

1 CONTRACT FOR PROVISION OF
 2 SOBERING CENTER SERVICES IRVINE CAMPUS
 3 BETWEEN
 4 COUNTY OF ORANGE
 5 AND
 6 PHOENIX HOUSE ORANGE COUNTY, INC.
 7 JULY 1, 2025 THROUGH JUNE 30, 2028

8
 9 THIS CONTRACT entered into this 1st day of July, 2025 (effective date), is by and between the
 10 COUNTY OF ORANGE, a political subdivision of State of California (COUNTY), and PHOENIX
 11 HOUSE ORANGE COUNTY, INC, a California non-profit corporation (CONTRACTOR). COUNTY
 12 and CONTRACTOR may sometimes be referred to herein individually as "Party" or collectively as
 13 "Parties." This Contract shall be administered by the County of Orange Health Care Agency
 14 (ADMINISTRATOR).

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

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 18 WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Sobering Center
 19 Services Irvine Campus described herein to the residents of Orange County; and

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

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

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REFERENCED CONTRACT PROVISIONS

Term: July 1, 2025 through June 30, 2028

Period One means the period from July 1, 2025 through June 30, 2026

Period Two means the period from July 1, 2026 through June 30, 2027

Period Three means the period from July 1, 2027 through June 30, 2028

Amount Not to Exceed: \$5,700,294

Period One Amount Not to Exceed: \$ 1,900,098

Period Two Amount Not to Exceed: \$ 1,900,098

Period Three Amount Not to Exceed: \$ 1,900,098

TOTAL AMOUNT NOT TO EXCEED: \$ 5,700,294

Basis for Reimbursement: Actual Cost

Payment Method: Monthly in Arrears

CONTRACTOR UEI Number: G5EYM14QM7D9

CONTRACTOR TAX ID Number: 22-2268070

Notices to COUNTY and CONTRACTOR:

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

CONTRACTOR: Phoenix House Orange County, Inc.
Alice Gleghorn
11600 Eldridge Avenue
Lake View Terrace, CA 91342
agleghorn@phoenixhouseca.org

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I. ACRONYMS

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

- 1 A. AES Advanced Encryption Standard
- 2 B. AOD Alcohol and Other Drug
- 3 C. ARRA American Recovery and Reinvestment Act
- 4 D. ASAM American Society of Addiction Medicine
- 5 E. ASRS Alcohol and Drug Programs Reporting System
- 6 F. BCP Business Continuity Plan
- 7 G. CalOMS California Outcomes Measurement System
- 8 H. CAP Corrective Action Plan
- 9 I. CCC California Civil Code
- 10 J. CCR California Code of Regulations
- 11 K. CD/DVD Compact Disc/Digital Video or Versatile Disc
- 12 L. CEO County Executive Office
- 13 M. CESI Client Evaluation of Self at Intake
- 14 N. CEST Client Evaluation of Self and Treatment
- 15 O. CHHS California Health and Human Services Agency
- 16 P. CFR Code of Federal Regulations
- 17 Q. CHPP COUNTY HIPAA Policies and Procedures
- 18 R. CHS Correctional Health Services
- 19 S. CIPA California Information Practices Act
- 20 T. CMPPA Computer Matching and Privacy Protection Act
- 21 U. COI Certificate of Insurance
- 22 V. CSU Crisis Stabilization Unit
- 23 W. DATAR Drug Abuse Treatment Access Report
- 24 X. DHCS Department of Health Care Services
- 25 Y. D/MC Drug/Medi-Cal
- 26 Z. DMC ODS Drug Medi-Cal Organized Delivery System
- 27 AA. DoD US Department of Defense
- 28 AB. DPFS Drug Program Fiscal Systems
- 29 AC. DRP Disaster Recovery Plan
- 30 AD. DRS Designated Record Set
- 31 AE. DSM-5 Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition
- 32 AF. DSS Department of Social Services
- 33 AG. EBPs Evidenced Based Treatment Practices
- 34 AH. EHR Electronic Health Records

