

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY  
PARTICIPATION AGREEMENT  
COVER SHEET

1. Nevada County ("Participant") desires to participate in the Program identified below.  
Name of Program: Psychiatric Inpatient Concurrent Review ("PICR")
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, and by this Participation Agreement. The following exhibits are intended to clarify how the provisions of those documents will be applied to this particular Program.
  - Exhibit A Program Description
  - Exhibit B General Terms and Conditions
  - Exhibit C County Specific Funding
  - Exhibit D Insurance Requirements
3. The maximum amount payable under this Participation Agreement is **\$62,720.00**.
4. The initial payment of **\$7,840.00** is due by Participant within 30 days of execution of this Agreement.
5. The term of this Agreement and Participant's participation in the Program will commence upon execution of this Agreement by the parties and shall continue through December 31, 2024.
6. Authorized Signatures:

**CalMHSA**

Signed: \_\_\_\_\_ Name (Printed): Dr. Amie Miller, Psy.D., MFT  
Title: Executive Director Date: \_\_\_\_\_

**Participant: Nevada County**

Signed: \_\_\_\_\_ Name (Printed): \_\_\_\_\_  
Title: Board of Supervisors/ CAO Date: \_\_\_\_\_  
Signed: \_\_\_\_\_ Name (Printed): \_\_\_\_\_  
Title: Director, Mental Health Date: \_\_\_\_\_

**Approved as to form:**

Signed: \_\_\_\_\_ Name (Printed): \_\_\_\_\_  
Title: County Counsel – County of Nevada Date: \_\_\_\_\_

**Participation Agreement**  
EXHIBIT A – PROGRAM DESCRIPTION

**I. Name of Program:** Psychiatric Inpatient Concurrent Review (“PICR”)

**II. Program Objective and Overview:**

Objective:

The Program is the Psychiatric Inpatient Concurrent Review project being administered by CalMHSA on behalf of Participants with the primary purpose of conducting concurrent review and authorization for all psychiatric inpatient hospital and psychiatric health facility services on behalf of participating California County Mental Health Plans (“MHPs”).

By utilizing a technology-assisted concurrent review process the contractor will ensure a consistent and efficient review process across participating counties and will support MHP compliance with California Department of Health Care Services (DHCS) Behavioral Health Information Notice (BHIN) 19-026 and 22-017 (or any additional or superseding BHIN), and the Parity in Mental Health and Substance Use Disorder Services Final Rule (Parity Rule; Title 42 of the CFR, part 438.910).

Overview:

Per the DHCS Behavioral Health Information Notices (BHIN) 19-026 and BHIN 22-017, MHPs are required to conduct concurrent review and authorization for all psychiatric inpatient hospital services and psychiatric health facility services. These BHINs outline policy changes implemented to ensure an MHPs’ compliance with the Parity in Mental Health and Substance Use Disorder Services Final Rule (Parity Rule; Title 42 of the CFR, part 438.910).

Given these policy changes, CalMHSA has entered into a services contract (hereinafter referred to as the “Services Agreement”) with Keystone Peer Review Organization, Inc. (“Contractor”), also known as Kepro, who shall conduct concurrent review and authorization of inpatient psychiatric hospital services on behalf of multiple California County MHPs.

Contractor has agreed to provide a web-enabled utilization review platform and clinical services to carry out psychiatric inpatient concurrent review and authorization services and to provide other related services, as further described in the Services Agreement.

MHPs delegating concurrent review and authorization services to Contractor will range in size from small/rural to large counties and will be located throughout California. Although the review and authorization requirements are uniform, the communication needs of the participating counties or inpatient psychiatric hospitals where county beneficiaries are hospitalized may vary.

