

**COMPLIANCE AND MONITORING AGREEMENT IMPLEMENTING THE DECISION OF THE
LOCAL MENTAL HEALTH DIRECTOR REGARDING THE APPLICATION FOR
REINSTATEMENT OF THE LANTERMAN PETRIS SHORT (LPS) DESIGNATION OF AURORA
VISTA DEL MAR, LLC**

WHEREAS, Aurora Vista del Mar LLC (VDM) is a California Limited Liability Company operating an acute psychiatric hospital within Ventura County that has received and maintained a designation under the Lanterman Petris Short (LPS) Act from the County of Ventura as a facility where psychiatric patients can be brought by police, crisis teams etc. for evaluation and treatment and as where other facilities lacking inpatient psychiatric units can transfer patients in need of such care; and

WHEREAS, Signature Healthcare Services, LLC (Signature) is a Michigan Limited Liability Company which owns and operates nineteen facilities in California, Nevada, Texas, Massachusetts and Arizona, including VDM; and

WHEREAS both Limited Liability Companies are wholly owned by Doctor Soon Kim; and

WHEREAS in June 2023 VDM received a Notice of Violation from the Local Mental Health Director of the County of Ventura, notifying the facility of a finding that its actions at the facility constituted violations of patient rights under California's Welfare and Institutions Code § 5326.9(a) and supported a finding of patient neglect; and

WHEREAS the Local Mental Health Director (Director) notified VDM on October 9, 2023 that its LPS designation would be suspended effective October 16, 2023 based on a determination that there was no reason to believe that involuntary patients, their rights and their well-being, were safe at VDM; and

WHEREAS during such LPS designation suspension VDM is barred from evaluating and treating involuntary psychiatric patients under the Lanterman Petris Short (LPS) Act; and

WHEREAS on November 16, 2023, VDM submitted approximately 1,000 pages of documentation labeled "LPS Reinstatement Corrective Plan" for review and consideration in support of its request for reinstatement of its LPS designation; and

WHEREAS the Local Director of Mental Health has determined that, in view of the impact of VDM's suspension on the citizens of Ventura County, affording the facility an additional opportunity to achieve and maintain compliance with the LPS Act is in the best interest of the community served by VDM.

THEREFORE in the interest of avoiding continued suspension of VDM's designation to evaluate and treat involuntary psychiatric patients under the Lanterman Petris Short (LPS) Act and an interest in bringing VDM into full compliance in a timely manner with the LPS Act, related regulations and the Requirements for Designation as a Lanterman Petris Short (LPS) Designated Facility in Ventura County, as well as ensuring the safety and rights of all patients brought to VDM, the County of Ventura, Aurora Vista del Mar LLC, Signature Healthcare Services, LLC and Dr. Soon K. Kim (collectively, the "Parties"), agree as follows:

A. The Local Mental Health Director of the County of Ventura California (Director) agrees to reinstate the designation of VDM as a facility as one where patients can be brought by police, crisis teams etc. for evaluation and treatment and where other facilities lacking inpatient psychiatric units can transfer patients in need of such care, pursuant to WIC §5150.

B. In consideration for reinstatement of the designation of VDM as a facility that may evaluate and treat patients under the LPS Act, Aurora Vista Del Mar VDM LLC and Signature Healthcare Services, LLC and Dr. Soon K. Kim agree to do the following at their own expense:

(1) Retain an Independent Consultative Expert(s): VDM will obtain an independent consulting expert to provide the following:

(a) **a comprehensive, written report analyzing VDM's operations** compared to industry accepted standards of practice to ensure compliance with all the requirements of the LPS Act, the Requirements for Designation as a Lanterman Petris Short (LPS) Designated Facility in Ventura County, and patient safety requirements related to involuntary patients and treatment, including recommendations for hospital-wide changes and improvement to ensure compliance with those standards.

