

October 6, 2014

1303 E. Herndon Ave. Fresno, CA 93720 (559) 450-3000 www.samc.com

Wendi A. Horwitz Deputy Attorney General State of California Department of Justice 300 South Spring Street, Suite 1702 Los Angeles, CA 90013

Dear Ms. Horwitz:

Saint Agnes Medical Center ("<u>SAMC</u>") hereby requests a modification of the conditions set forth in your letter of April 26, 2013, to its attorney, William L. Abalona, by which: "...the Attorney General hereby conditionally consents, to the Consolidation Agreement by and among Trinity Health Corporation, an Indiana nonprofit corporation, Catholic Health East, a Pennsylvania nonprofit corporation, and CHE Trinity, Inc., an Indiana nonprofit corporation..." (the "<u>Consent Letter</u>"). <sup>1</sup>

The Consent Letter requires, *inter alia*, that: "For five years from the closing date of the Consolidation Agreement, Saint Agnes Medical Center shall maintain the following contracts and amendments, without any loss, interruption of service or diminution in quality, or gap in contracted hospital coverage, unless the contracts are terminated for cause, and shall provide the same services specified therein:...c) *Emergency on-site mental health services for Fresno County's Crisis Psychiatric Response Services program to adults who have been placed on a California Welfare and Institutions Code Section 5150 psychiatric hold. Services include patient care, discharge orders, patient instructions, patient transportation, and other requirements deemed necessary by federal, state, or local regulations." See Consent Letter, Section VI.c); emphasis added.* 

SAMC requests that the emphasized language immediately above, in Section VI.c), be deleted from the Consent Letter.

Under the agreement referenced in Section VI.c), between SAMC and The County of Fresno ("County") for the Crisis Psychiatric Response Services program, dated January 15, 2013, (the "CPRS Agreement"), the County and SAMC agreed to cooperate to schedule and provide crisis intervention services to adult and older adult patients in SAMC's emergency department. The CPRS Agreement (which would have expired on June 30, 2015) was terminated by the County by letter dated May 21, 2014, effective June 30, 2014 (the "Termination Letter"). In its Termination Letter, the County described the CPRS Agreement services as "underutilized", and described several other service enhancements and expansions elsewhere as part of its effort to "...improve the ongoing crisis response and stabilization services." See Exhibit B.

In this Letter, "Consolidation Agreement" means that certain Consolidation Agreement dated January 11, 2013 by and among Trinity Health Corporation, an Indiana nonprofit corporation, Catholic Health East, a Pennsylvania nonprofit corporation, and CHE Trinity, Inc., an Indiana nonprofit corporation. The "closing date of the Consolidation Agreement" was April 30, 2013. Trinity Health Corporation was the sole member of Saint Agnes Medical Center at the time of the Consent Letter.

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The County's decision to terminate the CPRS Agreement was unforeseen by SAMC at the time of the Consent Letter, and beyond its control after. Accordingly, due to changed circumstances, SAMC requests that the Attorney General delete the condition stated in Consent Letter Section VI(c), or release Saint Agnes Medical Center from, or agree to waive, or not seek to enforce, that condition. This request is referenced throughout as the "Request".

The Request is consistent with regulations at Title 11, chapter 15, Section 999.5(h)(1), which state: "Either the selling or the acquiring corporation or entity, or their successors in interest, may request Attorney General approval of any amendment of the terms and conditions of any agreement or transaction for which the Attorney General has given consent or conditional consent under Corporations Code section 5915 or 5921. The sole basis for such a request shall be a change in circumstances that could not have reasonably been foreseen at the time of the Attorney General's action."

The County's termination of the CPRS Agreement is a "change in circumstances that could not have reasonably been foreseen at the time of the Attorney General's action."

Section 999.5(h)(2) of the regulations states that: "A request for an amendment shall include a description of each proposed amendment, a description of the change in circumstance requiring each such amendment, a description of how such amendment is consistent with the Attorney General's consent or conditional consent to the transaction, and a description of the efforts of the entity making the request to avoid the need for amendment."