1	AI. ePHI	Electronic Protected Health Information
2	AJ. EPSDT	Early Periodic Screening, Diagnostic and Treatment
3	AK. FIPS	Federal Information Processing Standards
4	AL. FTE	Full Time Equivalent
5	AM. GAAP	Generally Accepted Accounting Principles
6	AN. HCA	Health Care Agency
7	AO. HHS	Health and Human Services
8	AP. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
9		Law 104–191
10	AQ. HITECH Act	The Health Information Technology for Economic and Clinical Health
11		Act, Public Law 111–005
12	AR. HSC	California Health and Safety Code
13	AS. ID	Identification
14	AT. IEA	Information Exchange Contract
15	AU. IRIS	Integrated Records and Information System
16	AV. ISO	Insurance Services Office
17	AW. LPHA	Licensed Practitioner of the Healing Arts
18	AX. MAT	Medication Assisted Treatment
19	AY. NIST	National Institute of Standards and Technology
20	AZ. NPI	National Provider Identifier
21	BA. NPPES	National Plan and Provider Enumeration System
22	BB. OCPD	Orange County Probation Department
23	BC. OCR	Office for Civil Rights
24	BD. OIG	Office of Inspector General
25	BE. OMB	Office of Management and Budget
26	BF. OPM	Federal Office of Personnel Management
27	BG. P&P	Policy and Procedure
28	BH. PA DSS	Payment Application Data Security Standard
29	BI. PC	State of California Penal Code
30	BJ. PCI DSS	Payment Card Industry Data Security Standard
31	BK. PHI	Protected Health Information
32	BL. PII	Personally Identifiable Information
33	BM. PI	Personal Information
34	BN. RPC	Residential Placement Coordinator
35	BO. RTS	Residential Treatment Services
36	BP. SIR	Self-Insured Retention
37	BQ. SMA	Statewide Maximum Allowance

1	BR. STC	Special Terms and Conditions
2	BS. SUD	Substance Use Disorder
3	BT. TB	Tuberculosis
4	BU. UMDAP	Uniform method of Determining Ability to Pay
5	BV. USC	United States Code
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II. ALTERATION OF TERMS

A. This Contract, together with Exhibits A, B, C and D attached hereto and incorporated herein, fully expresses the complete understanding of COUNTY and CONTRACTOR with respect to the subject matter of this Contract.

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

III. AMOUNT NOT TO EXCEED

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

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

IV. ASSIGNMENT OF DEBTS

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

V. COMPLIANCE

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

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

2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own compliance program, Code of Conduct and any compliance related policies and procedures. CONTRACTOR’s compliance program, code of conduct and any related policies and procedures shall be verified by ADMINISTRATOR’s Compliance Department to ensure they include all required elements by ADMINISTRATOR’s Compliance Officer as described in this Compliance Paragraph to this Contract.

1 These elements include:

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

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

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

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

33 B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or
 34 retained to provide services related to this Contract monthly to ensure that they are not designated as
 35 Ineligible Persons, as pursuant to this Contract. Screening shall be conducted against General Services
 36 Administration’s Excluded Parties List System or System for Award Management, the Health and Human
 37 Services/Office of Inspector General List of Excluded Individuals/Entities, and the California Medi-Cal

1 Suspended and Ineligible Provider List, the Social Security Administration’s Death Master File at the date
 2 of employment, and/or any other list or system as identified by ADMINISTRATOR.

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

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

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

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

16 3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement.
 17 CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this
 18 Contract.

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

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

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

35 7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or
 36 entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened.
 37 Such individual or entity shall be immediately removed from participating in any activity associated with

1 this Contract. ADMINISTRATOR will determine appropriate repayment from, or sanction(s) to
2 CONTRACTOR for services provided by ineligible person or individual. CONTRACTOR shall promptly
3 return any overpayments within forty-five (45) business days after the overpayment is verified by
4 ADMINISTRATOR.