(i) VDM will provide the Ventura County Local Mental Health Director (Director) with written information that identifies and details the qualifications of the proposed independent consultative expert(s) in the design, implementation, management and evaluation of acute psychiatric hospital services, including but not limited to: leadership and management supervision and accountability; quality and appropriateness of services in such a setting; protection and promotion of patient's rights; discharge planning; staff training and education; and quality assessment and improvement. The written information will include the curriculum vitae and other information pertinent to the qualifications and credentials of each expert proposed for retention. VDM will not retain the services of any proposed expert (s) until the Director concurs. At a minimum the expert(s) will have expertise and national certifications, as appropriate, related to their field or area of expertise. Unless otherwise approved in writing by the Director, no one who is currently on or in the past twenty-four months has been an employee of VDM or Signature or any facility owned by Signature or Dr. Soon Kim or has any other conflict of interest may be included as an independent consultative expert

(ii) The written report shall cover at a minimum, but is not limited to, the following: (aa) areas of improvements in VDM's performance, (bb) details of identified obstacles and system failures that are preventing or inhibiting VDM from attaining or maintaining safe and acceptable standards of practice and compliance, (cc) protection and promotion of patient's rights, (dd) safe discharge planning, staff training and education, (ee) supporting quality assessment and improvement activities.

(iii) The written report will be submitted to the Director for review prior to issuance to VDM and will be accompanied by an oral briefing, at the discretion of the Director, on the report's findings. The report will be due to the Director no later than 60 days after the Director has approved the proposed independent consultative expert(s). The Director may require revision of the report, at VDM's expense, before the Director will accept the report as final. If the Director accepts the report, the independent consultative expert(s) will issue the accepted report to VDM within 5 days after the Director's acceptance. No later than 5 days after the receipt of the report VDM must notify the Director in writing that it has received the report.

(b) assistance in planning, implementing and evaluating changes and improvements. The independent consultative experts will develop a written plan identifying specific actions to be taken, including milestones, which will lead to substantial compliance with all the requirements of the LPS Act, the Requirements for Designation as a Lanterman Petris Short (LPS) Designated Facility in Ventura County, and patient safety requirements related to involuntary patients and treatment (hereinafter referred to as "Action Plan"). This Action Plan will be due to the Director within 30 days after the Director has accepted the written report in subsection (a) above. The Director may require the independent consultative expert(s) to revise the Action, at VDM's expense, before the Director will accept the Action Plan. If the Director accepts the Action Plan, the independent consultative experts will issue the accepted Action Plan to VDM no later than 5 days after the date the Director accepts it.

No later than 15 days after receipt of the Action Plan, VDM must notify the Director that VDM has received the Action Plan and VDM is committed to implementing the Action Plan. If VDM refuses to make this commitment to implement the Action Plan developed by the independent consultative expert(s) without good cause, as determined by the Director, the Director will view this as a breach of this Agreement.

Beginning 30 days after VDM notifies the Director of its commitment to the Action Plan, the independent consultative expert(s) will begin submitting monthly compliance and monitoring reports and updates to the Director, at the expense of VDM, for twelve months on the progress and status of the Action Plan, including identification of problems that may jeopardize the successful implementation of the Action Plan and actions underway to address those problems. The monthly compliance and monitoring reports and updates will be forwarded to VDM no later than five days after submission to the Director. The Director may, at the expense of VDM, require face-to-face or video conference discussions between the expert(s) and the Director as needed.

(c) validation of the accuracy of the documentation monitoring described in (2) and (4) below; The independent consultative expert(s) will review the monitoring reports prepared by VDM pursuant to commitments (2) and (4) below

and compare a randomly chosen sample of at least ten percent of the charts summarized to validate that the reports accurately describe the contents of those charts. The expert will report any variances to the Director.

(d) **validation of the skills, knowledge and readiness of the facility for expansion of the involuntary patient census at VDM** as described in (3) below;

(2) Monitor the medical record documentation of each involuntary patient evaluated and / or treated at VDM within three business days of the patient's discharge from the facility according to the documentation indicators set forth in Exhibit A to this Agreement. Detailed reporting of that monitoring and any follow-up actions taken to respond to deficiencies, in a form approved by the Director, will be submitted monthly by VDM to the Director during the pendency of this Agreement.