The Request is consistent with the Consent Letter. SAMC has no control over the County, and the termination of the CPRS Agreement was unforeseen. Moreover, SAMC will continue to provide emergency services to patients previously covered under the CPRS Agreement, making such efforts by working with the County through the various programs described in the Termination Letter. Thus, to the extent possible, SAMC will continue to provide services to adult and older adult patients requiring mental health crisis intervention in a manner consistent with the Consent Letter.

Thank you for your consideration of the Request. If you need additional information, please contact me at (559) 450-3020, or at Vreeland.Jones@samc.com.

Sincerely,

Vreeland Jones

Secretary and General Counsel Saint Agnes-Medical Center

Wendi Horwitz, Deputy Attorney General, CA DoJ October 6, 2014 Page **3** of **4** 

# Exhibit A

See attached Agreement dated January 15, 2013 between The County of Fresno and Saint Agnes Medical Center relating to the Crisis Psychiatric Response Services program.

## **AGREEMENT**

## WITNESSETH:

WHEREAS, the Fresno County Board of Supervisors took action on January 27, 2009 to redesign mental health crisis services for Fresno County adult and older adult consumers; and

WHEREAS, the COUNTY's Department of Behavioral Health (DBH) is responsible to provide mental health services to adult and older adult consumers who meet the priority target population policy; and

WHEREAS, on June 29, 2009 the DBH opened the Crisis Psychiatric Response Services (CPRS) program that is staffed with licensed mental health professionals who are employed by the COUNTY or its contract agency and who are qualified to provide crisis psychiatric evaluation and consultation services to adult and older adult consumers who have been placed on a California Welfare and Institutions Code (W&I) 5150 psychiatric hold; and

WHEREAS, such consumers may be transported to or personally present to the Emergency Department at PROVIDER's Emergency Department located in Fresno, California at 1303 East Herndon Avenue, Fresno, California for treatment; and

WHEREAS, the PARTIES desire to facilitate appropriate and timely mental health access and services for adults and older adults placed on a California Welfare and Institutions Code 5150 (W&I 5150) psychiatric hold in Fresno County; and

WHEREAS, the PROVIDER desires to ensure appropriate discharge planning to identify and expedite appropriate mental health services upon the patient's discharge from the hospital.

NOW, THEREFORE, in consideration of their mutual covenants and conditions, the parties hereto agree as follows:

///

### **SECTION 1**

#### RESPONSIBILITIES

### **1.1** PROVIDER shall:

- A. At the sole discretion of the PROVIDER, initiate the patient-specific request to the CPRS staff when on-site mental health Crisis Intervention services (as that term is defined by Title 9, California Code of Regulations, section 1810.209) are deemed necessary by the PROVIDER's staff.
- B. Allow access to the facility and patient to CPRS staff as required to enable the necessary mental health services to be performed.
- C. PROVIDER retains professional and administrative responsibility for all matters related to the patient including: patient care, discharge orders, patient instructions, patient adherence to discharge instructions, patient transportation needs, and other requirements as may be required by federal, state or local regulations of PROVIDER for those patients for which consultation was provided by CPRS staff.

### 1.2 COUNTY shall:

- A. Ensure that the CPRS program is staffed with Licensed Clinical Social Workers or Licensed Marriage and Family Therapists and that such staff have the appropriate licensure and have been formally credentialed by the Fresno County Mental Health Plan prior to providing mental health crisis services to PROVIDER's patients.
- B. Make DBH or its contract agency staffs in the CPRS program available to receive requests for crisis psychiatric evaluation and consultation services from PROVIDER on a 24/7 basis.
- C. Provide on-site response to PROVIDER's facility upon receiving such requests and after such patient has been medically cleared by PROVIDER. PROVIDER understands that COUNTY's on-site response will be done in the order received by CPRS and may be affected by: requests from other hospital emergency

departments requesting similar services, the number of staff available for such response at the time of the request, whether PROVIDER has given medical clearance, and whether CPRS staff received required referral information. For the facility, the response time goal of sixty (60) minutes has been established, but is contingent upon the aforementioned conditions.