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

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

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

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

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

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

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

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

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

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

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

31 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
32 compliance training. ADMINISTRATOR shall provide instructions on completing the training in a group
33 setting while CONTRACTOR shall retain the certifications. Upon written request by
34 ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

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

36 1. CONTRACTOR shall take reasonable precaution to ensure that the coding of health care
37 claims, billings and/or invoices for same are prepared and submitted in an accurate and timely manner

1 and are consistent with federal, state and county laws and regulations. This includes compliance with
 2 federal and state health care program regulations and procedures or instructions otherwise communicated
 3 by regulatory agencies including the Centers for Medicare and Medicaid Services or their agents.

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

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

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

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

14 6. CONTRACTOR shall meet the HCA Quality Assessment and Performance Improvement
 15 Standards established by Quality Management Services (QMS) and participate in the quality improvement
 16 activities developed in the implementation of the DMC-ODS /// MHP Quality Management Program.

17 7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR’s Cultural
 18 Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural
 19 Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9,
 20 §1810.410.subds.(c)-(d).

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

27
 28 **VI. CONFIDENTIALITY**

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

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

1 CONTRACTOR members of the Board of Directors or its designee or authorized agent, employees,
 2 consultants, subcontractors, volunteers and interns.

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

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

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

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

17
 18 **VII. CONFLICT OF INTEREST**

19 CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions that
 20 could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation shall
 21 apply to CONTRACTOR’s officers, directors, employees, agents, and subcontractors associated with the
 22 provision of goods and services provided under this Contract. CONTRACTOR’s efforts shall include,
 23 but not be limited to establishing rules and procedures preventing its employees, agents, and
 24 subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations
 25 which could be deemed to influence or appear to influence COUNTY staff or elected officers in the
 26 performance of their duties. CONTRACTOR shall notify COUNTY, in writing, of any potential or actual
 27 conflicts of interest between CONTRACTOR and COUNTY that may arise prior to, or during the period
 28 of, Contract performance, including, but not limited to, whether any known county public officer’s child
 29 is an officer or director or, or has an ownership interest of ten (10) percent or more in, CONTRACTOR.
 30 While CONTRACTOR must provide this information without prompting from COUNTY any time there
 31 is a change regarding conflict of interest, CONTRACTOR must also provide an update to COUNTY upon
 32 request by COUNTY. County of Orange Board of Supervisors policy prohibits its employees from
 33 engaging in activities involving a conflict of interest. CONTRACTOR shall not, during the period of this
 34 Contract, employ any County employee for any purpose.

35 **VIII. COST RECONCILIATION REPORT**

36 A. CONTRACTOR shall submit Cost Reconciliation Report to COUNTY no later than sixty
 37 (60) calendar days following termination of this Contract.

1 1. As indicated in Exhibit A, Section III. Payments, the costs shall be reported with actual costs.
 2 CONTRACTOR shall prepare the Cost Reconciliation Report in accordance with all applicable federal,
 3 state and COUNTY requirements, GAAP and the Special Provisions Paragraph of this Contract.
 4 CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services,
 5 and funding sources in accordance with such requirements and consistent with prudent business practice,
 6 which costs and allocations shall be supported by source documentation maintained by CONTRACTOR,
 7 and available at any time to ADMINISTRATOR upon reasonable notice.

8 2. If CONTRACTOR fails to submit an accurate and complete Cost Reconciliation Report
 9 within the time period specified above, ADMINISTRATOR shall have sole discretion to impose one or
 10 both of the following:

11 a. CONTRACTOR may be assessed a late penalty of five-hundred dollars (\$500) for each
 12 business day after the above specified due date that the accurate and complete Cost Reconciliation Report
 13 is not submitted. Imposition of the late penalty shall be at the sole discretion of ADMINISTRATOR. The
 14 late penalty shall be assessed separately on each outstanding Cost Reconciliation Report due COUNTY
 15 by CONTRACTOR.

16 b. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
 17 pursuant to any or all contracts between COUNTY and CONTRACTOR until such time that the accurate
 18 and complete Cost Reconciliation Report is delivered to ADMINISTRATOR.

