

**HOLMAN PROFESSIONAL COUNSELING CENTERS
GROUP CONTRACT
EAP PLAN**

This Agreement is made by and between, **HOLMAN PROFESSIONAL COUNSELING CENTERS** (hereinafter "HPCC") a California corporation having its principal place of business at 9451 Corbin Avenue, Suite 100, Northridge, California 91324, telephone number (800) 321-2843, and **City of Redlands** (hereinafter "Employer") hereby enter into this Group Plan Contract as of this July 1, 2014.

RECITALS

- A. HPCC provides Employee Assistance Program Services and a full range of inpatient, outpatient, and day care Behavioral Health Services to employer groups, eligible individuals employed by such groups, and eligible dependents, while at the same time maintaining the requisites of an independent and responsible profession; and
- B. Employer desires to provide its eligible employees and dependents with the benefits and services of HPCC's programs. Employer covenants that their employee population is now, and shall continue to have twenty-five or more full time employees working within the State of California.
- C. HPCC desires to enter into this Agreement to render covered services to Employer's Enrollees pursuant to this Agreement.
- D. Employer desires to enter into this Agreement to have HPCC render covered services to its Enrollees pursuant to this Agreement.
- E. This Agreement incorporates by reference all exhibits mentioned and attached, including but not limited to, the Benefit Schedule/Description ("Exhibit A") as well as the Evidence of Coverage/Disclosure Form ("Exhibit B").

AGREEMENT

1.0 DEFINITIONS

- 1.1 Acute Condition. A medical condition of limited duration that involves a sudden onset of symptoms due to an illness, injury, or other medical problem that requires prompt medical attention.
- 1.2 Acute Psychiatric Hospital. Health facility with a medical staff that provides 24-hour inpatient care for behavioral health care patients.
- 1.3 Annual Benefit Maximum. Total amount of money HPCC will pay for authorized Behavioral Health Services provided to Enrollees by Providers per year. Enrollee will be responsible for any Behavioral Health Services beyond this amount.

- 1.4 Behavioral Health Services. Behavioral health services include all procedures utilizing psychological principles and methods for the understanding, diagnostic, referral, prevention, and treatment of psychological or personal problems in adults, children, couples, and families. Procedures utilized may include, but are not limited to, individual counseling, marital counseling, psychotherapy, behavior modification, chemical and alcohol abuse counseling, and hypnosis, used in a professional relationship to assist a person or persons to acquire greater human effectiveness, or to modify feelings, work situations, conditions, attitudes, and behavior which are emotionally, intellectually, or socially ineffectual or maladjustive.
- 1.5 Benefits Schedule. (Attached as Exhibit A.) Describes the available levels of treatments provided through a Group Plan Contract, along with required deductibles and co-payments if any.
- 1.6 COBRA. Is a special law that gives members a chance to keep their health plan if they lose their job, have a reduction in hours, or a change in dependents status. Members will usually have to pay the monthly charges to keep the plan under COBRA.
- 1.7 Contracted Provider. A person licensed as a psychiatrist, psychologist, clinical social worker, marriage, family and child counselor, nurse or other licensed health care professional with appropriate training and experience in behavioral health services, and who has contracted with HPCC to deliver specified services to HPCC Enrollees.
- 1.8 Coordination of Benefits. The allocation of financial responsibility between two or more insurance companies or health care providers, each with a legal duty to pay for covered services provided to an Enrollee at the same time.
- 1.9 Co-payment. Fixed fee paid to a Provider by Enrollee at time of provision of Behavioral Health Services, which are in addition to the Premiums paid by the Employer. Such fees may be a specific dollar amount or a percentage of total fees, depending on the type of services provided.
- 1.10 Coverage Decision. The approval or denial of health care services by a plan, or by one of its contracting providers, substantially based on a finding that the provision of a particular service is included or excluded as a covered benefit under the terms and conditions of the health care service plan contract.
- 1.11 Covered Services: EAP services provided by Providers that are determined to fall within the scope of EAP services and covered under the Group Plan Contract.
- 1.12 Disputed Health Care Service. Any health care service eligible for coverage and payment under a health care service plan contract that has been denied, modified, or delayed by a decision of the plan, or by one of its contracting providers, in whole or in part due to a finding that the service is not medically necessary.
- 1.13 Eligible Dependents. Includes Eligible Employee's lawful spouse, domestic partner (as defined in Section 297 of the Family Code), dependent children to age 26 or to age 26 if the child is a full-time student and anyone living in the employee's household. Children

include stepchildren, adopted children, and foster children, provided such children are dependent upon the employee for support and maintenance. Coverage for each minor child placed for adoption immediately begins from and after the date on which the adoptive child's birth parent or other appropriate legal authority signs a written document, including, but not limited to, a health facility minor release report, a medical authorization form, or a relinquishment form, granting the subscriber or spouse the right to control health care for the adoptive child. Attainment of the limiting age of 26 by dependent children, of the limiting age of 26 by full-time students, shall not operate to terminate the coverage of a child while the child is and continues to be incapable of self-sustaining employment by reason of mental retardation (although no payment will be made by HPCC for treatment of the mental retardation, other than primary diagnosis) or physical handicap and the child is chiefly dependent upon an Eligible Employee for support and maintenance.

- 1.14 Eligible Employee. Employee of Employer who is eligible for benefits by Employer pursuant to Employer's obligations under this Group Plan Contract. Continuation of EAP Coverage will be allowed as specified by COBRA provisions.
- 1.15 Emergency. The sudden onset of severe behavioral health symptoms and impairment of functioning due to a mental disorder or chemical dependency such that the absence of immediate attention could reasonably be expected to result in any of the following:
 - 1.15.1 Enrollee's health is placed in serious jeopardy;
 - 1.15.2 Serious impairment to bodily functions;
 - 1.15.3 Serious dysfunction to any bodily organ or part.
- 1.16 Emergency Behavioral Health Services and Care. Includes the screening, examination, and evaluation to the extent permitted by applicable law and within the scope of their licensure and clinical privileges, to determine if a clinical emergency medical condition exists, and to determine the care and treatment necessary to relieve or eliminate that emergency medical condition, within their capability.
- 1.17 Emergency Services: are services given because of a medical or psychiatric emergency.
- 1.18 Employee Assistance Program Services ("EAP"). The EAP is a confidential service designed to provide employees and their families with experienced counseling professionals for help with personal problems and issues. Additionally, the program offers limited free legal and financial advice and referral, CD training, and access to helpful online articles. The program is available to employees and their eligible dependents at no cost.
- 1.19 Employee/Member: Individual who works for an employer or is a member of a trust, who has contracted with HPCC for behavioral health services.
- 1.20 Employer. An Employer is a company that has contracted with HPCC to provide Behavioral Health Services to its Eligible Employees.

- 1.21 Enrollee. An Eligible Employee (and/or such Eligible Employee's eligible dependents or anyone living in the employee's household) of an Employer who has contracted with HPCC to provide EAP Services to its Employees. Employee must meet HPCC's eligibility requirements, enroll in the Employer's Group Plan, and accept the financial responsibility for any copayments that may be incurred through the Group Plan.
- 1.22 Evidence of Coverage and Disclosure Form. Brochure issued to an Enrollee setting forth the coverage to which the Enrollee is entitled and describing the procedure through which HPCC furnishes care; see exhibit B.
- 1.23 Family/Household Unit. Comprised of Enrollee plus Enrollee's eligible dependents or anyone living in the employee's household.
- 1.24 Fraud. Fraud is the deliberate submission of false information by a provider, enrollee, plan employee, or other individual or entity, to gain an undeserved payment on a claim.
- 1.25 Grievance. Any expression of dissatisfaction, whether written or oral. Members have 180 days to file a grievance with HPCC.
- 1.26 Group Plan Contract. Agreement between an Employer and HPCC providing that HPCC will provide Behavioral Health Services for the Employer's eligible employees/members in exchange for Premiums paid by the Employer.
- 1.27 Group Therapy Session. Goal-oriented Behavioral Health Services provided in a small group setting by a HPCC Provider. Group Therapy Sessions can be made available to the Enrollee in lieu of individual EAP sessions when appropriate.
- 1.28 Language Assistance Program: Plan shall establish and maintain an ongoing language assistance program to ensure Limited English Proficient ("LEP). Enrollees have appropriate access to language assistance while accessing health care services as required by the Language Assistance Program Regulations. Provider shall cooperate and comply, as applicable, with Plan's language assistance program; however, Plan shall maintain ongoing administrative and financial responsibility for implementing and operating on an ongoing basis the language assistance program for Enrollees.
- 1.29 Life Threatening Illness. Includes 1) diseases or conditions where the likelihood of death is high unless the course of the disease is interrupted; or 2) diseases or conditions with potentially fatal outcomes, where the end point of clinical intervention is survival.
- 1.30 Medical Detoxification. Medical detoxification is the medically based supervised treatment for an unstable or acute medical condition resulting from withdrawal from chemical substances including drugs or alcohol.
- 1.31 Medically Necessary. Medically necessary refers to Behavioral Health Services or supplies for treatment of an active Mental Disorder or chemical dependency that have been established in accordance with professionally recognized standards of practice.

