

**Attachment B:**  
**CalMSHA State Hospital**  
**Beds MOU & PA**  
**First Amendment**  
**FY 2014-15 to 18/19**





County of Santa Barbara  
BOARD OF SUPERVISORS

Minute Order

July 18, 2017

**Present:** 5 - Supervisor Williams, Supervisor Wolf, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino

BEHAVIORAL WELLNESS

File Reference No. 17-00554

**RE:** Consider recommendations regarding the California Mental Health Services Authority (CalMHSA) State Hospital Bed Memorandum of Understanding (MOU) Amendment, Fiscal Years 2016-2019, as follows:

- a) Approve, ratify and authorize the Director of the Department of Behavioral Wellness to execute an amendment to the MOU between the California Mental Health Services Authority (CalMHSA) and the Department of State Hospitals (DSH), for the purchase of State Hospital beds in the estimated amount of \$225,205.00 per Fiscal Year, for a total estimated cost of \$675,615.00 during the period of July 1, 2016 through June 30, 2019; and
- b) Determine that these activities are exempt from California Environmental Quality Act (CEQA) review per CEQA Guideline Section 15378(b)(4), since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

A motion was made by Supervisor Wolf, seconded by Supervisor Adam, that this matter be Acted on as follows:

- a) Approved and authorized; and
- b) Approved.

The motion carried by the following vote:

**Ayes:** 5 - Supervisor Williams, Supervisor Wolf, Supervisor Hartmann, Supervisor Adam, and Supervisor Lavagnino

BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda number:



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: BWell  
Department No.: 043  
For Agenda Of: July 18, 2017  
Placement: Administrative  
Estimated Time: N/A  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department Alice Gleghorn, PH.D., Director  
Director(s) Behavioral Wellness 681-5220

Contact Info: Dr. Ole Behrendtsen, Medical Director,  
Behavioral Wellness 681-5220

**SUBJECT:** California Mental Health Services Authority (CalMHSA) State Hospital Bed  
MOU Amendment, FY 16-19

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**County Counsel Concurrence:** Yes

**Auditor-Controller Concurrence:**

**Other Concurrence:**

**Recommended Actions:**

That the board of Supervisors:

- A. Approve, ratify and authorize the Director of the Department of Behavioral Wellness to execute an amendment to the Memorandum of Understanding between the California Mental Health Services Authority (CalMHSA) and the Department of State Hospitals (DSH), for the purchase of State Hospital beds in the estimated amount of \$225,205 per fiscal year, for a total estimated cost of \$675,615 during the period of July 1, 2016 through June 30, 2019; and
- B. Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15378(b)(4), since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

**Summary Text:**

Section 4330 of the California Welfare and Institutions Code (WIC) requires counties to reimburse Department of State Hospitals (DSH) for use of state hospital beds and services provided to their residents. The California Mental Health Services Authority (CalMHSA), a Joint Powers Authority (JPA), negotiates the State Hospital Bed Memorandum of Understanding (MOU) with DSH on behalf of city and county mental health authorities, including the Santa Barbara Department of Behavioral Wellness. This Amendment extends the term of the existing FY 14-16 MOU for Santa Barbara County's purchase of State Hospital beds at the same rates for FY 2016-19.



**Background:**

DSH has jurisdiction over State Hospitals which provide services to persons with mental illness, in accordance with WIC § 4100 et seq. These services include inpatient psychiatric health care, treatment and support services for County residents who have mental, emotional or behavioral disorders and are referred by Behavioral Wellness. DSH oversees five State Hospitals. State hospitals admit individuals who have been referred from their home county under a civil commitment or through the courts on a forensic commitment. Clients referred to state hospitals by Behavioral Wellness are individuals who require continuing care inpatient services or individuals under Lanterman Petris Short Act "Murphy" Conservatorships who were previously found incompetent to stand trial on certain specified felony charges.

All individuals admitted to state hospitals have a major mental illness. The State Hospitals offer a broad range of diagnostic, treatment, and rehabilitation services including: pharmacological therapy, individual and group psychotherapy, educational, vocational and competency training, independent living skills development, and cognitive skills development. The State Hospitals provide any required health care services for the clients admitted to the hospital. For placements other than forensic court commitments, Behavioral Wellness is responsible for determining the appropriateness of a client's placement and level of care.