(3) Limit the number of involuntary patients admitted at the same time to the facility to a number approved by the Director. Initially, VDM will admit no more than two involuntary patients at a time. When one of those patients has been discharged another patient – for a maximum of two patients present in the facility at the same time – may be accepted. VDM may apply in writing to the Director once every thirty days with whatever supporting materials it chooses to submit for an increase in this census limitation, however each submission must contain an affidavit from the independent consultative expert(s) summarizing their recommendation on VDM's application to expand its involuntary patient census.

(4) Screen the records of all involuntary patients within three business days of discharge for "Adverse Events" and report all adverse events associated with patient harm – no matter how discovered - to the Director within one business day of their discovery. Until VDM identifies and retains the independent consultative expert it will use the methodology and definitions reported in "Defining Patient Safety Events in Inpatient Psychiatry", Marcus et al. *Journal of Patient Safety* 17(8):p e1452-e1457, December 2021 for conducting and reporting adverse events. A different standard may be recommended in the Action Plan submitted by the independent consultative expert.

(5) Retain the services of a nation-wide, recognized hotline service that can be reached via telephone and Internet by patients, VDM staff and members of the public to report patient safety and patient rights concerns with the option to make such reports anonymously. The written agreement with this service will direct that copies of all reports to the hotline service will be provided to the County's Patient Rights Advocate. VDM will also provide copies of its follow-up investigations of such reports to the Director or her designee within fifteen (15) days of receiving the report.

C. The parties further understand and agree:

(1) Notwithstanding any provision of this Agreement, or any document generated pursuant to this Agreement, the Director and the County of Ventura retain full legal authority

and responsibility to investigate credible complaints and otherwise evaluate compliance at VDM including compliance with all the requirements of the LPS Act, the Requirements for Designation as a Lanterman Petris Short () Designated Facility in Ventura County and patient safety requirements related to involuntary patients and treatment.

(2) VDM shall remain solely responsible for achieving and maintaining substantial compliance with all the requirements of the LPS Act, the Requirements for Designation as a Lanterman Petris Short (LPS) Designated Facility in Ventura County and patient safety requirements related to involuntary patients and treatment.

(3) The Director and the County of Ventura are not responsible for providing VDM, Signature or their outside consultants with technical advice in meeting its obligations under the LPS Act, the Requirements for Designation as a Lanterman Petris Short (LPS) Designated Facility in Ventura County and patient safety requirements related to involuntary patients and treatment.

(4) All references to “days” in this Agreement are to calendar days unless business days are specified. The Director may extend any deadline or time parameter within this Agreement for good cause demonstrated in writing by VDM.

(5) VDM, Signature and Dr. Kim waive all rights to administratively or judicially challenge in any forum, and for any purpose, the legal or factual validity of the findings set forth in the County’s Notice of Violation, Notice of Suspension and Decision of the Local Mental Health Director of Ventura County Regarding the Application for Restatement of the Lanterman Petris Short (LPS) Designation of Aurora Vista Del Mar, LLC and the exercise of discretion by the Director in each and every one of these actions. VDM and/or Signature and/or Dr. Doon Kim will not file or submit any action against the Director, the County of Ventura or any of its officers, elected officials, employees or agents in any administrative or judicial forum with respect to any action taken with regard to its designation as a facility as one where patients can be brought by police, crisis teams etc. for evaluation and treatment and where other facilities lacking inpatient psychiatric units can transfer patients in need of such care, pursuant to WIC §5150.

(6) This Agreement sets forth the full and complete basis for the resolution of this matter by the parties. Each party shall be responsible for its own costs including attorney fees associated with this Agreement.

(7) This Agreement may be amended by the written agreement of all parties. Any terms of the Agreement not met by VDM will constitute a breach of the Agreement and may result further suspension or complete revocation of VDM’s designation as a facility where patients can be brought by police, crisis teams etc. for evaluation and treatment and where other facilities lacking inpatient psychiatric units can transfer patients in need of such care, pursuant to WIC §5150. If the Director determines that a breach has occurred VDM will be

provided with notice of the intent to suspend the designation and VDM may submit a written statement with supporting evidence. The Director will review such submission and promptly issue a final determination.

