inpatient setting shall include, but not be limited to, the medical necessity of hospitalization within a secure acute medical setting as reflected within the medical record. COUNTY's Director of Behavioral Health Services or designee may determine a COUNTY client no longer meets this primary criteria and request that CONTRACTOR discharge COUNTY client to a facility appropriate for COUNTY client's treatment requirements.

K. CONTRACTOR shall arrange a specific date and time for an aftercare appointment for any client referred at discharge to a COUNTY or County-contracted outpatient mental health or substance use clinic within twenty-four (24) hours of discharge. Referrals, Linkages and coordination of care efforts must be documented in the Client's medical record. CONTRACTOR shall fax, or send by secured electronic means, to COUNTY outpatient clinic at the time of discharge, the hospital's aftercare plan, the initial psychiatric evaluation, history and physical examination report, recent lab studies, medication list, and any medical consults.

L. COUNTY clients shall be discharged with seven (7) days of medications. This



includes psychiatric medications and other medications needed to treat concurrent medical conditions.

M. ANCILLARY SERVICES - CONTRACTOR shall provide all ancillary services necessary for the evaluation and treatment of psychiatric conditions. Services shall be recovery-based, non-coercive, and must focus on assisting clients to become more independent and self-sufficient. Services shall include but not be limited to the following:

1. Group Therapy
2. Activities therapy and other adjunctive therapy
3. Initial laboratory services consistent with CONTRACTOR's usual and customary hospital admitting protocol, including Urine Drug Screen.
4. Additional laboratory and diagnostic services when necessary for the initiation and monitoring of psychiatric medication treatments.
5. Pharmaceutical services.
6. A conflict resolution process may be initiated by either party to the Agreement in the event of a disagreement between CONTRACTOR and ADMINISTRATOR regarding the appropriateness of proposed laboratory and/or diagnostic services. ADMINISTRATOR's designated psychiatrist will review said proposed services and render a decision that will be binding on both parties.

N. CONTRACTOR shall provide, or cause to be provided, expert witness testimony by appropriate mental health professionals in all legal proceedings required for the institutionalization, admission, or treatment of COUNTY clients. These services shall include, but not be limited to, Writs of Habeas Corpus, Reize Capacity Hearings, conservatorship, Probable Cause Hearings, Court-ordered evaluation, and appeal and post-certification proceedings.

1. COUNTY will represent CONTRACTOR, at COUNTY's sole cost and expense, in all legal proceedings required for conservatorship. CONTRACTOR shall cooperate with COUNTY in all such proceedings.
2. COUNTY will provide Hearing Officers for Probable Cause Hearings for COUNTY clients only.

O. MEDICAL SERVICES

1. CONTRACTOR shall provide or cause to be provided all health care services deemed appropriate according to usual and customary hospital practices without regard for payer status. This includes physician or other professional services required by COUNTY clients and escort of such COUNTY clients to and from medical treatment. A conflict resolution process may be initiated by either party to the Agreement in the event of a disagreement regarding the appropriateness of rendering urgent health care services. ADMINISTRATOR's designated psychiatrist will review proposed medical services and render a decision that will be binding on both parties.

2. COMPUTERIZED TOMOGRAPHY (CT) – CONTRACTOR may, as part of the diagnosis and evaluation of a COUNTY client’s psychiatric condition, authorize necessary CT scanning. CONTRACTOR shall receive approval of ADMINISTRATOR before such testing and document this approval in the client’s medical record.

P. ADDITIONAL SERVICES - CONTRACTOR shall provide those services required of general acute care hospitals which shall at a minimum include, but not be limited to, the following:

1. Direct Services – including a therapeutic milieu, room and dietetic services, nursing services, including drug administration and client care, and a client activity program including OT/RT services.

2. CONTRACTOR shall use individual therapy, brief intensive services, motivational interviewing, and short-term group therapy modalities including psycho-educational, cognitive behavioral and self-soothing therapy techniques.

3. CONTRACTOR shall promote recovery via individual and/or group sessions. Topics may include, but not be limited to: building a wellness toolbox or resource list, symptom monitoring, triggers and early warning signs of symptoms, identifying a crisis plan, WRAP, etc.

4. CONTRACTOR shall provide all necessary substance use disorder treatment services for individuals who are living with a co-occurring substance use disorder problem in addition to their behavioral health issues as appropriate.

5. CONTRACTOR shall develop strategies to advance trauma-informed care and to accommodate the vulnerabilities of trauma survivors.

6. Services are to be provided in an environment which is compatible with and supportive of a recovery model. Services shall be delivered in the spirit of recovery and resiliency, tailored to the unique strengths of each individual. The focus will be on personal responsibility for mental disorder management and independence, which fosters empowerment, hope, and an expectation of recovery from mental health issues. Recovery oriented language and principles shall be evident and incorporated in CONTRACTOR’s policies, program design and space, and practice.

