

WARREN PARTIAL HOSPITALIZATION PURCHASE OF SERVICE AGREEMENT

This AGREEMENT is made the between the Warren County School District, whose principal place of business is at 185 Hospital Drive, Warren, PA 16365, hereinafter referred to as the "District" and the Children's Center for Treatment and Education d/b/a Beacon Light Behavioral Health Systems, whose principal place of business is 800 East Main Street, Bradford, PA 16701 hereinafter referred to as the "Service Provider" and shall be in force and effect from July 1, 2009 and will conclude June 30, 2010.

WHEREAS, the Service Provider, is certified and approved by the Pennsylvania Department of Public Welfare to provide child welfare services for children and youth, is licensed (Lisc. No. 461140) to provide Partial Hospitalization services and is desirous of making such services available to the District: and

WHEREAS, the Parties previously entered into a contract whereby the Service Provider provided Partial Hospitalization services to students of the District, which contract expired June 30, 2009, and which contract the Parties wish to renew for an additional one (1) year term upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties, intending to be bound hereby, it is mutually understood and agreed as follows:

I. General Provisions

- A. This agreement is subject to all applicable provisions of State and Federal laws and regulations related to the provision, delivery and funding of child welfare and education services to children and youth.
- B. The Service Provider; for and in consideration of the compensation hereinafter set forth, agrees to provide partial hospitalization services, as set forth in **Attachment A** - Program Description pursuant to Chapter 5210, to children and youth referred to it by the District and accepted by the Service Provider pursuant to a mutually agreed upon Individualized Education Plan (IEP).

II. Intake Process

- A. Upon referral of a student, the District shall provide the Service Provider with an Individualized Education Plan, Evaluation Report, and a medical history as a minimum and, where available, related school information, psychological and psychiatric evaluations.
- B. The Service Provider shall cooperate with the District in arranging a pre-placement conference with the students and their families. The participants may include, but not be limited to, the child, parent or guardian, and District staff, county caseworker or probation officer.

- C. When the Service Provider agrees to accept the student into the program, the District shall provide the Service Provider with the student's books for academic purposes, prior to or upon the date of placement, or as soon as the information is available.
- D. The Service Provider Agency will request, in writing, any necessary information about the child and his/her family that has not been received from the District within fourteen (14) calendar days following placement of the child. A copy of the request will be kept in the child's record.
- E. When a student's eligibility for the program has not yet been determined, the District shall have the right to temporally place and request that the student be evaluated for appropriateness of placement. The Service Provider will schedule the student for the first available appointment for purposes of evaluation. Placement decisions will be made based upon the results of the evaluation. ~~However, if the enrollment of the student causes the total program enrollment to exceed 34 students, the Service Provider shall be entitled to additional compensation as set forth at Article XIV hereinafter.~~

III. Service Planning

- A. The Service Provider, the District and at the District's request, other person such as IEP team members shall collaboratively develop an individual service plan to determine responsibilities and define services to be provided by the Service Provider. A signed consent of the child, if 14 and over or the parent /child if younger than 14 is required for District staff and other person to participate in the development and review of the Treatment Plan. The service provider will not provide services to client who is unwilling to consent to the participation of District staff.
- B. The Service Provider shall develop a Treatment Plan, consistent with the requirements of the regulations promulgated by the Pennsylvania Department of Public Welfare within five days of the date of placement. The child, parent or guardian, a psychiatrist, and District staff shall be given the opportunity to participate in the development of the plan and shall ensure that the objectives set forth in the plan are consistent with the goals for the student to return to the **appropriate** ~~regular~~ education setting. Other persons may participate in the development of the plan as deemed appropriate.
- C. The Treatment Plan will be reviewed and modified by the treatment team and psychiatrist, at a minimum, once every 20 days of service.
- D. The Service Provider agrees to provide reasonable advance notice to the District of the holding of a treatment plan review so as to enable the District to make staff available for attendance at that treatment plan review.

IV. Services

Partial Hospitalization is a program model that focuses on the mental health needs of children and adolescents. The purpose of the program is to provide preventive clinical intervention services to the young person as an alternative to in-patient care or as a more intensive treatment program than is afforded by outpatient settings. Partial Hospitalization is a community-based

alternative to out-of-home placement for many young people. The program is Medical Assistance funded and licensed by the Department of Public Welfare.

