

1 CONTRACT FOR PROVISION OF
 2 DRUG MEDI-CAL NARCOTIC REPLACEMENT THERAPY TREATMENT SERVICES
 3 BETWEEN
 4 COUNTY OF ORANGE
 5 AND
 6 WESTERN PACIFIC MED-CORP
 7 JULY 1, 2023 THROUGH JUNE 30, 2025
 8

9 THIS CONTRACT entered into this 1st day of July, 2023 (effective date), is by and between the
 10 COUNTY OF ORANGE, a political subdivision of State of California (COUNTY), and WESTERN
 11 PACIFIC MED-CORP, a for-profit corporation, (CONTRACTOR). COUNTY and CONTRACTOR
 12 may sometimes be referred to herein individually as “Party” or collectively as “Parties.” This Contract
 13 shall be administered by the County of Orange Health Care Agency or an authorized designee
 14 (“ADMINISTRATOR”).
 15

16 **W I T N E S S E T H:**

17
 18 WHEREAS, COUNTY wishes to contract with WESTERN PACIFIC MED-CORP, for the
 19 provision of Drug Medi-Cal Narcotic Replacement Therapy Treatment Services described herein to
 20 the residents of Orange County; and

21 **WHEREAS**, the Parties executed Contract No. MA-042-23010944 for Drug Medi-Cal Narcotic
 22 Replacement Therapy Treatment Services, effective July 1, 2023 through June 30, 2025, in an amount
 23 not to exceed \$11,000,000, renewable for three additional one-year periods (“Contract”); and

24 **WHEREAS**, the Parties executed Amendment No. 1 to amend Paragraph XVI. and Paragraph
 25 XX. and to add Paragraph XXXIV. and Paragraph XXXV. to the Contract, in order to comply with
 26 regulatory requirements identified as part of County’s Triennial Audit; and

27 **WHEREAS**, the Parties executed Amendment No. 2 to add Paragraph XXXVI. and Paragraph
 28 XXXVII. to the Contract, in order to comply with additional findings of regulatory requirements
 29 identified as part of County’s Triennial Audit; and

30 **WHEREAS, the California Advancing and Innovating Medi-Cal (CalAIM) Payment Reform was**
 31 **instituted at the County level on July 1, 2023; and**

32 **WHEREAS, the Parties now desire to enter into this Amendment No. 3 to amend Exhibit A of the**
 33 **Contract, to adjust negotiated reimbursement rates for competitiveness with surrounding counties due**
 34 **to CalAIM, and to increase the Period One Amount Not To Exceed and Period Two Amount Not To**
 35 **Exceed each by \$3,750,000 from \$5,500,000 to \$9,250,000; and**

36 WHEREAS, CONTRACTOR is agreeable to the rendering of such services on the terms and
 37 conditions hereinafter set forth:

1 NOW, THEREFORE, in consideration of the mutual covenants, benefits, and promises contained
2 herein, COUNTY and CONTRACTOR do hereby agree as follows:

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REFERENCED CONTRACT PROVISIONS

Term: July 1, 2023, through June 30, 2025

Period One means the period from July 1, 2023, through June 30, 2024

Period Two means the period from July 1, 2024 through June 30, 2025

Amount Not To Exceed:

Period One Amount Not To Exceed: \$59,250,000

Period Two Amount Not To Exceed: \$59,250,000

TOTAL AMOUNT NOT TO EXCEED: \$118,500,000

Basis for Reimbursement: Negotiated Rate

Payment Method: Monthly in Arrears

CONTRACTOR UEI Number: UE3WM7KLWD48

CONTRACTOR TAX ID Number: 95-3432680

Notices to COUNTY and CONTRACTOR:

COUNTY: County of Orange
 Health Care Agency
 Procurement and Contract Services
 405 West 5th Street, Suite 600
 Santa Ana, CA 92701-4637

CONTRACTOR: Western Pacific Med-Corp
 4544 San Fernando St., Suite 202
 Glendale, CA 91204-5015
 Mark Hickman
 mark@westpacmed.com

I. ACRONYMS

The following standard definitions are for reference purposes only and may or may not apply in their entirety throughout this Contract:

4	A. AB 109	Assembly Bill 109, 2011 Public Safety Realignment
5	B. AIDS	Acquired Immune Deficiency Syndrome
6	C. ARRA	American Recovery and Reinvestment Act of 2009
7	D. ASAM PPC	American Society of Addiction Medicine Patient Placement Criteria
8	E. ASI	Addiction Severity Index
9	F. ASRS	Alcohol and Drug Programs Reporting System
10	G. BHS	Behavioral Health Services
11	H. CalOMS	California Outcomes Measurement System
12	I. CalWORKs	California Work Opportunity and Responsibility for Kids
13	J. CAP	Corrective Action Plan
14	K. CCC	California Civil Code
15	L. CCR	California Code of Regulations
16	M. CESI	Client Evaluation of Self at Intake
17	N. CEST	Client Evaluation of Self and Treatment
18	O. CFDA	Catalog of Federal Domestic Assistance
19	P. CFR	Code of Federal Regulations
20	Q. CHPP	COUNTY HIPAA Policies and Procedures
21	R. CHS	Correctional Health Services
22	S. COI	Certificate of Insurance
23	T. CPA	Certified Public Accountant
24	U. CSW	Clinical Social Worker
25	V. DHCS	California Department of Health Care Services
26	W. D/MC	Drug/Medi-Cal
27	X. DPFS	Drug Program Fiscal Systems
28	Y. DRS	Designated Record Set
29	Z. EEOC	Equal Employment Opportunity Commission
30	AA. EHR	Electronic Health Records
31	AB. EOC	Equal Opportunity Clause
32	AC. ePHI	Electronic Protected Health Information
33	AD. EPSDT	Early and Periodic Screening, Diagnosis, and Treatment
34	AE. FFS	Fee For Service
35	AF. FSP	Full Service Partnership
36	AG. FTE	Full Time Equivalent
37	AH. GAAP	Generally Accepted Accounting Principles

1	AI. HCA	County of Orange Health Care Agency
2	AJ. HHS	Federal Health and Human Services Agency
3	AK. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
4		Law 104-191
5	AL. HITECH	Health Information Technology for Economic and Clinical Health
6		Act, Public Law 111-005
7	AM. HIV	Human Immunodeficiency Virus
8	AN. HSC	California Health and Safety Code
9	AO. IRIS	Integrated Records and Information System
10	AP. ITC	Indigent Trauma Care
11	AQ. LCSW	Licensed Clinical Social Worker
12	AR. MAT	Medication Assisted Treatment
13	AS. MFT	Marriage and Family Therapist
14	AT. MH	Mental Health
15	AU. MHP	Mental Health Plan
16	AV. MHS	Mental Health Specialist
17	AW. MHSA	Mental Health Services Act
18	AX. MSN	Medical Safety Net
19	AY. NIH	National Institutes of Health
20	AZ. NPI	National Provider Identifier
21	BA. NPPES	National Plan and Provider Enumeration System
22	BB. OCR	Federal Office for Civil Rights
23	BC. OIG	Federal Office of Inspector General
24	BD. OMB	Federal Office of Management and Budget
25	BE. OPM	Federal Office of Personnel Management
26	BF. P&P	Policy and Procedure
27	BG. PA DSS	Payment Application Data Security Standard
28	BH. PATH	Projects for Assistance in Transition from Homelessness
29	BI. PC	California Penal Code
30	BJ. PCI DSS	Payment Card Industry Data Security Standards
31	BK. PCS	Post-Release Community Supervision
32	BL. PHI	Protected Health Information
33	BM. PII	Personally Identifiable Information
34	BN. PRA	California Public Records Act
35	BO. PSC	Professional Services Contract System
36	BP. SAPTBG	Substance Abuse Prevention and Treatment Block Grant
37	BQ. SIR	Self-Insured Retention

1	BR. SMA	Statewide Maximum Allowable (rate)
2	BS. SOW	Scope of Work
3	BT. SUD	Substance Use Disorder
4	BU. UMDAP	Uniform Method of Determining Ability to Pay
5	BV. UOS	Units of Service
6	BW. USC	United States Code
7	BX. WIC	Women, Infants and Children

8

9 **II. ALTERATION OF TERMS**

10 A. This Contract, together with Exhibit(s) A, B and C attached hereto and incorporated herein,
11 fully expresses the complete understanding of COUNTY and CONTRACTOR with respect to the
12 subject matter of this Contract.

13 B. Unless otherwise expressly stated in this Contract, no addition to, or alteration of the terms of
14 this Contract or any Exhibits, whether written or verbal, made by the parties, their officers, employees
15 or agents shall be valid unless made in the form of a written amendment to this Contract, which has
16 been formally approved and executed by both Parties.

17

18 **III. ASSIGNMENT OF DEBTS**

19 Unless this Contract is followed without interruption by another contract between the Parties
20 hereto for the same services and substantially the same scope, at the termination of this Contract,
21 CONTRACTOR shall assign to COUNTY any debts owing to CONTRACTOR by or on behalf of
22 persons receiving services pursuant to this Contract. CONTRACTOR shall immediately notify by mail
23 each of the respective Parties, specifying the date of assignment, the County of Orange as assignee,
24 and the address to which payments are to be sent. Payments received by CONTRACTOR from or on
25 behalf of said persons, shall be immediately given to COUNTY.

26

27 **IV. COMPLIANCE**

28 A. COMPLIANCE PROGRAM - ADMINISTRATOR has established a Compliance Program
29 for the purpose of ensuring adherence to all rules and regulations related to federal and state health
30 care programs.

31 1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the policies and
32 procedures relating to ADMINISTRATOR's Compliance Program, Code of Conduct and access to
33 General Compliance and Annual Provider Trainings.

34 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own
35 compliance program, code of conduct and any compliance related policies and procedures.
36 CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall
37 be verified by ADMINISTRATOR's Compliance Department to ensure they include all required

1 elements by ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to
2 this Contract. These elements include:

- 3 a. Designation of a Compliance Officer and/or compliance staff.
- 4 b. Written standards, policies and/or procedures.
- 5 c. Compliance related training and/or education program and proof of completion.
- 6 d. Communication methods for reporting concerns to the Compliance Officer.
- 7 e. Methodology for conducting internal monitoring and auditing.
- 8 f. Methodology for detecting and correcting offenses.
- 9 g. Methodology/Procedure for enforcing disciplinary standards.

10 3. If CONTRACTOR does not provide proof of its own compliance program to
11 ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR's
12 Compliance Program and Code of Conduct, CONTRACTOR shall submit to ADMINISTRATOR
13 within thirty (30) calendar days of execution of this Contract a signed acknowledgement that
14 CONTRACTOR will internally comply with ADMINISTRATOR's Compliance Program and Code of
15 Conduct. CONTRACTOR shall have as many Covered Individuals it determines necessary complete
16 ADMINISTRATOR's annual compliance training to ensure proper compliance.

17 4. If CONTRACTOR elects to have its own compliance program, code of conduct and any
18 Compliance related policies and procedures reviewed by ADMINISTRATOR, then CONTRACTOR
19 shall submit a copy of its compliance program, code of conduct and all relevant policies and
20 procedures to ADMINISTRATOR within thirty (30) calendar days of execution of this Contract.
21 ADMINISTRATOR's Compliance Officer, or designee, shall review said documents within a
22 reasonable time, which shall not exceed forty-five (45) calendar days, and determine if
23 CONTRACTOR's proposed compliance program and code of conduct contain all required elements to
24 ADMINISTRATOR's satisfaction as consistent with the HCA's Compliance Program and Code of
25 Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and
26 CONTRACTOR shall revise its compliance program and code of conduct to meet
27 ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's
28 Compliance Officer's determination and resubmit the same for review by ADMINISTRATOR.

29 5. Upon written confirmation from ADMINISTRATOR's compliance officer that
30 CONTRACTOR's compliance program, code of conduct and any compliance related policies and
31 procedures contain all required elements, CONTRACTOR shall ensure that all Covered Individuals
32 relative to this Contract are made aware of CONTRACTOR's compliance program, code of conduct,
33 related policies and procedures and contact information for ADMINISTRATOR's Compliance
34 Program.

35 B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed
36 or retained to provide services related to this Contract monthly to ensure that they are not designated
37 as Ineligible Persons, as pursuant to this Contract. Screening shall be conducted against the General

1 Services Administration's Excluded Parties List System or System for Award Management, the Health
2 and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and the
3 California Medi-Cal Suspended and Ineligible Provider List, the Social Security Administration's
4 Death Master File at date of employment, and/or any other list or system as identified by
5 ADMINISTRATOR.

6 1. For purposes of this Compliance Paragraph, Covered Individuals includes all employees,
7 interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care
8 items or services or who perform billing or coding functions on behalf of ADMINISTRATOR.
9 CONTRACTOR shall ensure that all Covered Individuals relative to this Contract are made aware of
10 ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and procedures (or
11 CONTRACTOR's own compliance program, code of conduct and related policies and procedures if
12 CONTRACTOR has elected to use its own).

13 2. An Ineligible Person shall be any individual or entity who:

14 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in
15 federal and state health care programs; or

16 b. has been convicted of a criminal offense related to the provision of health care items
17 or services and has not been reinstated in the federal and state health care programs after a period of
18 exclusion, suspension, debarment, or ineligibility.

19 3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or
20 engagement. CONTRACTOR shall not hire or engage any Ineligible Person to provide services
21 relative to this Contract.

22 4. CONTRACTOR shall screen all current Covered Individuals and subcontractors semi-
23 annually to ensure that they have not become Ineligible Persons. CONTRACTOR shall also request
24 that its subcontractors use their best efforts to verify that they are eligible to participate in all federal
25 and State of California health programs and have not been excluded or debarred from participation in
26 any federal or state health care programs, and to further represent to CONTRACTOR that they do not
27 have any Ineligible Person in their employ or under contract.

28 5. Covered Individuals shall be required to disclose to CONTRACTOR immediately any
29 debarment, exclusion or other event that makes the Covered Individual an Ineligible Person.
30 CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual providing
31 services directly relative to this Contract becomes debarred, excluded or otherwise becomes an
32 Ineligible Person.

33 6. CONTRACTOR acknowledges that Ineligible Persons are precluded from providing
34 federal and state funded health care services by contract with COUNTY in the event that they are
35 currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency.
36 If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person,
37 CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY

1 business operations related to this Contract.

2 7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or
3 entity is currently excluded, suspended or debarred, or is identified as such after being sanction
4 screened. Such individual or entity shall be immediately removed from participating in any activity
5 associated with this Contract. ADMINISTRATOR will determine appropriate repayment from, or
6 sanction(s) to CONTRACTOR for services provided by ineligible person or individual.
7 CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the
8 overpayment is verified by ADMINISTRATOR.

9 C. GENERAL COMPLIANCE TRAINING - ADMINISTRATOR shall make General
10 Compliance Training available to Covered Individuals.

11 1. CONTRACTORS that have acknowledged to comply with ADMINISTRATOR's
12 Compliance Program shall use its best efforts to encourage completion by all Covered Individuals;
13 provided, however, that at a minimum CONTRACTOR shall assign at least one (1) designated
14 representative to complete the General Compliance Training when offered.

15 2. Such training will be made available to Covered Individuals within thirty (30) calendar
16 days of employment or engagement.

17 3. Such training will be made available to each Covered Individual annually.

18 4. ADMINISTRATOR will track training completion while CONTRACTOR shall provide
19 copies of training certification upon request.

20 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
21 compliance training. ADMINISTRATOR shall provide instruction on group training completion while
22 CONTRACTOR shall retain the training certifications. Upon written request by ADMINISTRATOR,
23 CONTRACTOR shall provide copies of the certifications.

24 D. SPECIALIZED PROVIDER TRAINING – ADMINISTRATOR shall make Specialized
25 Provider Training, where appropriate, available to Covered Individuals.

26 1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered
27 Individuals relative to this Contract. This includes compliance with federal and state healthcare
28 program regulations and procedures or instructions otherwise communicated by regulatory agencies;
29 including the Centers for Medicare and Medicaid Services or their agents.

30 2. Such training will be made available to Covered Individuals within thirty (30) calendar
31 days of employment or engagement.

32 3. Such training will be made available to each Covered Individual annually.

33 4. ADMINISTRATOR will track online completion of training while CONTRACTOR shall
34 provide copies of the certifications upon request.

35 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
36 compliance training. ADMINISTRATOR shall provide instructions on completing the training in a
37 group setting while CONTRACTOR shall retain the certifications. Upon written request by

1 ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

2 E. MEDI-CAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE
3 STANDARDS

4 1. CONTRACTOR shall take reasonable precaution to ensure that the coding of health care
5 claims, billings and/or invoices for same are prepared and submitted in an accurate and timely manner
6 and are consistent with federal, state and county laws and regulations. This includes compliance with
7 federal and state health care program regulations and procedures or instructions otherwise
8 communicated by regulatory agencies including the Centers for Medicare and Medicaid Services or
9 their agents.

10 2. CONTRACTOR shall not submit any false, fraudulent, inaccurate and/or fictitious claims
11 for payment or reimbursement of any kind.

12 3. CONTRACTOR shall bill only for those eligible services actually rendered which are also
13 fully documented. When such services are coded, CONTRACTOR shall use proper billing codes
14 which accurately describes the services provided and must ensure compliance with all billing and
15 documentation requirements.

16 4. CONTRACTOR shall act promptly to investigate and correct any problems or errors in
17 coding of claims and billing, if and when, any such problems or errors are identified.

18 5. CONTRACTOR shall promptly return any overpayments within forty-five (45) business
19 days after the overpayment is verified by ADMINISTRATOR.

20 6. CONTRACTOR shall meet the HCA MHP Quality Management Program Standards and
21 participate in the quality improvement activities developed in the implementation of the Quality
22 Management Program.

23 7. CONTRACTOR shall comply with the provisions of ADMINISTRATOR's Cultural
24 Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural
25 Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9,
26 §1810.410.subds.(c)-(d).

27 F. Failure to comply with the obligations stated in this Compliance Paragraph shall constitute a
28 breach of this Contract on the part of CONTRACTOR and grounds for COUNTY to terminate this
29 Contract. Unless the circumstances require a sooner period of cure, CONTRACTOR shall have thirty
30 (30) calendar days from the date of the written notice of default to cure any defaults grounded on this
31 Compliance Paragraph prior to ADMINISTRATOR's right to terminate this Contract on the basis of
32 such default.

33
34 **V. CONFIDENTIALITY**

35 A. CONTRACTOR shall maintain the confidentiality of all records, including billings and any
36 audio and/or video recordings, in accordance with all applicable federal, state and county codes and
37 regulations, including 42 USC §290dd-2 (Confidentiality of Records), as they now exist or may

1 hereafter be amended or changed.

2 B. Prior to providing any services pursuant to this Contract, all members of the Board of
3 Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and
4 interns of CONTRACTOR shall agree, in writing, with CONTRACTOR to maintain the
5 confidentiality of any and all information and records which may be obtained in the course of
6 providing such services. This Contract shall specify that it is effective irrespective of all subsequent
7 resignations or terminations of CONTRACTOR members of the Board of Directors or its designee or
8 authorized agent, employees, consultants, subcontractors, volunteers and interns.

9 C. CONTRACTOR shall have in effect a system to protect patient records from inappropriate
10 disclosure in connection with activity funded under this Contract. This system shall include provisions
11 for employee education on the confidentiality requirements, and the fact that disciplinary action may
12 occur upon inappropriate disclosure. CONTRACTOR agrees to implement administrative, physical,
13 and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and
14 availability of all confidential information that it creates, receives, maintains or transmits.
15 CONTRACTOR shall provide ADMINISTRATOR with information concerning such safeguards.

16 D. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known
17 to CONTRACTOR, or its subcontractors or agents in violation of the applicable state and federal
18 regulations regarding confidentiality.

19 E. CONTRACTOR shall monitor compliance with the above provisions on confidentiality and
20 security, and shall include them in all subcontracts.

21 F. CONTRACTOR shall notify ADMINISTRATOR within twenty-four (24) hours during a
22 work week, of any suspected or actual breach of its computer system.

23 **VI. CONFLICT OF INTEREST**

24 CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions
25 that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation
26 shall apply to CONTRACTOR's employees, agents, and subcontractors associated with the provision
27 of goods and services provided under this Contract. CONTRACTOR's efforts shall include, but not be
28 limited to establishing rules and procedures preventing its employees, agents, and subcontractors from
29 providing or offering gifts, entertainment, payments, loans or other considerations which could be
30 deemed to influence or appear to influence COUNTY staff or elected officers in the performance of
31 their duties.

32 **VII. EXPENDITURE AND REVENUE REPORT**

33 A. No later than forty-five (45) calendar days following termination of each Period of this
34 Contract, CONTRACTOR shall submit to ADMINISTRATOR, for informational purposes only, an
35 Expenditure and Revenue Report for the preceding Period, or portion thereof. Such report shall be
36 prepared in accordance with the procedure that is provided by ADMINISTRATOR and GAAP.
37

1 B. CONTRACTOR may be required to submit periodic Expenditure and Revenue Reports
2 throughout the term of this Contract.

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6 **VIII. PATIENTS'S RIGHTS**

7 A. CONTRACTOR shall post the current California Department of Mental Health Patients'
8 Rights poster as well as the Orange County HCA Mental Health Plan Grievance and Appeals poster in
9 locations readily available to Clients and staff and have Grievance and Appeal forms in the threshold
10 languages and envelopes readily accessible to Clients to take without having to request it on the unit.

11 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have
12 an internal grievance processes approved by ADMINISTRATOR, to which the Client shall have
13 access.

14 1. CONTRACTOR's grievance processes shall incorporate COUNTY's grievance, patients'
15 rights, and/or utilization management guidelines and procedures. The Client has the right to utilize
16 either or both grievance process simultaneously in order to resolve their dissatisfaction.

17 2. Title IX Rights Advocacy. This process may be initiated by a Client who registers a
18 statutory rights violation or a denial or abuse complaint with COUNTY Patients' Rights Office. The
19 Patients' Rights office shall investigate the complaint, and Title IX grievance procedures shall apply,
20 which involve ADMINISTRATOR'S Director of Behavioral Health Care and the State Patients'
21 Rights Office.

22 C. The parties agree that Clients have recourse to initiate an expression of dissatisfaction to
23 CONTRACTOR, appeal to COUNTY Patients' Rights Office, file a grievance, and file a Title IX
24 complaint. The Patients' Advocate shall advise and assist the Client, investigate the cause of the
25 grievance, and attempt to resolve the matter

26 D. No provision of this Contract shall be construed as replacing or conflicting with the duties of
27 COUNTY Patients' Rights Office pursuant to Welfare and Institutions Code Section 5500.

28 **IX. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS**

29 A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part,
30 without prior written consent of COUNTY. CONTRACTOR shall provide written notification of
31 CONTRACTOR's intent to delegate the obligations hereunder, either in whole or part, to
32 ADMINISTRATOR not less than sixty (60) calendar days prior to the effective date of the delegation.
33 Any attempted assignment or delegation in derogation of this paragraph shall be void.
34

35 B. CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR's
36 business prior to completion of this Contract, and COUNTY agrees to the change or transfer in
37 ownership as it relates to this Contract, the new owners shall be required under the terms of sale or

1 other instruments of transfer to assume CONTRACTOR's duties and obligations contained in this
2 Contract and complete them to the satisfaction of COUNTY. CONTRACTOR may not assign the
3 rights hereunder, either in whole or in part, without the prior written consent of COUNTY.

4 1. If CONTRACTOR is a nonprofit organization, any change from a nonprofit corporation
5 to any other corporate structure of CONTRACTOR, including a change in more than fifty percent
6 (50%) of the composition of the Board of Directors within a two (2) month period of time, shall be
7 deemed an assignment for purposes of this paragraph, unless CONTRACTOR is transitioning from a
8 community clinic/health center to a Federally Qualified Health Center and has been so designated by
9 the Federal Government. Any attempted assignment or delegation in derogation of this subparagraph
10 shall be void.

11 2. If CONTRACTOR is a for-profit organization, any change in the business structure,
12 including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks
13 of CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship,
14 or a change in fifty percent (50%) or more of Board of Directors or any governing body of
15 CONTRACTOR at one time shall be deemed an assignment pursuant to this paragraph. Any attempted
16 assignment or delegation in derogation of this subparagraph shall be void.

17 3. If CONTRACTOR is a governmental organization, any change to another structure,
18 including a change in more than fifty percent (50%) of the composition of its governing body (i.e.
19 Board of Supervisors, City Council, School Board) within a two (2) month period of time, shall be
20 deemed an assignment for purposes of this paragraph. Any attempted assignment or delegation in
21 derogation of this subparagraph shall be void.

22 4. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
23 CONTRACTOR shall provide written notification of CONTRACTOR's intent to assign the
24 obligations hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar
25 days prior to the effective date of the assignment.

26 5. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
27 CONTRACTOR shall provide written notification within thirty (30) calendar days to
28 ADMINISTRATOR when there is change of less than fifty percent (50%) of Board of Directors or any
29 governing body of CONTRACTOR at one time.