- 1.32 Mental Disorder. A mental disorder is a behavioral or psychological syndrome that causes significant distress or disability, or a significantly increased risk of suffering death, pain, or an important loss of freedom. The syndrome is considered to be a manifestation of some behavioral, psychological, or biological dysfunction in the person.
- 1.33 Mental Health Services. Behavioral Health Services for the treatment of Mental Disorders including substance abuse.
- 1.34 Non-Contracted Provider. Any Provider not contracted with HPCC to deliver services to Enrollees. Every effort will be made to assure Enrollees are not subject to balance billing practices for services paid under the HPCC Agreement. Enrollees are liable for the cost of non-emergency services provided by Non-Contracted Providers.
- 1.35 Outpatient Behavioral Health Services. Outpatient Behavioral Health Services are those Behavioral Health Services that are provided by a Provider in his or her office or appropriate outpatient setting, covered under the employer's medical plan.
- 1.36 Premium. Predetermined monthly membership fee paid by an Employer for EAP coverage under Group Plan Contract.
- 1.37 Prior Authorization. Approval of coverage from HPCC prior to the Enrollee obtaining covered services. Requests for prior authorization will be denied if not Medically Necessary, if in conflict with HPCC's policies or otherwise are not covered services.
- 1.38 EAP Session. A private session consists of one Enrollee with a Provider and includes:
- 1.38.1 A 45-50 minute consultation as treatment needs dictate.
 - 1.38.2 A 45-50 minute psychological assessment and referral.
 - 1.38.3 A 1 hour – 2 hour group therapy session.
- 1.39 Provider. A person licensed as a psychologist, psychiatrist, clinical social worker, marriage and family therapist, nurse or other licensed health care professional, except Psychiatrists, with appropriate training and experience in Behavioral Health Services, working individually or within a corporation, clinic, or group practice, who is employed or under contract with HPCC to deliver Behavioral Health Services to Enrollees.
- 1.40 Serious Chronic Condition. A medical condition due to a disease, illness, or other medical problem or medical disorder that is serious in nature and that does either of the following:
- 1.40.1 Persists without full cure or worsens over an extended period of time;
 - 1.40.2 Requires ongoing treatment to maintain remission or prevent deterioration.
- 1.41 Serious Debilitating Illness. Diseases or conditions that cause major irreversible morbidity.

- 1.42 Treatment Plan. A written clinical presentation of the Provider's diagnostic impressions and therapeutic intervention plans. The behavioral health Treatment Plan is submitted routinely to HPCC for review as part of the concurrent review monitoring process.
- 1.43 Urgently Needed Behavioral Health Care Services. Medically Necessary Behavioral Health Services required outside of the service area to prevent serious deterioration of an Enrollee's behavioral health resulting from a sudden onset of illness or injury manifesting itself by acute behavioral health symptoms of sufficient severity, such that treatment cannot be delayed until the Enrollee returns to the service area.
- 1.44 Utilization Management Committee (UMC). A committee operating within HPCC whose function is to ensure both quality and cost-effectiveness of treatment.
- 1.45 EAP Visit: Outpatient. An outpatient session with a Provider conducted on an individual or group basis during which EAP and Behavioral Health Services are delivered.

2.0 COVENANTS OF EMPLOYER

- 2.1 Premium. Employer agrees to pay HPCC a monthly-prepaid Premium, commencing with the effective date of this Group Plan Contract, and thereafter on or before the first (1st) day of the month prior to the month of coverage, the sum (See "Exhibit A") for each Enrollee, per month, to be covered pursuant to this Group Plan Contract. Such rates may from time to time be adjusted in accordance with the provisions of this Group Plan Contract.
- 2.2 Enrollee Count. Employer agrees to furnish to HFC, on or prior to the first day the effective date of this Group Plan Contract, an enrollee count on the monthly invoice of all persons who shall be Eligible Enrollees under this Group Plan Contract.
- 2.3 Late Enrollment Provisions: Late Enrollment Provisions shall not apply to this Agreement.
- 2.4 Required Distribution. Employer agrees to distribute to all Enrollees copies of the Evidence of Coverage and Disclosure Form as provided by HPCC (See "Exhibit B"). Additionally, Employer agrees to disseminate any materials supplied by HPCC, in accordance with legal or contractual requirements, to its Enrollees by its next regular communication to Eligible Employees, but in no event later than thirty (30) days after receipt by Employer.
- 2.5 Required Employer Notice to Enrollees. Employer shall direct Enrollees who wish to receive EAP Services to telephone HPCC at (800) 321-2843.
- 2.5.1 Written notice of cancellation of enrollment according to Section 2.7.

- 2.6 Required Employer Notifications to HPCC. Employer shall notify HPCC in writing within thirty (30) days of any material increases or decreases in the number of eligible employees.
- 2.7 Plan Cancellation Notification. In the event of the cancellation of the Group Plan Contract, HPCC shall notify the Employer in writing 30 days prior to the effective date of the cancellation. The group contract holder shall then promptly mail to each Enrollee a legible, true copy of the notice of cancellation of the contract received from the Plan. Such notice must be received by the Enrollee at least 15 days prior to the effective date of the cancellation. The group contract holder shall also provide proof of the mailing and the date thereof to the Plan by way of a signed attestation within 3 days of such mailing. In the event the Employer fails to comply with this condition, coverage will be extended until such time HPCC can comply with the mandated notice requirements. Employer shall be responsible for the cost of mailing.
- 2.8 Notification of Continuation Coverage to Qualified Beneficiaries. Employer shall notify qualified beneficiaries currently receiving continuation coverage, whose continuation coverage will terminate under one group benefit plan prior to the end of the period the qualified beneficiary would have remained covered as specified in Section 1366.27 of the California Health and Safety Code, of the qualified beneficiary's ability to continue coverage under a new group benefit plan for the balance of the period the qualified beneficiary would have remained covered under the prior group benefit plan. This notice shall be provided either thirty (30) days prior to the termination or when all enrolled Employees are notified, whichever is later.
- 2.9 Notification of Continuation Coverage to Successor Group Benefit Plan. Employer shall notify the successor group benefit plan in writing of the qualified beneficiaries currently receiving continuation coverage so that the successor plan, or contracting employer or administrator, may provide those qualified beneficiaries with the necessary Premium information, enrollment forms, and instructions consistent with the required disclosure in order to allow the qualified beneficiary to continue coverage.
- 3.0 COVENANTS OF HPCC**
- 3.1 Provision of Services. HPCC shall provide EAP Services through Providers pursuant to the Schedule of Benefits. If an Enrollee wishes to use a Contracted Provider, such Enrollee shall telephone HPCC at (800) 321-2843. HPCC will then assign the Enrollee to an appropriate Contracted Provider based upon intake information that HPCC will request in its telephone conversation with the Enrollee. If the Enrollee wishes to use a Non-Contracted Provider, Enrollee would do so at his or her own expense, and it shall be the responsibility of the Enrollee to arrange for services to be rendered with the Non-Contracted Provider.
- 3.2 Additional Services. In addition to Behavioral EAP, HPCC will also provide legal and financial counseling referrals to its Enrollees.

- 3.3 Policies and Procedure Assistance. HPCC shall be available to assist Employer in developing internal policies and procedures for referring Enrollees to HPCC for EAP Services.
- 3.4 Provision of EAP Brochure. HPCC shall provide a generic Employee Assistance Program brochure to Employer and shall consult with Employer and Employer's representatives about it.
- 3.5 Access to HPCC. HPCC shall make available to Enrollees the telephone number of HPCC for making appointments and obtaining information with respect to services provided by HPCC pursuant to this Group Plan Contract.
- 3.6 Quality Control. HPCC shall establish and maintain a quality control procedure, under the oversight of the Quality Management and Utilization Management Committees. This process will govern all private and group sessions provided by Contracted Providers, in order to assure delivery of effective health care services to Enrollee.
- 3.7 Provider Ethics Requirement. HPCC shall require all Contracted Providers and their authorized professional employees to abide by all ethical principles and standards of their respective professions.
- 3.8 Premiums and Benefits Increase/Decrease. HPCC shall not increase the amount of the Premium to be paid by Employer, or otherwise increase the compensation to be paid to HPCC by Employer for services provided pursuant to this Group Plan Contract, except after a period of at least ninety (90) days from either 1) the postage paid mailing to the Employer's business address, or 2) by hand delivery of the written notice of such increase to the Employer by HPCC. If the increase is at time of renewal, then the time frame for notice of increase is thirty (30) days. HPCC shall not decrease the amount of benefits to be provided pursuant to this Group Plan Contract except after a period of at least thirty (30) days from either the postage paid mailing to the Employer, or by hand delivery to Employer of a written notice of such decrease.
- 3.9 Provider Insurance. HPCC shall require that all Providers have malpractice liability insurance coverage for one million dollars (\$1,000,000.00) per each occurrence and one million dollars (\$1,000,000.00) in the aggregate.
- 3.10 HPCC Insurance. HPCC will carry:
- 3.10.1 Comprehensive general liability insurance, \$1,000,000 each occurrence (bodily injury and property damage) and business personal property insurance on all HPCC facilities in the amount of \$65,000. City shall be named as an additional insured and such insurance shall be primary and non-contributing to any insurance or self insurance maintained by City. Certificates of insurance, with endorsements, shall be delivered to City prior to HFC's provision of any services under this Group Plan Contract.

