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

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 1-3, attached hereto.

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

Sections 4330 of the WIC requires counties to reimburse DSH (formerly, known as the Department of Mental Health) for its use of state hospital ("Hospital") beds and services provided pursuant to the Lanterman-Petris-Short Act ("LPS", WIC Section 5000 et seq.) pursuant to annual contracts between DSH and each county acting singly or in combination with other counties, pursuant to WIC Section 4331.

CalMHSA is a joint powers authority pursuant to Government Code Section 6500, et. seq. (Joint Exercise of Powers Act) of counties and cities with mental health programs, and 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.

The parties are independent agencies. 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.

On June 13, 2012, the Department of Mental Health, now the DSH, sent a letter to Local Mental Health Directors entitled "State Hospital Rates and Bed Purchase Instructions for Fiscal year 2012-13," which pertains to the County's Hospital rates for bed use. DSH has agreed to maintain the same rates for Fiscal Year 2013-14 as Fiscal Year 2012-2013, which are set forth in Exhibit 3.

II. TERMS AND CONDITIONS

A. The term of this MOU is July 1, 2013 through June 30, 2014

B. County Referred Patients ("Patients")

1. County shall screen, determine the appropriateness of, and authorize all referrals for admission of Patients to the Hospital. 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, 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.

   If Medical Director or designee's assessment determines patient shall not be admitted to the preferred hospital, the preferred hospital will notify the County and DSH – Sacramento for review and consideration of placement within an alternative appropriate DSH facility.

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

C. Description of Covered Hospital Services

1. Each county shall provide DSH the total number of the county's bed purchase commitment for each bed type defined by DSH. 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:

   <u>Acute Psychiatric Hospital (APH)</u>
   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.

<u>Intermediate Care Facility (ICF)</u>
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 who do not require continuous nursing care.

<u>Skilled Nursing Facility (SNF)</u>
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.

2. As the Hospitals' bed capacity permits, 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 a Murphy Conservatorship (Welfare and Institution Code Section 5008(h)(1)(B). Summary of Services Provided to LPS Patients and Definition of such care is detailed in Exhibit 2.

3. DSH and 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 Patients.

4. County is responsible for transportation to and from Hospitals in the following circumstances: court appearances, County-based medical appointments or services, and pre-placement visits and final placements. County is also responsible for transportation between Hospitals when County initiates the transfer. 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 "State Hospital Cost Computation, July 1, 2013 through June 30, 2014," include reimbursement for transportation.

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

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

D. Admission & Discharge Procedures

1. Hospital admissions, intra-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 DSH. A complete admission package must be submitted with the referral, including all assessments

available.

2. For Penal Code conversions of a patient already in a bed at a State Hospital, these beds shall be separate and apart from the dedicated capacity guaranteed, and shall be billed as excess use as described in II J of this MOU.

3. All denials of admission shall be in writing with an explanation for the denial. Denials shall not occur if the patient meets the admission criteria and the County has dedicated capacity available, or has obtained authorization from another County to use its available dedicated capacity. Denial of admission shall be based on bed capacity and 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. Such appeals may be made immediately by telephone. 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 within two (2) working days. If the Hospital Executive Director and the County Mental Health Director are unable to achieve agreement, the case may be referred to the DSH Chief Deputy Director within two (2) working days. The Chief Deputy Director shall discuss the case with the DSH Medical Director and may obtain additional consultation from the County Mental Health Director. The Chief Deputy Director 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.

5. Discharge planning shall begin at admission. A 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, or designee, determines that discharge cannot occur in accordance with the approved plan or upon the request of 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, by the County Mental Health Director within one (1) working day of the hospital's denial. If this process does not result in agreement, the case may be referred to the DSH Chief Deputy Director within one (1) working day. The Chief Deputy Director shall discuss the case with the DSH Medical Director and may obtain

additional consultation with the County Mental Health Director and others. The Chief Deputy Director shall make the final decision within two (2) working days of receiving the documentation of the basis of the disagreement regarding discharge, and communicate this decision to the County Mental Health Director and the hospital Executive Director. Appeal resolution for cases involving complex factors may exceed the timelines referenced in section D6.

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. Such a plan shall be developed and communicated to County within forty-eight (48) hours. 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 (acute, intermediate care, or skilled nursing). DSH will notify counties of hospital intra-bed transfers within three (3) working days.

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 County staff and hospital staff regarding the type of bed a 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 Mental Health Director. Such appeals may be made immediately by telephone. If the hospital Medical Director and the County Mental Health Director are unable to achieve agreement, the case may be referred to the Deputy Director of Administration within two (2) working days. The Deputy Director shall discuss the case with the County Mental Health Director and may obtain additional consultation. The Deputy Director 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.

