

**COOPERATIVE ENDEAVOR AGREEMENT  
by and between**

**Department of Health and Hospitals, Office of Behavioral Health of the State of Louisiana  
and River Oaks Hospital**

THIS COOPERATIVE ENDEAVOR, made and entered into this 2 day of January by and between Department of Health and Hospitals, hereinafter referred to as the “Department” or “DHH”, the Office of Behavioral Health of the State of Louisiana, hereinafter referred to as “OBH,” and River Oaks, Inc. d.b.a. River Oaks Hospital, located at 1525 River Oaks Road West, New Orleans, Louisiana 70123, hereinafter referred to as the Contracting Party.

**ARTICLE I**

WITNESSETH:

- 1.1 WHEREAS, Article VII, Section 14(C) of the Constitution of the State of Louisiana provides that “for a public purpose, the state and its political subdivisions...may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual;” and
- 1.2 WHEREAS, OBH desires to cooperate with the Contracting Party in the implementation of the project as hereafter provided;
- 1.3 WHEREAS, the State has experienced economic downturn, decreased revenues and severe budget shortfalls during Fiscal Years 2010/2011, 2011/2012, and 2012/2013; and whereas the Division of Administration has directed the Department of Health and Hospitals (DHH) to address its projected budget deficit; and whereas behavioral health inpatient care services can be provided more cost-effectively through a private entity licensed to operate and manage a Children’s Behavioral Health Unit, the public purpose of this Cooperative Endeavor Agreement is described as:

To provide eight (8) statewide safety net beds for the treatment of behavioral health disorders requiring hospital care for children ages 7-12 years who are Medicaid eligible or uninsured in the facility that is managed and operated by River Oaks Hospital, a free standing psychiatric hospital in New Orleans, Louisiana. The Contracting Party will ensure equal access by all individuals throughout the state through a partnership between DHH/OBH and the Contracting Party based on an objective determination relative to the needs of the children to be served. The Contracting Party agrees to maintain hospital licensure and accreditation through The Joint Commission and to enroll with the Statewide Management Organization (SMO) (Magellan Health Services).

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

## **ARTICLE II**

### **GUIDING PRINCIPLES**

- 2.1 This Cooperative Endeavor Agreement for provision of these eight (8) safety net beds by the Contracting Party shall be consistent with the following principles agreed upon by OBH and the Contracting Party.
- a) The Contracting Party will deliver quality, specialized, and intensive psychiatric services to the Medicaid eligible and uninsured children (7-12 years of age) who may or may not be in the custody of the State, with behavioral health disorders who are in need of inpatient behavioral health services for stabilization treatment and return to the community.
  - b) The facility will continue to operate, at a minimum, the number of beds as specified above for the term of the CEA.
  - c) The Contracting Party will remain committed to providing a facility with equal access to all potential patients for the term of the CEA.
  - d) The Contracting Party will maintain accreditation by The Joint Commission to assure services, quality, safety, and stability for the term of the CEA.
  - e) The Contracting Party shall maintain for the term of the CEA an Emergency Preparedness and Evacuation Plan that complies with the requirements of DHH's Health Standards Section.
  - f) The Contracting Party agrees to establish and abide by internal policies and procedures that adhere to Federal and State statutory requirements and to applicable regulatory and licensure standards for reporting and investigating allegations of abuse, neglect and exploitation, and incident management and where applicable, taking appropriate preventative and corrective action.
  - g) OBH will provide oversight of the quality and outcomes for the term of the CEA. OBH will assign an employee to act as liaison with the Contracting Party and act as the CEA Monitor. Admission and discharges associated with this agreement will be managed as applicable by Louisiana Behavioral Health Partnership requirements through Magellan Health Services as the SMO in coordination with the OBH liaison.
  - h) The parties agree that the OBH requires that all eight (8) beds be housed within a single treatment unit of the behavioral health facility at 1525 River Oaks Road West, New Orleans, Louisiana 70123 and operated by the Contracting Party as a safety net for Medicaid eligible and uninsured children ages 7-12 years. The Contracting Party agrees to allow OBH competency restoration providers access to children who have been ordered by the court to have competency restoration services when necessary. Notwithstanding anything in this Agreement to the contrary, nothing contained in this Agreement shall prevent River Oaks from complying with its obligations under the federal Emergency Medical Treatment and Active Labor Act related to the beds.

- i) The parties agree that the Contracting Party will accept at the request of DHH/OBH children who are court ordered for hospitalization subject to capacity and admission criteria.