3.10.2 Statutory Worker's Compensation insurance coverage for all HPCC employees;

3.10.3 Fidelity Bond in the amount in compliance with applicable Department of Managed Health Care regulations.

4.0 GENERAL PROVISIONS

4.1 Period of Coverage. Coverage of Enrollees shall become effective on the date set forth on the signature page provided Employer has paid the required Premium, and coverage shall end on the last day of month for which Premium was paid or when this Group Plan Contract is terminated.

4.2 Annual Benefit Maximum. Payments for HPCC authorized services are limited to those benefits outlined in Exhibit A.

4.3 Co-payments. Enrollee and Enrollee's eligible dependent(s) are not responsible for paying co-payment amounts unless outlined in "Exhibit A".

4.4 Service Specifics. EAP services shall be provided by HPCC in either HPCC's offices, Providers' offices, or in an office provided by Employer at a work location. Normally services shall be delivered within five business days of a request by an Enrollee. Emergency services will be available on a 24-hour-per-day, 7-day-per-week basis, which may result in a face to face EAP session or a referral to a hospital or psychiatrist.

4.5 Confidentiality. HPCC will maintain the confidentiality of all Enrollee records in accordance with the Health Information Portability and Accountability Act (HIPAA) and other applicable federal and state laws. Except to the extent that disclosure is authorized by the Enrollee in writing or is otherwise mandated or permitted by law.

A STATEMENT DESCRIBING HPCC'S POLICIES AND PROCEDURES FOR PRESERVING THE CONFIDENTIALITY OF MEDICAL RECORDS IS AVAILABLE AND WILL BE FURNISHED TO YOU UPON REQUEST.

4.6 Choice of Providers. A HPCC clinician or intake specialist will refer Enrollees to Contracted Providers in their community. If the Enrollee uses a Non-Contracted Provider, the Enrollee may choose which Non-Contracted Provider to use and is responsible for arranging for services to be rendered and for any charges incurred. HPCC shall not reimburse Enrollees who secure services from licensed Non-Contracted Providers.

4.7 Concurrent Reviews. In order to determine continuing Medical Necessity for an Enrollee's treatment, concurrent reviews of Enrollee's treatment will occur on a regular basis. During each review, a HPCC clinician monitors the Enrollee's course of treatment to determine its effectiveness, the appropriate level of care, and continued Medical Necessity. The HPCC clinician must authorize all extended lengths of stay and transfers to different levels of care as well as any related additional services.

- 4.8 Enrollee Reimbursement Provisions. HPCC has made arrangements with its Contracted Providers to ensure that all bills are submitted directly to HPCC for payment. However, if an Enrollee receives emergency behavioral health treatment from a Non-Contracted Provider, the Enrollee may receive a bill for such services. The Enrollee must provide HPCC with a copy of the bill or claim as soon as possible. Enrollees should mail claims to: HPCC Professional Counseling Centers, 9451 Corbin Avenue, #100, Northridge, CA 91324.
- 4.9 HPCC Provider Compensation Procedure. HPCC Providers are paid on a discounted fee-for-service or fixed charge per day. HPCC does not use or permit any type of financial bonuses or incentives in its contracts with Providers.
- 4.10 Liability of HPCC upon Provider Termination. Upon termination of a Provider Agreement by any Contracted Provider, HPCC shall be liable for covered services rendered by such Provider, to an Enrollee who retains eligibility under the Group Plan Contract and who is under the care of such Provider, at the time of such termination until the services being rendered by such Provider, are completed. HPCC may make appropriate provisions for the assumption of such services by another Provider.
- 4.10.1 HPCC shall provide 30 day written notice to any Enrollee whose provider terminates, breaches the contract, or is unable to perform.
- 4.11 Coordination of Benefits. Pursuant to the provisions below, HPCC will not be responsible for making payments for services when another plan is primarily responsible for making payment for such services:
- 4.11.1 A "plan" is considered to be any group insurance coverage or other arrangement of coverage for individuals in a group that provides benefits or services on an insured or uninsured basis, and any governmental program providing benefits or services of a similar nature.
- 4.11.2 An allowable expense" is any necessary, reasonable and customary mental health expense covered by HPCC and covered in full or in part under any one of the plans involved.
- 4.11.3 With respect to coordinating benefits with other carriers, the "primary" plan pays its benefits without regard to any other plans. The "secondary" plans adjust their benefits so that the total benefits available will not exceed the allowable expenses. No plan will pay more than it does without the coordinating provision.
- 4.11.4 A plan without a coordinating provision is always the primary plan. If all plans have such a provision (1) the plan covering the Enrollee directly, rather than an Enrollee's dependent, is primary and the others are secondary; (2) if a child is covered under both parents' plans, when two members are under the same plan in a family, the member whose birthday falls first in a calendar year is the one who will be utilized; (3) if neither (1) nor (2) applies, the plan which has covered the Enrollee the longest period of time is primary.

- 4.11.5 Employer shall provide HPCC with any information it may have regarding other plans of its employee that may cover services provided by HPCC. HPCC may exchange benefit information with insurance companies, organizations and individuals, and has the right to recover any overpayment made from Employer if there is neglect by Employer in reporting coverage under another plan.
- 4.11.6 An Enrollee may not be covered as an Employee and Dependent on a plan, and an Enrollee's dependents may not be covered by more than one Employee. If an Enrollee is an Employee who is also a dependent of an Enrollee, the Enrollee will be insured solely as an Employee and all co-payments will be waived. The spouse so-covered waives coverage as a dependent and all co-payments are waived. If an Enrollee and spouse belong to different HPCC plans, each of the children, stepchildren, and legally adopted children may be insured under one HPCC plan only and all co-payments will be waived.
- 4.12 Charges for Missed Appointments. An Enrollee will forfeit one (1) EAP session for any appointment made with a Contracted Provider and not kept, except in those cases where the Contracted Provider is notified at least twenty-four (24) hours in advance of the appointment that it will not be kept or the failure to keep the appointment was due to circumstances beyond the Enrollee's reasonable control. HPCC will pay for no more than two (2) late/cancel no show sessions in any one benefit year at the late cancellation/no show rate.
- 4.13 Liability of Enrollee for Payment for Pre-Authorized Services. Every contract between HPCC and its Contracting Providers will contain a provision stating that Enrollees shall not be responsible for payment to any Contracted Provider in the event that HPCC should fail to pay the Provider for services rendered, unless such services are determined to not be covered under this Agreement. Authorized treatment by a provider shall not be rescinded or modified after the provider renders the service in good faith pursuant to the authorization.
- 4.14 Second Medical Opinions. An Enrollee or participating provider, who is treating an Enrollee, may request a second opinion by an appropriately qualified health care professional. Reasons for a second opinion to be provided or authorized shall include, but are not limited to, the following:
- Reasonableness or necessity of recommended treatment is questioned;
 - Diagnosis or treatment plan is questioned;
 - Clinical indications are not clear or are complex and confusing;
 - Treatment plan in progress is not improving the condition of the Enrollee within an appropriate period of time given the diagnosis and plan of care.

HPCC's decision to grant or deny the request for a second medical opinion will be delivered to the individual who requested the second medical opinion. If the Enrollee

faces an imminent and serious threat to his or her mental health, the second opinion shall be rendered within (72) hours after the receipt of the request. If the request for a second opinion is approved, the Enrollee will be responsible for all applicable co-payments. If the request for a second opinion is denied, the Enrollee will be notified in writing of the reasons for the denial and shall be informed of the right to file a grievance with the Plan. The request for a second medical opinion can be made by calling HPCC at 1-800-321-2843, or by writing to: Holman Professional Counseling Centers, Care Management Department, 9451 Corbin Avenue, #100, Northridge, CA 91324.

- 4.15 Renewal Provisions. This Group Plan Contract is for a term of One Year unless otherwise indicated. The Group Plan Contract will be automatically renewed annually at the same rate, unless HPCC and Employer agree on different terms at the time of renewal or unless terminated pursuant to Section 4.16. Employer will notify Enrollees of any change to the Group Plan thirty (30) days prior to the effective date of coverage. At renewal, any change in the benefits included in this EAP contract will constitute the termination of this contract. Should Employer wish to continue with HPCC providing some additional benefits or fewer benefits, a new contract outlining the new terms and new premium, will be provided.

- 4.16 Cancellations, Terminations, and Non-renewal. Cancellation, termination or non-renewal of this Group Plan Contract may only be effected in accordance with the following provisions:

- 4.16.1 This Group Plan Contract may be canceled, terminated or non-renewed by HPCC for the following reasons:

- a. Failure to pay. For nonpayment of the required premiums owed to HPCC or failure to agree to pay the required renewal premium.
- b. Fraud. For fraud or misrepresentation by Employer with respect to coverage of individuals, the individuals, or their representatives.
- c. Noncompliance. Failure to comply with the Plan's participation or employer contribution requirements at time of renewal.
- d. Either party may cancel this contract with or without cause with 30 days written notice to the other party.
- e. In all instances of cancellation in (a-d) aforementioned, written notice will be given thirty (30) days prior to date of cancellation and cancellation will not be retroactive. Enrollment will be cancelled as of the last day for which payment has been received, subject to compliance with stated notice requirements.