7. CONTRACTOR shall sustain a culture that supports and employs Peer Recovery Specialist/Counselors in providing supportive socialization for individuals that will assist in their recovery, self-sufficiency and in seeking meaningful life activities and relationships. Peers shall be encouraged to share their stories of recovery as much as possible to infiltrate the milieu with the notion that recovery is possible.

8. Support Services – including housekeeping, laundry, maintenance, medical records, and drug order processing services.

9. In-Service Training – Provide formalized in-service training to staff that focuses on subjects that increase their expertise in mental health services and ability to manage and serve clients.

10. Program Description – CONTRACTOR shall maintain an ADMINISTRATOR approved written description of the inpatient psychiatric program, which shall include goals, objectives, philosophy, and activities which reflect the active involvement of nursing personnel in all aspects of the inpatient therapeutic milieu.

Q. CONTRACTOR shall make its best efforts to provide services pursuant to the Agreement in a manner that is culturally and linguistically appropriate for the population(s) served. CONTRACTOR shall be in compliance with the current Joint Commission requirements related to the provision of culturally and linguistically appropriate health care. If CONTRACTOR is not accredited by the Joint Commission, CONTRACTOR shall maintain documentation of such efforts which may include, but not be limited to: records of participation in COUNTY sponsored or other applicable training, recruitment and hiring policies and procedures, copies of literature in multiple languages and formats, as appropriate, and descriptions of measures taken to enhance accessibility for, and sensitivity to, persons who are physically challenged.

R. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources, with respect to any person who has been referred to CONTRACTOR by COUNTY under the terms of this Agreement. Further, CONTRACTOR agrees that the funds provided hereunder shall not be used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian institution, or religious belief.

S. QUALITY IMPROVEMENT

1. CONTRACTOR shall develop and maintain a plan for Quality Improvement, the overall goal of which is the maintenance of high-quality client care and effective utilization of services offered. This plan shall include utilization review, peer review, and medication monitoring as mandated by the DCHS. CONTRACTOR shall adhere to the standards set forth in Title 9 of the CCR.

2. CONTRACTOR shall allow ADMINISTRATOR to take part in Utilization Review and Quality Assurance activities if such attendance will not waive any privilege granted by law.

3. ADMINISTRATOR may conduct periodic treatment reviews at any time during the course of a COUNTY client's hospitalization.

4. CONTRACTOR shall cooperate with ADMINISTRATOR in meeting quality improvement and utilization review requirements. Quality improvement and utilization reviews shall include, but not be limited to, performance outcome studies and Client satisfaction surveys. CONTRACTOR shall cooperate with concurrent review and managed care procedures related to treatment authorization, including the provision of working space for ADMINISTRATOR to conduct visits with COUNTY Clients, interview staff, and perform chart reviews.

T. MEETINGS – CONTRACTOR shall attend meetings as requested by COUNTY, including but not limited to:

1. Case conferences, as requested by ADMINISTRATOR, to address any aspect of clinical care and implement any recommendations made by COUNTY to improve

client care.

2. Monthly COUNTY management meetings with ADMINISTRATOR to discuss contractual and other issues related to, but not limited to whether it is or is not progressing satisfactorily in achieving all the terms of the Agreement and, if not, what steps will be taken to achieve satisfactory progress, compliance with P&Ps, review of statistics and clinical services.

U. PERFORMANCE OBJECTIVES:

1. CONTRACTOR shall perform outcome studies, on-site reviews, and written reports to be made available to ADMINISTRATOR upon request.

2. Ninety-five (95) percent of all COUNTY Clients discharged to the community will be scheduled a follow-up outpatient services appointment to occur within twenty-four (24) hours of discharge.

3. CONTRACTOR shall track and report to ADMINISTRATOR for COUNTY clients:

a. A minimum of 95 percent of clients discharged to the community scheduled a follow-up outpatient services appointment within twenty-four (24) hours of discharge.

b. No more than 1.6 % of clients require seclusion and restraint incidents;

c. Track number of admissions per month for adult and older adult

populations;

d. Track admission referral sources, i.e. number of clients admitted from each of the Crisis Stabilization Units (CSUs), Emergency Departments, Orange County Jail, or Long-Term Care Facilities, etc.

e. Track length of stay (LOS) per month

V. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Services Paragraph of this Exhibit A to the Agreement.