F. Prior Authorization

1. County shall, prior to admission, provide Hospital with complete medical records on file, Short-Doyle Authorization Form, and all applicable court commitment orders for each Patient. 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

It is the intent of the Parties to this agreement to be collaborative in all matters and specifically to patient care.

1. 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 admitted Patients to the Hospital.

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

3. County may direct Hospital to discharge Patient to a facility that County determines to be more appropriate to Patient's treatment requirements. In such cases, Hospital shall discharge 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 Patient or others, or otherwise required by law.

4. When an agreement cannot be reached between County and DSH on clinical assessment, treatment or patient acuity, the DSH Hospital Medical Director and County Medical Director shall confer to resolve. If a resolution cannot be achieved, the issue will be elevated to the DSH - Sacramento Medical Director for review. If resolution is not achieved, County may direct the Hospital to discharge the patient.

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 patient's rights and confidentiality.

I. Bed Usage Commitment

1. During the 2013-14 fiscal year, DSH shall provide, within Hospitals, specific numbers of beds dedicated to the care of Patients, including those admitted under the LPS Act, including Murphy Conservatorships (Welfare & Institutions Section 5008(h)(1)(B)), and under PC Section 1370.01. The number and type of beds are specified in the attached Exhibit 3.

2. The term "bed purchase commitment" means that DSH shall utilize a system-wide bed purchase commitment approach within Hospitals to ensure that the number of beds contracted for by County shall be available to County at all times for Patients who are appropriate for the services and Hospitals to which the Patient is being referred.

3. County shall be considered to have exceeded its bed purchase commitment on any given day on which more County Patients are assigned to a Hospital in excess of the County bed purchase commitment. County may use beds in excess of its bed purchase commitment when such use does not result in

denial of access of other counties to their bed purchase commitment. County's use in excess of the base amount provided in Exhibit 3 shall be calculated as provided in Exhibit 3 and Section II J of this MOU.

4. County is required to execute Exhibit 1 to this MOU in order to obtain beds pursuant to a bed purchase commitment or on an excess usage basis. A County that has no bed purchase commitment and has not previously executed Exhibit 1 shall execute Exhibit 1 upon application for admission of a patient from the County, and will be billed for such patient on an excess use basis as described in this MOU. As an alternative to purchasing a bed pursuant to this MOU, a County may purchase a bed from any other County. County shall be financially responsible for its use of Hospital resources resulting from, but not limited to, the conversion of Penal Code commitments to Murphy Conservatorships or other LPS commitments.

5. There shall be no decrease or increase in the number of purchased Hospital beds, unless Exhibit 3 to this MOU is amended by mutual agreement (WIC Section 4331(b)(3)) by the parties hereto.

6. Patients under the care of DSH referred to outside medical facilities will remain the responsibility of DSH unless County initiates discharge, at which time the patient and all costs become the responsibility of the County.

J. Bed Payment

The base amount payable by County to DSH concerning all aspects of this MOU shall be the amount reflected in Exhibit 3. The rates were computed based upon Hospital cost computation and the State Hospital Bed Rate for 2013-2014, specified in Exhibit 3. This rate shall be calculated as prescribed by Section 4330(c) of the WIC and the rate of reimbursement of WIC Section 4331(b)(4).

DSH shall calculate the total cost of County's actual use in Hospitals for each monthly period. If DSH determines the dollar value of the County's use has exceeded the dollar value of the County's bed purchase commitment during the specific month's period, County will be charged as excess usage. Excess use shall be established when the net dollar value of County's actual use exceeds the base amount specified in this MOU for the month. Any County bed use in excess of the base amount, during the 2013-14 fiscal year, shall be an additional cost to County. Such excess cost shall be invoiced monthly as a cost reimbursement by DSH.

County shall reimburse the DSH with its first payment within 60 days from signing of MOU and by the 31st of each month thereafter.

K. Utilization Review – Hospital Operations

1. 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 patient care needs. Such reviews shall be at a minimum of one time per year and include County participation.

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

L. Records

1. Patient Records

   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 provided by various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services.

2. Financial Records

   The DSH shall prepare and maintain accurate and complete financial records of Hospital's operating expenses and revenue. Such records shall reflect the actual cost of care and treatment for which payment is claimed, on an accrual basis.

   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, must be reflected in the hospital financial records.

3. Retention of Records

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

M. Revenue

1. The DSH shall collect revenues from Patients and/or responsible third parties, e.g., Medicare, insurance companies, in accordance with WIC Sections 7275 through 7278, and related laws, regulations, and policies.