(8) The Parties hereby intend and agree that documents, information and data produced or prepared in accordance with this Agreement are subject to applicable federal and state privacy laws and federal and California laws protecting the privileges of patients, privacy of medical records, quality assurance, patient safety work product, peer review and performance improvement activities. However, nothing in this Agreement shall be construed to make a document confidential when such document would otherwise be subject to disclosure under the California Public Records Act (Government Code section 7920.000 et seq.).

(9) All reports and notices referenced in this Agreement are to be submitted to the parties at the address listed under the signature or the party to whom the document is being sent.

(10) The terms of this Agreement shall be binding on the parties hereto, including their successors, administrators, heirs, executors, designees, assigns, agents and contractors. Those signing below represent that they have authority to sign on behalf of the organizations and individuals identified as Parties above.

THE FOREGOING PROVISIONS ARE HEREBY AGREED TO ON THE DATES WRITTEN BELOW.

[Insert Execution blocks for Dr. Denering, VDM, Signature and Dr. Kim]

Exhibit A

Specific Indicators that will be Monitored for Each Involuntary Patient

DOCUMENTATION:

Physician Documentation of Each Patient's Care

- Physician documentation daily includes specific clinical progress or lack thereof
- Psychiatrist progress notes include acute medical conditions (if present)
- Treatment plan includes physician participation
- Discharge summary includes clinical rationale and readiness for safe discharge (clinical risk assessment)
- Patient involvement including informed consent for psychotropics (is psychiatrist obtaining consent)
- Any Against Medical Advice (AMA) assessment includes risk assessment of readiness for release
- LPS assessment for WIC §5150 hold includes specific patient facts (current or not present) related to danger to self or others and historical course of patient's mental disorder

Non Physician Documentation of Patient Care

- (Columbia–Suicide Severity Rating Scale (CSSRS) completed on admission includes collateral information (e.g., if the patient is admitted from an acute hospital Emergency Department post immediate suicide attempt)
- Documentation of discussion with psychiatrist of the rationale for lowering a High/Moderate Risk patient's observation status.
- Evidence that all consents and LPS hold documents are reviewed with patient at time of admission (excludes psychotropic medication consent as this must be obtained by provider) and ordering of medication

TREATMENT PLANNING Documentation

- Active psychiatric problems are being addressed, active medical problems are addressed
- Treatment planning is documented at 72 hours and every 7 days thereafter
- Documentation of patient participation or treatment plan discussion with patient if patient not in attendance
- Evidence of discharge planning in treatment plan
 - May be evidenced in case management and social service notes
 - Treatment plan weekly updates include current discharge plans

DISCHARGE PLANNING Documentation

- Physician progress note articulates rationale for discharge readiness in discharge risk assessment
- Physician progress note includes discharge plan
- Physician order for discharge present (excludes AMA patients)
- Patient CSSRS reassessment completed and negative for self-harm
 - If CSSRS at discharge moderate or high, evidence the psychiatrist is contacted
- Evidence of discharge Patient Health Questionnaire-9 (PHQ-9) completed by therapist prior to discharge with psychiatrist notified of patient score of "severe"

- Evidence of nursing daily assessment or discharge note discussing patient readiness for discharge completed prior to discharge

De-Escalation, Restraint / Seclusion and/or Emergency Medication Documentation

- Documentation of patient behaviors leading to need for de-escalation measures/actions implemented
- Documentation of de-escalation attempts – what and by whom
- If emergency medication(s) is administered, evidence if administered voluntarily or with use of physical hold (restraint)
- If a physical hold or seclusion is initiated, documentation of physician or trained RN face-to-face evaluation, per regulations, of patient within 1 hour of initiation of the hold (restraint) or seclusion
- If a patient is secluded, evidence of every 15-minute monitoring and face-to-face assessment is documented in the chart

Acute Medical Problem Indicators Documentation

- Nursing documentation of all acute medical problems exists in the medical record (may appear in nursing notes or treatment plan)

Other Patient Care Indicators

- No reports or evidence of denial of patient rights (e.g., telephone use, clothing, dietary, outdoor activities) without completion of notice to patient and ongoing monitoring
- Patient monitoring of one-to-one patients is continuous with observer present at arm's length (per policy)
- Documentation of patient monitoring per hospital policy and/or provider order
- Patient refusals to participate in groups or individual therapy and follow-up actions are documented