**Participation Agreement**  
**EXHIBIT B – GENERAL TERMS AND CONDITIONS**

**I. Definitions**

The following words, as used throughout this Participation Agreement, shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

- A. CalMHSA – California Mental Health Services Authority, a Joint Powers Authority (JPA) created by counties in 2009 at the instigation of the California Mental Health Directors Association (now the California Behavioral Health Directors Association) to jointly develop and fund mental health services and education programs.
- B. Department of Health Care Services (DHCS) – A department within the California Health and Human Services Agency that finances and administers a number of individual health care service programs, including Medi-Cal.
- C. Member – A County (or JPA of two or more Counties) that has joined CalMHSA and executed the CalMHSA Joint Powers Agreement.
- D. Mental Health Services Act (MHSA) – A law initially known as Proposition 63 in the November 2004 election that added sections to the Welfare and Institutions Code providing for, among other things, prevention and early intervention (PEI) Programs.
- E. Mental Health Services Division (MHSD) – The Division of the California Department of Health Care Services responsible for mental health functions.
- F. Participant – Any County participating in the Program either as member of CalMHSA or under a Memorandum of Understanding with CalMHSA.
- G. Program – The program identified in the Cover Sheet.

**II. Responsibilities**

- A. Responsibilities of CalMHSA:
  - 1. Act as the fiscal and administrative agent for the Program.
  - 2. Invoice and collect funds from Participant for the Program.
  - 3. Provide quarterly utilization reports to Participant.
  - 4. Manage funds received through the Program, consistent with the requirements of any applicable laws, regulations, guidelines and/or contractual obligations.
  - 5. Work closely with the Contractor to coordinate on implementation and onboarding of participating MHPs.
  - 6. Monitor and administer the Services Agreement on behalf of Participants.
  - 7. Provide regular fiscal reports to Participant and/or other public agencies with a right to such reports.
  - 8. Comply with CalMHSA's Joint Powers Agreement and Bylaws.
- B. Responsibilities of Participant:

1. Timely transfer of the funding amount for the Program as specified in section V Fiscal Provisions, including administrative fee.
2. Provide CalMHSA and any other parties deemed necessary with requested information and assistance in order to fulfill the purpose of the Program.
3. Provide feedback on Program performance, which shall include completing a MHP Survey (6) months post implementation and Annual MHP Survey thereafter.
4. Acknowledge that funds contributed by Participant shall be pursuant to the allocation formula adopted set forth in Exhibit C.
5. Comply with applicable laws, regulations, guidelines, contractual agreements, JPAs, and bylaws.

**III. Duration, Term, and Amendment**

- A. The term of this Agreement and Participant's participation in the Program will commence upon execution of this Agreement by the parties and shall continue through December 31, 2024, unless earlier terminated or extended as provided below.
- B. This Participation Agreement may be supplemented, amended, or modified only by the mutual agreement of CalMHSA and the Participant, expressed in writing and signed by authorized representatives of both parties.

**IV. Withdrawal, Cancellation, and Termination**

- A. Participant may withdraw from the Program and terminate the Participation Agreement upon six (6) months' written notice in accordance with section VII.
- B. The withdrawal of a Participant from the Program shall not automatically terminate its responsibility for its share of the expense 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.
- C. Upon cancellation, termination, or other conclusion of the Program, any funds remaining undisbursed after CalMHSA satisfies all obligations arising from the administration of the Program shall be returned back to Participant proportionally based on the amount by which deposits made to the account of the Participant exceed the payments disbursed from the account of the Participant.

**V. Fiscal Provisions**

- A. Funding amount shall not exceed the amount stated in Exhibit C – Table A.
- B. Payment Terms
  - a. The initial payment collected in the amount of **\$7,840.00** is due by Participant to CalMHSA within 30 days of execution of this Participation Agreement and will be applied towards the first quarterly invoice. Any remaining funds will be rolled over as a credit toward the next quarterly installment.
  - b. Each quarterly invoice is determined by Participant's actual hospitalization costs and expenses invoiced and verified by Contractor to CalMHSA. These costs and expenses refer to the Hospitalization Costs Per Unit as stated in Exhibit C – Table B. The Maximum Annual Funding Amount due from Participant shall not exceed the amount stated in Exhibit C - Table B.