The Service Provider will maintain as part of its regular staff, two teachers certified under the requirements of the Commonwealth of Pennsylvania. One teacher will be certified in special education. Information regarding the student's instructional requirements will be communicated between the Service Provider teacher and School District Special Education Staff. The teacher will provide instruction to the students enrolled in the program consistent with the IEP's or service plans provided by the District with respect to each child. In addition, the School District and Service Provider will mutually agree upon a procedure to ensure that accurate documentation is being completed on educational reviews of IEP goals and objectives. The Service Provider agrees to complete academic progress reports and report cards utilizing District forms on the schedule required by the District. Additionally, the District reserves the right to utilize space at the Service Provider's location to administer District-wide or Statewide assessments of students' performance.

Attachment "A" outlines the delivery of Partial Hospitalization services licensed for ~~25~~ ~~(thirty)~~ ~~(twenty five)~~ 30 clients from Warren and surrounding communities. The Service Provider will establish its facility at a location to be mutually agreed upon by the Parties, which will provide access to handicapped students. In addition, the Parties agree that said location shall contain space adequate for the provision of related services by the District, including items such as occupational therapy, physical therapy or speech and language services. The program offered would be consistent with the regulations of a Partial Hospitalization Program certified by the Office of Mental Health. The program will be operated a ~~minimal of~~ 180 days a year following the Warren County School District calendar.

V. Reports

The Service Provider shall submit to the District and parents, quarterly progress reports pertaining to the Individualized Education Plan, or in such other format as the District shall request. Parents or guardians, for children under 14 years of age, will be submitted treatment plan updates for review and authorization. With a signed consent to release information, parents or guardians of adolescents 14 years and older will be submitted treatment plan updates.

The Service Provider will release treatment plans, discharge summaries and other written reports as shall be requested by the District or family in accordance with PA Department of Public Welfare's regulations on confidentiality.

VI. Transportation

The Sending District shall be responsible for all student transportation in fulfilling the terms of this contract.

VII. Lunches

The District shall be responsible for providing USDA approved lunches to the partial hospitalization program. The Service Provider will be responsible for assisting the District with qualifying students for the National School Lunch Program and obtaining documentation.

VIII. Attendance

The Service Provider will maintain daily attendance records on all students and **provide** ~~fax~~ copies of attendance reports to the District. ~~on a monthly basis as indicated in section X. Payment (B) following.~~

IX. Discharge

Except in cases involving emergency, a child shall not be discharged from the program without the mutual consent of the Parties until the occurrence of the following events. The Service Provider must give notice of consideration of the discharge of the child in writing to the District's Director in charge of Special Education. Following said notice, such discharge shall be discussed at the treatment plan review held pursuant to Article III (C) above or at a joint meeting between the Parties scheduled specially for that purpose. Thereafter, the discharge shall not occur until the subsequent treatment plan review held twenty (20) days of service following the treatment plan meeting at which the discharge was first discussed, or until ten (10) school days following any joint meeting of the Parties held specially for the purpose of discussing such discharge. The preceding provisions notwithstanding, a student may be discharged immediately upon an emergency. An emergency is defined as a situation, which endangers the physical safety of the child or others. Consistent with the regulations of the Office of Mental Health, a client or his/her family may also request a discharge from the Partial Hospitalization Program. If such a request is made, the District Director in charge of Special Education will be notified immediately.

X. Payments

- A. The District, in consideration of **educational** ~~the~~ services provided by the Service Provider under this Agreement, shall pay the Service Provider **\$257,000 for the school year, for 25 slots in this program. This payment will consist of 9 monthly installments beginning in September 2009 and concluding in May 2010. Each monthly installment will total \$28,556.** ~~annually the costs of operating the Partial Hospitalization services on a monthly basis. A Budget~~ Costs of for services agreed upon by the District and Service Provider are listed in Attachment A - Budget (if Attachment B is revised by mutual agreement it will be evidenced by the authorized signature and date of both parts).
- B. **In order to allow for the funding of clinical services such as psychiatric care and therapy, which is required for program sustainability, it is imperative that the students referred to the program be enrolled in PA Medical Assistance, and/or carry other third party insurance coverage. In the event that the student does not have MA, or other insurance coverage from which to provide for the cost of care, within 45 days of enrollment, the student's parent will be billed an hourly rate of \$15.00 for therapeutic services. The parents will be required to acknowledge and sign off on this obligation on a patient liability form prior to enrollment.**
- C. ~~The District and Service Provider acknowledge that student census varies and will agree prior to July 31, 2008 to the number of clients enrolled in the program so that the Service Provider can staff accordingly. Because of the fluctuation in need associated with mental health programs, there will be two options provided to the District. These include the following:~~