N. Inspections and Audits

1. Consistent with confidentiality provisions of WIC Section 5328, any authorized representative of County shall have access to the medical and financial records of DSH for the purpose of conducting any fiscal review or audit during the

period of Hospital's record retention. Hospital shall provide County adequate space to conduct such review or audit. County may at reasonable times inspect or otherwise evaluate services provided in the Hospitals; however County shall not disrupt the regular operations of the Hospitals.

2. 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 with the MOU Coordinator.

   DSH has designated the following as its MOU Coordinator:

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

   County has designated the following as its MOU coordinator:

   Name:______________________

   E-mail:______________________

   Phone:______________________

2. Hospitals shall notify County by telephone, encrypted email or FAX, and in writing, 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. 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, Hospitals shall provide written notice to 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 County shall be given not less than thirty (30) days prior to the expiration of the PC commitment. If Hospital fails to notify County at least thirty (30) days prior to the expiration of the PC commitment, County's financial responsibility shall not commence until thirty

(30) days after Hospital's telephone notification. However, if DSH is given less than thirty (30) days to change a Patient's commitment by court order, DSH shall notify County of this change at the earliest possible time. In the event a court order provides DSH less than thirty (30) days to notify County, County's financial responsibility shall commence on the day after the expiration of the PC commitment.

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

4. Hospitals shall notify County, of the conversion of a Patient on LPS status to a PC commitment status that results in DSH becoming financially responsible for the placement of Patient and removes Patient from County's dedicated bed capacity. Hospital shall notify 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 County, which shall be submitted no later than ten (10) working days after 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 or regulatory changes occur during the term of this MOU, the parties may renegotiate the terms of this MOU affected by the statutory or regulatory changes.

B. Should 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 DSH, the parties may negotiate modifications to the terms of this MOU.

C. Mutual Indemnification

1. County shall defend, indemnify and hold 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 Agreement 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 County, its officers, agents, or employees.

2. DSH shall defend, indemnify and hold 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 Agreement 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 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 1-3. This MOU and its Exhibit 1 may be executed in counterparts.

E. This MOU which includes Exhibits 1-3 comprise the entire agreement and understanding of the parties and supersede any prior agreement or understanding.

F. This MOU which includes Exhibits 1-3 may be amended or modified only by a written amendment signed by the parties.

______________________________ __________________

Wayne Clark, President — Date
CalMHSA

______________________________ __________________

Mark Beckley, Deputy Director of Administration — Date
Department of State Hospitals

EXHIBIT 1

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

____ _______________

Signature Date
Name________________________Title______________
Santa Barbara 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.

DSH provides the following 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 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 Department of State Hospitals. Each facility may adjust unit ratios as necessary for the continued treatment and safety of patients and staff.

Skilled Nursing Facility services provide advanced medical/nursing care for patients who

require 24-hour nursing care and treatment. Care is provided for male and female patients with multiple medical, as well as psychiatric problems. Many of the patients are wheelchair and bed-bound and many require assistance with feeding and are incontinent.

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 two local community hospitals and at a County Hospital.

Physical, Occupational and Speech Therapy (POST) Department provides physical rehabilitation services to all 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 State Hospital:

- Are based on the specific needs of each individual.
- Are developed and delivered based on a philosophy of recovery.
- Provide a wide range of courses and activities designed to help individuals develop 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, Rehab 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

SANTA BARBARA COUNTY
STATE HOSPITAL COST COMPUTATION
July 1, 2013 through June 30, 2014 (365 Days)

1. BEDS REQUESTED BY HOSPITAL

	NAPA	METROPOLITAN	ATASCADERO	PATTON	TOTAL
Acute	0	0	0	0	0
Intermediate Care Facility (ICF)	0	1	0	0	1
Skilled Nursing Facility (SNF)	0	0	0	0	0
Total Beds Requested	0	1	0	0	1

2. STATE HOSPITAL BED RATE FOR FY 2013-14

Acute	$646
Intermediate Care Facility (ICF)	$617
Skilled Nursing Facility (SNF)	$775

3. TOTAL COST FOR CONTRACTED BEDS

Methodology: Multiply to county net rate times 365 to find the annualized cost for the necessary treatment. Multiply the annualized cost times the number of beds requested to find the annual total cost per the necessary treatment.

	NAPA	METROPOLITAN	ATASCADERO	PATTON	TOTAL
Acute	$0	$0	$0	$0	$0
Intermediate Care Facility (ICF)	$0	$225,205	$0	$0	$225,205
Skilled Nursing Facility (SNF)	$0	$0	$0	$0	$0
Total County Cost	$0	$225,205	$0	$0	$225,205