- c. The Participant's actual hospitalization costs and expenses shall be billed on a quarterly basis accruing from and after the actual utilization commencement date of Participant. The Participant shall not be invoiced until the client is discharged and a fully processed Treatment Authorization Request ("TAR") is completed. Each quarterly invoice shall be paid within 30 days upon receiving CalMHSA's invoice.
- C. In a Multi-County Program, Participants will share the costs of planning, administration, and evaluation in the same proportions as their overall contributions.

**VI. Limitation of Liability and Indemnification**

- A. CalMHSA is responsible only for funds as instructed and authorized by participants. CalMHSA is not liable for damages beyond the amount of any funds which are identified on the cover page of this Agreement, without authorization or contrary to Participant's instructions.
- B. CalMHSA is not undertaking responsibility for assessments, creation of case or treatment plans, providing or arranging services, and/or selecting, contracting with, or supervising providers (collectively, "mental health services"). Participant will defend and indemnify CalMHSA for any claim, demand, disallowance, suit, or damages arising from Participant's acts or omissions in connection with the provision of mental health services.
- C. To the fullest extent permitted by law, each party shall hold harmless, defend and indemnify the other party, including its governing board, employees and agents from and against any and all claims, losses, damages, liabilities, disallowances, recoupments, and expenses, including but not limited to reasonable attorney's fees, arising out of or resulting from other's negligence in the performance of its obligations under this Agreement, including the performance of the other's subcontractors, except that each party shall have no obligation to indemnify the other for damages to the extent resulting from the negligence or willful misconduct of any indemnitee. Each party may participate in the defense of any such claim without relieving the other of any obligation hereunder.

**VII. Notice**

All notices under this Participation Agreement shall be provided 1) by personal delivery, nationally recognized courier service or mailed by U.S. registered or certified mail, return receipt requested, postage prepaid; AND 2) by email. All notices shall be provided to the respective party at the addresses and email addresses set forth below and shall be deemed received upon the relevant party's receipt.

Either party may change its designee for notice by giving notice of the same and their relevant address information.

**If to CalMHSA:**

Name: Peggy Quarenghi Position: Sr. Corporate Counsel

Address: 1601 Arden Way, Suite 175, Sacramento, CA 95815

Email: [contracts@calmhsa.org](mailto:contracts@calmhsa.org) Telephone: (916) 956-8632

CC Email to Name: Randall Keen, Manatt Email: [RKeen@manatt.com](mailto:RKeen@manatt.com)

**If to Participant:**

Name: Phebe Bell Position: Behavioral Health Director

Address: 500 Crown Point Circle, ste 120, Grass Valley, CA 95945

Email: phebe.bell@nevadacountyca.gov Telephone: 530-470-2784

CC Email to Name: Jamie Maxwell Email: Jamie.Maxwell@nevadacountyca.gov

**Participation Agreement**  
 EXHIBIT C – COUNTY SPECIFIC FUNDING

**I. Funding Allocation**

**Table A. Estimated Total County Program Funding**

	Year 1	Year 2	Total Funding Amount
Annual Program Funding	\$31,360.00	\$31,360.00	\$62,720.00

**NOTE:** The Annual Program Funding is an estimate of the annual costs and is subject to variance in accordance with actual hospitalization costs and expenses incurred by Participant for each calendar quarter. Participant shall be billed on a quarterly basis accruing from and after the actual utilization commencement date of Participant.

The initial payment collected under this Agreement in the amount of \$7,840.00 is due within 30 days upon execution of this Agreement and will be applied towards the first quarterly invoice.

**Table B. Estimated Annual Costs and Funding Breakdown**

Hospitalization Cost Breakdown	Amount
Hospitalization Cost Per Unit (includes 12% CalMHSA administrative fee)	\$89.60
County's Average Annual Utilization	280
Estimated Annual Cost	\$25,088.00
Overage Allowance (25% of the estimated annual cost)	\$6,272.00
<b>Maximum Annual Funding Amount Due from Participant</b>	<b>\$31,360.00</b>

**NOTE:**

\* Hospitalization Cost Per Unit refers to the cost per psychiatric hospitalization and is inclusive of a CalMHSA administrative fee of 12%. This refers to the completed concurrent review and authorization for all psychiatric inpatient hospital and psychiatric health facility services by the Contractor.