19 3. CONTRACTOR may request, in advance and in writing, an extension of the due date of the
 20 Cost Reconciliation Report setting forth good cause for justification of the request. Approval of such
 21 requests shall be at the sole discretion of ADMINISTRATOR and shall not be unreasonably denied.

22 4. In the event that CONTRACTOR does not submit an accurate and complete Cost
 23 Reconciliation Report within one hundred and eighty (180) calendar days following the termination of
 24 this Contract, and CONTRACTOR has not entered into a subsequent or new contract for any other
 25 services with COUNTY, then all amounts paid to CONTRACTOR by COUNTY during the term of the
 26 Contract shall be immediately reimbursed to COUNTY.

27 B. The Cost Reconciliation Report shall be the final financial and statistical report submitted by
 28 CONTRACTOR to COUNTY, and shall serve as the basis for final settlement to CONTRACTOR. The
 29 Cost Reconciliation Report shall be the final financial record for subsequent audits, if any.

30 C. Final settlement shall be based upon the actual and reimbursable costs of service, as detailed in
 31 Exhibit A, Section III. Payments, less applicable revenues and any late penalty, not to exceed COUNTY's
 32 Total Amount Not to Exceed as set forth in the Referenced Contract Provisions of this Contract.
 33 CONTRACTOR shall not claim units of service to COUNTY which are not reimbursable pursuant to
 34 applicable federal, state and COUNTY laws, regulations and requirements. Any payment made by
 35 COUNTY to CONTRACTOR, which is subsequently determined to have been unreimbursable, shall be
 36 repaid by CONTRACTOR to COUNTY in cash, or other authorized form of payment, within thirty (30)
 37 calendar days of submission of the Cost Reconciliation Report or COUNTY may elect to reduce any

1 amount owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

2 D. If the Cost Reconciliation Report indicates the actual and reimbursable costs of service provided
3 pursuant to this Contract, less applicable revenues and late penalty, are lower than the aggregate of interim
4 monthly payments to CONTRACTOR, CONTRACTOR shall remit the difference to COUNTY. Such
5 reimbursement shall be made, in cash, or other authorized form of payment, with the submission of the
6 Cost Reconciliation Report. If such reimbursement is not made by CONTRACTOR within thirty (30)
7 calendar days after submission of the Cost Reconciliation Report, COUNTY may, in addition to any other
8 remedies, reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due
9 COUNTY.

10 E. If the Cost Reconciliation Report indicates the actual and reimbursable costs or approved units of
11 service provided pursuant to this Contract, less applicable revenues and late penalty, are higher than the
12 aggregate of interim monthly payments to CONTRACTOR, COUNTY shall pay CONTRACTOR the
13 difference, provided such payment does not exceed the Total Amount Not to Exceed of COUNTY.

14 F. All Cost Reconciliation Reports shall contain the following attestation, which may be typed
15 directly on or attached to the Cost Reconciliation Report:

16
17 "I HEREBY CERTIFY that I have executed the accompanying Cost Reconciliation
18 Report and supporting documentation prepared by _____ for the cost
19 reconciliation report period beginning _____ and ending _____ and that,
20 to the best of my knowledge and belief, costs reimbursed through this Contract are
21 reasonable and allowable and directly or indirectly related to the services provided and
22 that this Cost Reconciliation Report is a true, correct, and complete statement from the
23 books and records of (provider name) in accordance with applicable instructions,
24 except as noted. I also hereby certify that I have the authority to execute the
25 accompanying Cost Reconciliation Report.

26
27 Signed _____
28 Name _____
29 Title _____
30 Date _____"

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34 . **DEBARMENT AND SUSPENSION CERTIFICATION**

35 A. CONTRACTOR certifies that it and its principals:

36 1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or
37 voluntarily excluded by any federal department or agency.

1 2. Have not within a three-year period preceding this Contract been convicted of or had a civil
 2 judgment rendered against them for commission of fraud or a criminal offense in connection with
 3 obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract
 4 under a public transaction; violation of federal or state antitrust statutes or commission of
 5 embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or
 6 receiving stolen property.