**ARTICLE III**  
**SCOPE OF SERVICES**

- 3.1 The Contracting Party shall: provide to OBH prior to implementation, documentation of compliance with all local, state and federal regulatory requirements for operating a Children's Behavioral Health Unit. The Contracting Party will be responsible for enrolling with the statewide SMO (Magellan Health Services) for authorization and payment of services to Medicaid recipients.
- 3.2 Deliverables:
  - a. All patients must be afforded a healthy and safe environment of care within a setting that meets all licensing and regulatory requirements, free from unresolved deficiencies regarding required standards of applicable licenses and accrediting bodies in accordance with this Agreement. If at any time the Contracting Party fails to meet any Centers for Medicare and Medicaid Services (CMS) Conditions of Participation, the Contracting Party will be put on notice that failure to immediately conform to said "Conditions of Participation" may result in immediate removal of the patient and termination of the CEA.
  - b. Individual plans of care must be consistent with all applicable licensing and accreditation standards. Discharge plans must be coordinated with Magellan Health Services, the SMO, and local OBH or LGE regional offices or other specified community providers. Documentation of evidence that this has occurred must be apparent in the patient's treatment record.
- 3.3 Performance Measures: The Contracting Party shall adhere to all applicable federal and state regulations for children's behavioral health units, including maintaining The Joint Commission accreditation and shall consistently meet all health standards requirements.
- 3.6 Budget: During the existence of this CEA, the Contracting Party will be paid \$581.11 per diem for non-Medicaid eligible, uncompensated care patients. Reimbursement for Medicaid eligible children will be at the current SMO-Magellan Health Services rate.

**ARTICLE IV**  
**CONTRACT MONITOR**

- 4.1 The Contract Monitor for this Agreement is the person designated by the Assistant Secretary of OBH or his successor.
- 4.2 **Monitoring Plan:** During the term of this agreement, the Contracting Party shall discuss with the DHH/OBH Contract Monitor the progress and results of the project, ongoing plans for the continuation of the project, any deficiencies noted, and other matters relating to the project. Contract Monitor shall review and analyze the Contracting Party's plan to ensure compliance with Agreement requirements, including provision of client level data reporting as determined by OBH necessary to comply with State and federal reporting requirements. OBH and the Contracting Party will jointly develop a monitoring method to include quarterly reporting.
- 4.3 Between required performance reporting dates, the Contracting Party shall inform Contract Monitor of any problems, delays or adverse conditions which will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project results by established time schedules and goals. The Contracting Party's disclosure shall be accompanied by a statement describing the action taken or contemplated by the Contracting Party and any assistance which may be needed to resolve the situation.

**ARTICLE V**  
**PAYMENT TERMS**

- 5.1 In consideration for providing the services described, State will pay to River Oaks, for all services provided by River Oaks which are not covered by Medicare, Medicaid or other payer (collectively, a "Third Party"), an interim payment of \$581.11 per day ("Interim Payments"). This amount is payable upon initial determination by River Oaks of non-coverage, regardless of the reason any or all of the services are not covered, including but not limited to failure or refusal of a Third Party to authorize or approve any or all of the services rendered.
- (i) River Oaks shall make all commercially reasonable efforts to obtain such payment from Third Parties.
- (ii) River Oaks shall certify in its invoice to State that the patient is uninsured (i.e., has no Third Party coverage or River Oaks has received a denial of coverage) or, if such coverage exists, that payment has been denied, in whole or in part, and shall note the amount of any partial payment received.
- (iii) In the event that River Oaks is successful in obtaining Third Party payment for a claim on which State has previously paid hereunder, River Oaks shall, within thirty (30) days of receipt of said payment, refund the amount paid by State on that claim.

(iv) All parties recognize that the interim payment is applicable only to the eight (8) safety net beds for children.

(c) River Oaks shall comply with all Medicaid prior authorization requirements for Medicaid eligible patients. River Oaks must follow established reimbursement rules set by Medicaid and will be paid at the current SMO-Magellan per diem for Medicaid patients. River Oaks will assist State as reasonably required to insure that Interim Payments for uninsured patients are funded, for the purpose of federal matching Medicaid funds, through the Disproportionate Share Hospital Payments according to LAC 50:V.Chapter 29 or upper payment limit methodology; however, River Oaks must seek direct payment from Medicaid based on their per diem. Any UPL or DSH payments are subject to federal reimbursement limits. River Oaks shall submit costs and patient specific data in a format specified by DHH. Interim Payments shall be made on a monthly basis. Uninsured patients shall not include patients pending Medicaid eligibility or covered by private insurance. Further, in cases of partial coverage or partial payment mentioned above, DHH is only responsible for Interim Payments under (b), above, in the amount of the difference between \$581.11 and the amount received by River Oaks for the service(s) in question.