- 4.16.2 HPCC may terminate, cancel or decline to renew this Agreement when required to effectuate the purposes of the Knox-Keene Health Care Service Plan Act, with the consent of the Director of the Department of Managed Health Care.

- 4.16.3 All benefits under this Contract shall cease as of the date of cancellation, termination, or non-renewal with HPCC and Employer being released from all further obligations.
- 4.16.4 In the event of cancellation by HPCC (except in the case of fraud or deception in the use of services or facilities of HPCC or knowingly permitting such fraud or deception by another) or by Employer, HPCC shall, within thirty (30) days, return to Employer the prorated portion, if any, of the money paid to HPCC which corresponds to any unexpired period of which payment has been received, less any amounts due HPCC.
- 4.13.4 Acceptance by HPCC of the proper prepaid or periodic payment, after termination of this Group Plan Contract and without requiring new application, shall reinstate the Contract as though it had never terminated or been canceled unless HPCC shall, within five (5) business days of receipt of such payment, either refund the payment so made or issue to the other party a new contract accompanied by written notice stating clearly those respects in which the new contract differs from the terminated contract in benefits, coverage, or otherwise.
- 4.13.4 Section 1374.72 of the Health and Safety Code requires health care plans to provide coverage for the diagnosis and medically necessary treatment and management of mental health services (as defined) in a manner that matches the Employer's medical plan benefits. In order to ensure that this matching is current and accurate, Employers must notify HPCC of any benefit changes in their full service health plan within 30 days of the effective date of such changes.
- 4.17 Individual Continuation of Services: Federal COBRA Provisions.
- 4.17.1 The Federal Consolidated Omnibus Reconciliation Act of 1985 provides for the continuation of health insurance coverage for eligible enrollees and their dependents, of employers/trusts with 20 and over eligible employees, for a defined period of time after certain qualifying events occur. Ordinarily, an Enrollee's benefits will cease when employer/trust's group Coverage terminates or under any other circumstance listed in "Termination of Benefits". However, in the case of certain qualifying events, a qualified Enrollee and Enrollee's Eligible Dependents may be able to continue group plan coverage under federal COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) provisions for a limited time, if Enrollee agrees to pay the Premium for such coverage. A qualified enrollee is an enrollee, who on the day before a qualifying event, is an enrollee in a group benefit plan offered by a health care service plan, and who has a qualifying event. A qualifying event is limited to the following: death of covered Enrollee; termination of employment or reduction in hours of the covered Enrollee's employment for reasons other than gross misconduct; divorce or legal separation of the covered Enrollee from the covered Enrollee's spouse; or loss of dependent status by a dependent enrolled in the Group Plan.

- 4.17.2 The qualified Enrollee shall, upon election, be able to continue his or her coverage under the Group Plan Contract, subject to the Group Plan's terms and conditions, for a limited amount of time. The Enrollee must elect COBRA coverage by notifying the Enrollee's Employer/trust in writing within sixty (60) days of the date of the qualifying event. The written request must be delivered by first-class mail, or other reliable means of delivery, including personal delivery, express mail, or private courier company, to the Employer/trust within the sixty (60) day period following the later of 1) the date that the Enrollee's coverage under the group plan contract terminated or will terminate by reason of a qualifying event, or 2) the date the Enrollee was sent notice of the ability to continue coverage under the Group Plan Contract.
- 4.17.3 The failure to notify the Employer/trust within the required sixty (60) days will disqualify the qualified beneficiary from receiving continuation coverage under COBRA provisions. An Enrollee electing continuation shall pay to the Employer/trust in accordance with the terms and conditions of the group plan contract, the amount of the required Premium payment. The Enrollee's first Premium payment required to establish Premium payment shall be delivered by first-class mail, certified mail, or other reliable means of delivery, including personal delivery, express mail, or private courier company, to the Employer/trust within forty-five (45) days of the date the qualified beneficiary provided written notice to Employer/trust, of the election to continue coverage, in order for coverage to be continued under COBRA provisions.
- 4.17.4 The first Premium payment must equal an amount sufficient to pay any required Premiums and all Premiums due, and failure to submit the correct Premium amount within the forty-five (45) day period will disqualify the Enrollee from receiving continuation coverage pursuant to COBRA provisions. Enrollees whose continuation coverage terminates under a prior Group Plan may continue their coverage for the balance of the period that the Enrollee would have remained covered under the prior Group Plan. Enrollees electing to continue coverage must notify Employer/trust in writing and pay to the Employer/trust the required Premium payments. The continuations coverage will terminate if the Enrollee fails to comply with the requirements pertaining to enrollment in, and payment of Premiums to, the new Group Plan Contract within thirty (30) days of receiving notice of the termination of the prior group plan contract.
- 4.17.5 A qualified enrollee can request Cal-Cobra at the conclusion of their Federal Cobra benefits explained below.

Cal-Cobra Provisions (applicable only to California enrollees)

The California Continuation Benefits Replacement Act (Cal-COBRA) provides that continued access to health insurance coverage is provided to employees, and their dependents, of employers/trusts with 2 to 19 eligible employees who are not currently offered continuation coverage under the federal COBRA, and those eligible enrollees who have exhausted their Federal COBRA benefits. For a

California qualified enrollee whose Cal-COBRA coverage begins on or after January 1, 2003, and who has exhausted continuation coverage under COBRA, the enrollee may extend their Cal-COBRA coverage for up to 36 months after the date the qualified enrollee's benefits under a group plan health contract would otherwise have ended because of a qualifying event if the enrollee agrees to pay the Premium for such coverage. A qualified enrollee is an enrollee, who on the day before a qualifying event is an enrollee in a group benefit plan offered by a health care service plan, and who has a qualifying event. A Cal-COBRA qualifying event is limited to the following: death of covered enrollee, termination of employment or reduction in hours of the covered enrollee's employment for reasons other than gross misconduct; divorce or legal separation of the covered enrollee from the covered enrollee's spouse, or loss of dependent status by a dependent enrolled in the group plan.

The qualified enrollee must notify their employer/trust within 60 days of the date of the qualifying event. Failure to make such notification within the required 60 days will disqualify the enrollee from receiving continuation coverage. A qualified enrollee who wishes to continue coverage under the group benefit plan must request the continuation in writing and deliver the written request, by first-class mail, or other reliable means of delivery, including personal delivery, express mail, or private courier company, to the employer/trust -within the 60-day period following the later of (1) the date that the enrollee's coverage under the group benefit plan terminated or will terminate by reason of a qualifying event, or (2) the date the enrollee was sent notice of the ability to continue coverage under the group benefit plan.

A qualified beneficiary electing continuation shall pay to their employer/trust the required Premium on or before the due date of each payment but not more frequently than on a monthly basis. The Premium will not be more than 110 percent of the applicable rate charged for a covered employee or, in the case of dependent coverage, not more than 110 percent of the applicable rate charged to a similarly situated individual under the group benefit plan being continued under the group contract. In the case of a qualified beneficiary who is determined to be disabled pursuant to Title II or Title XVI of the United States Social Security Act, the qualified beneficiary shall be required to pay to their employer/trust an amount no greater than 150 percent of the group rate after the first 18 months of continuation coverage provided pursuant to this section.

The qualified enrollee's first Premium payment required to establish Premium payment shall be delivered by first-class mail, certified mail, or other reliable means of delivery, including personal delivery, express mail, or private courier company, to the employer/trust within 45 days of the date the qualified enrollee provided written notice to the employer/trust of the election to continue coverage. The first Premium payment must equal an amount sufficient to pay any required Premiums and all Premiums due, and failure to submit the correct Premium amount within the 45-day period will disqualify the qualified beneficiary from receiving continuation coverage.—In the event the qualified enrollee does not

receive information from his or her employer/trust, i.e. Premium amount and due date, the qualified enrollee should contact HPCC using the contact information provided below.

Individuals not eligible for Cal-COBRA are those who: are entitled to Medicare benefits; have other hospital, medical, or surgical coverage; are eligible for federal COBRA; are eligible for coverage under Chapter 6A of the Public Health Service Act; fail to meet the specified time limits for electing coverage; and, fail to submit the correct premium amount required.

Enrollees whose continuation coverage terminates under a prior group plan may continue their coverage for the balance of the period that the enrollee would have remained covered under the prior group plan. Enrollees electing to continue coverage must notify employer/trust in writing and pay to the employer/trust the required Premium payments. The continuations coverage will terminate if the enrollee fails to comply with the requirements pertaining to enrollment in, and payment of Premiums to, the new group plan contract within thirty (30) days of receiving notice of the termination of the prior group plan contract.

For more information on how to extend their Cal-COBRA coverage, the enrollee should contact Lisa Solomon by phone at 1-800-321-2843, or in writing at HPCC Professional Counseling Centers, 9451 Corbin Ave, #100, Northridge, CA 91324.

