

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT
COVER SHEET

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

Name of Program: State Hospitals Program

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, this Participation Agreement, 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.

- 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 7/1/2020 through 6/30/2021.

4. Authorized Signatures:

CalMHSA

Signed: _____

Name (Printed): John E. Chaquica, CPA, MBA, ARM

Title: Interim Executive Director

Date: _____

Participant: HUMBOLDT COUNTY

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, and to explore and potentially implement related, alternative, or replacement services

Based on the foregoing, the parties do hereby enter into this Participation Agreement for the CalMHSA State Hospitals Program to authorize CalMHSA to contract for State Hospital beds on behalf of Program Participants and to evaluate and implement 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.

II. Name of Program

The CalMHSA State Hospitals Program (SHP).

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, and facilitate implementation of such alternatives if so directed by Participants.
- 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.).
- F. OTHER: As defined by participants

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, establish quality assurance standards and procedures, review shared financial analysis, and explore and facilitate opportunities and alternatives.

A. 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.

B. 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.
7. Develop a process for county notification and reconciliation of federal reimbursement for services (Medicare).
8. Begin establishment of a database in order to efficiently evaluate DSH and state hospital services and contract compliance, as well as to evaluate alternatives.
9. Use database to enhance bed rate efficiency by bed type.

C. 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.

D. 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.
4. Evaluate alternative sites
5. Facilitate alternatives as directed by Participants

E. 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.

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 SHP, while participants in the SHP govern its operation through adoption and execution of this Participation Agreement and by voting on Program items.
- B. Participants may determine the need for an oversight committee for this program.

III. GENERAL RESPONSIBILITIES OF PARTIES

- A. Responsibilities of CalMHSA
 - 1. Comply with applicable laws, regulations, guidelines, CalMHSA's Joint Powers Agreement, Bylaws, this Participation Agreement, and the Program Bylaws.
 - 2. Use best efforts to obtain an appropriate placement for Participants' patients in a state hospital.
 - 3. Facilitate coordination of treatment and case management by DSH and Participant as to each of Participant's patients.
 - 4. Provide dedicated administrative staff as necessary to perform under this Agreement.
 - 5. Manage funds received through the Program, consistent with the requirements of any applicable laws, regulations, guidelines and/or contractual obligations.
 - 6. Provide regular fiscal and operational reports to Participants and any other public agencies with a right to such reports.
 - 7. Develop allocation model for allocation of beds, funds and expenses among Participants.
 - 8. Facilitate operation of Participant focus groups, training, bed triage process, and dispute resolution process.

B. Responsibilities of Participant

1. Compliance with applicable laws, regulations, guidelines, contractual agreements, joint powers agreements and bylaws.
2. 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.
3. Provide input and feedback as necessary to accomplish the purposes of the Program.
4. Timely and complete submission of information in response to requests.
5. 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.
6. Agree to pay for services provided by or through CalMHSA, including administrative and management costs, upon adoption and approval by the Participants of a Program budget.

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

IV. BED USAGE

A. Contracting and Beds

Based on the contractual commitments made by Participants, through this agreement CalMHSA will contract (MOU) with DSH to provide, within the state hospitals, specific numbers of beds dedicated to the care of those patients referred by CalMHSA Participants, including those admitted pursuant to Section 1370.01 of the Penal Code and Murphy Conservatorships (WIC § 5008(h)(1)(B)) (i.e., Participants' patients).

B. Participant's Financial Commitment

So that no Participant shall be obligated beyond its commitment, no one Participant's minimum obligation shall be reduced below the contract amount set forth in Exhibit B of the DSH MOU.

A Participant that has not committed to any state hospital bed/years shall be financially responsible for its use of state hospital resources resulting from, but not limited to, the conversion of Penal Code commitments to Murphy Conservatorships (WIC § 5008(h)(1)(8)).

PARTICIPATION AGREEMENT
Exhibit C - General Terms and Conditions

I. Duration and Term

- A. The term of the Program is as shown on the Cover Sheet, with annual renewals thereafter, with no change to the annual funding amounts, unless mutually agreed upon by both parties via an Amendment to this Participation Agreement.
- B. Any Participant may withdraw from the Program upon six months 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.

II. Withdrawal, 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.

III. Fiscal Provisions

- A. Funding required from the Participants will not exceed the amount stated in Exhibit D.
- B. Participants will share in the costs of planning, administration and evaluation in the same proportions as their overall contributions, which are included in the amount stated in Exhibit D.
- C. Participants who during any one year do not procure beds shall pay a minimum charge to defray indirect costs to sustain the Program.

PARTICIPATION AGREEMENT

EXHIBIT D - BUDGET DETAIL AND PAYMENT PROVISIONS

STATE HOSPITAL BED PURCHASE AND USAGE

I. CONTRACT AMOUNT AND PAYMENT PROVISIONS

The amount payable by Participant to CalMHSA concerning this Agreement shall be \$1,402 per bed, per fiscal year, unless the county does not procure any beds, commencing FY 2019-20. If Participant does not currently procure state hospital beds, there is no amount due, until such time a bed is procured. The annual rate will commence in the fiscal year that a bed is procured. 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 B 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 B of the DSH MOU, based the SHSP administrative budget adopted for the fiscal year by the Participants.

Participants who currently do not regularly (each year) versus sporadically procure beds shall be responsible for a minimum charge for indirect costs to sustain the Program. Amount to be determined upon completion of an assessment of participant's state hospital bed procurement history.

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.