30 6. COUNTY reserves the right to immediately terminate this Contract in the event
31 COUNTY determines, in its sole discretion that the assignee is not qualified or is otherwise
32 unacceptable to COUNTY for the provision of services under this Contract.

33 C. CONTRACTOR's obligations undertaken pursuant to this Contract may be carried out by
34 means of subcontracts, provided such subcontractors are approved in advance by ADMINISTRATOR,
35 meet the requirements of this Contract as they relate to the service or activity under subcontract,
36 include any provisions that ADMINISTRATOR may require, and are authorized in writing by
37 ADMINISTRATOR prior to the beginning of service delivery.

1 1. After approval of the subcontractor, ADMINISTRATOR may revoke the approval of the
2 subcontractor upon five (5) calendar days' written notice to CONTRACTOR if the subcontractor
3 subsequently fails to meet the requirements of this Contract or any provisions that
4 ADMINISTRATOR has required. ADMINISTRATOR may disallow subcontractor expenses reported
5 by CONTRACTOR.

6 2. No subcontract shall terminate or alter the responsibilities of CONTRACTOR to
7 COUNTY pursuant to this Contract.

8 3. ADMINISTRATOR may disallow, from payments otherwise due CONTRACTOR,
9 amounts claimed for subcontracts not approved in accordance with this paragraph.

10 4. This provision shall not be applicable to service contracts usually and customarily entered
11 into by CONTRACTOR to obtain or arrange for supplies, technical support, and professional services
12 provided by consultants.

13 D. CONTRACTOR shall notify COUNTY in writing of any change in CONTRACTOR's status
14 with respect to name changes that do not require an assignment of this Contract. CONTRACTOR is
15 also obligated to notify COUNTY in writing if CONTRACTOR becomes a party to any litigation
16 against COUNTY, or a party to litigation that may reasonably affect CONTRACTOR's performance
17 under this Contract, as well as any potential conflicts of interest between CONTRACTOR and
18 COUNTY that may arise prior to or during the period of Contract performance. While
19 CONTRACTOR is required to provide this information without prompting from COUNTY any time
20 there is a change in CONTRACTOR's name, conflict of interest or litigation status, CONTRACTOR
21 must also provide an update to COUNTY of its status in these areas whenever requested by COUNTY.

22 **X. DISPUTE RESOLUTION**

23 A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the
24 dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a
25 reasonable period of time by CONTRACTOR and ADMINISTRATOR, such matter shall be brought
26 to the attention of the County Purchasing Agent or designee by way of the following process:
27

28 1. CONTRACTOR shall submit to the County Purchasing Agent a written demand for a
29 final decision regarding the disposition of any dispute between the Parties arising under, related to, or
30 involving this Contract, unless COUNTY, on its own initiative, has already rendered such a final
31 decision.

32 2. CONTRACTOR's written demand shall be fully supported by factual information, and, if
33 such demand involves a cost adjustment to this Contract, CONTRACTOR shall include with the
34 demand a written statement signed by an authorized representative indicating that the demand is made
35 in good faith, that the supporting data are accurate and complete, and that the amount requested
36 accurately reflects the Contract adjustment for which CONTRACTOR believes COUNTY is liable.

37 B. Pending the final resolution of any dispute arising under, related to, or involving this Contract,

1 CONTRACTOR agrees to proceed diligently with the performance of services secured via this
 2 Contract, including the delivery of goods and/or provision of services. CONTRACTOR's failure to
 3 proceed diligently shall be considered a material breach of this Contract.

4 C. Any final decision of COUNTY shall be expressly identified as such, shall be in writing, and
 5 shall be signed by a COUNTY Deputy Purchasing Agent. If COUNTY does not render a decision
 6 within ninety (90) calendar days after receipt of CONTRACTOR's demand, it shall be deemed a final
 7 decision adverse to CONTRACTOR's contentions.

8 D. This Contract has been negotiated and executed in the State of California and shall be
 9 governed by and construed under the laws of the State of California. In the event of any legal action to
 10 enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent
 11 jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit
 12 to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore,
 13 the Parties specifically agree to waive any and all rights to request that an action be transferred for
 14 adjudication to another county.

15 **XI. EMPLOYEE ELIGIBILITY VERIFICATION**

16 CONTRACTOR attests that it shall fully comply with all federal and state statutes and regulations
 17 regarding the employment of aliens and others and to ensure that employees, subcontractors, and
 18 consultants performing work under this Contract meet the citizenship or alien status requirements set
 19 forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees,
 20 subcontractors, and consultants performing work hereunder, all verification and other documentation
 21 of employment eligibility status required by federal or state statutes and regulations including, but not
 22 limited to, the Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as they currently
 23 exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for
 24 all covered employees, subcontractors, and consultants for the period prescribed by the law.
 25

26 **XII. EQUIPMENT**

27 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as all
 28 property of a Relatively Permanent nature with significant value, purchased in whole or in part by
 29 ADMINISTRATOR to assist in performing the services described in this Contract. "Relatively
 30 Permanent" is defined as having a useful life of one (1) year or longer. Equipment which costs \$5,000
 31 or over, including freight charges, sales taxes, and other taxes, and installation costs are defined as
 32 Capital Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales
 33 taxes and other taxes, and installation costs, or electronic equipment that costs less than \$600 but may
 34 contain PHI or PII, are defined as Controlled Equipment. Controlled Equipment includes, but is not
 35 limited to phones, tablets, audio/visual equipment, computer equipment, and lab equipment. The cost
 36 of Equipment purchased, in whole or in part, with funds paid pursuant to this Contract shall be
 37

1 depreciated according to GAAP.

2 B. CONTRACTOR shall obtain ADMINISTRATOR's written approval prior to purchase of any
3 Equipment with funds paid pursuant to this Contract. Upon delivery of Equipment, CONTRACTOR
4 shall forward to ADMINISTRATOR, copies of the purchase order, receipt, and other supporting
5 documentation, which includes delivery date, unit price, tax, shipping and serial numbers.
6 CONTRACTOR shall request an applicable asset tag for said Equipment and shall include each
7 purchased asset in an Equipment inventory.

8 C. Upon ADMINISTRATOR's prior written approval, CONTRACTOR may expense to
9 COUNTY the cost of the approved Equipment purchased by CONTRACTOR. To "expense," in
10 relation to Equipment, means to charge the proportionate cost of Equipment in the fiscal year in which
11 it is purchased. Title of expensed Equipment shall be vested with COUNTY.

12 D. CONTRACTOR shall maintain an inventory of all Equipment purchased in whole or in part
13 with funds paid through this Contract, including date of purchase, purchase price, serial number,
14 model and type of Equipment. Such inventory shall be available for review by ADMINISTRATOR,
15 and shall include the original purchase date and price, useful life, and balance of depreciated
16 Equipment cost, if any.

17 E. CONTRACTOR shall cooperate with ADMINISTRATOR in conducting periodic physical
18 inventories of all Equipment. Upon demand by ADMINISTRATOR, CONTRACTOR shall return any
19 or all Equipment to COUNTY.

20 F. CONTRACTOR must report any loss or theft of Equipment in accordance with the procedure
21 approved by ADMINISTRATOR and the Notices Paragraph of this Contract. In addition,
22 CONTRACTOR must complete and submit to ADMINISTRATOR a notification form when items of
23 Equipment are moved from one location to another or returned to COUNTY as surplus.

24 G. Unless this Contract is followed without interruption by another contract between the Parties
25 for substantially the same type and scope of services, at the termination of this Contract for any cause,
26 CONTRACTOR shall return to COUNTY all Equipment purchased with funds paid through this
27 Contract.

28 H. CONTRACTOR shall maintain and administer a sound business program for ensuring the
29 proper use, maintenance, repair, protection, insurance, and preservation of COUNTY Equipment.

30 **XIII. FACILITIES, PAYMENTS AND SERVICES**

31 A. CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance
32 with this Contract. COUNTY shall compensate, and authorize, when applicable, said services.
33 CONTRACTOR shall operate continuously throughout the term of this Contract with at least the
34 minimum number and type of staff which meet applicable federal and state requirements, and which
35 are necessary for the provision of the services hereunder.

36 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or
37

1 supplies as required, ADMINISTRATOR may, at its sole discretion, reduce the Total Amount Not to
 2 Exceed for the appropriate Period as well as the Total Amount Not to Exceed shall be in an amount
 3 proportionate to the number of days in which CONTRACTOR was determined to be unable to provide
 4 services, staffing, facilities or supplies.

5 //

6 **XIV. INDEMNIFICATION AND INSURANCE**

7 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,
 8 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special
 9 districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board
 10 ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature,
 11 including but not limited to personal injury or property damage, arising from or related to the services,
 12 products or other performance provided by CONTRACTOR pursuant to this Contract. If judgment is
 13 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the
 14 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and
 15 COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall
 16 request a jury apportionment.

17 B. Prior to the provision of services under this Contract, CONTRACTOR agrees to
 18 purchase all required insurance at CONTRACTOR's expense, including all endorsements required
 19 herein, necessary to satisfy COUNTY that the insurance provisions of this Contract have been
 20 complied with. CONTRACTOR agrees to keep such insurance coverage current and to provide
 21 Certificates of Insurance and endorsements to COUNTY during the entire term of this Contract.

22 C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of
 23 CONTRACTOR pursuant to this Contract shall be covered under CONTRACTOR's insurance as an
 24 Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein
 25 for CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have
 26 less than the level of coverage required by COUNTY from CONTRACTOR under this Contract. It is
 27 the obligation of CONTRACTOR to provide notice of the insurance requirements to every
 28 subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work.
 29 Such proof of insurance must be maintained by CONTRACTOR through the entirety of this Contract
 30 for inspection by COUNTY representative(s) at any reasonable time.

31 D. All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any
 32 SIRs in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by COUNTY's
 33 Risk Manager, or designee. COUNTY reserves the right to require current audited financial reports
 34 from CONTRACTOR. If CONTRACTOR is self-insured, CONTRACTOR will indemnify COUNTY
 35 for any and all claims resulting or arising from CONTRACTOR's services in accordance with the
 36 indemnity provision stated in this Contract.

37 E. If CONTRACTOR fails to maintain insurance acceptable to COUNTY for the full term of this

1 Contract, COUNTY may terminate this Contract.

2 F. QUALIFIED INSURER

3 1. The policy or policies of insurance must be issued by an insurer with a minimum rating of
4 A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current
5 edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**).

6 2. If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Risk
7 Management retains the right to approve or reject a carrier after a review of the company's
8 performance and financial ratings.

9 G. The policy or policies of insurance maintained by CONTRACTOR shall provide the
10 minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles (4 passengers or less)	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Network Security & Privacy Liability	\$1,000,000 per claims-made
Professional Liability Insurance	\$1,000,000 per claims-made \$1,000,000 aggregate
Sexual Misconduct Liability	\$1,000,000 per occurrence

29 H. REQUIRED COVERAGE FORMS

30 1. The Commercial General Liability coverage shall be written on occurrence basis utilizing
31 Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at
32 least as broad.

33 2. The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05,
34 CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

35 I. REQUIRED ENDORSEMENTS

36 1. The Commercial General Liability policy shall contain the following endorsements,
37 which shall accompany the Certificate of Insurance:

1 a. An Additional Insured endorsement using ISO form CG 20 26 04 13, or a form at
 2 least as broad naming the *County of Orange, its elected and appointed officials, officers, agents, and*
 3 *employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY**
 4 **WRITTEN CONTRACT.**

5 //

6 b. A primary non-contributory endorsement using ISO form CG 20 01 04 13, or a form
 7 at least as broad evidencing that CONTRACTOR's insurance is primary and any insurance or self-
 8 insurance maintained by COUNTY shall be excess and non-contributing.

9 2. The Network Security and Privacy Liability policy shall contain the following
 10 endorsements which shall accompany the COI:

11 a. An Additional Insured endorsement naming the *County of Orange, its elected and*
 12 *appointed officials, officers, agents, and employees* as Additional Insureds for its vicarious liability.

13 b. A primary and non-contributory endorsement evidencing that CONTRACTOR's
 14 insurance is primary and any insurance or self-insurance maintained by COUNTY shall be excess and
 15 non-contributing.

16 J. The Workers' Compensation policy shall contain a waiver of subrogation endorsement
 17 waiving all rights of subrogation against the *County of Orange, its elected and appointed officials,*
 18 *officers, agents, and employees* or provide blanket coverage, which will state **AS REQUIRED BY**
 19 **WRITTEN CONTRACT.**

20 K. All insurance policies required by this Contract shall waive all rights of subrogation against
 21 the County of Orange, its elected and appointed officials, officers, agents, and employees when acting
 22 within the scope of their appointment or employment.

23 L. CONTRACTOR shall provide thirty (30) calendar days prior written notice to COUNTY of
 24 any policy cancellation or non-renewal and ten (10) calendar days prior written notice where
 25 cancellation is due to non-payment of premium and provide a copy of the cancellation notice to
 26 COUNTY. Failure to provide written notice of cancellation may constitute a material breach of the
 27 Contract, upon which COUNTY may suspend or terminate this Contract.

28 M. If CONTRACTOR's Professional Liability and Network Security & Privacy Liability are
 29 "Claims -Made" policies, CONTRACTOR shall agree to the following:

30 1. The retroactive date must be shown and must be before the date of the Contract or the
 31 beginning of the Contract services.

32 2. Insurance must be maintained, and evidence of insurance must be provided, for at least
 33 three (3) years after expiration or earlier termination of contract services.

34 3. If coverage is canceled or non-renewed, and not replaced with another claims-made
 35 policy form with a retroactive date prior to the effective date of the Contract services, CONTRACTOR
 36 must purchase an extended reporting period for a minimum of three (3) years after expiration of earlier
 37 termination of this Contract.

1 N. The Commercial General Liability policy shall contain a severability of interests clause also
2 known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

3 O. Insurance certificates should be forwarded to the department address listed in the Referenced
4 Contract Provisions of this Contract.

5 //

6 P. If CONTRACTOR fails to provide the insurance certificates and endorsements within seven
7 (7) calendar days of notification by COUNTY, COUNTY may immediately terminate this Contract for
8 cause.

9 Q. COUNTY expressly retains the right to require CONTRACTOR to increase or decrease
10 insurance of any of the above insurance types throughout the term of this Contract. Any increase or
11 decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to
12 adequately protect COUNTY.

13 R. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements.
14 If CONTRACTOR does not provide acceptable Certificates of Insurance and endorsements to
15 COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice, this
16 Contract may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled
17 to all legal remedies.

18 S. The procuring of such required policy or policies of insurance shall not be construed to limit
19 CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of
20 this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

21 T. SUBMISSION OF INSURANCE DOCUMENTS

22 1. The COI and endorsements shall be provided to COUNTY as follows:

- 23 a. Prior to the start date of this Contract.
24 b. No later than the expiration date for each policy.
25 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY
26 regarding changes to any of the insurance requirements as set forth in the Coverage Subparagraph
27 above.

28 2. The COI and endorsements shall be provided to COUNTY at the address as set forth in
29 the Referenced Contract Provisions of this Contract.

30 3. If CONTRACTOR fails to submit the COI and endorsements that meet the insurance
31 provisions stipulated in this Contract by the above specified due dates, ADMINISTRATOR shall have
32 sole discretion to impose one or both of the following:

33 a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
34 pursuant to any and all contracts between COUNTY and CONTRACTOR until such time that the
35 required COI and endorsements that meet the insurance provisions stipulated in this Contract are
36 submitted to ADMINISTRATOR.

37 b. CONTRACTOR may be assessed a penalty of one hundred dollars (\$100) for each

1 late COI or endorsement for each business day, pursuant to any and all contracts between COUNTY
 2 and
 3 CONTRACTOR, until such time that the required COI and endorsements that meet the insurance
 4 provisions stipulated in this Contract are submitted to ADMINISTRATOR.

5 //

6 c. If CONTRACTOR is assessed a late penalty, the amount shall be deducted from
 7 CONTRACTOR's monthly invoice.

8 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any
 9 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid
 10 COIs and endorsements, or in the interim, an insurance binder as adequate evidence of insurance
 11 coverage.

12 **XV. INSPECTIONS AND AUDITS**

13
 14 A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized
 15 representative of the State of California, the Secretary of the United States Department of Health and
 16 Human Services, the Comptroller General of the United States, or any other of their authorized
 17 representatives, shall to the extent permissible under applicable law have access to any books,
 18 documents, and records, including but not limited to, financial statements, general ledgers, relevant
 19 accounting systems, medical and Client records, of CONTRACTOR that are directly pertinent to this
 20 Contract, for the purpose of responding to a beneficiary complaint or conducting an audit, review,
 21 evaluation, or examination, or making transcripts during the periods of retention set forth in the
 22 Records Management and Maintenance Paragraph of this Contract. Such persons may at all reasonable
 23 times inspect or otherwise evaluate the services provided pursuant to this Contract, and the premises in
 24 which they are provided.

25 B. CONTRACTOR shall actively participate and cooperate with any person specified in
 26 Subparagraph A. above in any evaluation or monitoring of the services provided pursuant to this
 27 Contract, and shall provide the above-mentioned persons adequate office space to conduct such
 28 evaluation or monitoring.

29 C. CONTRACTOR shall make all of its premises, physical facilities, equipment, books, records,
 30 documents, contracts, computers, or other electronic systems pertaining to Medi-Cal/Drug Medi-Cal
 31 enrollees, Medi-Cal/Drug Medi-Cal-related activities, services and activities furnished under the terms
 32 of this Contract or determinations of amounts payable available at any time for inspection,
 33 examination or copying by the State, CMS, HHS Inspector General, the United States Comptroller
 34 General, their designees, and other authorized federal and state agencies. (42 CFR §438.3(h)) This
 35 audit right will exist for ten (10) years from the final date of the contract period or from the date of
 36 completion of any audit, whichever is later. (42 CFR §438.230(c)(3)(iii).) The State, CMS, or the
 37 HHS Inspector General may inspect, evaluate, and audit CONTRACTOR at any time if there is a

1 reasonable possibility of fraud or similar risk. (42 CFR §438.230(c)(3)(iv).)

2 D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare an
3 annual Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under
4 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for
5 //
6 Federal Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within
7 fourteen (14) calendar days of receipt.

8 E. ADMINISTRATOR shall inform providers and CONTRACTOR, at the time they enter into a
9 contract, of the following:

10 1. Beneficiary grievance, appeal, and fair hearing procedures and timeframes as specified in
11 42 C.F.R. 438.400 through 42 C.F.R. 438.424.

12 2. The beneficiary's right to file grievances and appeals and the requirements and
13 timeframes for filing.

14 3. The availability of assistance to the beneficiary with filing grievances and appeals.

15 4. The beneficiary's right to request continuation of benefits that ADMINISTRATOR seeks
16 to reduce or terminate during an appeal or state fair hearing filing, if filed within the allowable
17 timeframes, although the beneficiary may be liable for the cost of any continued benefits while the
18 appeal or state fair hearing is pending if the final decision is adverse to the beneficiary.

19 5. The conduction of random reviews to ensure beneficiaries are being notified in a timely
20 manner.

21 F. CONTRACTOR shall forward to ADMINISTRATOR a copy of any audit report within fourteen
22 (14) calendar days of receipt. Such audit shall include, but not be limited to, management, financial,
23 programmatic or any other type of audit of CONTRACTOR's operations, whether or not the cost of
24 such operation or audit is reimbursed in whole or in part through this Contract.

25 **XVI. LICENSES AND LAWS**

27 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall,
28 throughout the term of this Contract, maintain all necessary licenses, permits, approvals, certificates,
29 accreditations, waivers, and exemptions necessary for the provision of the services hereunder and
30 required by the laws, regulations and requirements of the United States, the State of California,
31 COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify
32 ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of
33 the pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations,
34 waivers and exemptions. Said inability shall be cause for termination of this Contract.

35 B. CONTRACTOR shall comply with all applicable governmental laws, regulations, and
36 requirements as they exist now or may be hereafter amended or changed. These laws, regulations, and
37 requirements shall include, but not be limited to, the following:

- 1 1. HSC, §§11758.40 through 11758.47, Medi-Cal Drug Treatment Program.
- 2 2. HSC, §§11839 through 11839.22, Narcotic Treatment Programs.
- 3 3. HSC, §11876, Narcotic Treatment Programs (inspections).
- 4 4. 42 CFR, Public Health, Part 8 – Certification of Opioid Treatment Programs.
- 5 5. 21 CFR, Chapter 2, Part 1300 through 1399, Drug Enforcement Administration.
- 6 6. CCR Title 9, Division 4, Chapter 4, Subchapters 1 through 6, Narcotic Treatment
- 7 Programs.
- 8 7. 21 USC 300x-27(a) and 300y-11.
- 9 8. 21 USC §§355, and 505, Manufacture of Drugs.
- 10 9. 21 USC §§812, 823, and 958, Controlled Substances.
- 11 10. US Department of Justice, Drug Enforcement Administration.
- 12 11. California Bridge to Health Reform DMC-ODS Waiver, Standard Terms and Conditions,
- 13 August 2015
- 14 12. Title 21, CFR Part 1300, et seq., Title 42, CFR, Part 8.
- 15 13. Drug Medi-Cal Certification Standards for Substance Abuse Clinics (Document 2E).
- 16 14. Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1, (Document 2C).
- 17 15. Standards for Drug Treatment Programs (October 21, 1981) (Document 2F);
- 18 16. Title 9, CCR, Division 4, Chapter 4, Subchapter 1, Sections 10000, et seq.;
- 19 17. Title 22, CCR, Division 3, Chapter 3, sections 51000 et. seq.
- 20 18. Title 9, CCR, Section 1810.435.
- 21 19. Title 9, CCR, Section 1840.105.
- 22 20. Executive Order 11246 (42 USC 2000(e) et seq. and 41 CFR Part 60) regarding
- 23 nondiscrimination in employment under federal contracts and construction contracts greater than
- 24 \$10,000 funded by federal financial assistance.
- 25 21. Executive Order 13166 (67 FR 41455) to improve access to federal services for those with
- 26 limited English proficiency.
- 27 22. The Drug Abuse Office and Treatment Act of 1972, as amended, relating to
- 28 nondiscrimination on the basis of drug abuse.
- 29 23. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and
- 30 Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of
- 31 alcohol abuse or alcoholism.
- 32 24. Fair Employment and Housing Act (Gov. Code Section 12900 et seq.) and the applicable
- 33 regulations promulgated thereunder (Cal. Code Regs., tit. 2, Div. 4 § 7285.0 et seq.).
- 34 25. Title 2, Division 3, Article 9.5 of the Gov. Code, commencing with Section 11135.
- 35 26. Noncompliance with the requirements of nondiscrimination in services shall constitute
- 36 grounds for state to withhold payments under this Agreement or terminate all, or any type, of funding
- 37 provided hereunder.

1 27. Title VIII of the Civil Rights Act of 1968 (42 USC 3601 et seq.) prohibiting
2 discrimination on the basis of race, color, religion, sex, handicap, familial status or national origin in
3 the sale or rental of housing.

4 28. Age Discrimination Act of 1975 (45 CFR Part 90), as amended 42 USC Sections 6101 –
5 6107), which prohibits discrimination on the basis of age.

6 29. Age Discrimination in Employment Act (29 CFR Part 1625).

7 30. Title I of the Americans with Disabilities Act (29 CFR Part 1630) prohibiting
8 discrimination against the disabled in employment.

9 31. Title II of the Americans with Disabilities Act (28 CFR Part 35) prohibiting
10 discrimination against the disabled by public entities.

11 32. Title III of the Americans with Disabilities Act (28 CFR Part 36) regarding access.

12 33. Section 504 of the Rehabilitation Act of 1973, as amended (29 USC Section 794),
13 prohibiting discrimination on the basis of individuals with disabilities.

14 34. Executive Order 11246 (42 USC 2000(e) et seq. and 41 CFR Part 60) regarding
15 nondiscrimination in employment under federal contracts and construction contracts greater than
16 \$10,000 funded by federal financial assistance.

17 35. Executive Order 13166 (67 FR 41455) to improve access to federal services for those with
18 limited English proficiency.

19 36. The Drug Abuse Office and Treatment Act of 1972, as amended, relating to
20 nondiscrimination on the basis of drug abuse.

21 37. Confidentiality of Alcohol and Drug Abuse Patient Records (42 CFR Part 2, Subparts A –
22 E).

23 38. Fair Employment and Housing Act (Government Code Section 12900 et seq.) and the
24 applicable regulations promulgated thereunder (2 CCR 7285.0 et seq.).

25 39. Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section 11135.

26 40. Title 9, Division 4, Chapter 8 of the CCR, commencing with Section 13000.

27 41. No federal funds shall be used by the County or its subcontractors for sectarian worship,
28 instruction, or proselytization. No federal funds shall be used by the County or its subcontractors to
29 provide direct, immediate, or substantial support to any religious activity.