5.0 EXCLUSIONS:

- 5.1 Services provided by Non-Contracted Providers.
- 5.2 Treatments which do not meet national standards for behavioral health professional practice.
- 5.3 Treatment sessions provided by computer Internet services unless specifically authorized.
- 5.4 Court ordered outpatient treatment is covered only when Medically Necessary. Reporting to the court and interacting with the court are not covered services under this Agreement, and if requested, the requesting party will be responsible for all costs associated.
- 5.5 Academic or educational testing. Services to remedy an academic or educational problem are not an EAP covered benefit.
- 5.6 EAP Psychotherapy used as professional training and not for the treatment of a medical or mental condition, is not an EAP covered benefit.
- 5.7 Use of sexual surrogate, sexual treatment of sexual offenders or perpetrators of sexual violence are not an EAP covered benefit. Reporting to the court and interacting with the court are not covered services under this Agreement.
- 5.8 Pastoral or spiritual counseling, if delivered by a licensed therapist, will be covered under EAP benefits.

- 5.9 Dance, poetry, music or art therapy, are not covered benefits.
- 5.10 Experimental or investigational therapies which are not recognized in accordance with professionally recognized standards of practice as being safe and effective for use are not an EAP covered benefit.
- 5.11 All non-prescription and prescription drugs prescribed in connection with an enrollee's treatment, are not an EAP covered benefit.
- 5.12 Surgery, acupuncture, physical therapy, or occupational therapy, are not an EAP covered benefit.
- 5.13 Neurological services and tests, including but not limited to: EEGs, Pet scans, beam scans, MRIs, skull X-rays, and lumbar punctures, are not an EAP covered benefit.
- 5.14 Acute care hospital, residential outpatient, day treatment, and partial hospital services are not an EAP covered benefit.
- 5.15 Bio-feedback is not an EAP covered benefit.
- 5.16 Any service that is not Medically Necessary even though it is not specifically listed as an exclusion or limitation, are not an EAP covered benefit.
- 5.17 Any service that is not specifically listed as a covered benefit is not an EAP covered benefit.
- 5.18 HPCC is the decider of Medical Necessity subject to only DMHC review process.

6.0 ENROLLEE GRIEVANCE PROCESS

- 6.1 Enrollee Grievance Process. HPCC wants you to be satisfied with your behavioral health care services. If a problem arises, we want to help solve it. If a question arises, we want to help you answer it. We encourage our Enrollees to call us at 1-800-321-2843 with any and all behavioral health plan grievances. Our Enrollees may submit a grievance by writing to: Holman Professional Counseling Centers, 9451 Corbin Avenue, Suite 100, Northridge, California 91324. If you notify HPCC of a grievance, it will be directed to the assigned Account Representative. The Account Representative will work together with you to resolve the issue if possible. If no solution is reached, the Account Representative will refer the matter to the Grievance Committee. The HPCC Grievance Committee will review your grievance and within thirty (30) days from HPCC's receipt of the grievance, HPCC will send you a written notice of the resolution.
- 6.2 Arbitration. If the Enrollee remains dissatisfied with the decision, the Enrollee may submit a request to HPCC to submit the grievance to binding Arbitration before the American Arbitration Association. Pursuant to California law a single neutral arbitrator who shall be chosen by the parties and who shall have no jurisdiction to award more than \$200,000 must decide any claim of up to \$200,000. However, after a request for arbitration has been submitted, HPCC and the Enrollee may agree in writing to waive the requirement to use a single arbitrator and instead use a tripartite arbitration panel that includes the two party-appointed arbitrators or a panel of three neutral arbitrators or

another multiple arbitrator system mutually agreeable to the parties. The Enrollee shall have three (3) business days to rescind the waiver agreement unless the agreement has also been signed by the Enrollee's attorney, in which case the waiver cannot be rescinded. In cases of extreme hardship, HPCC may assume all or part of the Enrollee's share of the fees and expenses of the neutral arbitrator provided the Enrollee has submitted a hardship application with the American Arbitration Association. The American Arbitration Association shall determine the approval or denial of a hardship application. A hardship application may be obtained by contacting the American Arbitration Association in Los Angeles at 213-383-6516, in Orange County at 714-474-5090, in San Diego at 619-239-3051 and in San Francisco at 415-981-3901.

6.2.1 If the Enrollee does not request arbitration within six months from the date of the Grievance Resolution Notice, the decision of the Committee shall be final and binding. However, if the Enrollee has legitimate health or other reasons which would prevent them from electing binding arbitration in a timely manner, the Enrollee will have as long as necessary to accommodate his or her special needs in order to elect binding arbitration. Further, if the Enrollee seeks review by the Department of Managed Health Care, the Enrollee will have an additional ninety (90) days from the date of the final resolution of the matter by the Department of Managed Health Care to elect binding arbitration. Upon submission of a dispute to the American Arbitration Association, both the Enrollee and HPCC agree to be bound by the rules of procedure and decision of the American Arbitration Association. Full discovery shall be permitted in preparation for arbitration pursuant to California Code of Civil Procedure, Section 1285.05.

6.3 Expedited Grievance Review. For cases involving an imminent and serious threat to the health of the enrollee, including, but not limited to, severe pain, potential loss of life, limb, or major bodily function, HPCC provides expedited review. When HPCC has notice of a case requiring expedited review, HPCC shall immediately inform the enrollee in writing of their right to notify the Department of Managed Health Care of the request. For these cases, HPCC will provide the Enrollee and the Department with a written statement on the disposition or pending status of the request no later than three (3) days from receipt.

6.4 Treatment Denials. If a Provider or Enrollee notifies HPCC of a dissatisfaction regarding a treatment authorization denial, it will be directed to the assigned staff. HPCC will work together with the Provider and/or Enrollee to resolve the complaint. Within thirty (30) days from HPCC's receipt of the complaint, HPCC will send the Provider and/or Enrollee a written notice of the resolution. If the Provider or Enrollee's complaint is denied, the notice will explain how the Provider or Enrollee may appeal the decision.

6.5 Treatment Denial Appeals. If the Provider/Enrollee is dissatisfied with HPCC's resolution of the treatment denial, the Provider/Enrollee may file an appeal through either the American Arbitration Association or the Department of Managed Health Care.

- 6.5.1 Expedited reviews of treatment denials are available to Providers and/or Enrollees. In these cases, HPCC will provide verbal resolution within eight (8) business hours of HPCC's receipt of necessary information to make an informed decision and in writing within two (2) days of receipt.
- 6.6 California Department of Managed Health Care. The California Department of Managed Health Care is responsible for regulating health care service plans. If you have a grievance against HPCC Professional Counseling Centers, you should first telephone HPCC Professional Counseling Centers at (1-800-321-2843) and use Holman Professional Counseling Centers grievance process before contacting the Department. Utilizing this grievance procedure does not prohibit any potential legal rights or remedies that may be available to you. If you need help with a grievance involving an emergency, a grievance that has not been satisfactorily resolved by HPCC Professional Counseling Centers, or a grievance that has remained unresolved for more than thirty (30) days, you may call the Department for assistance. You may also be eligible for an Independent Medical Review (IMR). If you are eligible for IMR, the IMR process will provide an impartial review of medical decisions made by HPCC Professional Counseling Centers related to the medical necessity of a proposed service or treatment, coverage decisions for treatments that are experimental or investigational in nature and payment disputes for emergency or urgent medical services. The Department also has a toll-free telephone number (1-888-HMO-2219) and a TDD line (1-877-688-9891) for the hearing and speech impaired. The Department's Internet website <http://www.hmoHELP.ca.gov> has complaint forms, IMR application forms and instructions online. HPCC also has these forms available and will furnish them as appropriate.
- 6.7 Claims Disclosure Notice Required by ERISA. If a plan is subject to ERISA, ERISA applies some additional claim procedure rules. These additional rules set forth by ERISA will be provided in accordance with the applicable section in the Agreement between the "City of Redlands" and their medical plan.
- 7.0 **GENERAL**
- 7.1 HPCC's Medical Necessity Philosophy. HPCC's Medical Necessity Philosophy includes authorizing the most intensive treatment in the least restrictive setting because life's problems MUST be solved while engaged in life; living at home, on the job and with family and friends. At the same time, as the Enrollee starts to put into practice the coping mechanisms and life skill tools that are learned or re-awakened in therapy, we want the Enrollee to start to stand on their own without developing a dependency on a therapist. This standing on your own can result in scheduling sessions every other week to every three/four weeks. Once ending a course of treatment and implementing the NEW coping tools for some time and as your medical needs dictate, you are always encouraged to call again, within the EAP benefit.
- 7.2 Language Assistance Program ("LAP")
The Department of Managed Health Care ("DMHC") of California has added Section 1300.67.04 (Language Assistance Programs) to Title 28 California Code of Regulations. This new regulation requires health care service Plans to implement new policies,

procedures and quality improvement efforts in regards to assisting those who are Limited English Proficient (“LEP”). The DMHC regulations require California health Plans to set up a system where services, materials, and information are provided to members in a language that they speak and understand.