~~Option 1: The District will utilize no more than 24 slots, which requires the Service Provider to maintain 3 mental health technicians as part of the staffing compliment.~~

~~Option 2: The District will utilize no more than 34 slots, which requires the Service Provider to maintain 5 mental health technicians as part of the staffing compliment.~~

~~If the District selects Option 1 but following July 31, 2008 makes a decision to choose Option Two then costs associated with it will remain in place for the remainder of the school year regardless of any subsequent decrease in student population.~~

- ~~C. Monthly billing will be calculated at one ninth of the agreed upon budget amount less the amount billed to Managed Care companies during that month of services provided. The service provider will provide to the district, on a monthly basis, an attendance report, which will identify each student receiving partial hospitalization for the month. This report will include the hours attended, along with medical assistance eligibility data, as well as other third-party eligibility data.~~
- ~~— A final bill will be issued to the school district in the month of July for any money that cannot be obtained through reasonable efforts from the Managed Care companies. This final bill will list the student, the managed care company, and the efforts made to collect the money.~~
- ~~D. The Service Provider shall submit to the District, on an annual basis, a compliance audit prepared by an independent auditor consistent with applicable regulations for all child welfare services provided pursuant to this agreement. The audit will include a check list and a statement that the audit was conducted in accordance with generally accepted accounting principles applicable to nonprofit human service or welfare organizations; 55 PA Code, Chapter 3170 (DPW Allowable Costs and Procedures for District Children and Youth); OMB Circular A 122 (Cost Principles for Nonprofit Organizations); A 133; and the Yellow Book.~~
- ~~E. Within 30 days of the submission of the compliance audit, the Service Provider and the District will reconcile the cost of the program to actual costs, in consideration of the reimbursement from other sources and the cost of the program. In no case will the District be responsible for any cost to the program in excess of the current agreed upon budget less any receipts received by the Service Provider for services billed other payers as listed in Attachment B.~~
- F. The Service Provider will render billing statements to the appropriate District department on **the first of the month preceding services.** ~~the fifteenth of the month following the month of services.~~ The district shall issue payment no later than the **fifth first** of the month following the service month or preceding the monthly District board meeting.
- G. In the event that the District chooses to allow the inclusion of students from districts other than their own, Warren County School District shall continue to be responsible for the full payment of services to the Provider. The District shall determine the amount to be charged to such other districts for services rendered, however, the Service Provider shall lend the District reasonable assistance, as may be requested, to help formulate such charges. Except as set forth

below, the effort to recover cost of services from the non-host district shall be the responsibility of Warren County School District.

H. ~~Except for payments from other districts, the Service Provider will utilize its best efforts to promptly and diligently secure payment from all other payers (i.e. third party insurers, medical assistance, etc.) for all students attending the Program. All such receipts shall be credited to the District in accordance with subparagraphs B and D above.~~

XI. Confidentiality

The Service Provider and the District, their agents and employees shall perform their respective obligations under this agreement in such a manner as to ensure that records, names and identities of persons counseled, treated or rehabilitated shall remain confidential, except as disclosure is permitted by law or as required for fulfillment of the terms of this Agreement.

XII. Non-Discrimination Clause

In carrying out the terms of this Agreement, both parties agree not to discriminate against any employee or client or other person with regard to age, race, color, sex, religious creed, national origin, marital status or disability. The Service Provider and the District shall comply with the Contract Compliance Regulations of the Pennsylvania Human Relations Commission, any pertinent Executive Order of the Governor and with all laws prohibiting discrimination in hiring or employment opportunities and the provision of child welfare services.

XIII. Insurance -

The Service Provider shall, at its sole cost and expense, procure and maintain in full force and effect covering the performance of the services rendered under this agreement, insurance coverage and limits specified below.

In addition to the insurance coverage and limits specified herein, the Service Provider shall obtain any other insurance coverage as may be required by law.

A. General Liability Insurance

1. Limits of Liability \$1,000,000 in the aggregate and per occurrence.
2. Coverage: Premise operations, blanket contractual liability, personal injury liability (employee exclusion deleted), products and completed operations, independent contractors, employees and volunteers as additional insured, joint liability and broad form property damage (including completed operations).

B. Workers' Compensation and Employers' Liability Insurance

1. Limits of Liability: Workers' Compensation -Statutory Limits.
Employers' Liability: Statutory Limits.
2. Other States' coverage and Pennsylvania endorsement.

