

**HOLMAN FAMILY COUNSELING
GROUP CONTRACT
EAP PLAN**

This Agreement is made by and between, **HOLMAN FAMILY COUNSELING INC.** (Hereinafter "HFC") 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 ("Effective Date").

RECITALS

- A. HFC provides Employee Assistance Program 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 HFC'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. HFC 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 HFC 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").

AGREEMENT

1.0 DEFINITIONS

- 1.1 Acute Psychiatric Hospital. Health facility with a medical staff that provides 24-hour inpatient care for behavioral health care patients.
- 1.2 Annual Benefit Maximum. Total amount of money HFC will pay for authorized services provided to Enrollees by Providers per year. Enrollee will be responsible for any Behavioral Health Services beyond this amount.
- 1.3 Benefits Schedule. (Attached as Exhibit A.) Describes the available levels of treatments provided through this Group Plan Contract, along with required deductibles and co-payments if any.

- 1.4 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.
- 1.5 Contracted Provider. A person licensed as a psychologist, clinical social worker, marriage, family and child counselor, nurse or other licensed/certified health care professional, except Psychiatrists, with appropriate training and experience in behavioral health services, and who has contracted with HFC to deliver specified services to HFC Enrollees.
- 1.6 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.
- 1.7 Copayment. Fixed fee paid to a Provider by Enrollee at time of provision of 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.
- 1.8 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.
- 1.9 Covered Services: EAP services provided by Providers that are determined to fall within the scope of EAP services and covered under this Group Plan Contract.
- 1.10 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.
- 1.11 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 HFC 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.

- 1.12 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.
- 1.13 Employee Assistance Program Services ("EAP"). A program of comprehensive assessment, short term treatment and referral services designed to identify and make appropriate referrals for treatment of physical, mental or emotional conditions which may result in impaired employee performance.
- 1.14 Employee/Member: Individual who works for an employer or is a member of a trust, who has contracted with HFC for behavioral/health services.
- 1.15 Employer. An Employer is a company/organization that has contracted with HFC to provide Behavioral/Health Services to its Eligible Employees.
- 1.16 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 HFC to provide EAP Services to its Employees. Employee must meet HFC'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.
- 1.17 Family/Household Unit. Comprised of Enrollee plus Enrollee's eligible dependents or anyone living in the employee's household.
- 1.18 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.
- 1.19 Grievance. Any expression of dissatisfaction, whether written or oral. Members have 180 days to file a grievance with HFC.
- 1.20 Group Plan Contract. Agreement between an Employer and HFC providing that HFC will provide EAP Services for the Employer's eligible employees/members in exchange for Premiums paid by the Employer.
- 1.21 Group Therapy Session. Goal-oriented Behavioral/Health Services provided in a small group setting (one – two hours) by a HFC Provider. Group Therapy Sessions can be made available to the Enrollee in lieu of individual EAP sessions when appropriate.
- 1.22 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.
- 1.23 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. A mental disorder once assessed/identified by EAP, is referred for treatment under the medical plan benefits.

- 1.24 Mental Health Services. Behavioral/Health Services for the treatment of Mental Disorders including substance abuse that required more treatment than is provided through the EAP.
- 1.25 Non-Contracted Provider. Any Provider not contracted with HFC 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 HFC Agreement. Enrollees are liable for the cost of non-emergency services provided by Non-Contracted Providers.
- 1.26 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 employers' medical plan.
- 1.27 Premium. Predetermined monthly membership fee paid by an Employer for EAP coverage under this Group Plan Contract.
- 1.28 Prior Authorization. Approval of coverage from HFC prior to the Enrollee obtaining covered EAP services. Requests for prior authorization will be denied if not Medically Necessary, if in conflict with HFC's policies or otherwise are not covered services.
- 1.29 EAP Session. A private session consists of one Enrollee with a Provider and includes:
- 1.29.1 A 45-50 minute consultation as treatment needs dictate.
 - 1.29.2 A 1 hour – 2 hour group therapy session.
- 1.30 Provider. A person licensed as a psychologist, clinical social worker, marriage and family therapist, nurse or other licensed/certified health care professional or ancillary health care healing arts, except Psychiatrists, with appropriate training and experience in Behavioral/Medical Health Services, working individually or within a corporation, clinic, or group practice, who is employed or under contract with HFC to deliver Services to Enrollees.
- 1.31 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:
- 1.31.1 Persists without full cure or worsens over an extended period of time;
 - 1.31.2 Requires ongoing treatment to maintain remission or prevent deterioration.
- 1.32 Serious Debilitating Illness. Diseases or conditions that cause major irreversible morbidity.
- 1.33 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. Urgently Needed Behavioral/Health Care needs are assessed by the EAP then referred to a treatment provider under the companies medical plan; unless immediate hospitalization is needed.