In 2014, CalMHSA, acting as administrative agent for some city and county behavioral health departments including Santa Barbara County, recommended that the county departments act jointly to fund and manage the process of the new billing system for DSH hospital beds, which was intended to explore options to transition from the current Short-Doyle 2 Medi-Cal system to a new claims system. Beginning in FY 13-14, CalMHSA became the administrative agent for the county purchase of State Hospital beds through an MOU with DSH, and Santa Barbara County has been a party to the MOU since 2014.

The California Mental Health Services Authority (CalMHSA), a Joint Powers Authority (JPA) under Gov. Code §6500 et seq., serves California counties and cities as an independent administrative and fiscal intergovernmental structure for jointly developing, funding, and implementing mental health services and educational programs at the state, regional, and local levels. Services and programs include the negotiation with the State or other providers of psychiatric hospital beds and similar or related services. CalMHSA, DSH and Behavioral Wellness originally entered into a MOU to purchase State Hospital beds with the term of July 1, 2014 through June 30, 2016. Approval of this amendment to the MOU will extend the term by an additional three years, from July 1, 2016 through June 30, 2019.

Prior to CalMHSA involvement in negotiating this MOU, the rates for State Hospital beds were higher and increased annually. Execution of the amendment to the MOU will freeze the bed rates for three more years; and does not financially obligate the county to any payments if Behavioral Wellness does not need the bed allocated in the agreement. Nor does it preclude Behavioral Wellness from utilizing additional beds. Approval of the recommended action would authorize Behavioral Wellness to execute the multi-county MOU amendment with CalMHSA and DSH, to continue to utilize State Hospital beds with a more streamlined payment process and retain more cost-effective bed rates.

**Fiscal and Facilities Impacts**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>FY 16-17 Cost:</u></b>	<b><u>FY Cost FY 17-18:</u></b>	<b><u>FY Cost FY 18-19:</u></b>
General Fund	\$ -	\$ -	\$ -
State	\$ 225,205.00	\$ 225,205.00	\$ 225,205.00
Federal			
Fees	\$ -	\$ -	\$ -
Other:			\$ -
<b>Total</b>	<b>\$ 225,205.00</b>	<b>\$ 225,205.00</b>	<b>\$ 225,205.00</b>

Narrative: The above referenced contract is funded through State Mental Health Realignment funds. This funding source was included in the FY 2016-2017 and FY 17-18 budget process and was approved. The subsequent year will be contingent on Board of Supervisor budget approval. Approval of this agreement does not impact the general fund contribution.

**Special Instructions:**

Please send one (1) scanned copy of the Minute Order to Denise Morales: [dmorales@co.santa-barbara.ca.us](mailto:dmorales@co.santa-barbara.ca.us).

**Attachments:**

- Attachment A: CalMHSA State Hospital Beds MOU Amendment FY 16-19
- Attachment B: CalMHSA State Hospital Beds MOU FY 14-16

**Authored by:**

D. Morales



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

FULLY EXECUTED



Amendment to Purchase of State Hospital Beds

Memorandum of Understanding

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

By signing this Purchase Amendment Agreement, the California Department of State Hospitals, the County (named below), and CalMHSA agree to amend the Purchase of State Hospital Beds Memorandum of Understanding (the Original MOU), whose original term was July 1, 2014 through June 30, 2016 (FY2014-15/FY2015/16), to extend the term by an additional three (3) fiscal years.

Once this Amendment is signed by all participating parties to the original MOU, it shall become effective on July 1, 2016 and shall be terminated on June 30, 2019. This amendment shall be signed in counterparts with each participating county signing separately:

Santa Barbara County

Name of County

Print Name Alice Gleghorn, Ph.D.  
County Mental/Behavioral Health Director or Director  
Designee

8/22/17  
Date

Terence M. Rooney, PhD  
CalMHSA President or CalMHSA Designee

9/11/17  
Date

Dawn DiBartolo  
Department of State Hospitals,  
Chief of Acquisitions and Business Services Office