C. Automobile Liability

1. Limit of Liability: \$1,000,000 per occurrence combined single limit for bodily injury (including death) and property damage liability.

2. Coverage: Owner, non-owned and hire vehicles.

D. Professional Liability Insurance

1. Limit of Liability: \$1,000,000 by claim and in the aggregate.

2. Coverage for occurrences happening during the performance of services required under this agreement shall be maintained in full force and effect under the policy. The policy shall include tail coverage for up to a two-year period of exposure.

All insurance provided for in this section shall be obtained under valid and enforceable policies issued by insurers of recognized responsibility that are licensed to do business in the Commonwealth of Pennsylvania. The District prefers that Certificates of Insurance evidencing the existence of such insurance shall be submitted to the District at least ten (10) calendar days before work begins. If the term of this contract coincides with the term of the Service Provider's insurance coverage, a certificate from the expiring policy will be accepted, but a certificate evidencing renewed coverage or a new policy must be presented to the District no later than thirty (30) days after the effective date of the policy.

Each policy and Certificate of Insurance shall contain an endorsement naming the District as an additional insured party there under and a provision that at least thirty (30) calendar days prior written notice be given to the District in the event coverage is canceled or non-renewed or limits of coverage is reduced.

If the Service Provider desires to self insure any or all of the coverages listed in this section, it shall provide to the District documentation that such self insurance has received all the approvals required by law or regulation, as well as the most recent audited financial statement of the Service Provider's insurance. Such self-insurance will not be regarded as adequate hereunder until such self-insurance shall receive the approval of the District. Such approval will not be unreasonably withheld provided that the Service Provider gives evidence of satisfactory financial resources to support the self-insurance status. Any coverage which is self insured shall provide the same coverage, limits and benefits as the coverages listed in this section. If the Service Provider fails to obtain or maintain the required insurance, the District shall have the right to treat such failure as a material breach of the contract and to exercise all appropriate rights and remedies.

E. Subcontractors

The Service Provider shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this agreement.

XIV. Hold Harmless Provision - Indemnification

A. It is understood that the Service Provider is an independent contractor in respect to its performance under this Agreement and shall assume all risk and responsibilities for losses of

every description in connection with the service that can be attributed either directly or indirectly to the Service Provider. The Service Provider agrees to indemnify, defend and hold harmless the District, its directors, officers, agents and employees for, or on account of any damage or loss, including the District's cost of litigation and attorneys' fees resulting from the actions of the Service Provider, or a subcontractor of the Service Provider, in fulfilling the terms of this Agreement.

- B. The Service Provider hereto shall not be held responsible for delay or failure to perform hereunder when such delay or failure is due to fire, flood, epidemic, strike, acts of God or the public enemy, unusually severe weather, legal acts of the public authorities, or delay or default which cannot reasonably be foreseen or provided against.

XV. Pennsylvania Department of Public Welfare Certification

The Service Provider, in writing, shall notify the District within five working days of any loss of its Pennsylvania Department of Public Welfare certification for any of the services being provided to the District.

XVI. Assignment

The Service Provider shall not assign any part of this Agreement without prior written approval of the District.

XVII. Compliance with Law

In the carrying out of their respective duties hereunder, the Parties agree to comply with all federal, state, and local laws, rules and regulations.

XVIII. Cooperative Efforts

The Parties recognize that many, if not all, of the students served by the Service Provider will be students enjoying services or programs delivered by the District pursuant to individualized education plans, Chapter 15 service plans or similar documents. In recognition of that fact, the Service Provider agrees to utilize its best efforts to develop a treatment plan consistent with the needs, strengths, goals and objectives identified for a particular student in that student's individualized education plan, Chapter 15 plan and the like. Additionally, as requested by the District, the Service Provider agrees to make its staff available to participate in evaluations, IEP meetings, hearings and similar sessions or meetings participated in by the District to evaluate, make educational decisions for or otherwise meet the needs of students served mutually by the District and Service Provider.