30 **XVII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

31 A. Any written information or literature, including educational or promotional materials,
32 distributed by CONTRACTOR to any person or organization for purposes directly or indirectly related
33 to this Contract must be approved at least thirty (30) calendar days in advance and in writing by
34 ADMINISTRATOR before distribution. For the purposes of this Contract, distribution of written
35 materials shall include, but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads,
36 and electronic media such as the Internet.
37

1 B. Any advertisement through radio, television broadcast, or the Internet, for educational or
 2 promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this
 3 Contract must be approved in advance at least thirty (30) calendar days and in writing by
 4 ADMINISTRATOR.

5 C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly
 6 available social media sites) in support of the services described within this Contract, CONTRACTOR
 7 shall develop social media policies and procedures and have them available to ADMINISTRATOR
 8 upon reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all forms of social
 9 media used to either directly or indirectly support the services described within this Contract.
 10 CONTRACTOR shall comply with COUNTY Social Media Use Policy and Procedures as they pertain
 11 to any social media developed in support of the services described within this Contract.
 12 CONTRACTOR shall also include any required funding statement information on social media when
 13 required by ADMINISTRATOR.

14 D. Any information as described in Subparagraphs A. and B. above shall not imply endorsement
 15 by COUNTY, unless ADMINISTRATOR consents thereto in writing.

16 E. CONTRACTOR shall also clearly explain through these materials that there shall be no
 17 unlawful use of drugs or alcohol associated with the services provided pursuant to this Contract, as
 18 specified in HSC, §11999-11999.3.

19 **XVIII. AMOUNT NOT TO EXCEED**

20 A. The Total Amount Not to Exceed of COUNTY for services provided in accordance with this
 21 Contract, and the separate Amount Not to Exceed for each Period under this Contract, are as specified
 22 in the Referenced Contract Provisions of this Contract, except as allowed for in Subparagraph B.
 23 below.

24 B. ADMINISTRATOR may amend the Amount Not to Exceed by an amount not to exceed ten
 25 percent (10%) of Period One funding for this Contract.

26 **XIX. MINIMUM WAGE LAWS**

27 A. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and
 28 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the
 29 federal or California Minimum Wage to all its Covered Individuals (as defined within the
 30 "Compliance" paragraph of this Contract) that directly or indirectly provide services pursuant to this
 31 Contract, in any manner whatsoever. CONTRACTOR shall require and verify that all of its Covered
 32 Individuals
 33 providing services pursuant to this Contract be paid no less than the greater of the federal or California
 34 Minimum Wage.
 35

36 B. CONTRACTOR shall comply and verify that its Covered Individuals comply with all other
 37 federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor

standards pursuant to providing services pursuant to this Contract.

C. Notwithstanding the minimum wage requirements provided for in this clause, CONTRACTOR, where applicable, shall comply with the prevailing wage and related requirements, as provided for in accordance with the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California (§§1770, et seq.), as it now exists or may hereafter be amended.

XX. NONDISCRIMINATION

A. EMPLOYMENT

1. During the term of this Contract, CONTRACTOR and its Covered Individuals (as defined in the "Compliance" paragraph of this Contract) shall not unlawfully discriminate against any employee or applicant for employment because of his/her race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Additionally, during the term of this Contract, CONTRACTOR and its Covered Individuals shall require in its subcontracts that subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of his/her race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.

2. CONTRACTOR and its Covered Individuals shall not discriminate against employees or applicants for employment in the areas of employment, promotion, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship.

3. CONTRACTOR shall not discriminate between employees with spouses and employees with domestic partners, or discriminate between domestic partners and spouses of those employees, in the provision of benefits.

4. CONTRACTOR shall post in conspicuous places, available to employees and applicants for employment, notices from ADMINISTRATOR and/or the United States Equal Employment Opportunity Commission setting forth the provisions of the EOC.

5. All solicitations or advertisements for employees placed by or on behalf of CONTRACTOR and/or subcontractor shall state that all qualified applicants will receive consideration for employment without regard to race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Such requirements shall be deemed fulfilled by use of the term EOE.

6. Each labor union or representative of workers with which CONTRACTOR and/or subcontractor has a collective bargaining contract or other contract or understanding must post a notice advising the labor union or workers' representative of the commitments under this Nondiscrimination

1 Paragraph and shall post copies of the notice in conspicuous places, available to employees and
2 applicants for employment.

3 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not
4 discriminate in the provision of services, the allocation of benefits, or in the accommodation in
5 facilities on the basis of race, religious creed, color, national origin, ancestry, physical disability,
6 mental disability, medical condition, genetic information, marital status, sex, gender, gender identity,
7 gender expression, age, sexual orientation, or military and veteran status in accordance with Title IX of
8 the Education Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil
9 Rights Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9,
10 Division 4, Chapter 6, Article 1 (§10800, et seq.) of the CCR; and Title II of the Genetic Information
11 Nondiscrimination Act of 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and
12 regulations promulgated pursuant thereto, and as otherwise provided by state law and regulations, as
13 all may now exist or be hereafter amended or changed. For the purpose of this Nondiscrimination
14 paragraph, discrimination includes, but is not limited to the following based on one or more of the
15 factors identified above:

- 16 1. Denying a Client or potential Client any service, benefit, or accommodation.
- 17 2. Providing any service or benefit to a Client which is different or is provided in a different
18 manner or at a different time from that provided to other Clients.
- 19 3. Restricting a Client in any way in the enjoyment of any advantage or privilege enjoyed by
20 others receiving any service and/or benefit.
- 21 4. Treating a Client differently from others in satisfying any admission requirement or
22 condition, or eligibility requirement or condition, which individuals must meet in order to be provided
23 any service and/or benefit.
- 24 5. Assignment of times or places for the provision of services.

25 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all
26 Clients through a written statement that CONTRACTOR’s and/or subcontractor’s Clients may file all
27 complaints alleging discrimination in the delivery of services with CONTRACTOR, subcontractor,
28 and ADMINISTRATOR or the U.S. Department of Health and Human Services’ OCR.

29 1. Whenever possible, problems shall be resolved at the point of service. CONTRACTOR
30 shall establish an internal problem resolution process for Clients not able to resolve such problems at
31 the point of service. Clients may initiate a grievance or complaint directly with CONTRACTOR either
32 orally or in writing.

33 a. COUNTY shall establish a formal resolution and grievance process in the event
34 grievance is not able to be resolved at point of service.

35 2. Within the time limits procedurally imposed, the complainant shall be notified in writing
36 as to the findings regarding the alleged complaint and, if not satisfied with the decision, has the right
37 to request a State Fair Hearing.

1 D. PERSONS WITH DISABILITIES – CONTRACTOR and/or subcontractor agree to comply
 2 with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as
 3 implemented in 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 as amended (42
 4 USC 12101 et seq.; as implemented in 29 CFR 1630), as applicable, pertaining to the prohibition of
 5 discrimination against qualified persons with disabilities in all programs or activities, and if applicable,
 6 as implemented in Title 45, CFR, §84.1 et seq., as they exist now or may be hereafter amended
 7 together with succeeding legislation.

8 E. RETALIATION – Neither CONTRACTOR nor subcontractor, nor its employees or agents
 9 shall intimidate, coerce or take adverse action against any person for the purpose of interfering with
 10 rights secured by federal or state laws, or because such person has filed a complaint, certified, assisted
 11 or otherwise participated in an investigation, proceeding, hearing or any other activity undertaken to
 12 enforce rights secured by federal or state law.

13 F. In the event of non-compliance with this paragraph or as otherwise provided by federal and
 14 state law, this Contract may be canceled, terminated or suspended in whole or in part and
 15 CONTRACTOR or subcontractor may be declared ineligible for further contracts involving federal,
 16 state or COUNTY funds.

17 G. NONDISCRIMINATION IN EMPLOYMENT AND SERVICES - County certifies that
 18 under the laws of the United States and the State of California, County will not unlawfully
 19 discriminate against any person.

20 **XXI. NOTICES**

21
 22 A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements
 23 authorized or required by this Contract shall be effective:

24 1. When written and deposited in the United States mail, first class postage prepaid and
 25 addressed as specified in the Referenced Contract Provisions of this Contract or as otherwise directed
 26 by ADMINISTRATOR;

27 2. When faxed, transmission confirmed;

28 3. When sent by Email; or

29 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel
 30 Service, or any other expedited delivery service.

31 B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of
 32 this Contract or as otherwise directed by ADMINISTRATOR and shall be effective when faxed,
 33 transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express,
 34 United Parcel Service, or any other expedited delivery service.

35 C. CONTRACTOR shall notify ADMINISTRATOR, in writing, within twenty-four (24) hours
 36 of becoming aware of any occurrence of a serious nature, which may expose COUNTY to liability.
 37 Such occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss

1 or damage to any COUNTY property in possession of CONTRACTOR.

2 D. For purposes of this Contract, any notice to be provided by COUNTY may be given by
3 ADMINISTRATOR.

4
5 **XXII. NOTIFICATION OF DEATH**

6 A. Upon becoming aware of the death of any person served pursuant to this Contract,
7 CONTRACTOR shall immediately notify ADMINISTRATOR.

8 B. All Notifications of Death provided to ADMINISTRATOR by CONTRACTOR shall contain
9 the name of the deceased, the date and time of death, the nature and circumstances of the death, and
10 the name(s) of CONTRACTOR's officers or employees with knowledge of the incident.

11 1. TELEPHONE NOTIFICATION – CONTRACTOR shall notify ADMINISTRATOR by
12 telephone immediately upon becoming aware of the death due to non-terminal illness of any person
13 served pursuant to this Contract; notice need only be given during normal business hours.

14 2. WRITTEN NOTIFICATION

15 //

16 a. NON-TERMINAL ILLNESS – CONTRACTOR shall hand deliver, fax, and/or send
17 via encrypted email to ADMINISTRATOR a written report within sixteen (16) hours after becoming
18 aware of the death due to non-terminal illness of any person served pursuant to this Contract.

19 b. TERMINAL ILLNESS – CONTRACTOR shall notify ADMINISTRATOR by
20 written report hand delivered, faxed, sent via encrypted email, within forty-eight (48) hours of
21 becoming aware of the death due to terminal illness of any person served pursuant to this Contract.

22 c. When notification via encrypted email is not possible or practical CONTRACTOR
23 may hand deliver or fax to a known number said notification.

24 C. If there are any questions regarding the cause of death of any person served pursuant to this
25 Contract who was diagnosed with a terminal illness, or if there are any unusual circumstances related
26 to the death, CONTRACTOR shall immediately notify ADMINISTRATOR in accordance with this
27 Notification of Death Paragraph.

28
29 **XXIII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

30 A. CONTRACTOR shall notify ADMINISTRATOR of any public event or meeting funded in
31 whole or in part by COUNTY, except for those events or meetings that are intended solely to serve
32 Clients or occur in the normal course of business.

33 B. CONTRACTOR shall notify ADMINISTRATOR at least thirty (30) business days in advance
34 of any applicable public event or meeting. The notification must include the date, time, duration,
35 location and purpose of the public event or meeting. Any promotional materials or event related flyers
36 must be approved by ADMINISTRATOR prior to distribution.

1 **XXIV. RECORDS MANAGEMENT AND MAINTENANCE**

2 A. CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term
3 of this Contract, prepare, maintain and manage records appropriate to the services provided and in
4 accordance with this Contract and all applicable requirements.

5 1. CONTRACTOR shall maintain records that are adequate to substantiate the services for
6 which claims are submitted for reimbursement under this Contract and the charges thereto. Such
7 records shall include, but not be limited to, individual patient charts and utilization review records.

8 2. CONTRACTOR shall keep and maintain records of each service rendered to each MSN
9 Patient, the identity of the MSN Patient to whom the service was rendered, the date the service was
10 rendered, and such additional information as ADMINISTRATOR or DHCS may require.

11 3. CONTRACTOR shall maintain books, records, documents, accounting procedures and
12 practices, and other evidence sufficient to reflect properly all direct and indirect cost of whatever
13 nature claimed to have been incurred in the performance of this Contract and in accordance with
14 Medicare principles of reimbursement and GAAP.

15 //

16 4. CONTRACTOR shall ensure the maintenance of medical records required by §70747
17 through and including §70751 of the CCR, as they exist now or may hereafter be amended, the
18 medical necessity of the service, and the quality of care provided. Records shall be maintained in
19 accordance with §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

20 B. CONTRACTOR shall implement and maintain administrative, technical and physical
21 safeguards to ensure the privacy of PHI and prevent the intentional or unintentional use or disclosure
22 of PHI in violation of the HIPAA, federal and state regulations. CONTRACTOR shall mitigate to the
23 extent practicable, the known harmful effect of any use or disclosure of PHI made in violation of
24 federal or state regulations and/or COUNTY policies.

25 C. CONTRACTOR's participant, Client, and/or patient records shall be maintained in a secure
26 manner. CONTRACTOR shall maintain participant, Client, and/or patient records and must establish
27 and implement written record management procedures.

28 D. CONTRACTOR shall retain all financial records for a minimum of ten (10) years from the
29 termination of the Contract, unless a longer period is required due to legal proceedings such as
30 litigations and/or settlement of claims.

31 E. CONTRACTOR shall retain all Client and/or patient medical records for ten (10) years
32 following discharge of the participant, Client and/or patient.

33 F. CONTRACTOR shall make records pertaining to the costs of services, participant fees,
34 charges, billings, and revenues available at one (1) location within the limits of the County of Orange.
35 If CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR may
36 provide written approval to CONTRACTOR to maintain records in a single location, identified by
37 CONTRACTOR.

1 G. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising
2 out of, this Contract, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR
3 all information that is requested by the PRA request.

4 H. CONTRACTOR shall ensure all HIPAA DRS requirements are met. HIPAA requires that
5 Clients, participants and/or patients be provided the right to access or receive a copy of their DRS
6 and/or request addendum to their records. Title 45 CFR §164.501, defines DRS as a group of records
7 maintained by or for a covered entity that is:

8 1. The medical records and billing records about individuals maintained by or for a covered
9 health care provider;

10 2. The enrollment, payment, claims adjudication, and case or medical management record
11 systems maintained by or for a health plan; or

12 3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

13 I. CONTRACTOR may retain Client, and/or patient documentation electronically in accordance
14 with the terms of this Contract and common business practices. If documentation is retained
15 electronically, CONTRACTOR shall, in the event of an audit or site visit:

16 1. Have documents readily available within twenty-four (24) hour notice of a scheduled
17 audit or site visit.

18 2. Provide auditor or other authorized individuals access to documents via a computer
19 terminal.

20 3. Provide auditor or other authorized individuals a hardcopy printout of documents, if
21 requested.

22 J. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and
23 security of PII and/or PHI. CONTRACTOR shall, upon discovery of a Breach of privacy and/or
24 security of PII and/or PHI by CONTRACTOR, notify federal and/or state authorities as required by
25 law or regulation, and copy ADMINISTRATOR on such notifications.

26 K. CONTRACTOR may be required to pay any costs associated with a Breach of privacy
27 and/or security of PII and/or PHI, including but not limited to the costs of notification.
28 CONTRACTOR shall pay any and all such costs arising out of a Breach of privacy and/or security of
29 PII and/or PHI. CONTRACTOR shall obtain an NPI for each site identified as a location for providing
30 contractual services. Provider's site NPIs must be submitted to the ADMINISTRATOR prior to
31 rendering services to Clients. Contractors providing direct or indirect services for State reporting must
32 also submit rendering (individual) provider NPIs to ADMINISTRATOR for each staff member
33 providing Medi-Cal billable services. CONTRACTOR reimbursement will not be processed unless
34 NPIs are on file with ADMINISTRATOR in advance of providing services to Clients. It is the
35 responsibility of each contract provider site and individual staff member that bills Medi-Cal to obtain
36 an NPI from the NPPES. Each contract site, as well as every staff member that provides billable
37 services, is responsible for notifying the NPPES within thirty (30) calendar days of any updates to

1 personal information, which may include, but is not limited to, worksite address, name changes,
2 taxonomy code changes, etc.

4 **XXV. RESEARCH AND PUBLICATION**

5 CONTRACTOR shall not utilize information and/or data received from COUNTY, or arising out
6 of, or developed, as a result of this Contract for any purpose other than performance of services under
7 this Contract.

9 **XXVI. SEVERABILITY**

10 If a court of competent jurisdiction declares any provision of this Contract or application thereof to
11 any person or circumstances to be invalid or if any provision of this Contract contravenes any federal,
12 state or county statute, ordinance, or regulation, the remaining provisions of this Contract or the
13 application thereof shall remain valid, and the remaining provisions of this Contract shall remain in
14 full force and effect, and to that extent the provisions of this Contract are severable.

15 //

16 **XXVII. SPECIAL PROVISIONS**

17 A. CONTRACTOR shall not use the funds provided by means of this Contract for the following
18 purposes:

- 19 1. Making cash payments to intended recipients of services through this Contract.
- 20 2. Lobbying any governmental agency or official. CONTRACTOR shall file all
21 certifications and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g.,
22 limitation on use of appropriated funds to influence certain federal contracting and financial
23 transactions).
- 24 3. Fundraising.
- 25 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
26 CONTRACTOR's staff, volunteers, interns, consultants, subcontractors, and members of the Board of
27 Directors or governing body.
- 28 5. Reimbursement of CONTRACTOR's members of the Board of Directors or governing
29 body for expenses or services.
- 30 6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants,
31 subcontractors, and members of the Board of Directors or governing body, or its designee or
32 authorized agent, or making salary advances or giving bonuses to CONTRACTOR's staff.
- 33 7. Paying an individual salary or compensation for services at a rate in excess of the current
34 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary
35 Schedule may be found at www.opm.gov.
- 36 8. Severance pay for separating employees.
- 37 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required

1 building codes and obtaining all necessary building permits for any associated construction.

2 10. Purchasing or improving land, including constructing or permanently improving any
3 building or facility, except for tenant improvements.

4 11. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal
5 funds (matching).

6 12. Contracting or subcontracting with any entity other than an individual or nonprofit entity.

7 13. Producing any information that promotes responsible use, if the use is unlawful, of drugs
8 or alcohol.

9 14. Promoting the legalization of any drug or other substance included in Schedule 1 of the
10 Controlled Substance Act (21 USC 812).

11 15. Distributing or aiding in the distribution of sterile needles or syringes for the hypodermic
12 injection of any illegal drug.

13 16. Assisting, promoting, or deterring union organizing.

14 17. Providing inpatient hospital services or purchasing major medical equipment.

15 //

16 B. Unless otherwise specified in advance and in writing by ADMINISTRATOR,
17 CONTRACTOR shall not use the funds provided by means of this Contract for the following
18 purposes:

19 1. Funding travel or training (excluding mileage or parking).

20 2. Making phone calls outside of the local area unless documented to be directly for the
21 purpose of Client care.

22 3. Payment for grant writing, consultants, certified public accounting, or legal services.

23 4. Purchase of artwork or other items that are for decorative purposes and do not directly
24 contribute to the quality of services to be provided pursuant to this Contract.

25 5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
26 CONTRACTOR's Clients.

27 C. Neither Party shall be responsible for delays or failures in performance resulting from acts
28 beyond the control of the affected Party. Such acts shall include, but not be limited to, acts of God,
29 fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight, embargo,
30 public related utility, or governmental statutes or regulations imposed after the fact.

31 32 **XXVIII. STATUS OF CONTRACTOR**

33 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be
34 wholly responsible for the manner in which it performs the services required of it by the terms of this
35 Contract. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and
36 consultants employed by CONTRACTOR. This Contract shall not be construed as creating the
37 relationship of employer and employee, or principal and agent, between COUNTY and

1 CONTRACTOR or any of CONTRACTOR's employees, agents, consultants, volunteers, interns, or
 2 subcontractors. CONTRACTOR assumes exclusively the responsibility for the acts of its employees,
 3 agents, consultants, volunteers, interns, or subcontractors as they relate to the services to be provided
 4 during the course and scope of their employment. CONTRACTOR, its agents, employees, consultants,
 5 volunteers, interns, or subcontractors, shall not be entitled to any rights or privileges of COUNTY's
 6 employees and shall not be considered in any manner to be COUNTY's employees.

8 **XXIX. TERM**

9 A. The term of this Contract shall commence as specified in the Referenced Contract Provisions
 10 of this Contract or the execution date, whichever is later. This Contract shall terminate as specified in
 11 the Referenced Contract Provisions of this Contract unless otherwise sooner terminated as provided in
 12 this Contract. CONTRACTOR shall perform such duties as would normally extend beyond this term,
 13 including but not limited to, obligations with respect to confidentiality, indemnification, audits,
 14 reporting, and accounting.

15 //

16 B. Any administrative duty or obligation to be performed pursuant to this Contract on a weekend
 17 or holiday may be performed on the next regular business day.

19 **XXX. TERMINATION**

20 A. Either party may terminate this Contract, without cause, upon thirty (30) calendar day written
 21 notice given the other party. CONTRACTOR shall be responsible for meeting all programmatic and
 22 administrative contracted objectives and requirements as indicated in this Contract. CONTRACTOR
 23 shall be subject to the issuance of a CAP for the failure to perform to the level of contracted objectives,
 24 continuing to not meet goals and expectations, and/or for non-compliance. If CAPs are not completed
 25 within timeframe as determined by ADMINISTRATOR notice, payments may be reduced or withheld
 26 until CAP is resolved and/or this Contract could be terminated.

27 B. COUNTY may terminate this Contract immediately, upon written notice, on the occurrence of
 28 any of the following events:

- 29 1. The loss by CONTRACTOR of legal capacity.
- 30 2. Cessation of services.
- 31 3. The delegation or assignment of CONTRACTOR's services, operation or administration
 32 to another entity without the prior written consent of COUNTY.
- 33 4. The neglect by any physician or licensed person employed by CONTRACTOR of any
 34 duty required pursuant to this Contract.
- 35 5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of
 36 this Contract.
- 37 6. The continued incapacity of any physician or licensed person to perform duties required

1 pursuant to this Contract.

2 7. Unethical conduct or malpractice by any physician or licensed person providing services
3 pursuant to this Contract; provided, however, COUNTY may waive this option if CONTRACTOR
4 removes such physician or licensed person from serving persons treated or assisted pursuant to this
5 Contract.

6 C. CONTINGENT FUNDING

7 1. Any obligation of COUNTY under this Contract is contingent upon the following:

8 a. The continued availability of federal, state and county funds for reimbursement of
9 COUNTY's expenditures, and

10 b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s)
11 approved by the Board of Supervisors.

12 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,
13 terminate or renegotiate this Contract upon thirty (30) calendar days' written notice given
14 CONTRACTOR. If COUNTY elects to renegotiate this Contract due to reduced or terminated
15 funding, CONTRACTOR shall not be obligated to accept the renegotiated terms.

16 D. In the event this Contract is suspended or terminated prior to the completion of the term as
17 specified in the Referenced Contract Provisions of this Contract, ADMINISTRATOR may, at its
18 sole discretion, reduce the Amount Not To Exceed of this Contract to be consistent with the reduced
19 term of this Contract.

20 E. In the event this Contract is terminated, CONTRACTOR shall do the following:

21 1. Comply with termination instructions provided by ADMINISTRATOR in a manner
22 which is consistent with recognized standards of quality care and prudent business practice.

23 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of
24 contract performance during the remaining contract term.

25 3. Until the date of termination, continue to provide the same level of service required by
26 this Contract.

27 4. If Clients are to be transferred to another facility for services, furnish
28 ADMINISTRATOR, upon request, all Client information and records deemed necessary by
29 ADMINISTRATOR to effect an orderly transfer.

30 5. Assist ADMINISTRATOR in effecting the transfer of Clients in a manner consistent with
31 Client's best interests.

32 6. If records are to be transferred to COUNTY, pack and label such records in accordance
33 with directions provided by ADMINISTRATOR.

34 7. Return to COUNTY, in the manner indicated by ADMINISTRATOR, any equipment and
35 supplies purchased with funds provided by COUNTY.

36 8. To the extent services are terminated, cancel outstanding commitments covering the
37 procurement of materials, supplies, equipment, and miscellaneous items, as well as outstanding

1 commitments which relate to personal services. With respect to these canceled commitments,
 2 CONTRACTOR shall submit a written plan for settlement of all outstanding liabilities and all claims
 3 arising out of such cancellation of commitment which shall be subject to written approval of
 4 ADMINISTRATOR.

5 9. Provide written notice of termination of services to each Client being served under this
 6 Contract, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of
 7 termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendars
 8 day period.

9 F. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be
 10 exclusive, and are in addition to any other rights and remedies provided by law or under this Contract.

11 **XXXI. THIRD PARTY BENEFICIARY**

12 Neither party hereto intends that this Contract shall create rights hereunder in third parties
 13 including, but not limited to, any subcontractors or any Clients provided services pursuant to this
 14 Contract.