7 3. Are not presently indicted for or otherwise criminally or civilly charged by a federal, state,
 8 or local governmental entity with commission of any of the offenses enumerated in Subparagraph A.2.
 9 above.

10 4. Have not within a three-year period preceding this Contract had one or more public
 11 transactions (federal, state, or local) terminated for cause or default.

12 5. Shall not knowingly enter into any lower tier covered transaction with a person who is
 13 proposed for debarment under federal regulations (i.e., 48 CFR Part 9, Subpart 9.4), debarred, suspended,
 14 declared ineligible, or voluntarily excluded from participation in such transaction unless authorized by the
 15 State of California.

16 6. Shall include without modification, the clause titled “Certification Regarding Debarment,
 17 Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transaction,” (i.e., transactions
 18 with sub-grantees and/or contractors) and in all solicitations for lower tier covered transactions in
 19 accordance with 2 CFR Part 376.

20 B. The terms and definitions of this paragraph have the meanings set out in the Definitions and
 21 Coverage sections of the rules implementing 51 F.R. 6370.

22
 23 **X. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS**

24 A. No performance of this Contract or any portion thereof may be subcontracted or otherwise
 25 delegated by CONTRACTOR, in whole or in part, without first obtaining the prior express written consent
 26 of COUNTY. Any attempt by CONTRACTOR to subcontract or delegate any performance of this
 27 Contract without the prior express written consent of COUNTY shall be invalid and shall constitute a
 28 material breach of this Contract, and any attempted assignment or delegation in derogation of this
 29 paragraph shall be void. In the event that CONTRACTOR is authorized by COUNTY to subcontract, this
 30 Contract shall take precedence over the terms of the contract between CONTRACTOR and subcontractor,
 31 and any contract between CONTRACTOR and a subcontractor shall incorporate by reference the terms
 32 of this Contract. CONTRACTOR shall remain responsible for the performance of this Contract and
 33 indemnification of COUNTY notwithstanding COUNTY’s consent to CONTRACTOR’s request for
 34 approval of a subcontractor. Under no circumstances shall COUNTY be required to directly monitor the
 35 performance of any subcontractor. All work performed by a subcontractor must be monitored by
 36 CONTRACTOR and must meet the approval of the County of Orange pursuant to the terms of this
 37 Contract.

1 B. CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR’s
 2 business prior to completion of this Contract, and COUNTY agrees to an assignment of the Contract, the
 3 new owners shall be required under the terms of sale or other instruments of transfer to assume
 4 CONTRACTOR’s duties and obligations contained in this Contract and complete them to the satisfaction
 5 of COUNTY. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without
 6 the prior written consent of COUNTY.

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

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

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

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

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

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

35 C. CONTRACTOR’s obligations undertaken pursuant to this Contract may be carried out by means
 36 of subcontracts, provided such subcontractors are approved in advance by ADMINISTRATOR, meet the
 37 requirements of this Contract as they relate to the service or activity under subcontract, include any

1 provisions that ADMINISTRATOR may require, and are authorized in writing by ADMINISTRATOR
 2 prior to the beginning of service delivery.

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

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

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

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

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

23
 24 **XI. DISPUTE RESOLUTION**

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

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

32 2. CONTRACTOR's written demand shall be fully supported by factual information, and, if
 33 such demand involves a cost adjustment to the Contract, CONTRACTOR shall include with the demand
 34 a written statement signed by an authorized representative indicating that the demand is made in good
 35 faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects
 36 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 shall proceed diligently with the performance of services secured via this Contract,
 2 including the delivery of goods and/or provision of services. CONTRACTOR's failure to proceed
 3 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 shall
 5 be signed by a COUNTY Deputy Purchasing Agent or designee. 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 governed
 9 by and construed under the laws of the State of California. In the event of any legal action to enforce or
 10 interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in
 11 Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such
 12 court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree
 13 to waive any and all rights to request that an action be transferred for adjudication to another county.