- Provide crisis intervention services at the facility which include W&I 5150 evaluations, as may be clinically appropriate as determined by the CPRS staff.
   The W&I 5150 evaluation is for the purpose of recommending to the PROVIDER whether to uphold or discontinue the 5150 Application only.
- E. Consult with PROVIDER's staff in discharge planning as requested by PROVIDER by identifying and expediting mental health services as may be appropriate upon the patient's discharge from the PROVIDER's facility.
- F. The CPRS staff will have no authority in matters related to the care, treatment, or discharge of the patient other than the crisis intervention services.

### **SECTION 2**

# TERM, TERMINATION, AND AMENDMENT

### **2.1 TERM**

This Agreement shall become retroactively effective November 1, 2012 and shall terminate on the 30<sup>th</sup> day of June 2013.

This Agreement shall automatically be extended for two (2) additional twelve (12) month periods upon the same terms and conditions herein set forth, unless written notice of non-renewal is given by PROVIDER or COUNTY or COUNTY's Department of Behavioral Health Director, or designee, not later than ninety (90) days prior to the close of the current Agreement term.

## 2.2 TERMINATION

This Agreement may be terminated by either party upon prior written notice as follows:

#### A. By PROVIDER

Termination shall required thirty (30) days advance written notice of intent to terminate, transmitted to COUNTY by Certified U.S. Mail, Return Receipt Requested, addressed to

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the office of COUNTY as follows:

Director (or designee), Fresno County Department of Behavioral Health 4441 E. Kings Canyon Road Fresno, CA 93702

## B. By COUNTY

- 1) Non-Allocation of Funds The terms of this Agreement, and the services to be provided thereunder, are contingent on the approval of funds by the appropriating government agency. Should sufficient funds not be allocated, the services provided may be modified, or this Agreement terminated at any time by giving PROVIDER thirty (30) days advance written notice.
- 2) COUNTY may immediately suspend or terminate this Agreement in whole or in part, where in the determination of COUNTY there is:
  - a) A failure to comply with any term of this Agreement;
  - b) Improperly performed service.
- 3) Without Cause Under circumstances other than those set forth above, this Agreement may be terminated by COUNTY or COUNTY's Department of Behavioral Health Director, or designee, upon the giving of thirty (30) days advance written notice of an intention to terminate.

#### **SECTION 3**

### COMPENSATION

The PARTIES agree that there will be no monetary compensation paid by one to the other for the performance of the provisions of this Agreement.

#### **SECTION 4**

## INSURANCE AND INDEMNIFICATION

#### 4.1 INSURANCE

Without limiting the PARTIES rights to obtain indemnification from the other or any third parties, COUNTY staff will be insured through the COUNTY's Self-Insurance Program and its agents will be insured by the contract agency. Such insurance shall be at the sole expense of

COUNTY or its contract agency and maintained in full force and effect throughout the term of this Agreement:

## A. Commercial General Liability

Commercial General Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Two Million Dollars (\$2,000,000). This policy shall be issued on a per occurrence basis. COUNTY may require specific coverages including completed operations, products liability, and contractual liability, Explosion-Collapse-Underground, fire legal liability or any other liability insurance deemed necessary because of the nature of this Agreement.

## B. Automobile Liability

Comprehensive Automobile Liability Insurance with limits for bodily injury of not less than Two Hundred Fifty Thousand Dollars (\$250,000) per person, Five Hundred Thousand Dollars (\$500,000) per accident and for property damages of not less than Fifty Thousand Dollars (\$50,000), or such coverage with a combined single limit of Five Hundred Thousand Dollars (\$500,000). Coverage should include owned and non-owned vehicles used I connection with this Agreement.