15 **XXXII. WAIVER OF DEFAULT OR BREACH**

16 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any
 17 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this
 18 Contract shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any
 19 default or any breach by CONTRACTOR shall not be considered a modification of the terms of this
 20 Contract.
 21

22 **XXXIII. REVENUE**

23 A. CLIENT FEES – CONTRACTOR shall not charge a fee to DMC beneficiaries to whom
 24 services are provided pursuant to this Contract, their estates and/or responsible relatives, unless a
 25 Share of Cost is determined per Medi-Cal eligibility.
 26

27 B. THIRD-PARTY REVENUE – CONTRACTOR shall make every reasonable effort to obtain
 28 all available third-party reimbursement for which persons served pursuant to this Contract may be
 29 eligible. Charges to insurance carriers shall be on the basis of CONTRACTOR's usual and customary
 30 charges. An Assignment of Benefits must be present in a Client's file when applicable.

31 C. PROCEDURES – CONTRACTOR shall maintain internal financial controls which
 32 adequately ensure proper billing and collection procedures. CONTRACTOR's procedures shall
 33 specifically provide for the identification of delinquent accounts and methods for pursuing such
 34 accounts. CONTRACTOR shall provide ADMINISTRATOR, monthly, a written report specifying the
 35 current status of fees which are billed, collected, transferred to a collection agency, or deemed by
 36 CONTRACTOR to be uncollectible.

37 //

1 **XXXIV. PARTICIPATION OF COUNTY BEHAVIORAL HEALTH DIRECTOR'S**
 2 **ASSOCIATION OF CALIFORNIA**

3 A. The County AOD Program Administrator shall participate and represent the County in
 4 meetings of the County Behavioral Health Director's Association of California for the purposes of
 5 representing the counties in their relationship with DHCS with respect to policies, standards, and
 6 administration for AOD abuse services.

7 B. The County AOD Program Administrator shall attend any special meetings call by the
 8 Director of DHCS. Participation and representation shall also be provided by the County Behavioral
 9 Health Director's Association of California.

10
 11 **XXXV. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**
 12 **(HIPAA) OF 1996**

13 All work performed under this Contract is subject to HIPAA, County shall perform the work in
 14 compliance with all applicable provisions of HIPAA. As identified in Exhibit E, DHCS and County
 15 shall cooperate to assure mutual agreement as to those transactions between them, to which this
 16 provision applies. Refer to Exhibit E for additional information.

17
 18 **XXXVI. INTRAVENOUS DRUG USE (IVDU) TREATMENT**

19 County shall ensure that individuals in need of IVDU treatment shall be encouraged to undergo
 20 AOD treatment (42 USC 300x-23 (45 CFR 96.126(e)).

21
 22 **XXXVII. YOUTH TREATMENT GUIDELINES**

23 County must comply with DHCS guidelines in developing and implementing youth treatment
 24 programs funded under this Enclosure, until new Youth Treatment Guidelines are stablished and
 25 adopted.

26 Youth Treatment Guidelines are posted online at

27 <http://www.dhcs.ca.gov/provgovpart/Pages/Youth-Services.aspx>.

28
 29 Adolescent Substance Use Disorder Best Practices Guide found here:

30 https://www.dhcs.ca.gov/Documents/CSD_CMHCS/Adol%20Best%20Practices%20Guide/AdolBestPracGuideOCTOBER2020.pdf.

31 //
 32 //
 33 //
 34 //
 35 //
 36 //
 37 //

1 IN WITNESS WHEREOF, the parties have executed this Contract, in the County of Orange, State
2 of California.

3 **WESTERN PACIFIC MED-CORP**

4
5
6 BY: _____ DATED: _____

7
8 TITLE: _____

9
10
11
12
13
14 COUNTY OF ORANGE

15
16
17 BY: _____ DATED: _____

18 HEALTH CARE AGENCY

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23 APPROVED AS TO FORM
24 OFFICE OF THE COUNTY COUNSEL
25 ORANGE COUNTY, CALIFORNIA

26
27
28 BY: _____ DATED: _____

29 DEPUTY

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33 If CONTRACTOR is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the
34 President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial
35 Officer or any Assistant Treasurer. If the Contract is signed by one (1) authorized individual only, a copy of the corporate
36 resolution or by-laws whereby the Board of Directors has empowered said authorized individual to act on its behalf by his
37 or her signature alone is required by ADMINISTRATOR.

1 EXHIBIT A
2 TO CONTRACT FOR PROVISION OF
3 DRUG MEDI-CAL NARCOTIC REPLACEMENT THERAPY TREATMENT SERVICES
4 WITH
5 WESTERN PACIFIC MED-CORP
6 JULY 1, 2023 THROUGH JUNE 30, 2025
7

8 **I. COMMON TERMS AND DEFINITIONS**

9 A. The parties agree to the following terms and definitions, and to those terms and definitions
10 which, for convenience, are set forth elsewhere in this Contract.

11 1. AB109 Services means services for DMC covered Clients deemed eligible by California
12 Department of Corrections and Rehabilitation and/or OCPD. Clients in AB 109 Services are those who
13 have received sentencing for a felony or misdemeanor that is non-violent, non-sexual, and non-serious.

14 2. American Society of Addiction Medicine (ASAM) Criteria means a comprehensive set of
15 guidelines for placement, continued stay and transfer/discharge of Clients with addiction and co-
16 occurring conditions.

17 3. California Outcomes Measurement System (CalOMS) means a statewide Client-based data
18 collection and outcomes measurement system as required by the State to effectively manage and
19 improve the provision of alcohol and other drug services at the state, COUNTY, and provider levels.

20 4. Care Coordination means services which include, but are not limited to, referral and
21 Linkage to ancillary services not provided by CONTRACTOR such as contacting outside agencies and
22 making referrals for services, including academic education, vocational training, medical and dental
23 treatment, pre-and-post counseling and testing for infectious diseases, legal assistance, job search
24 assistance, financial assistance, childcare, and self-help programs such as 12-step programs.
25 Additionally, care coordination includes helping Clients build support in the community and helping
26 Clients deal with impairments in life skills due to their substance use problems. Care coordination
27 service include periodic reassessment of the Client's need for continued care coordination services and
28 assistance to successfully transition to lower or higher levels of care, as determined by review of the
29 treatment plans.

30 5. Client means a male or female aged 12 and over residing in the County of Orange who has
31 a primary problem of opiate use disorder and/or other qualifying substance use disorder allowable by the
32 DMC-ODS formulary that also qualifies for admission as per Title 9 and contractual eligibility
33 requirements.

34 6. Collateral Services means sessions with the significant persons in the Client's life, focusing
35 on their treatment needs to support the achievement of the Client's treatment goals. Significant persons
36 are individuals that have a personal, not official or professional, relationship with the Client. The Client
37 may or may not be present during the session.

1 7. Completion –

2 a. Satisfactory Completion means Clients who have attended sessions as prescribed and
3 are discharged from treatment after making significant positive progress on their treatment plan goals.

4 b. Unsatisfactory Completion means Clients who have not attended sessions and are
5 discharged without making progress on their treatment plan goals.

6 8. Co-Occurring means a person who has at least one substance use disorder and one mental
7 health disorder that can be diagnosed independently of each other.

8 9. Counselor means a staff member who is registered or certified by one of the State approved
9 Counseling Certification programs or who is a registered intern or licensed by the Board of Behavioral
10 Sciences. A Counselor must remain in good standing with the certification or licensing process.

11 10. Crisis Intervention means providing emergency assessment and counseling with the Client
12 in a crisis situation. This shall include an actual relapse or an unforeseen event or circumstance which
13 presents an imminent threat of relapse to stabilize the emergency situation. Crisis sessions shall be
14 limited to the stabilization of the Client's emergency situation.

15 11. Detoxification Therapy means narcotic therapy used in decreasing medically determined
16 dosage levels for a period of not more than twenty-one (21) calendar days, to reduce or eliminate opiate
17 dependence.

18 12. Diagnosis means the definition of the nature of the Client's substance use disorder. When
19 formulating the diagnosis of Client, CONTRACTOR shall use the diagnosis codes as specified in the
20 most current edition of the DSM published by the American Psychiatric Association. DSM diagnosis
21 shall be recorded on all IRIS documents, as appropriate. It shall also be recorded on the Medical
22 Necessity form and Treatment Plans.

23 13. Discharge/Referral and Linkage means providing the needed resources upon discharge from
24 the program through Discharge Planning services via an Exit Plan for those completing their
25 individualized course of maintenance services so that Client has the knowledge and resources to seek
26 treatment again as needed or outside supportive services. As part of the Discharge/Referral and Linkage
27 process, CONTRACTOR must perform a discharge summary for Clients within thirty (30) calendar
28 days of discharge.

29 14. Dose means the administration of a specific amount of methadone and/or other MAT
30 prescribed by a physician for the Client's care along with medical care and individual and/or group
31 counseling.

32 15. Drug and Alcohol Treatment Access Report (DATAR) means the Department of Health
33 Care Services (DHCS) system to collect data on Substance Use Disorder treatment capacity and waiting
34 lists.

35 16. Drug/Alcohol Screening means providing drug/alcohol screening/testing once a month or as
36 delineated by HCA.

37 //

1 17. Early Periodic Screening, Diagnostic and Treatment (EPSDT) means the federally
2 mandated Medicaid benefit that entitles full-scope Medi-Cal-covered beneficiaries less than twenty-one
3 (21) years of age to receive any Medicaid service necessary to correct or help to improve a defect,
4 mental illness, or other condition, such as a substance-related disorder, that is discovered during a health
5 screening.

6 18. Group Counseling means group-based services, with a minimum of two (2) and a maximum
7 of twelve (12) Clients, with at least one DMC beneficiary per group, billed in fifteen (15) minute
8 increments. Group counseling sessions are provided in a developmentally appropriate environment (i.e.,
9 age, culture, etc.) and utilize evidence-based practices (EBP).~~Group Counseling means group-based~~
10 ~~services with a minimum of two (2) Clients and a maximum of twelve (12) Clients with at least one~~
11 ~~DMC beneficiary per group billed in ten (10) minute increments. Group counseling sessions are~~
12 ~~provided in a developmentally appropriate environment (i.e., age, culture, etc.) and utilize evidence-~~
13 ~~based practices (EBP).~~

14 19. Individual Counseling means counseling provided to an individual as needed and identified
15 on the treatment plan as appropriate for Clients. Individual Counseling shall be performed at a minimum
16 of one (1) fifty (50) minute session per month. Utilization of EBPs in these sessions is required by the
17 County DMC-ODS standards.

18 20. Intake means the initial meeting between a Client and CONTRACTOR staff in which
19 specific information about the Client is gathered and standard admission forms completed pursuant to
20 this Contract. This includes utilization of an ASAM-based Assessment, or any other tools as designated
21 by COUNTY HCA, to provide a standardized, comprehensive risk and needs assessment to each Client.
22 Assessment tools will be co-occurring capable, and meet best practice standards.

23 21. Integrated Records Information System (IRIS) means a collection of applications and
24 databases that serve the needs of programs within HCA and includes functionality such as registration
25 and scheduling, laboratory information system, billing and reporting capabilities, compliance with
26 regulatory requirements, electronic medical records, and other relevant applications.

27 22. Level of Care Assessment means a comprehensive set of guidelines for placement,
28 continued stay, and transfer/discharge of Clients with addiction and co-occurring conditions developed
29 by HCA based on ASAM criteria. Level of care determination must be documented by a LPHA within
30 their scope of practices.

31 23. Licensed Practitioner of the Healing Art (LPHA) means any Physicians, Nurse
32 Practitioners, Physician Assistants, Registered Nurses, Registered Pharmacists, Licensed Clinical
33 Psychologists, Licensed Clinical Social Worker, Licensed Professional Clinical Counselor, Licensed
34 Marriage and Family Therapists, or license-eligible practitioners working under the supervision of
35 licensed clinicians, working within their scope of practice.

36 24. Linkage means connecting Clients to ancillary services such as outpatient and/or residential
37 treatment and supportive services which may include self-help groups, social services, rehabilitation

1 services, vocational services, job training services, or other appropriate services.

2 25. Medication Assisted Treatment (MAT) means the assessment, prescription, administration,
3 and monitoring of FDA-approved medications for SUD. MAT services are conducted by staff lawfully
4 authorized to provide such services within their scope of practice or licensure.

5 26. Maintenance Therapy means the treatment modality whereby narcotic replacement therapy
6 is used in sustained, stable, medically determined dosage levels for a period in excess of twenty-one (21)
7 calendar days, to reduce or eliminate chronic opioid use disorder, while the patient is provided a
8 comprehensive range of treatment services.

9 27. Medical Director means the physician licensed to practice medicine in California who is
10 responsible for medical services provided by CONTRACTOR. The Medical Director shall be enrolled
11 with DHCS under applicable state regulations. The Medical Director duties encompass signing of
12 documentation, placing Clients in treatment, initiating, altering and terminating therapy medications and
13 dosage amounts, supervising the administration and dispensing of medications, and planning and
14 supervising provision of treatment, including regular review and notes in the Clients' records.

15 28. Medical Necessity means the decision by CONTRACTOR's Medical Director that a Client
16 meets admission criteria and continuing care justification pursuant to CCR, Title 22 and Title 9, Section
17 10270. Medically Necessary services are provided in accordance with an individualized treatment plan
18 determined by a licensed physician or licensed prescriber and approved and authorized according to
19 State requirements.

20 29. Medication Psychotherapy means a type of counseling service consisting of a face-to-face
21 discussion conducted by the Medical Director of the NTP on a one-on-one basis with the Client on
22 issues identified in the treatment plan.

23 30. Medication Services means the physician prescribed medications related to a Client's SUD
24 treatment services covered under the DMC-ODS formulary including methadone, buprenorphine,
25 naloxone, buprenorphine-naloxone, naltrexone, and disulfiram. CONTRACTOR staff will regularly
26 communicate with physicians unless the Client refuses to consent to sign a 42 CFR Part 2 compliant
27 Authorization to Disclose form.

28 31. Notice of Adverse Benefit Determination (NOABD) means a formal communication to the
29 Medi-Cal beneficiary of any action regarding their Drug Medi-Cal services and their right to appeal,
30 consistent with 42 CFR 438.404 and 438.10.

31 32. Perinatal means the condition of being pregnant or up to sixty (60) calendar days
32 postpartum. In addition to the services established for outpatient Clients, the provider must offer
33 Perinatal Clients additional parenting education, referrals, transportation, childcare, and other services,
34 as specified by the DHCS Perinatal Practice Guidelines. If Client no longer meets this Perinatal
35 definition, the Client would be eligible for non-Perinatal services as long as they meet medical necessity
36 for the designated level of care.

37 33. Physician Extender means a registered nurse practitioner and physicians' assistants only.

1 34. Program Protocol means the written program description, goals, objectives, and policies
 2 established by CONTRACTOR for the methadone therapy program provided pursuant to the Contract.

3 35. Screening means the process by which the program obtains information about the individual
 4 seeking admission for methadone therapy services.

5 36. Self Help Meeting means a non-professional, peer participatory meeting formed by people
 6 with a common problem or situation offering mutual support to each other towards a goal of healing or
 7 recovery.

8 37. Substance Use Disorder (SUD) means a condition in which the use of one or more
 9 substances leads to a clinically significant impairment or distress as specified in the most current edition
 10 of the DSM published by the American Psychiatric Association.

11 38. Telehealth means office or outpatient visits between provider and Client via interactive
 12 audio and video telecommunication systems. Telehealth between providers means communication
 13 between two providers for purpose of consultation, performed via interactive audio and video
 14 telecommunication systems.

15 39. Token means the security device which allows an individual user to access the HCA
 16 computer-based IRIS.

17 40. Unit of Service means a calendar month of treatment services at a Narcotic Treatment
 18 Program provided pursuant to Title 22 and Title 9. Dosing and counseling services may be provided on
 19 the same day to a single Client.

20 B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
 21 Common Terms and Definitions Paragraph of this Exhibit A to the Contract.

22
 23 **II. PAYMENTS**

24 A. BASIS FOR REIMBURSEMENT – As compensation to CONTRACTOR for services provided
 25 pursuant to the Contract, COUNTY shall pay CONTRACTOR monthly in arrears at the negotiated
 26 DMC NRT ODS rates of reimbursement per Period, as listed below:~~BASIS FOR REIMBURSEMENT~~
 27 ~~–As compensation to CONTRACTOR for services provided pursuant to the Contract, COUNTY shall~~
 28 ~~pay CONTRACTOR monthly in arrears at the State Mandated NTP DMC ODS rates of reimbursement,~~
 29 ~~as listed below, or as amended by State mandate:~~

<u>Service</u>	<u>Unit of Service</u>	<u>Fee Determination</u>	<u>Regular DMC Rate per unit</u>	<u>Perinatal DMC Rate per unit</u>
NTP—Methadone	Daily	State Mandated	\$16.20	\$17.45
NTP—Buprenorphine-Mono	Daily	State Mandated	\$31.32	\$42.38

<u>Service</u>	<u>Unit of Service</u>	<u>Fee Determination</u>	<u>Regular DMC Rate per unit</u>	<u>Perinatal DMC Rate per unit</u>
NTP—Buprenorphine-Naloxone: Tablets	Daily	State Mandated	\$31.80	\$42.85
NTP—Buprenorphine-Naloxone: Film	Daily	State Mandated	\$28.31	\$39.37
NTP—Buprenorphine Injectable	Monthly	State Mandated	\$1,970.17	\$1970.17
NTP—Naltrexone Injectable	Monthly	State Mandated	\$2,151.97	\$2,151.97
NTP—Disulfiram	Daily	State Mandated	\$11.30	\$11.47
NTP—Naloxone	Dispensed according to need	State Mandated	\$144.96	\$144.96
Physician Consultation	15-minute increments	County Determined	\$89.30	\$89.30
NTP—Individual Counseling	One—10-minute increment	State Mandated	\$19.07	\$27.21
NTP—Group Counseling	One—10-minute increment	State Mandated	\$4.49	\$9.09

<u>Dosing Services</u>	<u>Unit Designation</u>	<u>Period One</u>	<u>Period Two</u>
<u>Methadone (non perinatal)</u>	<u>daily</u>	<u>\$36.00</u>	<u>\$18.00</u>
<u>Methadone (perinatal)</u>	<u>daily</u>	<u>\$40.00</u>	<u>\$20.00</u>
<u>Buprenorphine- Mono (non perinatal)</u>	<u>daily</u>	<u>\$64.00</u>	<u>\$32.00</u>
<u>Buprenorphine-Mono (perinatal)</u>	<u>daily</u>	<u>\$86.00</u>	<u>\$43.00</u>
<u>Buprenorphine-Naloxone: Tablets (non perinatal)</u>	<u>daily</u>	<u>\$64.00</u>	<u>\$32.00</u>
<u>Buprenorphine-Naloxone:</u>	<u>daily</u>	<u>\$88.00</u>	<u>\$44.00</u>

<u>Dosing Services</u>	<u>Unit / Designation</u>	<u>Period One</u>	<u>Period Two</u>
Tablets (perinatal)			
<u>Buprenorphine-Naloxone: Film (non perinatal)</u>	<u>daily</u>	<u>\$58.00</u>	<u>\$29.00</u>
<u>Buprenorphine-Naloxone: Film (perinatal)</u>	<u>daily</u>	<u>\$80.00</u>	<u>\$40.00</u>
<u>Disulfiram (non perinatal)</u>	<u>daily</u>	<u>\$22.00</u>	<u>\$11.00</u>
<u>Disulfiram (perinatal)</u>	<u>daily</u>	<u>\$22.00</u>	<u>\$11.00</u>
<u>Buprenorphine Injectable (non perinatal)</u>	<u>monthly</u>	<u>\$4,072.00</u>	<u>\$2,036.00</u>
<u>Buprenorphine Injectable (perinatal)</u>	<u>monthly</u>	<u>\$4,072.00</u>	<u>\$2,036.00</u>
<u>Naltrexone Injectable (non perinatal)</u>	<u>monthly</u>	<u>\$4,448.00</u>	<u>\$2,224.00</u>
<u>Naltrexone Injectable (perinatal)</u>	<u>monthly</u>	<u>\$4,448.00</u>	<u>\$2,224.00</u>
<u>Naloxone HCL - 2 pack, Generic (non perinatal and perinatal)</u>	<u>dispensed as needed</u>	<u>\$200.00</u>	<u>\$100.00</u>
<u>Naloxone HCL - 2 pack, Narcan (non perinatal and perinatal)</u>	<u>dispensed as needed</u>	<u>\$288.00</u>	<u>\$144.00</u>

<u>Other Services/Designation</u>	<u>Unit</u>	<u>Period One</u>	<u>Period Two</u>
<u>NTP Individual Counseling, non LPHA (non perinatal)</u>	<u>15 min increments</u>	<u>\$81.00</u>	<u>\$47.00</u>
<u>NTP Individual Counseling, non LPHA (perinatal)</u>	<u>15 min increments</u>	<u>\$81.00</u>	<u>\$47.00</u>
<u>NTP Group Counseling, non LPHA (non perinatal)</u>	<u>15 min increments</u>	<u>\$36.00</u>	<u>\$18.00</u>
<u>NTP Group Counseling, non LPHA (perinatal)</u>	<u>15 min increments</u>	<u>\$36.00</u>	<u>\$18.00</u>
<u>NTP Individual Counseling, LPHA (non perinatal)</u>	<u>15 min increments</u>	<u>\$95.00</u>	<u>\$50.00</u>

<u>Other Services/Designation</u>	<u>Unit</u>	<u>Period One</u>	<u>Period Two</u>
<u>NTP Individual Counseling, LPHA (perinatal)</u>	<u>15 min increments</u>	<u>\$95.00</u>	<u>\$50.00</u>
<u>NTP Group Counseling, LPHA (non perinatal)</u>	<u>15 min increments</u>	<u>\$36.00</u>	<u>\$18.00</u>
<u>NTP Group Counseling, LPHA (perinatal)</u>	<u>15 min increments</u>	<u>\$36.00</u>	<u>\$18.00</u>
<u>Naltrexone, Face to Face Visit, non perinatal</u>	<u>per visit</u>	<u>\$19.00</u>	<u>\$19.00</u>
<u>Clinician Consultation, LCSW (Licensed, Waivered or Registered)</u>	<u>30 mins or more</u>	<u>\$229.00</u>	<u>\$229.00</u>
<u>Clinician Consultation, MFT/LPCC (Licensed, Waivered or Registered)</u>	<u>30 mins or more</u>	<u>\$229.00</u>	<u>\$229.00</u>
<u>Clinician Consultation, Nurse Practitioner</u>	<u>30 mins or more</u>	<u>\$324.00</u>	<u>\$324.00</u>
<u>Clinician Consultation, Physician Assistant</u>	<u>30 mins or more</u>	<u>\$304.00</u>	<u>\$304.00</u>
<u>Clinician Consultation, Psychologist (Licensed or Waivered)</u>	<u>30 mins or more</u>	<u>\$232.00</u>	<u>\$232.00</u>
<u>Clinician Consultation, Registered Nurse</u>	<u>30 mins or more</u>	<u>\$282.00</u>	<u>\$282.00</u>
<u>Clinician Consultation, Registered Pharmacist</u>	<u>30 mins or more</u>	<u>\$318.00</u>	<u>\$318.00</u>
<u>Physician Consultation</u>	<u>30 mins or more</u>	<u>\$554.00</u>	<u>\$554.00</u>

B. MAT will be reimbursed for onsite administration and dispensing at NTP programs; additionally, physicians and licensed prescribers in DMC programs will be reimbursed for the ordering, prescribing, administering, and monitoring of MAT as per DMC-ODS Waiver STC's. However, the total of monthly payments to CONTRACTOR shall not exceed COUNTY's Amount Not to Exceed set forth in the Referenced Contract Provisions of the Contract; and provided further that CONTRACTOR's invoicing and billing are allowable pursuant to applicable COUNTY, federal and state regulations. ADMINISTRATOR may, at its discretion, pay supplemental invoices for any month for which the negotiated amount for actual units of service provided during Period One and/or Period Two, as

1 specified in the Referenced Contract Provisions of this Contract, has not been fully paid. Non-
2 compliance will require the completion of a CAP by CONTRACTOR. If CAPs are not completed within
3 timeframes approved by ADMINISTRATOR, payments may be reduced accordingly.

4 C. COUNTY shall pay CONTRACTOR monthly, in arrears, however, the total of such payments
5 during any Period shall not exceed COUNTY's corresponding Period Amount Not to Exceed.
6 CONTRACTOR's invoices shall be on a form approved or provided by ADMINISTRATOR and shall
7 provide such information as is required by ADMINISTRATOR. Invoices are due by the tenth (10th)
8 calendar day of each month, and payments to CONTRACTOR should be released by COUNTY no later
9 than thirty (30) calendar days after receipt of the correctly completed invoice form.

10 //

11 D. Monthly payments are interim payments only, and subject to Final Settlement of this Contract.
12 Invoices received after the due date may not be paid in accordance with Subparagraph II.B of this
13 Exhibit A to this Contract.