- 1.34 Utilization Management Committee (UMC). A committee operating within HFC whose function is to ensure both quality and cost-effectiveness of treatment.
- 1.35 EAP Visit: Outpatient. An outpatient session with a Provider conducted on an individual or group basis during which EAP and short term Behavioral/Health Services are delivered. The EAP sessions can include providing EAP sessions for people with acute/chronic physical health problems that are suffering from the stress/depression associated with not feeling well as a result of having a particular disease.

2.0 COVENANTS OF EMPLOYER

- 2.1 Premium. Employer agrees to pay HFC 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 EAP brochure, provided to Employer by HFC at HFC’s expense. Additionally, Employer agrees to disseminate any materials supplied by HFC, 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 HFC at (800) 321-2843.
- 2.5.1 Written notice of cancellation of enrollment according to Section 2.7.
- 2.6 Required Employer Notifications to HFC. Employer shall notify HFC 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, HFC 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 HFC 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 HFC

- 3.1 Provision of Services. HFC 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 HFC at (800) 321-2843. HFC will then assign the Enrollee to an appropriate Contracted Provider based upon intake information that HFC 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 EAP, HFC will also provide legal and financial counseling referrals to its Enrollees.
- 3.3 Policies and Procedure Assistance. HFC shall be available to assist Employer in developing internal policies and procedures for referring Enrollees to HFC for EAP Services.
- 3.4 Provision of EAP Brochure. HFC 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 HFC. HFC shall make available to Enrollees the telephone number of HFC for making appointments and obtaining information with respect to services provided by HFC pursuant to this Group Plan Contract.
- 3.6 Quality Control. HFC 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. HFC 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. HFC shall not increase the amount of the Premium to be paid by Employer, or otherwise increase the compensation to be paid to HFC 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 HFC. If the increase is at time of renewal, then the time frame for notice of increase is thirty (30) days. HFC 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. HFC 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 HFC Insurance. HFC 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 HFC 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 HFC 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 HFC authorized services are limited to those benefits outlined in Exhibit A.
- 4.3 Copayments. Enrollee and Enrollee's eligible dependent(s) are not responsible for paying copayment amounts unless outlined in "Exhibit A".
- 4.4 Service Specifics. EAP services shall be provided by HFC in either HFC's offices, Providers' offices, or in an office provided by Employer at a work/clinic location. Normally services shall be delivered within five business days of a request by an Enrollee.
- 4.5 Confidentiality. HFC 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. Confidentiality will be maintained, except to the extent that disclosure is authorized by the Enrollee in writing or is otherwise mandated or permitted by law.

A STATEMENT DESCRIBING HFC'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 HFC 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. HFC shall not reimburse Enrollees who secure services from licensed Non-Contracted Providers.
- 4.7 Enrollee Reimbursement Provisions. HFC has made arrangements with its Contracted Providers to ensure that all bills are submitted directly to HFC for payment.
- 4.8 HFC Provider Compensation Procedure. HFC Providers are paid on a discounted fee-for-service or fixed charge per day. HFC does not use or permit any type of financial bonuses or incentives in its contracts with Providers.
- 4.9 Coordination of Benefits. Pursuant to the provisions below, HFC will not be responsible for making payments for services when another plan is primarily responsible for making payment for such services:
- 4.9.1 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.
- 4.9.2 An allowable expense” is any necessary, reasonable and customary mental health expense covered by HFC and covered in full or in part under any one of the plans involved.
- 4.9.3 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.
- 4.9.4 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.
- 4.9.5 Employer shall provide HFC with any information it may have regarding other plans of its employee that may cover services provided by HFC. HFC 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.

- 4.9.6 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 copayments will be waived. The spouse so-covered waives coverage as a dependent and all copayments are waived. If an Enrollee and spouse belong to different HFC plans, each of the children, stepchildren, and legally adopted children may be insured under one HFC plan only and all copayments will be waived.
- 4.10 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 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. HFC 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; after which enrollee will be responsible for payment to the provider at HFC's contracted rate.
- 4.11 Liability of Enrollee for Payment for Pre-Authorized Services. Every contract between HFC 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 HFC 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.
- 4.12 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 HFC and Employer agree or fail to agree to different terms at the time of renewal or unless terminated pursuant to Section 4.13. 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 HFC providing some additional benefits or fewer benefits, a new contract outlining the new terms and new premium, will be provided.
- 4.13 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:
- 4.13.1 This Group Plan Contract may be canceled, terminated or non-renewed by HFC for the following reasons:
- a. Failure to pay. For nonpayment of the required premiums owed to HFC or failure to agree to pay the required renewal premium.
 - b. Fraud. Fraud or misrepresentation by Employer with respect to coverage of individuals, the individuals, or their representatives.
 - c. Noncompliance. Noncompliance means failure to comply with the Plan's participation or employer contribution requirements at time of renewal.

