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
Santa Barbara County

I. RECITALS

The parties to this Memorandum of Understanding (MOU) are the California Department of State Hospitals ("DSH") and Santa Barbara County ("County"). 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.

Section 4330 of the WIC requires counties to reimburse DSH (formerly, known as the Department of Mental Health) for use of state hospital ("Hospital") beds and services provided pursuant to the Lanterman-Petris-Short Act ("LPS", WIC Section 5000 et seq.).

Section 4331 of the WIC defines the process to be followed in renewing the County's contract for state hospital service. The Parties understand that this annual renewal process is for the purpose of ensuring an orderly adjustment in the use of the Hospital beds by County. The Parties also understand that this MOU supersedes any existing MOU or other agreement with a County regarding the use of Hospital beds.

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 bed use.

II. TERMS AND CONDITIONS

A. The term of this MOU is July 1, 2012 through June 30, 2013

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, identify the preferred Hospital 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 assessment determines patient shall not be admitted to the preferred hospital, the preferred hospital will notify DSH – Sacramento for review and consideration of placement within an appropriate DSH facility.

2. County shall provide such assistance as is necessary to assist Hospital treatment staff to initiate, develop and finalize discharge planning and necessary follow-up services for Patients.

3. County shall provide such assistance as is necessary to assist in the screening of Patients for alternative placements, and shall facilitate such placements.

C. Description of Covered Hospital Services

1. Each county shall provide DSH the total number of the county's bed purchase commitment

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 (PC) Section 1370.01 and a Murphy Conservatorship (Welfare and Institution Code Section 5008(h)(1)(B).
   The 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.

3. County is responsible for transportation to and from Hospitals, including 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 A, entitled County "State Hospital Cost

Computation, July 1, 2012 through June 30, 2013," include reimbursement for transportation.

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. Denial of admission is based on bed capacity and ability to provide appropriate treatment based on patient specific treatment needs.

E. 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. County shall identify an initial projected length of stay which the Hospital shall address in Patient's treatment plan and discharge plan.

F. Coordination of Treatment/Case Management

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.

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.

G. Patient's Rights and Confidentiality

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

H. Bed Usage

1. During the 2012-13 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 A.

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 shall only 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 A shall be calculated as provided in Exhibit A.

4. County is required to execute an MOU with DSH for a Hospital bed. Counties that do not commit to annual bed purchases must enter into MOU with DSH annually for provision of services. Upon patient admission, such Counties will be billed as excess use. Counties with no annual bed purchase commitment may purchase a bed from other counties. County shall be financially responsible for its use of Hospital resources resulting from, but not limited to, the conversion of PC commitments to Murphy Conservatorships or other LPS commitments.

5. There shall be no decrease in the number of purchased Hospital beds, unless this MOU is amended by mutual agreement no later than January 1, 2013 (Section 4331(b)(3)). There shall be no increase in the number of Hospital beds, unless this MOU is amended. (Section 4331(c)).

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.

I. Bed Payment

1. The base amount payable by County to DSH concerning all aspects of this MOU shall be $225,205. The amount reflected here was computed based upon Hospital cost computation using the County Net Rate for 2012-2013, specified in Exhibit A.

2. 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 2012-13 fiscal year, shall be an additional cost to County and collected by adjusting the State Controller's State Hospital Patient Schedule "B" on a monthly basis.

J. Utilization Review

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.

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

K. 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

3. Retention of Records

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

L. Revenue

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

M. Inspections and Audits

1. Consistent with confidentiality provisions of Section 5328, any authorized representative of County shall have reasonable 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 investigations conducted by other agencies, e.g., State Department of Health Services, County Coroner's Office, and District Attorney's Office. Practitioner specific peer review information and information relating to staff discipline is confidential and shall not be made available for review.

N. 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:

   Sierra Bishop, Staff Services Analyst
   Sierra.Bishop@dsh.ca.gov
   916-651-1020

   County has designated the following as its MOU Coordinator:

   Takashi Wada, MD, MPH, Interim Director
   Takashi.Wada@sbcphd.org
   805-681-5233

2. Hospitals shall notify County immediately by telephone 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.-Subsequently 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 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 MOU. If statutory or regulatory changes occur during the term of this MOU, both 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. The signatories below each represent to have the authority to sign a MOU on behalf of his/her respective agency.

_____ _____
Takashi Wada, MD, MPH, Interim Director Date
Santa Barbara County

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

EXHIBIT A

SANTA BARBARA COUNTY
STATE HOSPITAL BED COST COMPUTATION
July 1, 2012 through June 30, 2013 (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 2012-13 PER DAY

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**