\*\*County's Average Annual Utilization is determined by taking the highest annual utilization from the last three fiscal years.

\*\*\* The added 25% Overage Allowance take into account annual increases in utilization during the term of this Agreement

**Participation Agreement**  
EXHIBIT D – INSURANCE REQUIREMENTS

**Insurance.** CalMHSA shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CalMHSA, its agents, representatives, or employees. Coverage shall be at least as broad as:

- I. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
- II. **Professional Liability** insurance. CalMHSA will require any subcontractors performing work under this program to carry professional liability insurance applicable to wrongful acts, errors or omissions that may cause financial loss to CalMHSA, including contractual liability, with limits of at least \$1,000,000 per claim, or at least \$2,000,000 per claim if the total amount of this Agreement exceeds \$5,000,000. Such insurance shall be maintained during the term of this Agreement. If Professional Liability is a claims made policy, insurance shall be maintained for a period of at least five years thereafter.

**Other Insurance Provisions:** The insurance policies are to contain, or be endorsed to contain, the following provisions:

- (i) **Primary Coverage** For any claims related to this contract, the **CalMHSA's insurance shall be primary** insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the Participant, its officers, employees, agents, and volunteers shall be named additional insured. Any insurance or self-insurance maintained by the Participant, its officers, employees, and agents, shall be excess of CalMHSA's insurance and shall not contribute with it.
- (ii) **Notice of Cancellation** This policy shall not be changed without first giving thirty (30) days prior written notice and fifteen (15) days prior written notice of cancellation for non-payment of premium to the Participant.
- (iii) **Insurance Requirements for Subcontractors.** CalMHSA will require any subcontractors performing work under this program to maintain that each policy of insurance required under this Agreement shall name CalMHSA and its agents, officers, governing board, and employees as additional insureds; shall state that, with respect to the operations of Contractor hereunder, such policy is primary and any insurance carried by CalMHSA or its agents, officers, governing board or employees is excess and non-contributory with such primary insurance; shall state that not less than thirty (30) calendar days' written notice shall be given to CalMHSA prior to cancellation of such policy; and, shall waive all rights of subrogation against the additional insureds. The additional insured endorsement issued on the commercial general liability policy shall be a CG 2010 or equivalent.
- (iv) **Deductible and Self-Insured Retentions** must be declared to the Participant. The Participant may require CalMHSA to provide proof of ability to pay losses and related investigations, claims administration, and defense expenses within the retention.
- (v) **Acceptability of Insurers:** Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the Participant.
- (vi) **Verification of Coverage** CalMHSA shall furnish the Participant with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy



language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Participant before work begins. However, failure to obtain and provide verification of the required documents prior to the work beginning shall not waive CalMHSA's obligation to provide them. The Participant reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- (vii) **Subcontractors (Remote Supervision Companies) CalMHSA** shall require and verify that all remote supervision companies maintain insurance meeting all the requirements stated here with the exception of Worker's Compensation insurance for which subcontractors will maintain coverage meeting state requirements.
- (viii) **Premium Payments** The insurance companies shall have no recourse against the Participant and funding agencies, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.
- (ix) **Material Breach** Failure of the CalMHSA to maintain the insurance required by this agreement, or to comply with any of the requirements of this section, shall constitute a material breach of the entire agreement.
- (x) **Certificate Holder** The Certificate Holder on insurance certificates and related documents should read as follows:

County of Nevada  
950 Maidu Ave.  
Nevada City, CA 95959

Upon initial award of a contract to your firm, you may be instructed to send the actual documents to a County contact person for preliminary compliance review.

Certificates which amend or alter the coverage during the term of the contract, including updated certificates due to policy renewal, should be sent directly to Contract Administrator