9/18/17  
Date



COUNTY OF SANTA BARBARA

PURCHASING AGENT
105 EAST ANAPAMU ST. RM. 304
SANTA BARBARA, CA 93101

ORDER
CN21320
Page No. 1 of 2
PO Date JUL/01/2017

REFER INQUIRIES TO BUYER:
PHUNG LOMAN
Phone: 805-568-2697
Fax: 805-568-2705

SHIP-TO: ADMHS - AS DIRECTED

SUPPLIER: Attn: LAURA LI
CALIFORNIA MENTAL HEALTH
SERVICES AUTHORITY
3043 GOLD CANAL DR STE 200
RANCHO CORDOVA, CA 95870

BILL TO: ADMHS - FISCAL
429 N. SAN ANTONIO RD.
SANTA BARBARA, CA 93110
Phone: 805/681-5168

Phone: 916/859-4818

Table with 6 columns: TERMS, FOB, SUPPLIER CODE, DELIVERY DATE, REQUESTED BY, REQ NO.
NET 30, DESTINATION-PREPAY & ADD, 23412, JUN/30/2019, DENISE MORALES, CN17292

Table with 5 columns: LN, QUANTITY, G/L ACCOUNT DESCRIPTION, PRICE/UNIT, EXTENSION
1, 1 LOT, 0044+043+0000+4662+, 4,206.00 /LOT, 4,206.00

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY/SERVICE CONTRACT
SPECIAL NOTICE TO SUPPLIER: THIS CONTRACT REPLACES YOUR PREVIOUS YEAR CONTRACT #CN17292 WHICH EXPIRES ON JUNE 30TH, 2017. YOU MUST SIGN & RETURN THIS REPLACEMENT CONTRACT, AND YOU MUST REFERENCE THE NEW NUMBER ON ALL INVOICES & CORRESPONDENCE RELATED TO THE DESCRIBED WORK EFFECTIVE JULY 1, 2017.
GENERAL: PROVIDE FACILITATION OF NEGOTIATION WITH THE STATE REGARDING PROCUREMENT OF STATE HOSPITAL BEDS, FOR OPERATIONS PER THE ATTACHED PARTICIPATION AGREEMENT

CONTRACT PERIOD: July 1, 2017 through June 30, 2019.

LIMITATIONS: Total expenditure for the period shall not exceed \$4206.00. Any increase or decrease in this total amount may be authorized only upon written notice from the County Purchasing Manager.

STANDARD TERMS & CONDITIONS FOR INDEPENDENT CONTRACTORS (ver. 2014 05 16) applies.
Insurance documents already on file in Purchasing Division.

THIS CONTRACT IS NOT VALID FOR AMOUNTS IN EXCESS OF ONE HUNDRED THOUSAND DOLLARS (\$100,000)

NOTE TO CONTRACTOR: No payment will be due or payable unless this contract is properly executed and returned to the County Purchasing Office. Do not commence performance until you have executed this contract and returned it to the County of Santa Barbara Purchasing Division, 105 E. Anapamu St, RM 304, Santa Barbara, CA 93101

Accepted By: (X) [Signature]

Print Name/Title: John E. Chaquica, COO Date: 8-16-2017

Applicable License # (Medical/Contractor/Etc):

Continued on next page...

- (1) The order number and Bill to dept. name shown above must appear on all invoices, shipping papers, packages and correspondence.
(2) Mail invoices to the "bill to" address.
(3) All duty and/or taxes must be shown separately on invoice where applicable.
(4) This order is subject to the terms and conditions stated, including non-discrimination in employment, hazardous chemicals and equipment safety standards, that are available for viewing at www.countyofsb.org

[Signature]
COUNTY OF SANTA BARBARA

This order is being tracked by:

Supplier







# CHANGE ORDER

L  
 Order Number: 7/6/17  
 CN17292  
 Change Number: 0  
 Department Name: Behavioral Wellness  
 Customer Number: 043-02-01-2110-0  
 Requested By: Denise Morales  
 Phone #: 805/681-5168

Supplier Name and Address:

California Mental Health Services Authority  
 ATTN: Laura Li  
 3043 Gold Canal Dr. Ste 200  
 Rancho Cordova, CA 95670

PH: 9168594818

Note to Supplier:

This is a change in the order specified, under which you are supplying us with certain goods or services. If the change is not acceptable to you, or you require additional data, please contact the Buyer identified below (or on the original order). No reply is awaited.  
 If you do not object to this change in writing prior to taking any further action in fulfilling the order (with all changes), you will be presumed to concur with this change and you will be bound by its terms.