The Plan has established a free Language Assistance Program (“LAP”) and made the following resources available for LEP individuals: Translations (of both vital and non-vital documents), Interpreters, and Bilingual staff/Providers. These resources are available for all persons speaking any language other than English, who request these services at any of our points of contact.

In accordance with the DMHC regulations, Plan has identified its threshold language(s) which comprise five (5) percent of its Enrollee Population. All vital documents as identified by the DMHC will be translated into the threshold language. All non-vital documents will contain a notice at the bottom of said document (in the threshold language) informing the member how to request a translation of the document.

- 7.3 HPCC’s Public Policy Committee. HPCC operates a Public Policy Committee that is mandated to maintain professional standards. It functions as an open forum to provide Enrollees with an opportunity to discuss prevailing societal issues, difficulties with current policies, and additional available services. The purpose of the Public Policy Committee is to ensure the comfort, dignity, and convenience of persons relying upon HPCC for Behavioral Health Services. In order to assure Enrollee participation in HPCC policy, the Public Policy Committee shall consist of the following members: HPCC Executive Vice President, Director of Corporate Account Management, Account Management staff and a minimum of three current Enrollees. The Executive Vice President selects the Enrollee members of the Public Policy Committee. Any Enrollee interested in the Public Policy Committee may direct his or her request in writing to: HPCC Professional Counseling Centers, 9451 Corbin Avenue, #100, Northridge, CA 91324.
- 7.4 Antifraud Policy and Procedures. HPCC makes every effort to detect, investigate, and prosecute any incidents of fraud at any level within its Behavioral Health Service. HPCC contracts with a special investigator trained in fraud investigation to assist us in investigating fraud. In the event that HPCC detects any fraudulent activity on the part of a Provider, the Provider’s contract with HPCC will be terminated. If HPCC detects any fraudulent activity on the part of an Enrollee or Employer, HPCC will deny Enrollee any additional benefits under Enrollee’s Group Plan and may terminate Employer or the Enrollee. Additionally, HPCC will prosecute fraud to the fullest extent of the law. We also cooperate with all government agencies in a combined effort to prevent and prosecute fraud on the part of both Providers and Enrollees.
- 7.5 Enrollees Held Harmless. As required by California law, every contract between HPCC and a Provider shall provide that the Provider accepts the payment rate under the HPCC Agreement as payment in full. The Provider may not, under any circumstances bill, charge, collect a deposit, seek compensation, remuneration, or reimbursement from, or have any recourse against the Enrollee for services provided. The Enrollee is held

harmless and may not be balance billed. Collection from the Enrollee of any co-payments or deductibles in accordance with the terms of the benefit plan, or charges for services determined to not be covered under the plan, may be excluded from the hold harmless clause.

- 7.6 Approval of Materials. All materials published or distributed by Employer concerning this Group Plan Contract shall be approved by HPCC prior to use.
- 7.7 Professionalism. Both parties to this Group Plan Contract agree to permit and encourage the professional relationship between Providers and Enrollees to be maintained without interference and in a manner that would enhance the confidentiality of services.
- 7.8 Notices. All notices provided hereunder, and by Employer's insurance broker, shall be deemed as having been properly made upon depositing the same in the United States mail, postage prepaid, and addressing such notices to HPCC at its administrative office, or to Employer at the address appearing last on the books of HPCC.
- 7.9 Entire Contract. This Group Plan Contract contains all of the provisions of the agreement between the parties hereto, and no promise or agreement not contained herein shall be binding on the parties unless the same is mutually agreed upon in writing, signed by the parties hereto and attached to this Group Plan Contract. Only an officer or director of HPCC has the power to change, modify, or waive the provisions of this Group Plan Contract, and then only in writing. Consent of Enrollees is not required to effect any such change.
- 7.10 Assignment. Neither this Group Plan Contract nor any rights, obligations or duties under this Group Plan Contract may be assigned without the consent of contracting parties, provided however, that HPCC may assign its rights, obligations or duties under this Contract to any corporate affiliate or other entity which may purchase substantially all assets of HPCC or is the surviving entity in a merger with HPCC.
- 7.11 Severability. If any provision of this Group Plan Contract is declared invalid or unenforceable by any arbitrator, court or other competent authority, the remaining provisions hereof shall remain in full force and effect.
- 7.12 Waiver. A failure of either party to exercise any right provided for herein shall not be deemed a waiver of any right hereunder. No party will be deemed to have waived any rights hereunder unless the waiver is made in writing and is signed by the waiving party's duly authorized representative. No waiver of a party's right under this Agreement shall be deemed to have been effective if and to the extent waiver of such right is prohibited under applicable law.
- 7.13 Applicable Law. This Group Plan Contract shall be governed by and construed under the laws of the State of California.
- 7.14 Amendment. Except as otherwise specifically provided in this Agreement, this Agreement may be amended only by mutual written consent of the parties.

7.15 Effective Date. See Signature Page.

7.16 Employer/HPCC Arbitration. Any controversy or claim arising out of or relating to this contract, including any claims for tort liability, bad faith liability, breach of contract, punitive damages or any other claim, but excluding medical malpractice claims by Enrollees, shall be submitted to binding arbitration before the American Arbitration Association. Arbitration must be initiated within six months after the alleged controversy or claim occurred by submitting a written demand to the other party. The failure to initiate arbitration within that period constitutes an absolute bar to the institution of any proceedings.

7.16.1 The arbitration shall be conducted in the state of California. The complaining party serving a written demand for arbitration upon the other party initiates these arbitration proceedings. The written demand shall contain a detailed statement setting forth the nature of the dispute, the amount of damages involved, if any, and the remedy sought. Within ten (10) business days of that demand, HPCC and Employer will appoint a mutually agreed upon arbitrator. A single neutral arbitrator who is licensed to practice law shall conduct the arbitration. If the parties are unable to agree upon an arbitrator, the arbitrator shall be selected in the manner provided for by the American Arbitration Association. Unless otherwise approved by the parties, any arbitrator appointed under this Contract shall have at least ten (10) years demonstrable experience in health care and managed care issues

7.16.2 Each party shall have the right to take the deposition of up to five (5) individuals and any expert witness designated by the other party. At least thirty (30) days before the arbitration, the parties must exchange lists of witnesses, including any experts (one of each for HPCC and Employer) and copies of all exhibits to be used at the arbitration. No witness may be called, or exhibit introduced, at the hearing if not included on that list, except as permitted by the arbitrator, upon a showing of good cause. A stenographic record shall be made of the proceedings, the cost of which shall be borne equally by both parties. The arbitrators shall determine the rights and obligations of the parties according to the substantive laws of the state of California.

7.16.3 Any counterclaim, cross-claim, or third-party claim for indemnity or contribution between provider and HPCC in any Enrollee's action against Employer or HPCC is expressly excluded from this arbitration clause, unless Enrollee's entire action is judicially required to be submitted to arbitration.

7.16.4 Judgment upon the award rendered by the arbitrator may be entered in any court having competent jurisdiction. The decision of the arbitrator shall be final and binding. The arbitrator shall have no authority to make material errors of law or to award punitive damages to or to add to, modify, or refuse to enforce any agreements between the parties. The arbitrator shall make findings of fact and conclusions of law and shall have no authority to make any award that could not have been made by a court of law. The prevailing party, or substantially

prevailing party's costs or arbitration are to be borne by the other party, including reasonable attorney's fees.

7.16.5 By entering into this Contract, Employer and HPCC waive their legal rights to have any dispute decided in a court of law before a judge or jury and instead accept the use of arbitration for resolving disputes arising from this Group Plan Contract.

7.17 The Plan is subject to the requirements of Chapter 2.2 of Division 2 of the Code and of Chapter 1 of Title 28 of the California Code of Regulations and any provision required to be in the contract by either of the above shall bind the Plan whether or not provided in the contract.

The Plan is subject to the requirements of Chapter 2.2 of Division 2 of the Code and of Chapter 1 of Title 28 of the California Code of Regulations and any provision required to be in the contract by either of the above shall bind the Plan whether or not provided in the contract.

IN WITNESS WHEREOF, the parties have caused this contract to be executed at Northridge, California. The effective date of this Agreement is July 1, 2014.

City of Redlands
("Employer")

By:



Signature

PETE AGUILAR

Name

MAYOR

Title

7/1/14

Date

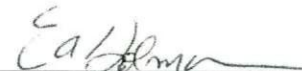
ATTEST:



Sam Irwin, City Clerk

**HOLMAN PROFESSIONAL
COUNSELING CENTERS ("HPCC")**
A California Corporation

By:



Signature

Elizabeth Holman, M.B.A.

Name

Vice-President Sales & Marketing

Title

6/30/14

Date

Exhibit A

EAP Benefit Schedule/Description

Employee Assistance Program Benefit: 10 sessions with network provider per household unit, per problem per year and Legal and Financial referrals, LifeSolutions and 12 training hours (combined for entire organization).

EAP Rate: \$4.44 Per Employee / Per Month

EAP Co-pay: \$0.00

* This premium includes broker commission.

**HPCC will pay for 2 (two) late cancellations or no-shows after which patient will be responsible to pay HPCC provider HPCC's contracted rate.