# C. Professional Liability

Professional Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence, and Three Million Dollars (\$3,000,000) annual aggregate. Professional Liability Insurance in the above stated amounts must be maintained in effect for Three (3) years after termination of this program.

#### D. Worker's Compensation

A policy of Worker's Compensation Insurance as may be required by the California Labor Code.

All policies of the contract agency shall be with admitted insurers licensed to do business in the State of California. Insurance purchased shall be from companies possessing a current A.M. Best, Inc. rating of A FSC VII or better.

## 4.2 <u>INDEMNIFICATION</u>

Each of the PARTIES agree to indemnify, defend and hold harmless, the other, its Board, officers, employees, agents and assigns from and against any and all claims, demands, liability, judgments, awards, interest, attorney's fees, court costs, which shall include but not be limited to expert fees and costs, and expenses of whatsoever kind or nature, at any time arising out of or in any

way connected with the performance of this Agreement. This duty shall include but not be limited to claims for bodily injury, property damage, personal injury, contractual causes or damages otherwise experienced to, of, or by any person including, but not limited to employees, agents, officers, volunteers, and third parties. Each party's liability for indemnity under this Agreement shall apply, regardless of fault, to any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of its officers, employees, subcontractors, and agents. The duty shall extend to any allegation or claim of liability except in circumstances found by a jury or judge to be the sole and legal result of the willful misconduct of PROVIDER or COUNTY.

### **SECTION 5**

#### **GENERAL PROVISIONS**

## 5.1 INDEPENDENT CONTRACTOR

In performance of the work, duties, and obligations assumed by the PARTIES under this Agreement, it is mutually understood and agreed that each of the PARTIES, including any and all of its officers, agents, and employees, will at all times be acting and performing as an independent contractor, and shall act in an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or associate of the other. Furthermore, each of the PARTIES shall have no right to control or supervise or direct the manner or method by which the other shall perform its work and function. However, each of the PARTIES shall retain the right to administer this Agreement so as to verify that the other is performing its obligations in accordance with the terms and conditions thereof. PROVIDER and COUNTY shall comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over matters which are directly or indirectly the subject of this Agreement.

Because of its status as an independent contractor, the PARTIES shall have absolutely no right to employment rights and benefits available to the other's employees. Each of the PARTIES shall be solely liable and responsible for providing to, or on behalf of, its employees all legally-required employee benefits. In addition, the PARTIES shall be solely responsible and save the other harmless from all matters relating to payment of the PARTY's employees, including compliance with Social Security, withholding, and all other regulations governing such matters.

# 5.2 MODIFICATION

Any matters of this Agreement may be modified from time to time by the written consent of all the parties without, in any way, affecting the remainder.

#### 5.3 NON-ASSIGNMENT

Neither party shall assign, transfer or subcontract this Agreement nor their rights or duties under this Agreement without the prior written consent of the other party.

# 5.4 <u>CONFIDENTIALITY</u>

- A. The PARTIES shall maintain patient or consumer information in compliance with all applicable confidentiality laws.
- B. The PARTIES shall protect from unauthorized disclosure, names and other identifying information concerning individuals receiving services pursuant to this Agreement for any purpose other than to carry out the obligations of this Agreement.
- C. For purposes of the above paragraphs, identifying information will include, but not be limited to: name, social security number, address, other identifying number, symbol, or other identifying particular assigned to the individual.

### 5.5 NON-DISCRIMINATION

During the performance of this Agreement, the PARTIES shall not unlawfully discriminate against any employee or applicant for employment, or recipient of services, because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, age or gender, pursuant to all applicable State of California and Federal statutes and regulations.