- 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.

4.13.2. Either party may cancel this contract with or without cause with 30 days written notice to the other party.

4.13.3. All benefits under this Contract shall cease as of the date of cancellation, termination, or non-renewal with HFC and Employer being released from all further obligations.

4.13.4 In the event of cancellation by HFC (except in the case of fraud or deception in the use of services or facilities of HFC or knowingly permitting such fraud or deception by another) or by Employer, HFC shall, within thirty (30) days, return to Employer the prorated portion, if any, of the money paid to HFC which corresponds to any unexpired period of which payment has been received, less any amounts due HFC.

4.13.5 Acceptance by HFC 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 HFC 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.

4.14 COBRA Provisions. Facilitation of continued coverage under COBRA will be defined by the Employer and will be the Employer's responsibility.

5.0 EXCLUSIONS:

5.1 Services provided by Non-Contracted Providers are not an EAP covered benefit.

5.2 Treatments which do not meet national standards for behavioral health professional practice are not an EAP covered benefit.

5.3 Treatment sessions provided by computer Internet services unless specifically authorized are not an EAP covered benefit.

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, are 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 EAP 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 Assessment for the need for Bio-feedback, Neurofeedback & HeartMath is 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 HFC is the decider of Medical Necessity.

6.0 ENROLLEE GRIEVANCE PROCESS

- 6.1 Enrollee Grievance Process. Grievances will be directed to the Compliance Specialist. The Compliance Specialist will work together with the Enrollee to resolve the issue if possible. If no solution is reached, the Compliance Specialist will refer the matter to the Grievance Committee. The HFC Grievance Committee will review the grievance and within thirty (30) days from HFC's receipt of the grievance, HFC will send a written notice of the resolution. If the grievance is denied, the notice will explain how the Enrollee may appeal the decision of the Grievance Committee.

6.2 Arbitration. If the Enrollee remains dissatisfied with the decision, the Enrollee may submit a request to HFC 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, HFC 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, HFC 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. Upon submission of a dispute to the American Arbitration Association, both the Enrollee and HFC 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 Treatment Denials. If a Provider or Enrollee notifies HFC of a dissatisfaction regarding an EAP authorization denial, it will be directed to the assigned staff. HFC will work together with the Provider and/or Enrollee to resolve the complaint. Within thirty (30) days from HFC's receipt of the complaint, HFC 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.

6.4 EAP Denial Appeals. If the Provider/Enrollee is dissatisfied with HFC's resolution of the EAP denial, the Provider/Enrollee may file an appeal through either the American Arbitration Association.

6.4.1 Expedited reviews of EAP denials are available to Providers and/or Enrollees. In these cases, HFC will provide verbal resolution within eight (8) business hours of HFC's receipt of necessary information to make an informed decision and in writing within two (2) days of receipt.

7.0 GENERAL

- 7.1 HFC's Medical Necessity Philosophy. HFC'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. One of these tools is therapeutic/personal growth exercises which can be handed out upon the initial intake call to Holman and may be an ongoing part of the EAP process. 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 Antifraud Policy and Procedures. HFC makes every effort to detect, investigate, and prosecute any incidents of fraud at any level within its EAP Service. HFC contracts with a special investigator trained in fraud investigation to assist us in investigating fraud. In the event that HFC detects any fraudulent activity on the part of a Provider, the Provider's contract with HFC will be terminated. If HFC detects any fraudulent activity on the part of an Enrollee or Employer, HFC will deny Enrollee any additional benefits under Enrollee's Group Plan and may terminate Employer or the Enrollee. Additionally, HFC 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.
- 7.3 Enrollees Held Harmless. As required by California law, every contract between HFC and a Provider shall provide that the Provider accepts the payment rate under the HFC 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 copayments 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.
- 7.4 Approval of Materials. All materials published or distributed by Employer concerning this EAP Group Plan Contract shall be approved by HFC prior to use.
- 7.5 Professionalism. All 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.
- 7.6 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 HFC at its administrative office, or to Employer at the address appearing last on the books of HFC.
- 7.7 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 HFC 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.