1. **Contract and Benefit Renewal Provisions:** This Group Plan Contract is for a term of One Year unless otherwise indicated, commencing on July 1, 2014 and automatically to renew on July 1, 2015 (years 2 and 3 not to exceed 9.1% increase only if needed based on usage), unless HPCC and Employer agree on different terms at the time of renewal or unless terminated by the parties or pursuant to Section 4.16 of this Agreement. At renewal, any change in the benefits included in this EAP contract will constitute the termination of this contract. Should Employer wish to continue with HPCC providing some additional benefits or fewer benefits, a new contract outlining the new terms, conditions and premiums will be provided. Employer will notify Enrollees of any changes to the Group Plan thirty (30) days prior to the effective date of coverage.
2. **Assessment:** Each one of Employers employees/family shall be eligible to receive an assessment of needs as part of an initial counseling session. Such assessments consist of clinical interviews and do not include psychological testing. Additionally, HPCC shall provide the following types of special assessment:
 - a. ***Substance Abuse:*** HPCC will assess the type and severity of substance abuse and appropriate level of treatment. These assessments may include face to face assessment, the use of questionnaires and/or brief screening instruments.
 - b. ***Crisis or Emergency:*** HPCC will assess a patient who presents in crisis to determine an appropriate level of intervention or treatment. Such assessments will be conducted whether or not the Member has used all of his/her EAP benefits for the Contract Year.
 - c. ***Fitness for Duty:*** Upon request by employer, HPCC will assess an Employee's fitness for duty. Such assessments are based upon information provided by the employer and on the Employee's condition at the time, with an understanding that the Employee's condition can change at any time. Employer will remain responsible for monitoring Employee's condition and

for notifying HPCC of any change, in which case HPCC will reassess Employee's fitness for duty. Fitness for Duty EAP evaluations requires an additional fee from employer. HPCC will provide to employer upon request a Fitness for Duty evaluations at HPCC's contracted provider cost; usually between \$500 - \$2,000.

- d. *Threat of Violence Potential*: Upon request by employer, HPCC will assess the situation for potential violence. Employer agrees to complete all necessary forms and supply any supporting information and documentation as requested by HPCC. HPCC will refer the patient to a recognized threat of violence expert as indicated by the assessment. The charges for the specialist's services are not included in the compensation paid hereunder and the employer shall be responsible for all such charges. HPCC will provide to employer upon request a Threat of Violence Potential evaluation at HPCC's contracted provider cost; usually between \$500 - \$2,000.
 - e. Employer agrees to hold HPCC, it affiliates, officers, directors, agents and employees harmless from and indemnify HPCC, its affiliates, officers, directors, agents and employees against actions or complaints relating to any injury or damage sustained as a result of the assessment of the situation for evaluation for 'fitness for duty' and/or evaluation for 'potential violence'.
 - f. Assessments for the purpose of disability determination are not provided for under this Agreement and can be added if employer wishes.
3. Short-term Counseling: HPCC will provide counseling to the Members for minor problems on a short-term basis. These services will be provided throughout the United States. Locations may be changed at the sole discretion of HPCC. Counseling services shall consist of outpatient psychological counseling provided by a master's or doctoral level counseling professionals. HPCC will not be responsible through the EAP, for the following treatments: serious or chronic psychological disorders, psychiatric disorders, substance abuse treatment, or conditions requiring medication.
4. Referral: HPCC will provide appropriate referrals for services not covered under this Agreement (the "Excluded Services"). The Excluded Services include, and are not limited to, psychiatric/medical services, psychological testing, substance abuse treatment, long-term psychotherapy, treatment for serious & severe mental disorders (AB88) or chronic conditions, inpatient or residential treatment, or other non-psychological counseling. Referrals for Excluded Services will be made to providers under Member's insurance, or to appropriate community resources. HPCC will not be responsible for any charges or fees the Member may incur from such referrals for Excluded Services.

5. Case Management: HPCC will provide limited case management for emergency situations or for management-referred Employees whom HPCC provided a referral for continued assessment and/or treatment and progress, and communication with the treating provider.
6. Crisis Management: HPCC shall provide a 24-hour crisis line for emergencies; (800) 321-2843 in the United States for access by employer and employer's employees/family.
7. HPCC shall conduct Employee orientations via CD to explain HPCC'S EAP services. Sites of the information programs and the expenses for those sites will be the responsibility of the employer. HPCC will provide at HPCC's expense, generic promotional brochures, that employer can distribute to its employees, to encourage use of EAP services. On site employee orientations can be purchased at \$150/hr and \$75/hr for travel.
8. HPCC shall provide supervisory training, via CD to assist the Employer's managers that educates in utilizing, outlining and motivating employees in the use of EAP services. CD Training for supervisors will include explanations of the EAP program, impact of behavioral problems on Employee performance, and substance abuse information. If employer wished on sites training, site of the training programs and the expenses for those sites will be the responsibility of the Employer. The Employer can purchase onsite training at \$150/hour and \$75/hour for travel.
9. HPCC shall provide supervisory consultation regarding specific Employee issues, via telephone and HPCC shall provide supervisory training via CD. This confidential consultation & training is intended to facilitate appropriate referrals to the EAP program.
10. HPCC shall periodically provide generic promotional materials to facilitate utilization of EAP services by Employer Members, at HPCC's expense.
11. HPCC shall provide quarterly and annual statistical reports of EAP utilization and other HPCC services furnished to Employer Members on the HPCC website. These reports shall be in HPCC's generic format and no patient/names shall be identified. If employer required specialized non-confidential reports, HPCC may be willing to provide such reports for an additional fee.
12. HPCC shall provide periodic program consultation with Employer management regarding utilization of HPCC's services.
13. HPCC is available, as part of the training hours included, or for a fee, to provide crisis intervention at the work-site for traumatic events which affect the performance and attitude of the staff (e.g. robbery, death or suicide of a co-worker, industrial accidents or mass casualty incidents). Each incident will be assessed on its own merits, but in

general, a minimum of four (4) hours advance notice is required. This service is available at all locations, upon request by Employer, for the same fee. Crisis intervention for business-based decisions (e.g. downsizing, reductions in force, etc.) may also be purchased for the same fee of \$150/hour & \$75/hour for travel.

14. HPCC LifeSolutions will be provided. HPCC Life Solutions is a work life product designed to give referrals for daily living, adoption, child care, elder care, personal assistance, schools etc.



Holman Professional
Counseling Centers

Exhibit B

Employee Assistance Program (EAP) Evidence of Coverage (Disclosure Statement)

Benefit Schedule:

10 face-to-face counseling sessions with Network Providers per household unit, per problem, per year
(1-10 sessions: \$0.00 co-payment)

To utilize benefits simply call **1-800-321-2843** for an appointment.

Notice to Plan Participants:

Federal law requires all employer benefit plan administrators to furnish each plan participant and each beneficiary receiving benefits under the plan, a copy of a summary plan description. **This summary plan description constitutes only a brief overview of the provisions of the Group Plan Contract that has been entered into between your Company and Holman Professional Counseling Centers ("HPCC")** « The Group Plan Contract must be consulted to determine the exact provisions of the Group Plan Contract. Your Company or HPCC will present a copy of the Group Plan Contract to you upon request.

Plan Name and Type of Administration: Employee Assistance Program (EAP)

Plan Administrator:

City of Redlands

35 Cajon Street

Redlands, CA 92373

(909) 798-7514

Agent for Service of Legal
Process: Same as plan
administrator

Behavioral Health Benefit Provider Company:

Holman Professional Counseling Centers is a California corporation, which provides Employee Assistance Program health services to the plan participants of your Company's Flexible Compensation Plan. HPCC may be contacted at the following address and telephone number:

Holman Professional Counseling
Centers
9451 Corbin Avenue, Suite 100
Northridge, California 91324

(800)321-2843

Plan Year and Records Maintenance:

The Plan year is July 1st through June 30th. Plan records are kept on a policy year basis.

Eligibility Requirements:

Employees who work at least 36 hours a week are eligible. Employees become eligible on the date of hire. Includes Eligible Employee's lawful spouse, domestic partner (as defined in Section 297 of the Family Code) and unmarried dependent children to age 26 and to age 26 if the child is a full-time student. Children include stepchildren, adopted children, and foster children, provided such children are dependent upon the employee for support and maintenance. Coverage for each minor child placed for

adoption immediately begins from and after the date on which the adoptive child's birth parent or other appropriate legal authority signs a written document, including, but not limited to, a health facility minor release report, a medical authorization form, or a relinquishment form, granting the subscriber or spouse the right to control health care for the adoptive child. Attainment of the limiting age of 26 by unmarried dependent children, of the limiting age of 26 by full-time students, shall not operate to terminate the coverage of a child while the child is and continues to be incapable of self-sustaining employment by reason of mental retardation (although no payment will be made by HPCC for treatment of the mental retardation, other than primary diagnosis) or physical handicap and the child is chiefly dependent upon an Eligible Employee for support and maintenance.