XIX. Program Capacity

~~The Parties acknowledge that from time to time and for intervals of both short and long duration, the District may be faced with a situation wherein it desires to place more than (24) students in the Program to be operated by the Service Provider hereunder. The other provisions hereof notwithstanding, the Service Provider agrees that, as requested by the District, the Service Provider will accommodate more than the (24) students set forth herein above. The Parties agree that generally the maximum number of additional students will be two. However, from time to~~

~~time the Parties recognize that emergency circumstances may necessitate the servicing of additional students, and in such circumstances the Parties agree to confer to determine the maximum number of students that might be served or other steps that might be taken to address the student population enrolled in the Program in order to meet the demands of such emergency. In all events, regardless of the number of students attending the Program in excess of the (24) students discussed herein above, the Parties acknowledge and agree that the Service Provider shall have no obligations to bill or collect from other payers with respect to services rendered to the students in excess of (24). Conversely, however, the Service Provider agrees to refrain from the imposing of additional charges for the inclusion of such students in excess of (24) in the Program. (However, in the event the number of students exceeds (24), the service provider will incur additional costs; therefore the student population will not exceed (24) without the consent of both parties.)~~

XX. Modification

- A. This document, and all attachments which have been incorporated by reference, contains all the terms, provisions and conditions of this Agreement. No term or provision may be unilaterally modified or amended. Any alteration must be reduced to writing and signed by the parties to this Agreement.
- B. Any alteration, variation, modification or waiver of a provision of this Agreement shall be valid only when reduced to writing, duly signed by the parties of this Agreement, and attached to the original of the Agreement.

XXI. Termination

If either party fails to fulfill in a timely or proper manner its obligations under this Agreement or if either party violates any of the covenants or stipulations of this Agreement, the party injured thereby shall thereupon have the right to terminate this Agreement by giving written notice of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination.

All contractual matters relating to the provision of the service by the Service Provider shall, upon termination by either party, be settled within thirty (30) days of the date of termination by the rendering of a bill marked "final bill" by the Service Provider to the District.

IN WITNESS WHEREOF, the duly authorized officers of the parties hereby set their hands and seals, causing this Agreement to be executed and legally binding.

Service Provider:

Children's Center for Treatment and Education
d/b/a Beacon Light Behavioral Health Systems
800 East Main Street
Bradford, PA 16701

District:

Warren County School District
185 Hospital Drive
Warren, PA 16365

By:

Richard Seager
President/CEO

Name/Title

Date

Date

ATTACHMENT A – Budgeted Costs

Beacon Light Behavioral Health Systems

ITP Warren 2009-10 Operating Budget

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description	budget
Salaries	254,503
Holiday & Overtime	3,903
Hospitalization	28,621
Retirement	10,110
Special Benefits	0
Disability Insurance	1,659
FICA Payable	19,768
PA Unemployment Comp	2,584
Workmen's Compensation	11,244
Medical Fees (Employees)	350
Psychiatric Services	85,200
Professional Fees	0
Audit Service	0
Other Services	100
Medical Director	0
Utilization Review	0
Food	1,600
Laundry Supplies	0
Office Supplies	2,350
Computer Service	1,000
Other Office Machine Maint.: A	0
Xerox Machine Monthly	1,960
Health & Beauty	100
Housekeeping	690
Household Goods	430
Kitchen Equipment & Utensils:	0
Kitchen Supplies	159
School Supplies	630
Title One: SAEP	0
Testing Materials	0
Telephone	3,258
Postage	280
Professional Gen Liab Ins.	0
Officers & Directors	0
Business Package	0
Electric	3,265
Natural Gas	4,490
Water	1,253
Fire & Safety	461
Building Maint.	960
TV Cable	1,145
Sewage Rental	0

Beacon Light Behavioral Health Systems

ITP Warren 2009-10 Operating Budget

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description	budget
Garbage Collection	780
Grounds Maint	880
Equip. Rep. & Maint	3,072
Taxes	7,057
Gas & Oil	2,157
Vehicle Maintenance	0
Staff Mileage	420
Meeting Expense	60
Lease	0
Registration Fee	0
Travel	500
Medical Fees	0
Program Expense	0
Clothing	0
Resident Transportation	250
Recreational Allowance	0
Outdoor Skills	0
Treatment	540
Holiday & Anniversary	146
Affiliate Lease Rental	8,924
Treatment Supplies	0
Organization Dues	130
Staff Development	300
Library	0
Recruitment: Administration	500
Public Relations	0
Special Events	920
Interest	6,685
Miscellaneous Expense	20
Program Admin.: Admin	167
Management Fees/Admin	52,932
Management Fees/Occup	12,099
Unallowable Admin. Expense	4,627
	\$ 545,238
Third Party Coverage for Therapeutic Services	\$ 288,238
Warren School District Funding	\$ 257,000
	\$ 0