14 E. All invoicing and billing to COUNTY shall be supported at CONTRACTOR's facility, by
15 source documentation, including, but not limited to, Client charts, electronic health records, treatment
16 plans, records of services, etc. that clearly denote the appropriate and allowable provision of specified
17 units of service to eligible Clients to which CONTRACTOR is entitled to compensation as a result of
18 and in the performance of duties for COUNTY.

19 F. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply
20 with any provision of this Contract or is not in compliance with federal, state or COUNTY regulations
21 governing the provision of contracted services.

22 G. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration
23 and/or termination of this Contract, except as may otherwise be provided for under this Contract.

24 H. In conjunction with Subparagraph II.A and B. above, CONTRACTOR shall not enter Units of
25 Service into COUNTY IRIS system for services not rendered. If such information has been entered,
26 CONTRACTOR shall make corrections within ten (10) calendar days from notification by
27 ADMINISTRATOR. Additionally, to assist in the protection of data integrity, CONTRACTOR shall
28 create a procedure to ensure separation of duties between the individual performing direct services
29 (LPHA, clinicians, counselors, etc.), and the clerical staff who enter information into the IRIS system.
30 Clerical staff shall enter data into IRIS using the chart information provided by the direct service staff.

31 I. CONTRACTOR shall ensure compliance with all DMC billing and documentation
32 requirements when entering Units of Service into COUNTY IRIS system. ADMINISTRATOR shall
33 withhold payment for non-compliant Units of Service, and may reduce, withhold or delay any payment
34 associated with non-compliant billing practices.

35 J. CONTRACTOR may be required to have an audit conducted in accordance with federal OMB
36 Circular A-133. CONTRACTOR is responsible for complying with any federal audit requirements
37 within the reporting period specified by OMB Circular A-133.

1 K. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
2 Payments Paragraph of this Exhibit A to the Contract.

3 4 **III. RECORDS**

5 A. CLIENT RECORDS – CONTRACTOR shall maintain adequate records in accordance with the
6 DHCS as they may be amended or superseded at a later time during the course of this Contract, the
7 COUNTY Guidelines, California Code of Regulations (CCR), Title 22, Title 9, and
8 ADMINISTRATOR’s requirements on each individual Client in sufficient detail to permit an evaluation
9 of services, which shall include documentation of all activities, services, sessions, and assessment,
10 including but not limited to:

11 1. Documentation that the prescribed treatment for substance use disorders is appropriate for
12 the Client. This shall include the Medical Director or LPHA’s initial medical necessity determination for
13 the DMC-ODS benefit, including evidence of prior treatment history and/or current use of opiates
14 and/or alcohol;

15 2. SUD Diagnosis;

16 3. Date of Birth;

17 4. Intake and admission data, including a physical examination;

18 5. Treatment Plans;

19 6. Reassessments of Client functioning;

20 7. Progress notes, including those for required monthly counseling sessions;

21 8. Medication orders and regular reviews signed by the physician;

22 9. Continuing Service Justifications;

23 10. Laboratory test orders and results, including Tuberculosis clearance and other lab results as
24 required by Title 9 and HCA Contract;

25 11. Evidence of care coordination to support Clients in meeting their essential needs;

26 12. Screening for Human Trafficking – each Client’s chart shall contain the results of screening
27 for victims of human trafficking (TVPA 2000);

28 13. California Outcomes Measurement System (CalOMS);

29 14. Outcome measures and screening tools as determined by ADMINISTRATOR;

30 15. Drug screening results, as well as CONTRACTOR’s response to a test or analysis for illicit
31 drug use which discloses: the absence of methadone and/or other prescribed medications and their
32 primary metabolites, the presence of any illicit drugs, or abuse of other substances, including alcohol;

33 a. Discharge plan;

34 b. Discharge summary;

35 c. Quality Review Check Sheet; and

36 d. Any other Client information which the program finds useful in treating the Client or as
37 ADMINISTRATOR deems necessary;

1 16. CONTRACTOR shall retain all Client medical records for ten (10) years following
 2 discharge of the Client, with the exception of non-emancipated minors for whom records must be kept
 3 for at least one (1) year after such minors have reached the age of eighteen (18) years, or for ten (10)
 4 years after the last date of service, whichever is longer.

5 B. FINANCIAL RECORDS – CONTRACTOR shall prepare and maintain accurate and complete
 6 financial records of its costs and operating expenses. Such records shall reflect the actual costs of the
 7 type of service for which payment is claimed in accordance with generally accepted accounting
 8 principles.

9 //

10 //

11 1. Any apportionment of or distribution of costs, including indirect costs, to or between
 12 programs or cost centers of CONTRACTOR shall be documented, and shall be made in accordance with
 13 generally accepted principles.

14 2. CONTRACTOR shall account for funds provided through this Contract separately from
 15 other funds, and maintain a clear audit trail for the expenditure of funds.

16 3. CLIENT FEES – Pursuant to 42 CFR 438.106, CONTRACTOR shall not collect fees from
 17 a Medi-Cal beneficiary or persons acting on behalf of the beneficiary for any SUD or related
 18 administrative services provided under this Contract, except to collect other health insurance coverage,
 19 share of cost, and co-payments. Drug Medi-Cal is payment in full for treatment services rendered for
 20 Medi-Cal beneficiaries. The Client eligibility determination and fee charged to and collected from
 21 Clients, together with a record of all billings rendered and revenues received from any source, on behalf
 22 of Clients treated pursuant to the Contract, must be reflected in CONTRACTOR's financial records.

23 C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
 24 Records Paragraph of this Exhibit A to the Contract.

25 26 **IV. REPORTS**

27 **A. MONTHLY PROGRAMMATIC**

28 1. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR,
 29 including information required and on a form approved or provided by ADMINISTRATOR. These
 30 monthly programmatic reports should be received by ADMINISTRATOR no later than the twentieth
 31 (20th) business day of the month following the report month.

32 2. CONTRACTOR shall report any problems in implementing the provisions of the Contract,
 33 pertinent facts or interim findings, staff changes, status of license(s) and/or certification(s), changes in
 34 population served, and reasons for any changes. Additionally, a statement that CONTRACTOR is or is
 35 not progressing satisfactorily in achieving all the terms of the Contract shall be included.

36 3. FOLLOW-UPS – CONTRACTOR shall conduct follow-ups with Clients after discharge at
 37 intervals designated by ADMINISTRATOR. ADMINISTRATOR shall provide information/questions

1 to CONTRACTOR for follow up. CONTRACTOR shall track data on Client functioning which at
2 minimum shall include current substance use.

3 B. MONTHLY IRIS – CONTRACTOR shall input all Units of Service provided in COUNTY’s
4 IRIS database for the preceding month no later than the tenth (10th) calendar day of the month
5 following the report month. Services entered into IRIS must match the monthly billing documents prior
6 to funds being released. CONTRACTOR shall utilize monitoring reports available in IRIS to ensure the
7 accuracy of Units of Service and other forms that are entered by CONTRACTOR into IRIS.

8 C. CalOMS – CONTRACTOR shall: (1) enter an error-free CalOMS admission record within
9 twenty-one (21) calendar days of the start of services, (2) enter an error-free CalOMS annual record
10 between one (1) and sixty (60) calendar days prior to the admission anniversary, and (3) enter an error-
11 free CalOMS discharge record within twenty-one (21) calendar days after the last face-to-face service.
12 CONTRACTOR shall utilize the CalOMS Error Detail Report (CEDR) to ensure that any CalOMS
13 entry errors are corrected within two (2) business days of the entry. CONTRACTOR shall utilize other
14 available CalOMS monitoring reports to ensure correct and timely submission and will report findings
15 of these reports at monthly meetings with ADMINISTRATOR. CONTRACTOR shall ensure that a
16 minimum of ninety-six percent (96%) of their CalOMS are completed on time monthly. Any individual
17 provider of services must have an NPI number and be listed in IRIS as the provider of the service
18 conducted prior to performing any clinical services.

19 D. MONTHLY DATAR – CONTRACTOR shall provide reports under the DATAR and/or any
20 other State Department of Alcohol and Drug Programs Reporting System no later than the fifth (5th)
21 business day of the month following the report month.

22 E. ACCESS LOG – CONTRACTOR shall track and enter information on requests for services
23 into a designated form provided by ADMINISTRATOR.

24 F. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports, as required by
25 ADMINISTRATOR, concerning CONTRACTOR’s activities as they affect the services hereunder.
26 ADMINISTRATOR will be specific as to the nature of information requested and the timeframe the
27 information is needed.

28 G. CONTRACTOR agrees to enter psychometrics into COUNTY’s EHR system as requested by
29 ADMINISTRATOR. Said psychometrics are for COUNTY’s analytical uses only, and shall not be
30 relied upon by CONTRACTOR to make clinical decisions. CONTRACTOR agrees to hold COUNTY
31 harmless, and indemnify pursuant to Paragraph XIV. of the Contract, from any claims that arise from
32 non-COUNTY use of said psychometrics.

33 H. CONTRACTOR shall submit reports as required by ADMINISTRATOR and/or the State.

34 I. CONTRACTOR shall ensure that data submitted is accurate and complete by verifying the
35 accuracy and timeliness of reported data, screening the data for completeness, logic, and consistency,
36 submitting data in standardized formats as determined appropriate by ADMINISTRATOR.

37 J. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the

1 Reports Paragraph of this Exhibit A to the Contract.

2
3 **V. SERVICES**

4 A. ADMINISTRATOR reserves the right to amend the scope of services as written in this Exhibit
5 A in order to meet State mandated California Advancing and Innovating Medi-Cal (CalAIM)
6 requirements once published.

7 B. CONTRACTOR shall order, prescribe, administer, and monitor methadone and all other DMC-
8 ODS reimbursable medications for the treatment of substance use disorders. CONTRACTOR shall
9 make available all reimbursable forms of the following medications: methadone, buprenorphine,
10 buprenorphine-naloxone, naloxone, naltrexone, and disulfiram.

11 C. FACILITY – CONTRACTOR shall provide contracted services in accordance with the
12 standards established by COUNTY and State DHCS as they may be amended or superseded at a later
13 time during the course of this Contract within the specifications stated below, unless otherwise
14 authorized by ADMINISTRATOR. CONTRACTOR shall provide services within a DMC certified, and
15 state-licensed NRT program, in accordance with the standards established by COUNTY and under Title
16 9, Division 4, Chapter 4 of the CCR by the State of California, DHCS. The environment shall be healthy
17 and safe and the facility shall be clean and in good repair. Services shall be provided at the following
18 locations, or at any other Certified DMC facility approved in advance, in writing, by
19 ADMINISTRATOR:

20 218 E. Commonwealth Ave.	10751 Dale Ave.	26921 Crown Valley, Suite 200
21 Fullerton, CA 92832	Stanton, CA 90680-2604	Mission Viejo, CA 92691

22
23 1. CONTRACTOR's facility shall operate 365 days per year with scheduled closures only as
24 permitted by state and federal regulations and guidelines. Hours of operation may be adjusted with prior
25 approval from ADMINISTRATOR.

26 2. CONTRACTOR's holiday schedule shall be consistent with COUNTY's holiday schedule,
27 unless otherwise authorized, in writing, by ADMINISTRATOR.

28 CONTRACTOR's treatment program shall be accessible to people with disabilities in accordance with
29 Title 45, Code of Federal Regulations (herein referred to as CFR), Part 84 and the American with
30 Disabilities Act.

31 3. CONTRACTOR shall provide at a minimum, on site or by referral, prenatal and postpartum
32 medical care, pediatric care, vocational/educational services to pregnant or parenting Clients.

33 4. CONTRACTOR shall be DMC Certified to provide DMC NTP services to DMC
34 beneficiaries prior to initiating this Contract. CONTRACTOR is expected to provide DMC treatment
35 services and bill per NTP billing guidelines. Therefore, CONTRACTOR must be:

- 36 a. DMC certified and with a billing system established before services commence.
37 b. Diligent and maintain active DMC certification throughout all Period(s) of this

1 Contract.

2 c. In close proximity to public transportation for easy access for Clients and their
3 parents/caregivers or other family/support persons who are participating in the Client's treatment.

4 d. A safe, drug-free, and welcoming environment and staff.

5 e. Able to provide private rooms for individual counseling, separate administrative area
6 for operations, billing and file storage.

7 f. Located in Orange County.

8 g. Certain to include DMC administrative costs of ten percent (10%) of the annual DMC
9 budget allocation for purposes of quality assurance to be provided by COUNTY.

10 //

11 D. PERSONS TO BE SERVED – CONTRACTOR shall serve adolescents and adults twelve (12)
12 years of age or older. In order to receive services through the DMC-ODS, the Client must be enrolled in
13 Medi-Cal, reside in Orange County, and meet medical necessity criteria, as outlined below. As
14 COUNTY resources allow and as approved by ADMINISTRATOR, CONTRACTOR may serve Clients
15 that are in the process of applying for Medi-Cal or those Clients that are in the process of having Medi-
16 Cal reinstated as long as Clients reside in Orange County and meet medical necessity criteria, as
17 outlined below.

18 E. MEDI-CAL ELIGIBILITY - MEDICAL NECESSITY

19 1. CONTRACTOR must verify the Medicaid eligibility determination of potential Clients.
20 The verification shall be reviewed and approved by ADMINISTRATOR prior to payment for services,
21 unless the individual is eligible to receive services from tribal health programs operating under the
22 Indian Self Determination and Education Assistance Act (ISDEAA – Pub.L 93-638, as amended). If the
23 individual is eligible to receive services from tribal health programs operating under the ISDEAA, then
24 the determination shall be conducted as set forth in the Tribal Delivery System – Attachment BB to the
25 STCs. CONTRACTOR may accept uninsured persons with proof of Medi-Cal application.

26 2. The initial medical necessity determination for an individual to receive a DMC-ODS
27 benefit must be performed face-to-face by the Medical Director or appropriate designee within their
28 scope of practice and as allowed by state and federal regulations.

29 3. All Medi-Cal beneficiaries under the age of twenty-one (21) are eligible to receive
30 Medicaid services pursuant to the Early Periodic Screening, Diagnostic and Treatment (EPSDT)
31 mandate. Under the EPSDT mandate, beneficiaries under the age of twenty-one (21) are eligible to
32 receive all appropriate and medically necessary services needed to correct and ameliorate health
33 conditions that are coverable under section 1905(a) Medicaid authority, even if they do not meet criteria
34 for a substance use disorder (SUD) diagnosis. This includes treatment for risky substance use and early
35 engagement services. Nothing in the DMC-ODS overrides any EPSDT requirements. CONTRACTOR
36 is responsible for the provision of services pursuant to the EPSDT mandate. Beneficiaries under age
37 twenty-one (21) are eligible for DMC-ODS services without a diagnosis from the DSM for Substance-

1 Related and Addictive Disorders.

2 4. CONTRACTOR shall ensure Clients are reassessed for continued medical necessity and
3 appropriate level of care placement.

4 F. ADMISSIONS

5 1. CONTRACTOR shall accept any person who is physically and mentally able to comply
6 with the program's rules and regulations and is Medi-Cal eligible. Persons with co-occurring disorders
7 and/or chronic conditions who require prescribed medication shall not be precluded from acceptance or
8 admission solely based on their licit use of prescribed medication(s).

9 2. Beneficiaries may contact CONTRACTOR directly to request services. Beneficiaries may
10 also be referred to CONTRACTOR by the 24/7 Beneficiary Access Line, network providers, and other
11 access points determined by ADMINISTRATOR. CONTRACTOR shall enter data regarding requests
12 for service into an access log established by ADMINISTRATOR.

13 3. CONTRACTOR shall have policies and procedures in place to screen for emergency
14 medical conditions and immediately refer beneficiaries to emergency medical care.

15 4. CONTRACTOR shall have a policy that requires Clients who show signs of any
16 communicable disease, or through medical disclosure during the intake process admitting to a health-
17 related problem that would put others at risk, to be cleared medically before services are provided by the
18 program.

19 5. CONTRACTOR shall initiate services within reasonable promptness and shall have a
20 documented system for monitoring and evaluating the quality, appropriateness, and accessibility of care,
21 including a system for addressing problems that develop regarding admission wait times.

22 6. ADMISSION POLICY – CONTRACTOR shall establish and make available to the public
23 a written Admission Policy. CONTRACTOR's Admission Policy shall reflect all applicable federal,
24 state and county regulations.

25 G. INFORMING MATERIALS – CONTRACTOR is responsible to distribute informing materials
26 and provider lists that meet the content requirements of 42 CFR 438.100 to Clients when they first
27 access SUD services through the DMC-ODS and on request. Informing materials will be provided by
28 ADMINISTRATOR.

29 H. INTERIM SERVICES – Any DMC Client participating in NTP treatment not admitted within
30 three (3) calendar days due to lack of capacity shall be provided interim services. Interim services shall
31 consist of: Voluntary testing, referral for medical evaluation, if appropriate; and HIV education, HIV
32 risk assessment and disclosure counseling and voluntary confidential HIV antibody testing. For pregnant
33 women, interim services shall also include counseling on the effects of alcohol and drugs on the
34 developing fetus and referral to prenatal medical care services. Interim services may be provided
35 directly or by referral to ADMINISTRATOR or another appropriate provider and given to prospective
36 Clients within 48 hours. Provision of interim services for DMC covered Client with alcohol and/or other
37 drug problems, who could otherwise be admitted into substance use disorder outpatient treatment, shall

1 be documented in IRIS, and reported monthly by the fifth (5th) business day or as determined by
2 ADMINISTRATOR.

3 I. In the event of non-compliance with timely access to care requirements, ADMINISTRATOR
4 shall provide CONTRACTOR assistance to adhere to the requirements. ADMINISTRATOR shall also
5 issue a written report documenting the non-compliance and require CONTRACTOR to submit a CAP
6 within thirty (30) calendar days of the report. ADMINISTRATOR is responsible for approving the CAP
7 and verifying that corrections have been made to resolve timely access.

8 J. NTP SERVICES shall include: screening, assessment, physical examination, care coordination,
9 individual counseling, group counseling, collateral services, medication services, medical
10 psychotherapy, patient education, SUD crisis intervention services, and discharge services, as required
11 by federal, state, and COUNTY rules and regulations. NTP services are provided when determined to be
12 medically necessary by a physician or Physician Extender. All services and documentation shall meet
13 DMC standards. Components of NTP Services are:

14 1. ASSESSMENT – Within three (3) calendar days of admission, CONTRACTOR shall
15 assess the Client utilizing an ASAM-based Assessment tool approved by ADMINISTRATOR to
16 provide a standardized, comprehensive risk and needs assessment. Assessment of each Client shall
17 include, at a minimum, their history and current functioning status in the following categories: substance
18 use and prior treatment history, medical, family, psychiatric/psychological, social/recreational, financial,
19 educational, employment, criminal, legal status. Additionally, CONTRACTOR is encouraged to assess
20 each Client for stress management, literacy, developmental and cognitive levels, emotional skills, self-
21 help/independent living skills, risk of suicide, current/history of physical and/or sexual abuse, and
22 perpetration of physical and/or sexual abuse. Individuals assessed to need SUD services outside of NTP
23 services will be referred to providers within the network who can provide the needed service. If the
24 assessment indicates there is no medical necessity for any SUD treatment levels, an NOABD will be
25 provided to the Client after the assessment or mailed to the Client no later than three (3) business days
26 after the decision to deny SUD services has been made. The content of Client records shall follow Title
27 9, Section 10165 and all other requirements specified by this Contract.

28 2. PHYSICAL EXAMINATION - Before admitting a Client to treatment, the Medical
29 Director shall determine Medical Necessity by either conducting a medical evaluation or documenting
30 the review in agreement with a medical evaluation conducted by the physician's designee.

31 3. COUNSELING - Upon completion of the initial treatment plan, CONTRACTOR shall
32 arrange for Client to receive a minimum of fifty (50) minutes to a maximum of two hundred (200)
33 minutes of counseling services per calendar month for Maintenance, except when waived and
34 documented by CONTRACTOR's Medical Director. Counseling services shall be in accordance with
35 the following requirements:

- 36 a. Program staff member conducting the session must be a Counselor or LPHA;
37 b. The session must be conducted in a private setting in accordance with all applicable

1 federal, state, and COUNTY regulations regarding confidentiality; and

2 c. The format of the counseling session shall be in an Individual session, Group session,
3 or medical psychotherapy, with all services including a face-to-face discussion with the Client on issues
4 identified in the Client's treatment plan.

5 4. CARE COORDINATION – Consists of activities to provide coordination of SUD care,
6 mental health care, and medical care, and to support the Client with Linkages to services and supports
7 designed to restore the Client to their best possible functional level. Care coordination includes one or
8 more of the following components:

9 a. Coordinating with medical and mental health care providers to monitor and support
10 comorbid health conditions.

11 b. Discharge planning, including coordinating with SUD treatment providers to support
12 transitions between levels of care and to recovery resources, referrals to mental health providers, and
13 referrals to primary or specialty medical providers.

14 c. Coordinating with ancillary services, including individualized connection, referral, and
15 linkages to community-based services and supports including but not limited to educational, social,
16 prevocational, vocational, housing, nutritional, criminal justice, transportation, childcare, child
17 development, family/marriage education, cultural sources, and mutual aid support groups.

18 5. COLLATERAL SERVICES – Sessions with therapists or counselors and significant
19 persons in the life of the Client, focused on the treatment needs of the Client in terms of supporting the
20 achievement of their treatment goals. Significant persons are individuals that have a personal, not
21 official or professional, relationship with the Client.

22 6. NARCOTIC REPLACEMENT THERAPY – Medication prescription, administration, and
23 monitoring services provided in a stable, medically determined manner to reduce or eliminate chronic
24 opioid use disorder, while the Client is provided a comprehensive range of treatment services.

25 7. MEDICATION ASSISTED TREATMENT – CONTRACTOR shall either directly offer or
26 have an effective referral mechanism to MAT for Clients with SUD diagnoses that are treatable with
27 Food and Drug Administration (FDA)-approved medications or biological products. CONTRACTOR's
28 referral mechanism shall include a warm handoff by CONTRACTOR to the MAT provider to ensure the
29 Client has been accepted into the MAT provider's program. The warm handoff must be done in real-
30 time with the Client. Medically necessary MAT services directly offered by CONTRACTOR must be
31 provided in accordance with an individualized treatment plan determined by a licensed physician or
32 LPHA working within their scope of practice.

33 a. CONTRACTOR must ensure ability to continue MAT after discharge through Linkage
34 to appropriate prescriber. MAT shall include the assessment, treatment planning, ordering, prescribing,
35 administering, and monitoring of all medications for SUDs.

36 b. CONTRACTOR must provide administration of buprenorphine, buprenorphine
37 injectable (Sublocade), buprenorphine-naloxone, naltrexone, naltrexone injectable (Vivitrol)

1 ~~acamprosate, disulfiram, and naloxone as clinically appropriate for this population and approved by the~~
 2 ~~FDA. Other approved medications in the treatment of SUDs may also be prescribed and administered,~~
 3 ~~as medically necessary and clinically appropriate. CONTRACTOR must provide administration of~~
 4 ~~buprenorphine, buprenorphine-naloxone, naltrexone, acamprosate, disulfiram, and naloxone as clinically~~
 5 ~~appropriate for this population and approved by the FDA. Other approved medications in the treatment~~
 6 ~~of SUDs may also be prescribed and administered, as medically necessary and clinically appropriate.~~

7 c. CONTRACTOR must provide care coordination with treatment and ancillary service
 8 providers and facilitate transitions between levels of care. Clients may simultaneously participate in
 9 MAT services and other ASAM LOCs.

10 8. MAINTENANCE TREATMENT PLANNING - CONTRACTOR shall, within twenty-
 11 eight (28) calendar days of initiation of Narcotic Replacement Therapy for a Maintenance Client, have a
 12 registered, certified, and/or licensed Counselor/LPHA develop an individualized treatment plan with
 13 each Client per Title 9, Section 10305 which shall be based on the multi-dimensional assessment and
 14 health assessment.

15 a. Maintenance treatment plans shall include:

16 i) Goals, based on identified needs, to be achieved by the Client with estimated target
 17 dates for attainment in accordance with the following. Short-term goals are estimated to require eighty-
 18 nine (89) calendar days or less for Client to achieve. Long-term goals are estimated to require a
 19 specified time exceeding ninety (90) calendar days for Client to achieve.

20 ii) Specific behavioral tasks the Client must accomplish to complete each short-term
 21 and long-term goal;

22 iii) A description of the type and frequency of counseling services to be provided to
 23 the Client;

24 iv) An effective date based on the day the Counselor signed the initial treatment plan;

25 v) The SUD diagnosis shall appear on the treatment plan;

26 b. The Supervising Counselor shall review the initial maintenance services plan, along
 27 with the needs assessment, and all updated maintenance services plans within fourteen (14) calendar
 28 days from the effective dates and shall countersign these documents to signify concurrence with the
 29 findings; and

30 c. Medical Director or Designee will review the needs assessment, and sign the initial and
 31 all updated treatment plans within fourteen (14) calendar days of Counselor's signature.