### 5.6 PERFORMANCE

Throughout the term of this Agreement, the PARTIES shall maintain and enhance quality assurance in connection with the services provided under this Agreement. PROVIDER agrees to perform the services incompliance with all applicable governmental laws and regulations and in accordance with all applicable standards and recommendations of PROVIDER and the Joint Commission, an independent not-for-profit organization that accredits and certifies PROVIDER. Services provided by PROVIDER under this Agreement shall be provided in a safe and effective manner and shall be subject to oversight by the COUNTY's Quality Assurance and Performance

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Improvement Program.

# 5.7 SELF-DEALING TRANSACTION DISCLOSURE (FINANCIAL)

Members of the PROVIDER's Board of Directors shall disclose any self-dealing transactions that they are a party to while PROVIDER is providing goods or performing services under this Agreement. A self-dealing transaction shall mean a transaction to which the PROVIDER is a party and in which one or more of its directors has a material financial interest. Members of the Board of Directors shall disclose any self-dealing transactions that they are a party to by completing and signing a Self-Dealing Transaction Disclosure Form (Exhibit A, which is attached hereto and incorporated herein) and submitting it to the COUNTY prior to commencing with the self-dealing transaction or immediately thereafter.

## 5.8 NOTICES

The persons having authority to give and receive notices under this Agreement and their addresses include the following:

# COUNTY

# Director, Fresno County Department of Behavioral Health 4441 E. Kings Canyon Road Fresno, CA 93702

## **PROVIDER**

President/CEO Saint Agnes Medical Center 1303 East Herndon Avenue Fresno, CA 93710

Any and all notices between COUNTY and PROVIDER provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when personally delivered to one of the parties, or in lieu of such personal service, when delivered by certified United States Mail, postage prepaid, address to such party.

## 5.9 GOVERNING LAW

The parties agree that for the purposes of venue, performance under this Agreement is to be in Fresno County, California.

The rights and obligations of the parties and all interpretation and performance of this Agreement shall be governed in all respects by the laws of the State of California.

## 6.0 ENTIRE AGREEMENT

This Agreement and Exhibit A constitutes the entire agreement between the PROVIDER

and COUNTY with respect to the subject matter hereof and supersedes all previous agreement 1 negotiations, proposals, commitments, writings, advertisements, publications, and understandings of 2 any nature whatsoever unless expressly included in this Agreement. 3 4 /// 5 /// 6 /// 7 /// 8 /// 9 /// 10 /// 11 /// 12 /// 13 /// 14 /// 15 /// 16 /// 17 /// 18 /// 19 /// 20 /// 21 /// 22 /// 23 /// 24 /// 25 /// 26 /// 27 /// 28 ///

1	IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and			
2	year first hereinabove written.			
3	ATTEST:			
4	PROVIDER: COUNTY OF FRESNO			
5	SAINT AGNES MEDICAL CENTER			
6	By Debut hopell By Romer les			
7	Print Name: Deboie Chappell  Chairman, Board of Supervisors			
8	Title: V.P. Clinical Sus Date: 1/15/13			
9	Chairman of the Board, or			
10	President, or any Vice President			
11	BERNICE E. SEIDEL, Clerk Board of Supervisors			
12	Doubt of Supervisors			
13	Ву			
14	Print Name: Vreetand Joves By Kelly Welling, Deputy			
15	Title: Secretary Date: 11513			
16	Secretary (of Corporation), or any Assistant Secretary, or			
17	Chief Financial Officer, or			
18	any Assistant Treasurer			
19	PLEASE SEE ADDITIONAL			
20	SIGNATURE PAGE ATTACHED			
21	Mailing Address:			
22	1303 East Herndon Avenue Fresno, CA 93710			
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1	APPROVED AS TO LEGAL FORM:		
2	KEVIN BRIGGS, COUNTY COUNSEL		
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4	By Janelle E. Helly		
5	APPROVED AS TO ACCOUNTING FORM:		
6	VICKI CROW, C.P.A., AUDITOR CONTROLLER/ TREASURER-TAX COLLECTOR		
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14	Donna Taylor, R.N., Director Department of Behavioral Health		
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### SELF-DEALING TRANSACTION DISCLOSURE FORM

In order to conduct business with the County of Fresno (hereinafter referred to as "County"), members of a contractor's board of directors (hereinafter referred to as "County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest"

The definition above will be utilized for purposes of completing this disclosure form.