The following change is requested and authorized:

**Renewal:** FY 17-19 for contract maximum not to exceed \$4,206.

CalMHSA to provide facilitation of negotiation with the State regarding procurement of State Hospital Beds, for operations per the attached Participation Agreement.

**Term:** July 1, 2017 through June 30, 2019.

Insurance attached.

Department Input - Does this Change-Order involve Federal Funds (circle one):  No

Yes (Federal Super Circular requirements apply)

Melanie Johnson 7/6/17  
 Authorized Departmental Signature Date  
 Melanie Johnson 805/681-5121 Buyer  
 Printed Name Phone (7 digit) Printed Name Phone (7 digit)

### CHANGE ORDER ENCUMBRANCE (This section for County Use Only)

(Refer to FIN Manual for Encumbrance Form Instructions)

Batch ID:

Choose what you want to do:

O	Enter Original Encumbrance
I	Increase Encumbrance
R	Reduce Encumbrance

Posting Date

Audit Trail #

Document # ENC

/ /

Action	Contract/P.O.#	Vendor#	Fund	Dept No	Line Item Account	Amount	Program	Org Unit	Project	Desc ID
1	O CN17292		044	043	7430	\$4,206	4662			A
2										
3										
4										
5										
Total						\$4,206				

A Renewal for FY 17-18

Denise Morales  
Form Prepared By

805-681-5168  
Phone #

Deputy Auditor-Controller

Date





**COUNTY OF SANTA BARBARA**

PURCHASING AGENT  
105 EAST ANAPAMU ST. RM. 304  
SANTA BARBARA, CA 93101

ORDER	
CN21320	
Page No. 2 of 2	PO Date JUL/01/2017

REFER INQUIRIES TO BUYER:  
PHUNG LOMAN  
Phone: 805-568-2697  
Fax: 805-568-2705

SHIP-TO: ADMHS - AS DIRECTED

SUPPLIER: Attn: LAURA LI  
CALIFORNIA MENTAL HEALTH  
SERVICES AUTHORITY  
3043 GOLD CANAL DR STE 200  
RANCHO CORDOVA, CA 95670

BILL TO: ADMHS - FISCAL  
429 N. SAN ANTONIO RD.  
SANTA BARBARA, CA 93110  
Phone: 805/681-5168


Phone: 916/859-4818

TERMS	FOB	SUPPLIER CODE	DELIVERY DATE	REQUESTED BY	REQ. NO.
NET 30	DESTINATION-PREPAY & ADD	23412		DENISE MORALES	CN17292

LN	QUANTITY	GL ACCOUNT DESCRIPTION	PRICE/UNIT	EXTENSION
----	----------	------------------------	------------	-----------

Tax 1:	0.00
Tax 2:	0.00
Total:	4,206.00

- (1) The order number and Bill to dept. name shown above must appear on all Invoices, shipping papers, packages and correspondence.
- (2) Mail Invoices to the "bill to" address.
- (3) All duty and/or taxes must be shown separately on Invoice where applicable.
- (4) This order is subject to the terms and conditions stated, including non-discrimination in employment, hazardous chemicals and equipment safety standards, that are available for viewing at [www.countyofsb.org](http://www.countyofsb.org)

  
\_\_\_\_\_  
COUNTY OF SANTA BARBARA

Supplier

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY  
PARTICIPATION AGREEMENT  
COVER SHEET

1. Santa Barbara 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 7/1/2017 through 6/30/2019.

4. Authorized Signatures:

CalMHSA

Signed: [Signature] Name (Printed): John E Chaudron

Title: Executive Director or Chief Operating Officer Date: 5/15/19

Participant

Signed: [Signature] Name (Printed): Alice Gleghorn, Ph.D.

Title: Director Date: 7/7/17



**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 3 – 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 3 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, for a total of \$1,402, commencing FY 2017-18. The amount for operations does not include the financial obligation of the Participant for actual bed use. The amount reflected here was computed based on the information contained in the Exhibit 3 of the DSH MOU. The amount represents the application of the State Hospital Rates for the Fiscal Year as published by DSH, which by this reference is made a part hereof, to Participant's contracted beds. In addition, this amount includes an administrative charge assessed on the number of contracted beds listed in Exhibit 3 of the DSH MOU, based the SHSP administrative budget adopted for the fiscal year by the Participants.

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.