#### **ARTICLE VI** **TERMINATION**

6.1 Either DHH/OBH or the Contracting Party may terminate the agreement without cause at any time by giving thirty (30) days written notice. Upon receipt of notice from OBH, the Contracting Party shall, unless the notice directs otherwise, immediately discontinue accepting new admissions and must work with OBH on the transfer/discharge of existing patients admitted under the terms of this Agreement. In the event that either party terminates this Agreement without cause within one (1) year of its effective date then the parties agree not to contract with each other for the provision of the same or similar services until the expiration of one (1) year from the effective date of this Agreement. The parties acknowledge that any other contractual arrangement between the Contracting Party and DHH/OBH, if any exist, will be included on the Contracting Party's master list of contracts that is maintained at the Contracting Party's administrative office and continuously updated and remains available for review by the Secretary of the Department of Health and Human Services at any time.

#### **ARTICLE VII** **ASSIGNMENT**

8.1 The Contracting Party shall not assign any interest in this agreement and shall not transfer any interest in same (whether by assignment or novation), without prior written consent of OBH.

**ARTICLE VIII**  
**AUDITOR'S CLAUSE**

- 9.1 It is hereby agreed that the Legislative Auditor of the State of Louisiana, DHH Auditors, the Office of the Governor, Division of Administration auditors, and/or any other auditors as applicable shall have the option of auditing all records and accounts of the Contracting Party which relate to this Agreement.
- 9.2 The Contracting Party and any subcontractors paid under this Agreement shall maintain all books and records pertaining to this Agreement for a period of ten years after the date of termination of the prime Agreement and any subcontract entered into under this Agreement.

**ARTICLE IX**  
**AMENDMENTS IN WRITING**

- 10.1 Any alteration, variation, modification, or waiver of provisions of this Agreement shall be valid only when it has been reduced to writing, executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.

**ARTICLE X**  
**TERM OF AGREEMENT**

- 11.1 The initial term of this Agreement shall be three (3) years, beginning on January 2, 2013 and terminating on January 1, 2016. After the expiration of the initial three (3) year term, the parties may extend this Agreement upon mutual consent of the parties for up to 3 renewal terms of 3 years each.

**ARTICLE XI**  
**DISCRIMINATION CLAUSE**

- 12.1 The Contracting Party agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975; and the Americans with Disabilities Act of 1990.
- 12.2 The Contracting Party agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.
- 12.3 Any act of discrimination committed by the Contracting Party, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this agreement. For the purpose of this Section 6.3, an "act of discrimination" must be recognized by a final non-appealable judgment rendered by a court or governmental administrative

agency with jurisdiction over the persons and subject matter implicated by any such claim based upon any alleged act of discrimination.

**ARTICLE XII  
INDEMNITY**

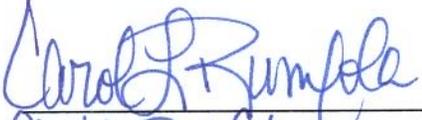
13.1 The State shall not be responsible for damage of any kind to any person or property arising out of or resulting from this agreement. The Contracting Party further agrees to indemnify and to hold the State harmless against any loss, claim or liability for injury to or death of persons or damage to property of others, including costs and expenses incident thereto, arising wholly or in part from or in connection with this agreement. Each party shall notify the other promptly in writing upon becoming aware of any claim or lawsuit alleging injury to or death of persons or loss or damage to property of others.

**ARTICLE XIII  
INSURANCE**

14.1 The Contracting Party shall obtain and maintain during the term of this Agreement, the insurance coverages that adhere to Federal and State statutory requirements and to applicable regulatory and licensure standards.

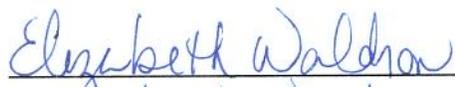
THUS DONE AND SIGNED AT BATON ROUGE, Louisiana on the 2 (day), of 1 (Month), 2013 (Year)

**WITNESSES:**

  
\_\_\_\_\_  
Carol L. Rumbola

**Department of Health & Hospitals  
Office of Behavioral Health**

  
\_\_\_\_\_  
Kathy Kliebert  
Deputy Secretary  
Department of Health and Hospitals

  
\_\_\_\_\_  
Elizabeth Waldron

  
\_\_\_\_\_  
Ruth Kennedy  
Medicaid Director  
Department of Health and Hospitals

THUS DONE AND SIGNED AT Baton Rouge, Louisiana on the \_\_\_ day of December, 2012

WITNESSES:

Andrew Rankin

Vincent Chatfield

**RIVER OAKS HOSPITAL**

Evelyn Nofing

Chief Executive Officer  
River Oaks Hospital

1/18/13