32 d. CONTRACTOR's registered, certified, and/or licensed Counselor/LPHA shall evaluate
 33 and update the Client's treatment plan whenever necessary, or at a minimum once every three (3)
 34 months from the date of admission. The updated treatment plan shall include:

35 i) A summary of the Client's progress or lack of progress toward each goal identified
 36 in the initial treatment plan;

37 ii) New goals and behavioral tasks for any newly identified needs, and related changes

1 in the type and frequency of counseling services.

2 9. DETOXIFICATION TREATMENT PLANNING – CONTRACTOR shall develop an
3 individualized treatment plan for each detoxification Client which shall include:

4 a. Provisions to assist the Client to understand illicit drug addictions and how to deal with
5 them.

6 b. Provisions for furnishing services to the Client as needed when the period of
7 detoxification treatment is completed.

8 c. The treatment services required and a description of the role they play in achieving the
9 stated goals.

10 d. The type and frequency of scheduled counseling services.

11 10. SUBSTANCE USE SCREENING

12 a. CONTRACTOR shall have a written policy and procedure statement regarding alcohol
13 and drug screening that includes unannounced drug and/or alcohol testing upon admission to the
14 program and at a minimum of once a month and more often in situations where there is suspicion of use.
15 The urine specimen collection shall be observed by sex-congruent staff. This policy shall be approved
16 by ADMINISTRATOR. A Client shall not be denied admittance to treatment for a positive alcohol
17 and/or drug screen at admission if they meet all other criteria for admission. For those situations where
18 drug screening is deemed appropriate and necessary, CONTRACTOR shall:

19 i. Establish procedures that protect against the falsification and/or contamination of
20 any body specimen sample collected for drug screening;

21 ii. Document results of the drug screening in the Client's record; and

22 iii. Maintain a copy of on-site testing results in the Client's record indicating the
23 outcome and include the signature and date of the Client and staff conducting the testing.

24 b. Drug and/or alcohol test results can be used to assist in diagnosis, confirm clinical
25 impressions, help modify the treatment plan, and determine the extent of the Client's reduction in
26 substance use. However, clinical decisions should not be based solely on these results.

27 c. If any Maintenance Client's drug screen results indicate a negative pattern of testing
28 positive for non-opioid illegal substances, or methadone diversion, CONTRACTOR shall thoroughly
29 document the corrective action taken to refocus the Client. All counseling session discussions and
30 referrals/Linkages shall be documented.

31 d. In the event CONTRACTOR wishes to utilize the COUNTY-contracted laboratory for
32 drug screening purposes, CONTRACTOR shall collect and label samples from Clients.

33 e. Drug and/or Alcohol testing is not a DMC reimbursable service and is not to be
34 conducted during an Individual or Group session.

35 11. SUD CRISIS INTERVENTION SERVICES – CONTRACTOR shall provide sessions
36 between a therapist or counselor and a Client in crisis. Crisis means an actual relapse or an unforeseen
37 event or circumstance, which presents an imminent threat of relapse. Crisis intervention services shall

1 focus on alleviating the crisis problem and be limited to the stabilization of the Client's immediate
2 situation. These types of services are not scheduled and do not appear on the treatment plan and may be
3 provided on the same day as a scheduled group or individual service as initiated by the Client.

4 12. DISCHARGE SERVICES - The process to prepare the Client for referral into another level
5 of care, post treatment return or reentry into the community, and/or the Linkage of the Client to essential
6 community treatment, housing and human services. CONTRACTOR shall begin discharge planning
7 immediately upon enrollment. CONTRACTOR shall develop written procedures regarding Client
8 discharge.

9 a. Discharge Plan – CONTRACTOR shall develop a formal discharge plan within thirty
10 (30) calendar days prior to Client's planned discharge from the program. A discharge plan is to be
11 completed for each Client, except a Client with whom the provider loses contact. The discharge plan
12 shall be completed and signed by CONTRACTOR staff and the Client. A copy of the discharge plan
13 shall be provided to the Client and retained in the Client's record. The discharge plan shall include, but
14 not be limited to, all of the following:

15 i) A description of each of the Client's relapse triggers;
16 ii) A plan to assist the Client to avoid relapse when confronted with each trigger;
17 iii) A support plan, including linkage and referral of the Client to appropriate services,
18 such as outpatient treatment, other support services such as self-help groups, social services, vocational
19 rehabilitation, job training and other services, as needed.

20 b. Discharge Summary – The discharge summary is to be completed by the LPHA or
21 counselor within thirty (30) calendar days of the date of the last face-to-face treatment contact with the
22 Client. The discharge summary shall include all of the following:

23 i) The duration of the Client's treatment as determined by the dates of admission to
24 and discharge from treatment;
25 ii) The reason for discharge;
26 iii) A narrative of the treatment episode, including services provided and the Client's
27 progress during treatment; and
28 iv) The Client's prognosis

29 13. EVIDENCE-BASED PRACTICES - CONTRACTOR will implement at least two of the
30 following EBPs. The required EBPs include:

31 a. Motivational Interviewing: A Client-centered, empathetic, but directive counseling
32 strategy designed to explore and reduce a person's ambivalence toward treatment. This approach
33 frequently includes other problem-solving or solution-focused strategies that build on Clients' past
34 successes.

35 b. Cognitive-Behavioral Therapy: Based on the theory that most emotional and behavioral
36 reactions are learned and that new ways of reacting and behaving can be learned.

37 c. Relapse Prevention: A behavioral self-control program that teaches individuals with

1 substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention can be
 2 used as a stand-alone substance use treatment program or as an aftercare program to sustain gains
 3 achieved during initial substance use treatment.

4 d. Trauma-Informed Treatment: Services must take into account an understanding of
 5 trauma, and place priority on trauma survivors' safety, choice and control.

6 e. Psycho-Education: Psycho-educational groups are designed to educate Clients about
 7 substance abuse, and related behaviors and consequences. Psycho-educational groups provide
 8 information designed to have a direct application to Clients' lives; to instill self-awareness, suggest
 9 options for growth and change, identify community resources that can assist Clients in recovery,
 10 develop an understanding of the process of recovery, and prompt people using substances to take action
 11 on their own behalf.

12 14. CLINICAL DOCUMENTATION shall occur for each session attended by the Client and
 13 include treatment plan progress on each note for at least one problem area. Staff documenting for any
 14 //

15 Client's group or individual service shall understand progress notes are individualized narrative
 16 summaries and shall include the following:

17 a. The type and topic of the session and how the topic relates to substance use disorders in
 18 the content of the progress note;

19 b. A narrative describing the service, including how the service addressed the Client's
 20 behavioral health need (e.g., symptom, condition, diagnosis, and/or risk factors);

21 c. Information on attendance, including the date, start and end times of each group or
 22 individual and duration of the service, including travel and documentation time;

23 d. Location of the Client at the time of receiving the service;

24 e. Type or legibly print the name, date and signature of the counselor or therapist who
 25 conducted the session and document services within three (3) business days of providing a service
 26 except for crisis services notes which shall be completed within twenty-four (24) hours;

27 f. ICD 10 code;

28 g. Current Procedural Terminology (CPT) or Healthcare Common Procedure Coding
 29 System (HCPCS) code and the number of Clients in attendance;

30 h. Next steps including, but not limited to, planned action steps by the provider or by the
 31 Client, collaboration with the Client, collaboration with other provider(s) and any update to the
 32 treatment plan, as appropriate.

33 15. HEALTH, MEDICAL, PSYCHIATRIC, AND EMERGENCY SERVICES

34 a. CONTRACTOR shall provide directly or by referral: HIV education, voluntary,
 35 confidential HIV antibody testing and risk assessment and disclosure counseling.

36 b. CONTRACTOR shall have and post written procedures for obtaining medical or
 37 psychiatric evaluation and emergency services.

1 c. CONTRACTOR shall have readily available the name, address, and telephone number
2 for the fire department, a crisis center, local law enforcement, and a paramedical unit or ambulance
3 service.

4 d. CONTRACTOR shall obtain the medical records and record the Client's medical
5 information in their file including all applicable authorizations to disclose information, primary care
6 physician (PCP) name and location, medical history, medications, and significant conditions.
7 CONTRACTOR shall notify the medical home provider immediately upon intake and shall request
8 medical records within one (1) week. After review of medical records received, the Medical Director of
9 CONTRACTOR shall consult with the PCP at the medical home to ensure proper coordination of care
10 within thirty (30) calendar days. If medication is prescribed, SUD clinical staff will notify the medical
11 home provider within one (1) week of prescribing. If no medical home is identified, CONTRACTOR
12 will discuss the benefits of coordinated/integrated care and identifying a medical home shall be a goal
13 on the treatment plan. All progress towards and attempts to link the Client to a medical home will be
14 documented in the file.

15 16. Physician/Clinician Consultation Services – Clinician Consultation consists of DMC-ODS
16 LPHAs consulting with LPHAs, such as addiction medicine physicians, addiction psychiatrists, licensed
17 clinicians, or clinical pharmacists, to support the provision of care. CONTRACTOR will have access to
18 Clinician Consultation Services defined as DMC clinicians consulting with addiction medicine
19 physicians, addiction psychiatrists, clinicians or clinical pharmacists. Clinician consultation services are
20 designed to support DMC-ODS licensed clinicians with complex cases and may address medication
21 selection, dosing, side effect management, adherence, drug-drug interactions, or level of care
22 considerations. It includes consultations between clinicians designed to assist DMC clinicians with
23 seeking expert advice on treatment needs for specific DMC-ODS beneficiaries. This service is distinct
24 from internal care coordination or supervision.

25 K. ORIENTATION – CONTRACTOR shall advise Client of the nature and purpose of treatment
26 and shall document the Client's acknowledgement of orientation in the Client's file. The program
27 orientation shall be documented in the Client's file, and shall include, but not be limited to:

- 28 1. The addicting nature of medications used in replacement narcotic therapy;
- 29 2. The hazards and risks involved in replacement narcotic therapy;
- 30 3. The Client's responsibility to the program;
- 31 4. The program's responsibility to the Client;
- 32 5. The Client's participation in the program is wholly voluntary and the Client may terminate
33 his/her participation in the program at any time without penalty;
- 34 6. The Client will be tested for evidence of use of opiates and other illicit drugs;
- 35 7. The Client's medically determined dosage level may be adjusted without the Client's
36 knowledge, and at some later point the Client's dose may contain no medications used in replacement
37 narcotic therapy;

1 8. Take-home medication which may be dispensed to the Client is only for the Client's
2 personal use;

3 9. Misuse of medications will result in specified penalties within the program and may also
4 result in criminal prosecution;

5 10. The Client has a right to a humane procedure of withdrawal from medications used in
6 replacement narcotic therapy and a procedure for gradual withdrawal is available;

7 11. Possible adverse effects of abrupt withdrawal from medications used in replacement
8 narcotic therapy;

9 12. Protection under the confidentiality requirements.

10 L. ADDITIONAL REQUIREMENTS FOR PREGNANT CLIENTS - Within fourteen (14)
11 calendar days from the date the primary counselor becomes aware the Client may be pregnant, as
12 documented in the Client's file, the medical director shall review, sign, and date a confirmation of
13 pregnancy, document acceptance of medical responsibility of the Client's prenatal care, or verify and
14 document the Client is under the care of a physician licensed by the State of California and trained in
15 obstetrics and/or gynecology.

16 1. Within fourteen (14) calendar days from the date the medical director confirmed the
17 pregnancy, the primary counselor shall update the Client's treatment plan in accordance with Title 9,
18 Section 10305. The nature of prenatal support reflected in subsequent updated treatment plans shall
19 include at least the following services:

20 a. periodic face-to-face consultation at least monthly with the medical director or
21 Physician Extender designated by the medical director;

22 b. drug/alcohol screens at least once each calendar week in accordance with collection
23 procedures in Title 9, Section 10310.

24 //

25 c. prenatal instruction conducted by the medical director or licensed health personnel
26 designated by the medical director, including topics as listed in Title 9, Section 10360.

27 2. Any refusals to access on-site prenatal care or referrals for such, shall be documented in the
28 Client's file and have the Client acknowledge in writing said refusals for these treatment services.

29 3. Within fourteen (14) calendar days after the date of birth and/or termination of the
30 pregnancy, the medical director shall document in the Client's file the following:

31 a. the hospital's or attending physician's summary of the delivery and treatment outcome
32 for the Client and child; or

33 b. Evidence that a request for information was made, but no response was received.

34 4. Within fourteen (14) calendar days of the date of birth and/or termination of the pregnancy,
35 the primary counselor shall update the Client's treatment plan. The nature of pediatric care and child
36 immunization shall be reflected in subsequent updated treatment plans until the child is at least three (3)
37 years of age, should the Client remain enrolled.

1 M. ADDITIONAL REQUIREMENTS FOR ADOLESCENT CLIENTS

2 1. Detoxification treatment for Clients who are under 18 years old requires written consent of
3 their parent(s) or guardian prior to the administration of the first medication dose.

4 2. In order for Clients who are under 18 years old to receive maintenance treatment, there
5 must be a documented history of two unsuccessful attempts at short-term detoxification or drug-free
6 treatment within a twelve (12) month period. The methods to confirm this history and the types of
7 documentation to be maintained in the Client's record shall be stated in the protocol. Additionally, for
8 Clients under the age of 18 years old, written consent of their parent(s) or guardian prior to the
9 admission into maintenance treatment is required.

10 3. CONTRACTOR shall adhere to the Adolescent Substance Use Disorder Best Practices
11 Guide when treating adolescents 12 through 17 years old.

12 N. CONTINUATION OF TREATMENT – CONTRACTOR shall provide updated justification for
13 treatment for Clients who have been on methadone maintenance for a period of one (1) year, and
14 provide this justification annually thereafter as per Title 9, Section 10410. Justification shall be provided
15 by the Medical Director or program physician and noted in Client's file. Without said justification the
16 medical director or program physician shall discontinue Client's maintenance services.

17 O. PERFORMANCE OBJECTIVES AND OUTCOMES – CONTRACTOR shall meet the
18 following performance Objectives and Outcomes:

19 1. Achieve a goal of twenty percent (20%) or fewer of all unduplicated Clients who test
20 positive for illicit drugs after an enrollment of ninety (90) calendar days.

21 2. Achieve a goal of retaining at least seventy percent (70%) of Clients who are enrolled each
22 month. Retention rates will be based on the number of Clients who either remain in treatment or
23 successfully complete treatment within the month.

24 //

25 3. Achieve a goal of at least seventy percent (70%) of unduplicated Clients who after an
26 enrollment of ninety (90) calendar days self-report being able to lead a productive lifestyle. A
27 productive lifestyle includes employment, being enrolled in school, becoming a caretaker, or community
28 volunteer.

29 4. Adhere to the National Standards for Culturally and Linguistically Appropriate Services in
30 Health and Health Care and respond to each standard as directed by HCA.

31 P. MEETINGS – CONTRACTOR's Executive Director and Chief Financial Officer or designees
32 shall participate in monthly meetings facilitated by ADMINISTRATOR related to the provision of
33 services pursuant to this Contract. Active participation in regular SUD Quality Improvement (QI)
34 Coordinator's meetings organized by the Authority and Quality Improvement Services (AQIS) Quality
35 Management program is required for at least one dedicated program QI coordinator/professional.

36 Q. CULTURAL COMPETENCY – CONTRACTOR shall provide culturally competent services.
37 CONTRACTOR shall make its best effort to provide services pursuant to this Contract in a manner that

1 is culturally and linguistically appropriate for the population(s) served. CONTRACTOR must ensure
 2 that their policies, procedures, and practices are consistent with the principles outlined and are
 3 embedded in the organizational structure, as well as being upheld in day-to-day operations.
 4 CONTRACTOR shall maintain documentation of such efforts which may include, but not be limited to:
 5 records of participation in COUNTY-sponsored or other applicable training; recruitment and hiring
 6 policies and procedures; copies of literature in multiple languages and formats, as appropriate; and
 7 descriptions of measures taken to enhance accessibility for, and sensitivity to, individuals who are
 8 physically challenged. CONTRACTOR shall refer to Culturally and Linguistically Appropriate Services
 9 (CLAS) adapted by DHCS to develop culturally informed services.

10 R. CONTRACTOR shall include bilingual/bicultural services to meet the needs of threshold
 11 languages as determined by COUNTY. Language translation services must be available for Clients and
 12 their involved family members, as needed. Whenever possible, bilingual/bicultural staff should be
 13 retained. Any clinical vacancies occurring at a time when bilingual and bicultural composition of the
 14 clinical staffing does not meet the above requirement must be filled with bilingual and bicultural staff
 15 unless ADMINISTRATOR consents, in advance and in writing, to the filling of those positions with
 16 non-bilingual staff. Salary savings resulting from such vacant positions may not be used to cover costs
 17 other than salaries and employees benefits unless otherwise authorized, in advance and in writing, by
 18 ADMINISTRATOR.

19 S. POSTINGS – CONTRACTOR shall post the following in a prominent place within each
 20 contracted facility:

- 21 1. State Licensure and Certification
- 22 2. Business License
- 23 3. Conditional Use Permit (if applicable)
- 24 4. Fire clearance
- 25 5. Client rights
- 26 6. Grievance procedures and form
- 27 7. Availability of translation services at no cost
- 28 8. Employee Code of Conduct
- 29 9. Evacuation floor plan
- 30 10. Equal Employment Opportunity notices
- 31 11. Name, address, telephone number for fire department, crisis program, local law
 32 enforcement, and ambulance service.
- 33 12. List of resources within Orange County which shall include medical, dental, mental health,
 34 public health, social services and where to apply for determination of eligibility for Federal, State, or
 35 County entitlement programs.
- 36 13. Information on self-help meetings. AA, NA, and non-12 step meetings shall be included.

37 T. Program shall utilize protocols developed and supported by the Medical Director. These

1 protocols shall provide procedures should a Client's condition deteriorate and appear to need medical
2 intervention.

3 U. NO PROSELYTIZING POLICY – CONTRACTOR shall not conduct any proselytizing
4 activities, regardless of funding sources, with respect to any person who has been referred to
5 CONTRACTOR by COUNTY under the terms of this Contract. Further, CONTRACTOR agrees that
6 the funds provided hereunder shall not be used to promote, directly or indirectly, any religion, religious
7 creed or cult, denomination or sectarian institution, or religious belief.

8 V. AUTHORITY – CONTRACTOR shall recognize the authority of Orange County Probation
9 Department (OCPD) as officers of the court and shall extend cooperation to OCPD within the
10 constraints of CONTRACTOR's program.

11 W. NON-SMOKING POLICY – CONTRACTOR shall establish a written non-smoking policy,
12 which shall be reviewed and approved by ADMINISTRATOR. At a minimum, the non-smoking policy
13 shall specify the facilities are "smoke free" and Clients are prohibited from smoking at all times. The
14 policy shall also specify that vaping is prohibited at all times.

15 X. OPIOID OVERDOSE EMERGENCY TREATMENT – CONTRACTOR shall have available
16 at minimum two (2) unexpired Naloxone doses for the treatment of known or suspected opioid
17 overdose. At least one (1) staff per shift shall be trained in administering the Naloxone. Naloxone is not
18 a substitute for emergency medical care. CONTRACTOR shall always seek emergency medical
19 assistance in the event of a suspected, potentially life-threatening opioid emergency.

20 Y. TOKENS – ADMINISTRATOR will provide CONTRACTOR the necessary number of Tokens
21 for appropriate individual staff to access IRIS at no cost to CONTRACTOR.

22 1. CONTRACTOR recognizes Tokens are assigned to a specific individual staff member with
23 a unique password. Tokens and passwords shall not be shared with anyone.

24 //

25 2. CONTRACTOR shall maintain an inventory of the Tokens, by serial number, and the staff
26 member to whom each is assigned.

27 3. CONTRACTOR shall indicate in the monthly staffing report, the serial number of the
28 Token for each staff member assigned a Token.

29 4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following
30 conditions:

- 31 a. Token of each staff member who no longer supports this Contract.
- 32 b. Token of each staff member who no longer requires access to IRIS.
- 33 c. Token of each staff member who leaves employment of CONTRACTOR.
- 34 d. Tokens malfunctioning.
- 35 e. Termination of this Contract.

36 5. ADMINISTRATOR will issue tokens for CONTRACTOR's staff members who require
37 access to IRIS upon initial training or as a replacement for malfunctioning Tokens.

1 6. CONTRACTOR shall reimburse COUNTY for tokens lost, stolen, or damaged through acts
2 of negligence.

3 7. CONTRACTOR shall input all IRIS data following COUNTY procedure and practice. All
4 statistical data used to monitor CONTRACTOR shall be compiled using only COUNTY IRIS reports, if
5 available, and if applicable.

6 Z. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of
7 CONTRACTOR's administrative and program P&Ps. CONTRACTOR shall provide signature
8 confirmation of its P&P training for each staff member and place in their personnel files.

9 AA. CONTRACTOR shall ensure that all staff responsible for input into IRIS are to complete
10 IRIS New User Training.

11 AB. CONTRACTOR shall conduct Supervisory Review of Client records at minimum upon
12 admission, at thirty (30) calendar day intervals, and upon discharge in accordance with procedures
13 developed by ADMINISTRATOR. CONTRACTOR shall ensure that all chart documentation complies
14 with all federal, state, and local guidelines and standards.

15 AC. CONTRACTOR shall provide effective administrative management of the budget, staffing,
16 recording, and reporting portion of this Contract with COUNTY. If administrative responsibilities are
17 delegated to subcontractors, CONTRACTOR must ensure that any subcontractor(s) possess the
18 qualifications and capacity to perform all delegated responsibilities. These responsibilities include, but
19 are not limited, to the following:

20 1. Designate the responsible position(s) in your organization for managing the funds allocated
21 to the program;

22 2. Maximize the use of the allocated funds;

23 3. Ensure timely and accurate reporting of monthly expenditures;

24 4. Maintain appropriate staffing levels;

25 5. Request budget and/or staffing modifications to this Contract;

26 6. Effectively communicate and monitor the program for its success;

27 7. Track and report expenditures electronically;

28 8. Maintain electronic and telephone communication between CONTRACTOR and
29 ADMINISTRATOR; and,

30 9. Act quickly to identify and solve problems.

31 AD. CONTRACTOR shall notify ADMINISTRATOR, in writing, within twenty-four (24) hours of
32 becoming aware of any occurrence of a serious nature, which may expose COUNTY to liability. Such
33 occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or
34 damage to any COUNTY property in possession of CONTRACTOR.

35 AE. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours, of
36 any significant program changes.

37 AF. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the

1 Services Paragraph of this Exhibit A to the Contract.

3 **VI. STAFFING**

4 A. CONTRACTOR shall ensure that all clinical staffing, including those providing direct Client
5 services, meet the requirements of Title 22, Title 9 of the CCR, and CALAIM DMC-ODS Program
6 updates as they exist now or may hereafter be amended or changed and all standards of the Department
7 of Health Care Services.

8 B. CONTRACTOR shall ensure that administrative staffing is sufficient to support the
9 performance of services pursuant to the Contract.

10 C. Professional staff shall be licensed, registered, certified, or recognized under California scope of
11 practice statutes. Professional staff shall provide services within their individual scope of practice and
12 receive supervision required under their scope of practice laws.

13 D. Professional staff shall undergo the HCA credentialing process by the AQIS Managed Care
14 Support Team (MCST) prior to rendering any Medi-Cal covered services.

15 1. CONTRACTOR shall comply with the requirements of the State's established, uniform
16 credentialing and re-credentialing policy that addresses behavioral and substance use disorders, outlined
17 in DHCS Information Notice 18-019.

18 2. CONTRACTOR shall follow COUNTY's process for credentialing and re-credentialing of
19 network providers and shall ensure that all registered, licensed, or certified staff who deliver Medi-Cal
20 covered services are properly credentialled by COUNTY before delivering any Medi-Cal covered
21 services.

22 E. Non-professional staff shall receive appropriate onsite orientation and training prior to
23 performing assigned duties. Non-professional staff shall be supervised by professional and/or
24 administrative staff.

25 F. Professional and Non-professional staff are required to have appropriate experience and any
26 necessary training at the time of hiring.

27 G. Registered and certified SUD counselors shall adhere to all requirements in the CCR, Title 9,
28 Division 4, Chapter 8.

29 H. Substance Use Disorder Staffing levels and qualifications shall meet the requirements of the
30 State Department of Health Care Services (DHCS) Counselor Certification Standards for California for
31 Outpatient Services and CCR, Title 9, Chapter 8. All staff providing treatment services shall be licensed
32 and/or certified in accordance with state requirements, and professional guidelines, as applicable. At
33 least thirty percent (30%) of staff providing counseling (group, individual, case management, and
34 intake) services in all AOD programs shall be licensed or certified pursuant to the requirements of Title
35 9, Division 4, Chapter 8. All other counseling staff shall be registered pursuant to Section 13035(f).

36 I. CONTRACTOR must have a Medical Director who, prior to the delivery of services under this
37 Contract has enrolled with DHCS under applicable state regulations, has been screened in accordance

1 with 42 CFR 455.450(a) as a “limited” categorical risk within a year prior to serving as a Medical
2 Director under this Contract.