- 7.8 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 HFC may assign its rights, obligations or duties under this Contract to any corporate affiliate or other entity which may purchase substantially all assets of HFC or is the surviving entity in a merger with HFC.
- 7.9 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.
- 7.10 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.
- 7.11 Applicable Law. This Group Plan Contract shall be governed by and construed under the laws of the State of California.
- 7.12 Amendment. Except as otherwise specifically provided in this Agreement, this Agreement may be amended only by mutual written consent of the parties.
- 7.13 Attorneys' Fees. In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing Party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees, including fees for the use of in-house counsel by a Party.

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.

City of Redlands
("Employer")

By: _____
Pete Aguilar, Mayor

ATTEST:

Sam Irwin, City Clerk

HOLMAN FAMILY COUNSELING INC.
("HFC") A California Corporation

By: _____
Signature

Elizabeth Holman, M.B.A.
Name

Vice-President Sales & Marketing
Title

Exhibit A
EAP Benefit Schedule/Description

Employee Assistance Program Benefit: 3 EAP sessions with network provider per household unit, per problem area, per year, including Legal and Financial referrals, LifeSolutions and 12 training hours (combined for entire organization).

EAP Rate: \$1.86 - Per Employee / Per Month

EAP Co-pay: \$0.00

* This premium includes broker commission.

**HFC will pay for 2 (two) late cancellations or no-shows after which patient will be responsible to pay HFC provider HFC'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 7/1/2014 and automatically to renew on 7/1/2015, (years 2 and 3 not to exceed 9.1% increase only if needed based on usage), unless HFC and Employer agree on different terms at the time of renewal or unless terminated by the parties or pursuant to Section 4.13 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 HFC 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, HFC shall provide the following types of special assessment:
 - a. *Substance Abuse:* HFC 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:* HFC 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, HFC 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 HFC of any change, in which case HFC will reassess Employee's fitness for duty. Fitness for Duty EAP evaluations require an additional fee from employer. HFC will provide to employer upon request a Fitness for Duty evaluations at HFC's contracted provider cost; usually between \$500 - \$2,000.

- d. *Threat of Violence Potential*: Upon request by employer, HFC will assess the situation for potential violence. Employer agrees to complete all necessary forms and supply any supporting information and documentation as requested by HFC. HFC 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. HFC will provide to employer upon request a Threat of Violence Potential evaluation at HFC's contracted provider cost; usually between \$500 - \$2,000.
 - e. Employer agrees to hold HFC, its affiliates, officers, directors, agents and employees harmless from and indemnify HFC, 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.
 - g. Assessments for Holistic & Complementary Health Care are provided for under this Agreement.
3. Short-term Counseling: HFC 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 HFC. Counseling services shall consist of outpatient psychological counseling provided by a licensed psychologist, clinical social worker, marriage and family therapist, nurse or other licensed/certified health care professional or ancillary health care healing arts, except Psychiatrists, with appropriate training and experience in Behavioral/Medical Health Services. HFC 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: HFC 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. HFC will not be responsible for any charges or fees the Member may incur from such referrals for Excluded Services.
5. Case Management: HFC will provide limited case management for emergency situations or for management-referred Employees whom HFC provided a referral for continued assessment and/or treatment and progress, and communication with the treating provider.

6. Crisis Management: HFC 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. HFC shall conduct Employee orientations via CD to explain HFC'S EAP services. Sites of the information programs and the expenses for those sites will be the responsibility of the employer. HFC will provide at HFC's expense, generic promotional brochures, that employer can distribute to its employees, to encourage use of EAP services. Onsite employee orientations can be purchased at \$150/hr and \$75/hr for travel.
8. HFC 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. HFC shall provide supervisory consultation regarding specific Employee issues, via telephone and HFC shall provide supervisory training via CD. This confidential consultation & training is intended to facilitate appropriate referrals to the EAP program.
10. HFC shall periodically provide generic promotional materials to facilitate utilization of EAP services by Employer Members, at HFC's expense.
11. HFC shall provide quarterly and annual statistical reports of EAP utilization and other HFC services furnished to Employer Members on the HFC website. These reports shall be in HFC's generic format and no patient/names shall be identified. If employer required specialized non-confidential reports, HFC may be willing to provide such reports for an additional fee.
12. HFC shall provide periodic program consultation with Employer management regarding utilization of HFC's services.
13. HFC 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. Therapeutic/personal growth exercises may be assigned to persons calling Holman to access their EAP benefits.