## VII. STAFFING

A. CONTRACTOR shall provide clinical staffing as required by CCR, Title 9, Section 663. This includes:

1. Administrative Director who qualifies under Title 9, CCR, Section 620(d), 623, 624, 625, or 627;

2. Clinical Program Director who qualifies under Title 9, CCR, Section 623, 624, 625, 626, or 627;

3. Psychiatric Medical Director who qualifies under Title 9, CCR, Section 623 who shall assume medical responsibility as defined in Title 9, CCR, Section 522

B. CONTRACTOR shall provide professional, allied, and supportive paramedical personnel to provide all necessary and appropriate Psychiatric Inpatient Hospital services.

C. CONTRACTOR shall provide administrative and clerical staff to support the above mentioned staffing and the services provided pursuant to the Agreement, including Treatment Authorization Request (TAR) processing, and Concurrent Review processes ensuring notification of client admission within 24 hours of admission to the County Administrative Services Organization (ASO), as well as ongoing review and authorization of inpatient psychiatric services;

D. NPI – All HIPAA covered healthcare providers, individuals and organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions. The NPI is assigned to individuals for life.

E. NPP – CONTRACTOR shall provide, upon request, the NPP for COUNTY, as MHP, to any individual who received services under the Agreement.

F. CONTRACTOR shall provide staff which reflect the cultural and linguistic makeup of the population served.

G. CONTRACTOR shall maintain personnel files for each staff person, including management and other administrative positions, both direct and indirect to the Agreement, which shall include, but not be limited to, an application for employment, qualifications for the position, applicable licenses, Live Scan results, waivers, registrations, documentation of bicultural/bilingual capabilities (if applicable), pay rate and evaluations justifying pay increases.

H. CONTRACTOR shall provide ongoing supervision throughout all shifts to all staff, paid or unpaid, direct line staff or supervisors/directors, to enhance service quality and program effectiveness. Supervision methods should include debriefings and consultation as needed, individual supervision or one-on-one support, and team meetings. Supervision should be provided by a supervisor who has extensive knowledge regarding mental health issues.

I. CONTRACTOR shall ensure that a bilingual professional or qualified interpreter is fluent in English and in the primary language spoken by the client. The bilingual professional or qualified interpreter must have the ability to accurately speak, read and interpret the client's primary language. CONTRACTOR shall ensure that, when needed, a qualified interpreter is available who can accurately provide sign language services. The bilingual professional or qualified interpreter must have the ability to translate mental health terminology necessary to convey information such as symptoms or instructions to the client. CONTRACTOR shall ensure that the bilingual person and/or the qualified interpreter, completes appropriate courses that cover terms and concepts associated with mental health issues, psychotropic medications, and cultural beliefs and practices which may influence the client's mental health condition, if they have not been not been trained in the provision of mental health services.

J. CONTRACTOR shall ensure that all staff is trained and is knowledgeable in treatment issues reflecting the diversity of the Medi-Cal population. CONTRACTOR shall develop and maintain in-service staff training programs which will train staff to respect and respond with sensitivity to the language and cultural experiences of the clients. CONTRACTOR staff shall participate in cultural competency and/or awareness training on an annual basis. Training shall be designed to help staff understand cultural diversity and may include but not be limited to such topics such as: mental health care that is unique to the client including awareness; sensitivity to the client's cultural and spiritual beliefs, and the role of the family in diverse cultures and ethnic groups. Additionally, training components shall include:

1. Background information for identifying and treating mental health disorders and related health conditions not commonly found in the dominant client population;
2. Utilization of non-psychiatrically trained interpreters in taking client histories and assisting with communication relating to mental health treatment; and
3. Strategies for utilizing the belief patterns and family support systems of clients to promote adherence to the course of treatment and assuming responsibility for preventive mental health behaviors.

K. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Staffing Paragraph of this Exhibit A to the Agreement.

This Amendment No. 2 modifies the Contract, including all previous amendments, only as expressly set forth herein. Wherever there is a conflict in the terms or conditions between this Amendment No. 2 and the Contract, including all previous amendments, the terms and conditions of this Amendment No. 2 shall prevail. In all other respects, the terms and conditions of the Contract, including all previous amendments, not specifically changed by this Amendment No. 2 remain in full force and effect.

**SIGNATURE PAGE FOLLOWS**

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 2. If Contractor is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be either the Chairman of the Board, the President, or any Vice President; 2) the second signature must be either the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution or by-laws demonstrating the legal authority of the signature to bind the company.

**Contractor: CHCM, INC., DBA COSTA MESA MEDICAL CENTER HOSPITAL**

Susan Taylor

Chief Executive officer

Print Name  
DocuSigned by:

Title

*Susan Taylor*  
Signature

4/7/2022

Date

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**County of Orange**, a political subdivision of the State of California

Purchasing Agent/Designee Authorized Signature:

Print Name

Title

Signature

Date