- 3 1. The Medical Director’s responsibilities shall, at a minimum, include all of the following:
4 a. Ensure that medical care provided by physicians, registered nurse practitioners, and
5 physician assistants meets the applicable standard of care;
6 b. Ensure that physicians do not delegate their duties to non-physician personnel;
7 c. Develop and implement medical policies and standards for the provider;
8 d. Ensure that physicians, registered nurse practitioners, and physician assistants follow
9 the provider's medical policies and standards;
10 e. Ensure that the medical decisions made by physicians are not influenced by fiscal
11 considerations;
12 f. Ensure that provider's physicians and LPHAs are adequately trained to perform
13 diagnosis of substance use disorders for Clients and determine the medical necessity of treatment for
14 Clients;
15 g. Ensure that provider's physicians are adequately trained to perform other physician
16 duties, as outlined in this section.

17 2. The substance use disorder Medical Director may delegate his/her responsibilities to a
18 physician or Physician Extender consistent with the provider's medical policies and standards and state,
19 federal, and COUNTY rulings. The substance use disorder Medical Director shall remain responsible
20 for ensuring all delegated duties are properly performed.

21 3. Written roles and responsibilities and a code of conduct for the Medical Director shall be
22 clearly documented, signed and dated by a provider representative and the physician.

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25 J. CONTRACTOR must maintain at least one designated Quality Assurance coordinator to track
26 data outcomes and report on ability to meet performance objectives and ensure file compliance with this
27 Contract and the DMC-ODS Implementation Plan.

28 K. CONTRACTOR’s certification to participate in the DMC program shall automatically
29 terminate in the event CONTRACTOR or its owners, officers or directors are convicted of Medi-Cal
30 fraud, abuse or malfeasance. For purposes of this section, a conviction shall include a plea of guilty or
31 nolo contendere.

32 L. VOLUNTEERS/INTERNS – CONTRACTOR may augment the above paid staff with
33 volunteers or part-time student interns. Unless waived by ADMINISTRATOR, prior to providing
34 services pursuant to this Contract, interns shall be Master's Candidates in Counseling or Social Work or
35 have a Bachelor's Degree in a related field or be participating in any state recognized counselor
36 certification program. Additionally, volunteers or student interns must be AOD registered or certified.
37 CONTRACTOR shall provide supervision of work by interns consistent with school or licensing Board

1 requirements. CONTRACTOR shall provide supervision to volunteers as specified in the respective job
 2 descriptions or work contracts. Volunteer or student intern services may not comprise more than twenty
 3 percent (20%) of the services provided, unless approved in advance by ADMINISTRATOR. If utilizing
 4 the services of volunteers or student interns, CONTRACTOR shall implement procedures which address
 5 the following: recruitment; screening; selection; training and orientation; duties and assignments; scope
 6 of practice; supervision; evaluation; and Client confidentiality.

7 M. CONTRACTOR shall develop a policy governing supervision of staff that will be approved by
 8 ADMINISTRATOR. That policy will address the training needs and requirements of all staff.

9 N. CONTRACTOR shall provide ongoing supervision throughout all shifts to all staff, albeit paid
 10 or unpaid, direct line staff or supervisors/directors, to enhance service quality and program
 11 effectiveness. Supervision methods should include debriefings and consultation as needed, individual
 12 supervision or one-on-one support, and team meetings. Supervision should be provided by a supervisor
 13 who has extensive knowledge regarding substance use disorders.

14 O. STAFF CONDUCT – CONTRACTOR shall establish a written policies and procedures for
 15 employees, volunteers, interns, and members of the Board of Directors which shall include, but not be
 16 limited to, standards related to the use of drugs and/or alcohol; staff-Client relationships; prohibition of
 17 sexual conduct with Clients; prohibition of forging or falsifying documents or drug tests; and real or
 18 perceived conflict of interest. Situations that may be perceived as a conflict of interest shall be brought
 19 to ADMINISTRATOR’s attention prior to the occurrence. Prior to providing any services pursuant to
 20 the Contract all employees, volunteers, and interns shall agree in writing to maintain the standards set
 21 forth in the said policies and procedures. A copy of said policies and procedures shall be provided to
 22 each Client upon admission and shall be posted in writing in a prominent place in the treatment facility.

23 P. STAFF/VOLUNTEER/INTERN SCREENING - CONTRACTOR shall provide pre-
 24 employment “live scan” screening of any staff person providing any service pursuant to the Contract.
 25 All new staff, volunteers, and interns shall pass a one-time “live scan” fingerprinting background check
 26 prior to employment. ADMINISTRATOR may change this approval mechanism at their discretion.

27 1. All staff, prior to hiring, shall meet the following requirements:

28 a. No person shall have been convicted of a sex offense for which the person is required
 29 to register as a sex offender under California Penal Code section 290;

30 b. No person shall have been convicted of an arson offense – Violation of Penal Code
 31 sections 451, 451.1, 451.5, 452, 452.1, 453, 454, or 455;

32 c. No person shall have been convicted of any violent felony as defined in Penal Code
 33 section 667.5, which involve doing bodily harm to another person, for which the staff member was
 34 convicted within five years prior to employment;

35 d. No person shall be on parole or probation;

36 e. No person shall have prior employment history of improper conduct, including but not
 37 limited to, forging or falsifying documents or drug tests, sexual assault or sexual harassment, or

1 inappropriate behavior with staff at another treatment facility.

2 f. No person shall participate in the criminal activities of a criminal street gang and/or
3 prison gang.

4 Q. STAFF TRAINING - CONTRACTOR shall develop a written plan for staff training. All Staff
5 training shall be documented and maintained as part of the training plan and shall adhere to
6 requirements set forth by HCA Authority and Quality Improvement Services Policies and Procedures.

7 1. All personnel shall be trained or shall have experience which provides knowledge of the
8 skills required in the following areas, as appropriate to the job assigned, and as evidenced by safe and
9 effective job performance:

10 a. General knowledge of alcohol and/or drug abuse and alcoholism and the principles of
11 recovery;

12 b. Analysis of illicit drug use, the meaning of the analysis results, and procedures to be
13 followed by CONTRACTOR to alleviate continued use;

14 c. Housekeeping and sanitation principles;

15 d. Principles of communicable disease prevention and control;

16 e. Recognition of early signs of illness and the need for professional assistance;

17 f. Availability of community services and resources;

18 g. Recognition of individuals under the influence of alcohol and/or drugs.

19 2. CONTRACTOR shall ensure that within thirty (30) calendar days of hire and on an annual
20 basis, all program staff including administrator, volunteers, and interns shall complete:

21 a. Annual County Compliance Training;

22 b. A minimum of one (1) hour of training in cultural competence.

23 3. In addition to the above, CONTRACTOR shall ensure that staff complete training as
24 follows:

25 a. Professional staff (Licensed Professionals of the Healing Arts), including Medical
26 Directors, shall receive a minimum of five (5) hours of continuing education related to substance use
27 disorders annually.

28 b. All providers, including volunteers and interns, providing DMC-ODS services are
29 required to be trained and complete at least once prior to providing services, the following two (2)
30 training modules:

31 i. American Society of Addiction Medicine (ASAM) Multidimensional Assessment
32 (sometimes referred to as ASAM-A or ASAM I).

33 ii. Assessment to Service Planning and Level of Care (sometimes referred to as ASAM-
34 B or ASAM II).

35 iii. This requirement applies to all physicians and Medical Directors regardless of their
36 role in the program and may only be waived for physicians/Medical Directors who are Board Certified
37 with an Addiction sub-specialty.

1 c. All providers, including Medical Director, and administrators must receive training on
 2 DMC-ODS requirements at least annually. These requirements will be contained in the COUNTY-
 3 developed Annual Provider Training.~~All providers and administrators must receive training on DMC-~~
 4 ~~ODS requirements at least annually. These requirements will be contained in the COUNTY-developed~~
 5 ~~Annual Provider Training.~~

6 d. All clinical staff, on-site Quality Management staff, and all supervisors must complete
 7 DMC-ODS/SUD documentation training within ninety (90) calendar days of hire; however, compliant
 8 documentation is required from the onset of services;

9 e. All staff providing clinical services must complete annual training in the two minimum
 10 EBPs utilized at the program. Motivational Interviewing must be taken at least once and will count as
 11 one EBP for the year. CONTRACTOR may choose other EBP courses after;

12 f All staff providing on-site services must complete training on Naloxone
 13 Administration;

14 g. Additional trainings as required by ADMINISTRATOR.

15 R. PERSONNEL FILES – CONTRACTOR shall maintain personnel files and ensure continued
 16 compliance with required credentials and trainings for each staff person, including management and
 17 other administrative positions, subcontractors, and volunteers/interns, both direct and indirect to this
 18 Contract, which shall include, but not be limited to:

- 19 1. Application for employment and/or resume;
- 20 2. Signed employment confirmation statement/duty statement;
- 21 3. Job description;
- 22 4. Salary schedule and salary adjustment information;
- 23 5. Performance evaluations;
- 24 6. Health records/status as required by the provider, AOD Certification or Title 9;
- 25 7. Other personnel actions (e.g., commendations, discipline, status change, employment
 26 incidents and/or injuries);
- 27 8. Training documentation relevant to substance use disorders and treatment;
- 28 9. Current registration, certification, intern status, or licensure;
- 29 10. Proof of continuing education required by licensing or certifying agency and program;
- 30 11. CONTRACTOR's Code of Conduct; and
- 31 12. For registered, certified, and licensed staff, a copy of the certifying/licensing body's code of
 32 conduct;
- 33 13. All personnel files shall be complete and made readily accessible to ADMINISTRATOR
 34 for purposes of audits and investigations or any other reason deemed necessary by ADMINISTRATOR.

35 S. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
 36 Staffing Paragraph of this Exhibit A to the Contract.

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1 EXHIBIT B
 2 TO CONTRACT FOR PROVISION OF
 3 DRUG MEDI-CAL NARCOTIC REPLACEMENT THERAPY TREATMENT SERVICES
 4 BETWEEN
 5 COUNTY OF ORANGE
 6 AND
 7 WESTERN PACIFIC MED-CORP
 8 JULY 1, 2023 THROUGH JUNE 30, 2025
 9

10 **I. BUSINESS ASSOCIATE CONTRACT**

11 A. GENERAL PROVISIONS AND RECITALS

12 1. The parties agree that the terms used, but not otherwise defined in the Common Terms and
 13 Definitions Paragraph of Exhibit A to this Contract or in Subparagraph B. below, shall have the same
 14 meaning given to such terms under HIPAA, the HITECH Act, and their implementing regulations at
 15 45 CFR Parts 160 and 164 (“the HIPAA regulations”) as they may exist now or be hereafter amended.

16 2. The parties agree that a business associate relationship under HIPAA, the HITECH Act,
 17 and the HIPAA regulations between the CONTRACTOR and COUNTY arises to the extent that
 18 CONTRACTOR performs, or delegates to subcontractor to perform, functions or activities on behalf of
 19 COUNTY pursuant to, and as set forth in this Contract that are described in the definition of “Business
 20 Associate” in 45 CFR § 160.103.

21 3. The COUNTY wishes to disclose to CONTRACTOR certain information pursuant to the
 22 terms of this Contract, some of which may constitute PHI, as defined below in Subparagraph B.10, to be
 23 used or disclosed in the course of providing services and activities pursuant to, and as set forth in this
 24 Contract.

25 4. The parties intend to protect the privacy and provide for the security of PHI that may be
 26 created, received, maintained, transmitted, used, or disclosed pursuant to this Contract in compliance
 27 with the applicable standards, implementation specifications, and requirements of HIPAA, the HITECH
 28 Act, and the HIPAA regulations as they may exist now or be hereafter amended.

29 5. The parties understand and acknowledge that HIPAA, the HITECH Act, and the HIPAA
 30 regulations do not pre-empt any state statutes, rules, or regulations that are not otherwise pre-empted by
 31 other Federal law(s) and impose more stringent requirements with respect to privacy of PHI.

32 6. The parties understand that the HIPAA Privacy and Security rules, as defined below in
 33 Subparagraphs B.9 and B.14, apply to the CONTRACTOR in the same manner as they apply to the
 34 covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the
 35 terms of this Business Associate Contract, as it exists now or be hereafter updated with notice to
 36 CONTRACTOR and the applicable standards, implementation specifications, and requirements of the
 37 //

1 Privacy and the Security rules, as they may exist now or be hereafter amended, with respect to PHI and
 2 electronic PHI created, received, maintained, transmitted, used, or disclosed pursuant to this Contract.

3 B. DEFINITIONS

4 1. "Administrative Safeguards" are administrative actions, and policies and procedures, to
 5 manage the selection, development, implementation, and maintenance of security measures to protect
 6 electronic PHI and to manage the conduct of CONTRACTOR's workforce in relation to the protection
 7 of that information.

8 2. "Breach" means the acquisition, access, use, or disclosure of PHI in a manner not permitted
 9 under the HIPAA Privacy Rule which compromises the security or privacy of the PHI.

10 a. Breach excludes:

11 1) Any unintentional acquisition, access, or use of PHI by a workforce member or
 12 person acting under the authority of CONTRACTOR or COUNTY, if such acquisition, access, or use
 13 was made in good faith and within the scope of authority and does not result in further use or disclosure
 14 in a manner not permitted under the Privacy Rule.

15 2) Any inadvertent disclosure by a person who is authorized to access PHI at
 16 CONTRACTOR to another person authorized to access PHI at the CONTRACTOR, or organized health
 17 care arrangement in which COUNTY participates, and the information received as a result of such
 18 disclosure is not further used or disclosed in a manner not permitted under the HIPAA Privacy Rule.

19 3) A disclosure of PHI where CONTRACTOR or COUNTY has a good faith belief
 20 that an unauthorized person to whom the disclosure was made would not reasonably have been able to
 21 retain such information.

22 b. Except as provided in Subparagraph a. of this definition, an acquisition, access, use, or
 23 disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule is presumed to be a breach
 24 unless CONTRACTOR demonstrates that there is a low probability that the PHI has been compromised
 25 based on a risk assessment of at least the following factors:

26 1) The nature and extent of the PHI involved, including the types of identifiers and the
 27 likelihood of re-identification;

28 2) The unauthorized person who used the PHI or to whom the disclosure was made;

29 3) Whether the PHI was actually acquired or viewed; and

30 4) The extent to which the risk to the PHI has been mitigated.

31 3. "Data Aggregation" shall have the meaning given to such term under the HIPAA Privacy
 32 Rule in 45 CFR § 164.501.

33 4. "DRS" shall have the meaning given to such term under the HIPAA Privacy Rule in
 34 45 CFR § 164.501.

35 5. "Disclosure" shall have the meaning given to such term under the HIPAA regulations in
 36 45 CFR § 160.103.

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1 6. "Health Care Operations" shall have the meaning given to such term under the HIPAA
2 Privacy Rule in 45 CFR § 164.501.

3 7. "Individual" shall have the meaning given to such term under the HIPAA Privacy Rule in
4 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance
5 with 45 CFR § 164.502(g).

6 8. "Physical Safeguards" are physical measures, policies, and procedures to protect
7 CONTRACTOR's electronic information systems and related buildings and equipment, from natural
8 and environmental hazards, and unauthorized intrusion.

9 9. "The HIPAA Privacy Rule" shall mean the Standards for Privacy of Individually
10 Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

11 10. "PHI" shall have the meaning given to such term under the HIPAA regulations in
12 45 CFR § 160.103.

13 11. "Required by Law" shall have the meaning given to such term under the HIPAA Privacy
14 Rule in 45 CFR § 164.103.

15 12. "Secretary" shall mean the Secretary of the Department of Health and Human Services or
16 his or her designee.

17 13. "Security Incident" means attempted or successful unauthorized access, use, disclosure,
18 modification, or destruction of information or interference with system operations in an information
19 system. "Security incident" does not include trivial incidents that occur on a daily basis, such as scans,
20 "pings", or unsuccessful attempts to penetrate computer networks or servers maintained by
21 CONTRACTOR.

22 14. "The HIPAA Security Rule" shall mean the Security Standards for the Protection of
23 electronic PHI at 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

24 15. "Subcontractor" shall have the meaning given to such term under the HIPAA regulations in
25 45 CFR § 160.103.

26 16. "Technical safeguards" means the technology and the policy and procedures for its use that
27 protect electronic PHI and control access to it.

28 17. "Unsecured PHI" or "PHI that is unsecured" means PHI that is not rendered unusable,
29 unreadable, or indecipherable to unauthorized individuals through the use of a technology or
30 methodology specified by the Secretary of Health and Human Services in the guidance issued on the
31 HHS Web site.

32 18. "Use" shall have the meaning given to such term under the HIPAA regulations in
33 45 CFR § 160.103.

34 C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE:

35 1. CONTRACTOR agrees not to use or further disclose PHI COUNTY discloses to
36 CONTRACTOR other than as permitted or required by this Business Associate Contract or as required
37 by law.

1 2. CONTRACTOR agrees to use appropriate safeguards, as provided for in this Business
2 Associate Contract and this Contract, to prevent use or disclosure of PHI COUNTY discloses to
3 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
4 other than as provided for by this Business Associate Contract.

5 3. CONTRACTOR agrees to comply with the HIPAA Security Rule at Subpart C of
6 45 CFR Part 164 with respect to ePHI COUNTY discloses to CONTRACTOR or CONTRACTOR
7 creates, receives, maintains, or transmits on behalf of COUNTY.

8 4. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is
9 known to CONTRACTOR of a Use or Disclosure of PHI by CONTRACTOR in violation of the
10 requirements of this Business Associate Contract.

11 5. CONTRACTOR agrees to report to COUNTY immediately any Use or Disclosure of PHI
12 not provided for by this Business Associate Contract of which CONTRACTOR becomes aware.
13 CONTRACTOR must report Breaches of Unsecured PHI in accordance with Subparagraph E. below
14 and as required by 45 CFR § 164.410.

15 6. CONTRACTOR agrees to ensure that any Subcontractor that create, receive, maintain, or
16 transmit PHI on behalf of CONTRACTOR agree to the same restrictions and conditions that apply
17 through this Business Associate Contract to CONTRACTOR with respect to such information.

18 7. CONTRACTOR agrees to provide access, within fifteen (15) calendar days of receipt of a
19 written request by COUNTY, to PHI in a DRS, to COUNTY or, as directed by COUNTY, to an
20 Individual in order to meet the requirements under 45 CFR § 164.524. If CONTRACTOR maintains an
21 EHR with PHI, and an individual requests a copy of such information in an electronic format,
22 CONTRACTOR shall provide such information in an electronic format.

23 8. CONTRACTOR agrees to make any amendment(s) to PHI in a DRS that COUNTY directs
24 or agrees to pursuant to 45 CFR § 164.526 at the request of COUNTY or an Individual, within thirty
25 (30) calendar days of receipt of said request by COUNTY. CONTRACTOR agrees to notify COUNTY
26 in writing no later than ten (10) calendar days after said amendment is completed.

27 9. CONTRACTOR agrees to make internal practices, books, and records, including P&Ps,
28 relating to the use and disclosure of PHI received from, or created or received by CONTRACTOR on
29 behalf of, COUNTY available to COUNTY and the Secretary in a time and manner as determined by
30 COUNTY or as designated by the Secretary for purposes of the Secretary determining COUNTY's
31 compliance with the HIPAA Privacy Rule.

32 10. CONTRACTOR agrees to document any Disclosures of PHI COUNTY discloses to
33 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,
34 and to make information related to such Disclosures available as would be required for COUNTY to
35 respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45
36 CFR § 164.528.

37 //

1 11. CONTRACTOR agrees to provide COUNTY or an Individual, as directed by COUNTY, in
2 a time and manner to be determined by COUNTY, that information collected in accordance with the
3 Contract, in order to permit COUNTY to respond to a request by an Individual for an accounting of
4 Disclosures of PHI in accordance with 45 CFR § 164.528.

5 12. CONTRACTOR agrees that to the extent CONTRACTOR carries out COUNTY's
6 obligation under the HIPAA Privacy and/or Security rules CONTRACTOR will comply with the
7 requirements of 45 CFR Part 164 that apply to COUNTY in the performance of such obligation.

8 13. If CONTRACTOR receives Social Security data from COUNTY provided to COUNTY by
9 a state agency, upon request by COUNTY, CONTRACTOR shall provide COUNTY with a list of all
10 employees, subcontractor, and agents who have access to the Social Security data, including employees,
11 agents, subcontractor, and agents of its subcontractor.

12 14. CONTRACTOR will notify COUNTY if CONTRACTOR is named as a defendant in a
13 criminal proceeding for a violation of HIPAA. COUNTY may terminate this Contract, if
14 CONTRACTOR is found guilty of a criminal violation in connection with HIPAA. COUNTY may
15 terminate this Contract, if a finding or stipulation that CONTRACTOR has violated any standard or
16 requirement of the privacy or security provisions of HIPAA, or other security or privacy laws are made
17 in any administrative or civil proceeding in which CONTRACTOR is a party or has been joined.
18 COUNTY will consider the nature and seriousness of the violation in deciding whether or not to
19 terminate this Contract.

20 15. CONTRACTOR shall make itself and any subcontractor, employees or agents assisting
21 CONTRACTOR in the performance of its obligations under this Contract, available to COUNTY at no
22 cost to COUNTY to testify as witnesses, or otherwise, in the event of litigation or administrative
23 proceedings being commenced against COUNTY, its directors, officers or employees based upon
24 claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy,
25 which involves inactions or actions by CONTRACTOR, except where CONTRACTOR or its
26 subcontractor, employee, or agent is a named adverse party.

27 16. The Parties acknowledge that federal and state laws relating to electronic data security and
28 privacy are rapidly evolving and that amendment of this Business Associate Contract may be required to
29 provide for procedures to ensure compliance with such developments. The Parties specifically agree to
30 take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH
31 Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon
32 COUNTY's request, CONTRACTOR agrees to promptly enter into negotiations with COUNTY
33 concerning an amendment to this Business Associate Contract embodying written assurances consistent
34 with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other
35 applicable laws. COUNTY may terminate this Contract upon thirty (30) days written notice in the event:

36 a. CONTRACTOR does not promptly enter into negotiations to amend this Business
37 Associate Contract when requested by COUNTY pursuant to this Subparagraph C.; or

1 b. CONTRACTOR does not enter into an amendment providing assurances regarding the
2 safeguarding of PHI that COUNTY deems are necessary to satisfy the standards and requirements of
3 HIPAA, the HITECH Act, and the HIPAA regulations.

4 17. CONTRACTOR shall work with COUNTY upon notification by CONTRACTOR to
5 COUNTY of a Breach to properly determine if any Breach exclusions exist as defined in Subparagraph
6 B.2.a. above.

7 D. SECURITY RULE

8 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish
9 and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with
10 45 CFR § 164.308, § 164.310, and § 164.312, with respect to electronic PHI COUNTY discloses to
11 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.
12 CONTRACTOR shall develop and maintain a written information privacy and security program that
13 includes Administrative, Physical, and Technical Safeguards appropriate to the size and complexity of
14 CONTRACTOR's operations and the nature and scope of its activities.

15 2. CONTRACTOR shall implement reasonable and appropriate policies and procedures to
16 comply with the standards, implementation specifications and other requirements of
17 45 CFR Part 164, Subpart C, in compliance with 45 CFR § 164.316. CONTRACTOR will provide
18 COUNTY with its current and updated policies upon request.

19 3. CONTRACTOR shall ensure the continuous security of all computerized data systems
20 containing electronic PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,
21 maintains, or transmits on behalf of COUNTY. CONTRACTOR shall protect paper documents
22 containing PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,
23 maintains, or transmits on behalf of COUNTY. These steps shall include, at a minimum:

24 a. Complying with all of the data system security precautions listed under
25 Subparagraph E., below;

26 b. Achieving and maintaining compliance with the HIPAA Security Rule, as necessary in
27 conducting operations on behalf of COUNTY;

28 c. Providing a level and scope of security that is at least comparable to the level and scope
29 of security established by the OMB in OMB Circular No. A-130, Appendix III - Security of Federal
30 Automated Information Systems, which sets forth guidelines for automated information systems in
31 Federal agencies;

32 4. CONTRACTOR shall ensure that any subcontractor that create, receive, maintain, or
33 transmit ePHI on behalf of CONTRACTOR agree through a contract with CONTRACTOR to the same
34 restrictions and requirements contained in this Subparagraph D. of this Business Associate Contract.

35 5. CONTRACTOR shall report to COUNTY immediately any Security Incident of which it
36 becomes aware. CONTRACTOR shall report Breaches of Unsecured PHI in accordance with
37 Subparagraph E. below and as required by 45 CFR § 164.410.

1 6. CONTRACTOR shall designate a Security Officer to oversee its data security program who
2 shall be responsible for carrying out the requirements of this paragraph and for communicating on
3 security matters with COUNTY.