Circumstances Which May Result in Disqualification, Ineligibility, Denial or Loss of Benefits:
Coverage and benefits for Participant and Participant's eligible dependents will end in the event of any of the following (except as otherwise provided by law through COBRA provisions):

- Contract between your Company and HPCC is terminated
- Non-payment of required fees.
- Death of covered participant
- Termination of employment or reduction in hours of the participant's employment.
- Fraud or deception by participant or participant's dependents.
- Disruptive, unruly, abusive or uncooperative behavior which seriously impairs HPCC's ability to furnish or arrange services
- Loss of eligibility for membership, such as a change in marital status, or dependents status.

If a participant's eligibility is terminated for any of the above reasons, the participant will be notified in writing and informed of the effective termination date. Coverage for participant's dependents will end when participant's coverage ends.

For a California enrollee whose Cal-COBRA coverage begins on or after January 1, 2003, and who has exhausted continuation coverage under COBRA, the enrollee shall have the opportunity to extend their Cal-COBRA coverage to 36 months after the date the qualified beneficiary's benefits under a group plan contract would otherwise have terminated by reason of a qualifying event.

Benefit Claims Procedures:

Plan participants may access their behavioral health benefit services for emergency and urgent assistance by calling HPCC's toll-free number 24 hours a day, seven days a week: **(800) 321-2843**. To schedule an appointment, plan participants should call the toll-free number during the plan's office hours, Monday through Friday 7:30 a.m. - 6:30 p.m. Pacific Standard Time (PST) and a trained Intake Specialist will have a qualified network provider who is located in the participant's local area call him/her back directly, usually within 48 business hours of receiving the call, to schedule an appointment. To receive a community referral or for inquiries regarding HPCC's behavioral health services or benefits, the plan participant should call HPCC Monday through Friday 7:30 a.m. - 6:30 p.m. PST. If a plan participant has questions about his/her company's employee benefit plan, he/she should contact **City of Redlands, Inc.** directly at (909) 798-7514. If a plan participant has questions regarding their rights under their company's benefit plan or the Health Insurance Portability and Accountability Act of 1996, plan participants may contact the Department of Labor at (415) 945-4600 in Northern California or (626) 583-7862 in Southern California.

Appeals of Denied Claims and Denied Treatment Authorization:

If a plan participant disagrees with the decision to deny treatment authorization or they deny a claim, they are encouraged to contact HPCC directly at **1-800-321-2843**. HPCC will direct the participant's

disagreement to the assigned Care Manager. The Care Manager will work together with the participant and a Care Supervisor to resolve the matter. Within thirty (30) days from HPCC's receipt of the grievance, HPCC will send the plan participant a written notice of the resolution. If the request is denied, the plan participant may appeal the Care Manager's decision as follows:

Grievance Process:

HPCC wants you to be satisfied with your behavioral health care services. If a problem arises, we want to help solve it. If a question arises, we want to help you answer it. We encourage our Enrollees to call us at **1-800-321-2843** with any and all behavioral health plan grievances. Our Enrollees may submit a grievance by writing to: Holman Professional Counseling Centers, 9451 Corbin Avenue, Suite 100, Northridge, California 91324. If you notify HPCC of a grievance, it will be directed to the assigned Account Representative. The Account Representative will work together with you to resolve the issue if possible. If no solution is reached, the Account Representative will refer the matter to the Grievance Committee. The HPCC Grievance Committee will review your grievance and within thirty (30) days from HPCC's receipt of the grievance, HPCC will send you a written notice of the resolution.

California Department of Managed Health Care:

The California Department of Managed Health Care is responsible for regulating health care service plans. If you have a grievance against Holman Professional Counseling Centers, you should first telephone Holman Professional Counseling Centers at **(1-800-321-2843)** and use Holman Professional Counseling Centers grievance process before contacting the Department. Utilizing this grievance procedure does not prohibit any potential legal rights or remedies that may be available to you. If you need help with a grievance involving an emergency, a grievance that has not been satisfactorily resolved by Holman Professional Counseling Centers, or a grievance that has remained unresolved for more than thirty (30) days, you may call the Department for assistance. You may also be eligible for an Independent Medical Review (IMR). If you are eligible for IMR, the IMR process will provide an impartial review of medical decisions made by Holman Professional Counseling Centers related to the medical necessity of a proposed service or treatment, coverage decisions for treatments that are experimental or investigational in nature and payment disputes for emergency or urgent medical services. The Department also has a toll-free telephone number **(1-888-HMO-2219)** and a TDD line **(1-877-688-9891)** for the hearing and speech impaired. The Department's Internet website <http://www.hmohelp.ca.gov> has complaint forms, IMR application forms and instructions online.

Arbitration:

If the Enrollee remains dissatisfied with the decision, the Enrollee may submit a request to HPCC to submit the grievance to binding Arbitration before the American Arbitration Association. Pursuant to California law a single neutral arbitrator who shall be chosen by the parties and who shall have no jurisdiction to award more than \$200,000 must decide any claim of up to \$200,000. However, after a request for arbitration has been submitted, HPCC and the Enrollee may agree in writing to waive the requirement to use a single arbitrator and instead use a tripartite arbitration panel that includes the two party-appointed arbitrators or a panel of three neutral arbitrators or another multiple arbitrator system mutually agreeable to the parties. The Enrollee shall have three (3) business days to rescind the waiver agreement unless the agreement has also been signed by the Enrollee's attorney, in which case the waiver cannot be rescinded. In cases of extreme hardship, HPCC may assume all or part of the Enrollee's share of the fees and expenses of the neutral arbitrator provided the Enrollee has submitted a hardship application with the American Arbitration Association. The American Arbitration Association shall determine the approval or denial of a hardship application. A hardship application may be obtained by contacting the American Arbitration Association in Los Angeles at 213-383-6516, in Orange County at 714-474-5090, in San Diego at 619-239-3051 and in San Francisco at 415-981-3901.

If the Enrollee does not request arbitration within six months from the date of the Grievance Resolution Notice, the decision of the Committee shall be final and binding. However, if the Enrollee has legitimate health or other reasons which would prevent them from electing binding arbitration in a timely manner, the Enrollee will have as long as necessary to accommodate his or her special needs in order to elect binding arbitration. Further, if the Enrollee seeks review by the Department of Managed Health Care, the Enrollee will have an additional ninety (90) days from the date of the final resolution of the matter by the

Department of Managed Health Care to elect binding arbitration. Upon submission of a dispute to the American Arbitration Association, both the Enrollee and HPCC agree to be bound by the rules of procedure and decision of the American Arbitration Association. Full discovery shall be permitted in preparation for arbitration pursuant to California Code of Civil Procedure, Section 1285.05.

HIPAA Compliance:

The Holman Group is compliant with all HIPAA privacy requirements. Our HIPAA compliance statement is posted on our website.

DEFINITIONS

1. **Benefits Schedule.** Incorporated by reference. Describes the available levels of treatments provided through a Group Plan Contract, along with required deductibles and co-payments.
2. **Contracted Provider.** A person licensed as a psychiatrist, psychologist, clinical social worker, marriage, family and child counselor, nurse or other licensed health care professional with appropriate training and experience in behavioral health services, and who has contracted with HPCC to deliver specified services to HPCC Enrollees.
3. **Co-payment.** Fixed fee paid pursuant to this Agreement to a Provider by Enrollee at time of provision of behavioral health services, which are in addition to the premiums paid by the Employer/Trust. Such fees may be a specific dollar amount or a percentage of total fees, depending on the type of services provided. The EAP has \$0.00 co-pay.
4. **Covered Services.** EAP services provided by Providers that are determined to fall within the scope of EAP services and covered under the Group Plan Contract.
5. **Employee/Member.** Individual who works for an employer or is a member of a trust, who has contracted with HPCC for behavioral health care services.
6. **Employee Assistance Program (EAP).** The EAP is a confidential service designed to provide employees and their families with experienced counseling professionals for help with personal problems and issues. Additionally, the program offers limited free legal and financial advice and referral, CD training, and access to helpful online articles. The program is available to employees and their eligible dependents at no cost.
7. **Employer.** An organization that has contracted with HPCC to provide behavioral health care services to its eligible employees.
8. **Enrollee.** An eligible employee or trust member (and/or such employee's/member's eligible dependents) of an employer/trust who has contracted with HPCC to provide behavioral health services to its employees/members. Employee/member must meet HPCC's eligibility requirements, enroll in the employer/trust's Group Plan, and accept the financial responsibility for any co-payments that may be incurred in treatment through the Group Plan.
9. **Family Unit.** Comprised of Enrollee plus Enrollee's eligible dependents.
10. **Group Plan Contract.** Agreement between an Employer/Trust and HPCC providing that HPCC will

provide behavioral health care services for the Employer/Trust's eligible employees/members in exchange for Premium paid by the Employer/Trust.

11. **Premium.** Predetermined monthly membership fee paid by an employer/trust for coverage under the Group Plan Contract.
12. **Provider.** A person licensed as a psychiatrist, psychologist, clinical social worker, marriage, family and child counselor, nurse or other licensed health care professional with appropriate training and experience in behavioral health services, working individually or within a corporation, clinic, or group practice, who is employed or under contract with HPCC to deliver EAP behavioral health services to Enrollees.