#### INSTRUCTIONS

- (1) Enter board member's name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member's company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
  - a. The name of the agency/company with which the corporation has the transaction; and
  - b. The nature of the material financial interest in the Corporation's transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.
- (5) Form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

# Exhibit A

(1) Company Board Member Information:							
Name:		Date:					
Job Title:							
(2) Company/Agency Name and Address:							
	•						
(2) Diselect	us (Disease describe the nature of the saif doe	ling transacti	ion vou are a norty to)				
(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to)							
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(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a)							
			i				
(5) Authorized Signature							
Signature:		Date:					

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### Exhibit B

See attached Letter dated May 21, 2014 from Dawan Utecht, Mental Health Director/Public Guardian of the County of Fresno Department of Behavioral Health to Ms. Nancy Hollingsworth, President/CEO of Saint Agnes Medical Center.



# Department of Behavioral Health Dawan Utecht, Mental Health Director/Public Guardian

Providing Quality Mental Health and Substance Abuse Services for the People of Fresno County

May 21, 2014

Ms. Nancy Hollingsworth President/CEO Saint Agnes Medical Center 1303 East Herndon Avenue Fresno, CA 93710

Dear Ms. Hollingsworth:

This letter is to inform you of changes that will be occurring in the mobile Crisis Psychiatric Response Services (CPRS) offered to Community Regional Medical Center. Fresno County Department of Behavioral Health has provided crisis psychiatric response services to your hospital emergency department since 2009. These services have been provided by Department of Behavioral Health staff and also through a contracted provider agreement with WestCare California, Inc. Due to several factors such as under-utilization of program services, opening of other County and private crisis programs and services, as well as additional changes made in the community, please be advised that the agreement between Fresno County and WestCare California, Inc. for crisis psychiatric response services to your hospital emergency department will end on June 30, 2014. Alternative resources that will be available to your organization include the following: Urgent Care & Wellness Center (phone: 559-600-9171), Exodus Crisis Stabilization Center (phone: 559-453-1008), Support and Overnight Stay Program (phone: 559-512-6802) and the Suicide Prevention Hotline at (559) 506-5991. Brochures for these programs are enclosed and multiple copies will be forwarded separately to your emergency department staff.

In an effort to improve the ongoing crisis response and stabilization services in Fresno County, the Department is engaged in a broad review of existing services to identify gaps in care. As part of that process, we are expanding the Exodus Crisis Stabilization Center, our adult crisis unit, by 8 beds, from 12 beds to 20 beds. Additionally, we are in contract negotiations to open a 16 bed inpatient adolescent unit on our Kings Canyon campus, along with co-locating our Children's Crisis Assessment Intervention Resolution Center (CCAIR) to the same campus and obtaining licensure as a Crisis Stabilization Unit for children. We are also planning to apply for SB 82 — Investment in Mental Health Wellness grant funding to open up to 30 adult Crisis Residential beds. We anticipate these activities will further enhance crisis response and stabilization services and create much needed capacity in the system.

I meet monthly with representatives from local hospitals through a 5150 Hospital Workgroup led by Lynne Ashbeck, Regional Vice President of the Hospital Council of Northern and Central California. I encourage your staff to bring any concerns to that meeting as we engage in robust discussions around improving care to our shared population. I am also available if you would like to meet with me separately.

Please contact Karen Markland, Division Manager, Mental Health Services Act at 600-6899 should you have any logistical questions about the mobile Crisis Psychiatric Response Services (CPRS) contract termination.

Sincerely,

Dawan Utecht

Dawas Wecht

Mental Health Director/Public Guardian

DU:kb

**Enclosures** 

cc: Saint Agnes Emergency Department staff