4 E. DATA SECURITY REQUIREMENTS

5 1. Personal Controls

6 a. Employee Training. All workforce members who assist in the performance of functions
7 or activities on behalf of COUNTY in connection with Contract, or access or disclose PHI COUNTY
8 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
9 COUNTY, must complete information privacy and security training, at least annually, at
10 CONTRACTOR's expense. Each workforce member who receives information privacy and security
11 training must sign a certification, indicating the member's name and the date on which the training was
12 completed. These certifications must be retained for a period of six (6) years following the termination
13 of Contract.

14 b. Employee Discipline. Appropriate sanctions must be applied against workforce
15 members who fail to comply with any provisions of CONTRACTOR's privacy P&Ps, including
16 termination of employment where appropriate.

17 c. Confidentiality Statement. All persons that will be working with PHI COUNTY
18 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
19 COUNTY must sign a confidentiality statement that includes, at a minimum, General Use, Security and
20 Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the
21 workforce member prior to access to such PHI. The statement must be renewed annually. The
22 CONTRACTOR shall retain each person's written confidentiality statement for COUNTY inspection
23 for a period of six (6) years following the termination of this Contract.

24 d. Background Check. Before a member of the workforce may access PHI COUNTY
25 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
26 COUNTY, a background screening of that worker must be conducted. The screening should be
27 commensurate with the risk and magnitude of harm the employee could cause, with more thorough
28 screening being done for those employees who are authorized to bypass significant technical and
29 operational security controls. The CONTRACTOR shall retain each workforce member's background
30 check documentation for a period of three (3) years.

31 2. Technical Security Controls

32 a. Workstation/Laptop encryption. All workstations and laptops that store PHI COUNTY
33 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
34 COUNTY either directly or temporarily must be encrypted using a FIPS 140-2 certified algorithm which
35 is 128bit or higher, such as AES. The encryption solution must be full disk unless approved by the
36 COUNTY.

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1 b. Server Security. Servers containing unencrypted PHI COUNTY discloses to
2 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
3 must have sufficient administrative, physical, and technical controls in place to protect that data, based
4 upon a risk assessment/system security review.

5 c. Minimum Necessary. Only the minimum necessary amount of PHI COUNTY discloses
6 to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
7 required to perform necessary business functions may be copied, downloaded, or exported.

8 d. Removable media devices. All electronic files that contain PHI COUNTY discloses to
9 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
10 must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives,
11 floppies, CD/DVD, Blackberry, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm
12 which is 128bit or higher, such as AES. Such PHI shall not be considered “removed from the premises”
13 if it is only being transported from one of CONTRACTOR’s locations to another of CONTRACTOR’s
14 locations.

15 e. Antivirus software. All workstations, laptops and other systems that process and/or
16 store PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or
17 transmits on behalf of COUNTY must have installed and actively use comprehensive anti-virus software
18 solution with automatic updates scheduled at least daily.

19 f. Patch Management. All workstations, laptops and other systems that process and/or
20 store PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or
21 transmits on behalf of COUNTY must have critical security patches applied, with system reboot if
22 necessary. There must be a documented patch management process which determines installation
23 timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable
24 patches must be installed within thirty (30) calendar or business days of vendor release. Applications
25 and systems that cannot be patched due to operational reasons must have compensatory controls
26 implemented to minimize risk, where possible.

27 g. User IDs and Password Controls. All users must be issued a unique user name for
28 accessing PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,
29 or transmits on behalf of COUNTY. Username must be promptly disabled, deleted, or the password
30 changed upon the transfer or termination of an employee with knowledge of the password, at maximum
31 within twenty-four (24) hours. Passwords are not to be shared. Passwords must be at least eight
32 characters and must be a non-dictionary word. Passwords must not be stored in readable format on the
33 computer. Passwords must be changed every ninety (90) calendar or business days, preferably every
34 sixty (60) calendar or business days. Passwords must be changed if revealed or compromised.
35 Passwords must be composed of characters from at least three (3) of the following four (4) groups from
36 the standard keyboard:

37 //

- 1) Upper case letters (A-Z)
- 2) Lower case letters (a-z)
- 3) Arabic numerals (0-9)
- 4) Non-alphanumeric characters (punctuation symbols)

5 h. Data Destruction. When no longer needed, all PHI COUNTY discloses to
6 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
7 must be wiped using the Gutmann or US DoD 5220.22-M (7 Pass) standard, or by degaussing. Media
8 may also be physically destroyed in accordance with NIST Special Publication 800-88. Other methods
9 require prior written permission by COUNTY.

10 i. System Timeout. The system providing access to PHI COUNTY discloses to
11 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
12 must provide an automatic timeout, requiring re-authentication of the user session after no more than
13 twenty (20) minutes of inactivity.

14 j. Warning Banners. All systems providing access to PHI COUNTY discloses to
15 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
16 must display a warning banner stating that data is confidential, systems are logged, and system use is for
17 business purposes only by authorized users. User must be directed to log off the system if they do not
18 agree with these requirements.

19 k. System Logging. The system must maintain an automated audit trail which can identify
20 the user or system process which initiates a request for PHI COUNTY discloses to CONTRACTOR or
21 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY, or which alters such
22 PHI. The audit trail must be date and time stamped, must log both successful and failed accesses, must
23 be read only, and must be restricted to authorized users. If such PHI is stored in a database, database
24 logging functionality must be enabled. Audit trail data must be archived for at least three (3) years after
25 occurrence.

26 l. Access Controls. The system providing access to PHI COUNTY discloses to
27 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
28 must use role based access controls for all user authentications, enforcing the principle of least privilege.

29 m. Transmission encryption. All data transmissions of PHI COUNTY discloses to
30 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
31 outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is
32 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files
33 containing PHI can be encrypted. This requirement pertains to any type of PHI in motion such as
34 website access, file transfer, and E-Mail.

35 n. Intrusion Detection. All systems involved in accessing, holding, transporting, and
36 protecting PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,
37 //

1 or transmits on behalf of COUNTY that are accessible via the Internet must be protected by a
2 comprehensive intrusion detection and prevention solution.

3 3. Audit Controls

4 a. System Security Review. CONTRACTOR must ensure audit control mechanisms that
5 record and examine system activity are in place. All systems processing and/or storing PHI COUNTY
6 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
7 COUNTY must have at least an annual system risk assessment/security review which provides
8 assurance that administrative, physical, and technical controls are functioning effectively and providing
9 adequate levels of protection. Reviews should include vulnerability scanning tools.

10 b. Log Reviews. All systems processing and/or storing PHI COUNTY discloses to
11 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
12 must have a routine procedure in place to review system logs for unauthorized access.

13 c. Change Control. All systems processing and/or storing PHI COUNTY discloses to
14 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
15 must have a documented change control procedure that ensures separation of duties and protects the
16 confidentiality, integrity and availability of data.

17 4. Business Continuity/Disaster Recovery Control

18 a. Emergency Mode Operation Plan. CONTRACTOR must establish a documented plan
19 to enable continuation of critical business processes and protection of the security of PHI COUNTY
20 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
21 COUNTY kept in an electronic format in the event of an emergency. Emergency means any
22 circumstance or situation that causes normal computer operations to become unavailable for use in
23 performing the work required under this Contract for more than twenty four (24) hours.

24 b. Data Backup Plan. CONTRACTOR must have established documented procedures to
25 backup such PHI to maintain retrievable exact copies of the PHI. The plan must include a regular
26 schedule for making backups, storing backup offsite, an inventory of backup media, and an estimate of
27 the amount of time needed to restore DHCS PHI or PI should it be lost. At a minimum, the schedule
28 must be a weekly full backup and monthly offsite storage of DHCS data. BCP for CONTRACTOR and
29 COUNTY (e.g. the application owner) must merge with the DRP.

30 5. Paper Document Controls

31 a. Supervision of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR
32 creates, receives, maintains, or transmits on behalf of COUNTY in paper form shall not be left
33 unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means
34 that information is not being observed by an employee authorized to access the information. Such PHI
35 in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in
36 baggage on commercial airplanes.

37 //

1 b. Escorting Visitors. Visitors to areas where PHI COUNTY discloses to CONTRACTOR
2 or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY is contained shall
3 be escorted and such PHI shall be kept out of sight while visitors are in the area.

4 c. Confidential Destruction. PHI COUNTY discloses to CONTRACTOR or
5 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY must be disposed of
6 through confidential means, such as cross cut shredding and pulverizing.

7 d. Removal of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR
8 creates, receives, maintains, or transmits on behalf of COUNTY must not be removed from the premises
9 of the CONTRACTOR except with express written permission of COUNTY.

10 e. Faxing. Faxes containing PHI COUNTY discloses to CONTRACTOR or
11 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY shall not be left
12 unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement
13 notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the
14 intended recipient before sending the fax.

15 f. Mailing. Mailings containing PHI COUNTY discloses to CONTRACTOR or
16 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY shall be sealed and
17 secured from damage or inappropriate viewing of PHI to the extent possible. Mailings which include
18 five hundred (500) or more individually identifiable records containing PHI COUNTY discloses to
19 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY in
20 a single package shall be sent using a tracked mailing method which includes verification of delivery
21 and receipt, unless the prior written permission of COUNTY to use another method is obtained.

22 F. BREACH DISCOVERY AND NOTIFICATION

23 1. Following the discovery of a Breach of Unsecured PHI, CONTRACTOR shall notify
24 COUNTY of such Breach, however both parties agree to a delay in the notification if so advised by a
25 law enforcement official pursuant to 45 CFR § 164.412.

26 a. A Breach shall be treated as discovered by CONTRACTOR as of the first day on which
27 such Breach is known to CONTRACTOR or, by exercising reasonable diligence, would have been
28 known to CONTRACTOR.

29 b. CONTRACTOR shall be deemed to have knowledge of a Breach, if the Breach is
30 known, or by exercising reasonable diligence would have known, to any person who is an employee,
31 officer, or other agent of CONTRACTOR, as determined by federal common law of agency.

32 2. CONTRACTOR shall provide the notification of the Breach immediately to the COUNTY
33 Privacy Officer. CONTRACTOR's notification may be oral, but shall be followed by written
34 notification within twenty four (24) hours of the oral notification.

35 3. CONTRACTOR's notification shall include, to the extent possible:

36 a. The identification of each Individual whose Unsecured PHI has been, or is reasonably
37 believed by CONTRACTOR to have been, accessed, acquired, used, or disclosed during the Breach;

1 b. Any other information that COUNTY is required to include in the notification to
2 Individual under 45 CFR §164.404 (c) at the time CONTRACTOR is required to notify COUNTY or
3 promptly thereafter as this information becomes available, even after the regulatory sixty (60) day
4 period set forth in 45 CFR § 164.410 (b) has elapsed, including:

5 1) A brief description of what happened, including the date of the Breach and the date
6 of the discovery of the Breach, if known;

7 2) A description of the types of Unsecured PHI that were involved in the Breach (such
8 as whether full name, social security number, date of birth, home address, account number, diagnosis,
9 disability code, or other types of information were involved);

10 3) Any steps Individuals should take to protect themselves from potential harm
11 resulting from the Breach;

12 4) A brief description of what CONTRACTOR is doing to investigate the Breach, to
13 mitigate harm to Individuals, and to protect against any future Breaches; and

14 5) Contact procedures for Individuals to ask questions or learn additional information,
15 which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

16 4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in
17 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the
18 COUNTY.

19 5. In the event that CONTRACTOR is responsible for a Breach of Unsecured PHI in violation
20 of the HIPAA Privacy Rule, CONTRACTOR shall have the burden of demonstrating that
21 CONTRACTOR made all notifications to COUNTY consistent with this Subparagraph F. and as
22 required by the Breach notification regulations, or, in the alternative, that the acquisition, access, use, or
23 disclosure of PHI did not constitute a Breach.

24 6. CONTRACTOR shall maintain documentation of all required notifications of a Breach or
25 its risk assessment under 45 CFR § 164.402 to demonstrate that a Breach did not occur.

26 7. CONTRACTOR shall provide to COUNTY all specific and pertinent information about the
27 Breach, including the information listed in Section E.3.b.(1)-(5) above, if not yet provided, to permit
28 COUNTY to meet its notification obligations under Subpart D of 45 CFR Part 164 as soon as
29 practicable, but in no event later than fifteen (15) calendar days after CONTRACTOR's initial report of
30 the Breach to COUNTY pursuant to Subparagraph F.2. above.

31 8. CONTRACTOR shall continue to provide all additional pertinent information about the
32 Breach to COUNTY as it may become available, in reporting increments of five (5) business days after
33 the last report to COUNTY. CONTRACTOR shall also respond in good faith to any reasonable
34 requests for further information, or follow-up information after report to COUNTY, when such request
35 is made by COUNTY.

36 9. If the Breach is the fault of CONTRACTOR, CONTRACTOR shall bear all expense or
37 other costs associated with the Breach and shall reimburse COUNTY for all expenses COUNTY incurs

1 in addressing the Breach and consequences thereof, including costs of investigation, notification,
2 remediation, documentation or other costs associated with addressing the Breach.

3 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

4 1. CONTRACTOR may use or further disclose PHI COUNTY discloses to CONTRACTOR
5 as necessary to perform functions, activities, or services for, or on behalf of, COUNTY as specified in
6 this Contract, provided that such use or Disclosure would not violate the HIPAA Privacy Rule if done
7 by COUNTY except for the specific Uses and Disclosures set forth below.

8 a. CONTRACTOR may use PHI COUNTY discloses to CONTRACTOR, if necessary,
9 for the proper management and administration of CONTRACTOR.

10 b. CONTRACTOR may disclose PHI COUNTY discloses to CONTRACTOR for the
11 proper management and administration of CONTRACTOR or to carry out the legal responsibilities of
12 CONTRACTOR, if:

13 1) The Disclosure is required by law; or

14 2) CONTRACTOR obtains reasonable assurances from the person to whom the PHI
15 is disclosed that it will be held confidentially and used or further disclosed only as required by law or for
16 the purposes for which it was disclosed to the person and the person immediately notifies
17 CONTRACTOR of any instance of which it is aware in which the confidentiality of the information has
18 been breached.

19 c. CONTRACTOR may use or further disclose PHI COUNTY discloses to
20 CONTRACTOR to provide Data Aggregation services relating to the Health Care Operations of
21 CONTRACTOR.

22 2. CONTRACTOR may use PHI COUNTY discloses to CONTRACTOR, if necessary, to
23 carry out legal responsibilities of CONTRACTOR.

24 3. CONTRACTOR may use and disclose PHI COUNTY discloses to CONTRACTOR
25 consistent with the minimum necessary policies and procedures of COUNTY.

26 4. CONTRACTOR may use or disclose PHI COUNTY discloses to CONTRACTOR as
27 required by law.

28 H. PROHIBITED USES AND DISCLOSURES

29 1. CONTRACTOR shall not disclose PHI COUNTY discloses to CONTRACTOR or
30 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY about an individual to
31 a health plan for payment or health care operations purposes if the PHI pertains solely to a health care
32 item or service for which the health care provider involved has been paid out of pocket in full and the
33 individual requests such restriction, in accordance with 42 USC § 17935(a) and 45 CFR § 164.522(a).

34 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI
35 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
36 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by
37 42 USC § 17935(d)(2).

1 I. OBLIGATIONS OF COUNTY

2 1. COUNTY shall notify CONTRACTOR of any limitation(s) in COUNTY's notice of
3 privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect
4 CONTRACTOR's Use or Disclosure of PHI.

5 2. COUNTY shall notify CONTRACTOR of any changes in, or revocation of, the permission
6 by an Individual to use or disclose his or her PHI, to the extent that such changes may affect
7 CONTRACTOR's Use or Disclosure of PHI.

8 3. COUNTY shall notify CONTRACTOR of any restriction to the Use or Disclosure of PHI
9 that COUNTY has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction
10 may affect CONTRACTOR's Use or Disclosure of PHI.

11 4. COUNTY shall not request CONTRACTOR to use or disclose PHI in any manner that
12 would not be permissible under the HIPAA Privacy Rule if done by COUNTY.

13 J. BUSINESS ASSOCIATE TERMINATION

14 1. Upon COUNTY's knowledge of a material Breach or violation by CONTRACTOR of the
15 requirements of this Business Associate Contract, COUNTY shall:

16 a. Provide an opportunity for CONTRACTOR to cure the material Breach or end the
17 violation within thirty (30) business days; or

18 b. Immediately terminate this Contract, if CONTRACTOR is unwilling or unable to cure
19 the material Breach or end the violation within thirty (30) days, provided termination of this Contract is
20 feasible.

21 2. Upon termination of this Contract, CONTRACTOR shall either destroy or return to
22 COUNTY all PHI CONTRACTOR received from COUNTY or CONTRACTOR created, maintained,
23 or received on behalf of COUNTY in conformity with the HIPAA Privacy Rule.

24 a. This provision shall apply to all PHI that is in the possession of Subcontractor or agents
25 of CONTRACTOR.

26 b. CONTRACTOR shall retain no copies of the PHI.

27 c. In the event that CONTRACTOR determines that returning or destroying the PHI is not
28 feasible, CONTRACTOR shall provide to COUNTY notification of the conditions that make return or
29 destruction infeasible. Upon determination by COUNTY that return or destruction of PHI is infeasible,
30 CONTRACTOR shall extend the protections of this Business Associate Contract to such PHI and limit
31 further Uses and Disclosures of such PHI to those purposes that make the return or destruction
32 infeasible, for as long as CONTRACTOR maintains such PHI.

33 3. The obligations of this Business Associate Contract shall survive the termination of this
34 Contract.

35 //

36 //

37 //

1 EXHIBIT C
 2 TO AGREEMENT FOR PROVISION OF
 3 DRUG MEDI-CAL NARCOTIC REPLACEMENT THERAPY TREATMENT SERVICES
 4 BETWEEN
 5 COUNTY OF ORANGE
 6 AND
 7 WESTERN PACIFIC MED-CORP
 8 JULY 1, 2023 THROUGH JUNE 30, 2025
 9

10 **I. PERSONAL INFORMATION PRIVACY AND SECURITY CONTRACT**

11 Any reference to statutory, regulatory, or contractual language herein shall be to such language as
 12 in effect or as amended.

13 A. DEFINITIONS

14 1. "Breach" shall have the meaning given to such term under the IEA and CMPPA. It shall
 15 include a "PII loss" as that term is defined in the CMPPA.

16 2. "Breach of the security of the system" shall have the meaning given to such term under the
 17 CIPA, CCC § 1798.29(d).

18 3. "CMPPA Agreement" means the CMPPA Agreement between SSA and CHHS.

19 4. "DHCS PI" shall mean PI, as defined below, accessed in a database maintained by the
 20 COUNTY or DHCS, received by CONTRACTOR from the COUNTY or DHCS or acquired or created
 21 by CONTRACTOR in connection with performing the functions, activities and services specified in
 22 this Contract on behalf of the COUNTY.

23 5. "IEA" shall mean the IEA currently in effect between SSA and DHCS.

24 6. "Notice-triggering PI" shall mean the PI identified in CCC § 1798.29(e) whose
 25 unauthorized access may trigger notification requirements under CCC § 1709.29. For purposes of this
 26 provision, identity shall include, but not be limited to, name, identifying number, symbol, or other
 27 identifying particular assigned to the individual, such as a finger or voice print, a photograph or a
 28 biometric identifier. Notice-triggering PI includes PI in electronic, paper or any other medium.

29 7. "PII" shall have the meaning given to such term in the IEA and CMPPA.

30 8. "PI" shall have the meaning given to such term in CCC § 1798.3(a).

31 9. "Required by law" means a mandate contained in law that compels an entity to make a use
 32 or disclosure of PI or PII that is enforceable in a court of law. This includes, but is not limited to, court
 33 orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a
 34 governmental or tribal inspector general, or an administrative body authorized to require the
 35 production of information, and a civil or an authorized investigative demand. It also includes Medicare
 36 conditions of participation with respect to health care providers participating in the program, and
 37 //

1 statutes or regulations that require the production of information, including statutes or regulations that
2 require such information if payment is sought under a government program providing public benefits.

3 10. "Security Incident" means the attempted or successful unauthorized access, use,
4 disclosure, modification, or destruction of PI, or confidential data utilized in complying with this
5 Contract; or interference with system operations in an information system that processes, maintains or
6 stores PI.

7 B. TERMS OF CONTRACT

8 1. Permitted Uses and Disclosures of DHCS PI and PII by CONTRACTOR. Except as
9 otherwise indicated in this Exhibit, CONTRACTOR may use or disclose DHCS PI only to perform
10 functions, activities, or services for or on behalf of the COUNTY pursuant to the terms of this Contract
11 provided that such use or disclosure would not violate the CIPA if done by the COUNTY.

12 2. Responsibilities of CONTRACTOR

13 CONTRACTOR agrees:

14 a. Nondisclosure. Not to use or disclose DHCS PI or PII other than as permitted or
15 required by this Personal Information Privacy and Security Contract or as required by applicable state
16 and federal law.

17 b. Safeguards. To implement appropriate and reasonable administrative, technical, and
18 physical safeguards to protect the security, confidentiality and integrity of DHCS PI and PII, to protect
19 against anticipated threats or hazards to the security or integrity of DHCS PI and PII, and to prevent
20 use or disclosure of DHCS PI or PII other than as provided for by this Personal Information Privacy
21 and Security Contract. CONTRACTOR shall develop and maintain a written information privacy and
22 security program that include administrative, technical and physical safeguards appropriate to the size
23 and complexity of CONTRACTOR's operations and the nature and scope of its activities, which
24 incorporate the requirements of Subparagraph c., below. CONTRACTOR will provide COUNTY with
25 its current policies upon request.

26 c. Security. CONTRACTOR shall ensure the continuous security of all computerized
27 data systems containing DHCS PI and PII. CONTRACTOR shall protect paper documents containing
28 DHCS PI and PII. These steps shall include, at a minimum:

29 1) Complying with all of the data system security precautions listed in
30 Subparagraph E. of the Business Associate Contract, Exhibit B to this Contract; and

31 2) Providing a level and scope of security that is at least comparable to the level and
32 scope of security established by the OMB in OMB Circular No. A-130, Appendix III-Security of
33 Federal Automated Information Systems, which sets forth guidelines for automated information
34 systems in Federal agencies.

35 3) If the data obtained by CONTRACTOR from COUNTY includes PII,
36 CONTRACTOR shall also comply with the substantive privacy and security requirements in the
37 CMPPA Agreement between SSA and CHHS and in the Agreement between SSA and DHCS, known

1 as the IEA. The specific sections of the IEA with substantive privacy and security requirements to be
2 complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information
3 Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies
4 Exchanging Electronic Information with SSA. CONTRACTOR also agrees to ensure that any of
5 CONTRACTOR's agents or subcontractor, to whom CONTRACTOR provides DHCS PII agree to the
6 same requirements for privacy and security safeguards for confidential data that apply to
7 CONTRACTOR with respect to such information.

8 d. Mitigation of Harmful Effects. To mitigate, to the extent practicable, any harmful
9 effect that is known to CONTRACTOR of a use or disclosure of DHCS PI or PII by CONTRACTOR
10 or its subcontractor in violation of this Personal Information Privacy and Security Contract.

11 e. CONTRACTOR's Agents and Subcontractor. To impose the same restrictions and
12 conditions set forth in this Personal Information and Security Contract on any subcontractor or other
13 agents with whom CONTRACTOR subcontracts any activities under this Contract that involve the
14 disclosure of DHCS PI or PII to such subcontractor or other agents.

15 f. Availability of Information. To make DHCS PI and PII available to the DHCS and/or
16 COUNTY for purposes of oversight, inspection, amendment, and response to requests for records,
17 injunctions, judgments, and orders for production of DHCS PI and PII. If CONTRACTOR receives
18 DHCS PII, upon request by COUNTY and/or DHCS, CONTRACTOR shall provide COUNTY and/or
19 DHCS with a list of all employees, CONTRACTOR and agents who have access to DHCS PII,
20 including employees, CONTRACTOR and agents of its subcontractor and agents.

21 g. Cooperation with COUNTY. With respect to DHCS PI, to cooperate with and assist
22 the COUNTY to the extent necessary to ensure the DHCS's compliance with the applicable terms of
23 the CIPA including, but not limited to, accounting of disclosures of DHCS PI, correction of errors in
24 DHCS PI, production of DHCS PI, disclosure of a security Breach involving DHCS PI and notice of
25 such Breach to the affected individual(s).

26 h. Breaches and Security Incidents. During the term of this Contract, CONTRACTOR
27 agrees to implement reasonable systems for the discovery of any Breach of unsecured DHCS PI and
28 PII or security incident. CONTRACTOR agrees to give notification of any Breach of unsecured DHCS
29 PI and PII or security incident in accordance with Subparagraph F. of the Business Associate Contract,
30 Exhibit B to this Contract.

31 i. Designation of Individual Responsible for Security. CONTRACTOR shall designate
32 an individual, (e.g., Security Officer), to oversee its data security program who shall be responsible for
33 carrying out the requirements of this Personal Information Privacy and Security Contract and for
34 communicating on security matters with the COUNTY.

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