14
 15 **XII. 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 forth
 19 in federal statutes and regulations. CONTRACTOR shall obtain, from all employees, subcontractors, and
 20 consultants performing work hereunder, all verification and other documentation of employment
 21 eligibility status required by federal or state statutes and regulations including, but not limited to, the
 22 Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as they currently exist and as they
 23 may be hereafter amended. CONTRACTOR shall retain all such documentation for all covered
 24 employees, subcontractors, and consultants for the period prescribed by the law.

25
 26 **XIII. 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 or
 31 over, including freight charges, sales taxes, and other taxes, and installation costs are defined as Capital
 32 Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales taxes and other
 33 taxes, and installation costs, or electronic equipment that costs less than \$600 but may contain PHI or PII,
 34 are defined as Controlled Equipment. Controlled Equipment includes, but is not limited to phones, tablets,
 35 audio/visual equipment, computer equipment, and lab equipment. The cost of Equipment purchased, in
 36 whole or in part, with funds paid pursuant to this Contract shall be depreciated according to GAAP.

37 B. CONTRACTOR shall obtain ADMINISTRATOR's written approval prior to purchase of any

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

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

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

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

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

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

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

28
 29 **XIV. FACILITIES, PAYMENTS AND SERVICES**

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

35 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or supplies
 36 as required, ADMINISTRATOR may, at its sole discretion, reduce the Amount Not to Exceed for the
 37 appropriate Period as well as the Total Amount Not to Exceed. The reduction to the Amount Not to

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

4
 5 **XV. INDEMNIFICATION AND INSURANCE**

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

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

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

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

36 E. If CONTRACTOR fails to maintain insurance acceptable to COUNTY for the full term of this
 37 Contract, COUNTY may terminate this Contract.

F. QUALIFIED INSURER

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

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

G. The policy or policies of insurance maintained by CONTRACTOR shall provide the 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 accident or disease
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

H. REQUIRED COVERAGE FORMS

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

2. The Business Automobile Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing coverage at least as broad.

I. REQUIRED ENDORSEMENTS

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

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

7 b. A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at
8 least as broad evidencing that CONTRACTOR’s insurance is primary and any insurance or self-insurance
9 maintained by the County of Orange shall be excess and non-contributing.

10 2. The Network Security and Privacy Liability policy shall contain the following endorsements,
11 which shall accompany the Certificate of Insurance:

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

14 b. A primary and non-contributing endorsement evidencing that CONTRACTOR’s
15 insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be
16 excess and non-contributing.

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

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

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

29 M. If CONTRACTOR’s Professional Liability, Sexual Misconduct Liability, and/or Network
30 Security & Privacy Liability are “Claims -Made” policy(ies), CONTRACTOR shall agree to maintain
31 coverage for two (2) years following the completion of the Contract.

32 N. The Commercial General Liability policy shall contain a “severability of interests” clause also
33 known as a “separation of insureds” clause (standard in the ISO CG 0001 policy).

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

36 P. If CONTRACTOR fails to provide the insurance certificates and endorsements within seven (7)
37 calendar days of notification, this Contract may be in breach without further notice to CONTRACTOR,

1 and COUNTY shall be entitled to all legal remedies.

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

6 R. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If
 7 CONTRACTOR does not deposit copies of acceptable Certificate of Insurance and endorsements with
 8 COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice, this
 9 Contract may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to
 10 all legal remedies.

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

14
 15 **XVI. INSPECTIONS AND AUDITS**

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

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

30 **C. AUDIT RESPONSE**

31 1. Following an audit report, in the event of non-compliance with applicable laws and
 32 regulations governing funds provided through this Contract, COUNTY may terminate this Contract as
 33 provided for in the Termination Paragraph or direct CONTRACTOR to immediately implement
 34 appropriate corrective action. A corrective action plan (CAP) shall be submitted to ADMINISTRATOR
 35 in writing within thirty (30) calendar days after receiving notice from ADMINISTRATOR.

36 2. If the audit reveals that money is payable from one Party to the other, that is, reimbursement
 37 by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to CONTRACTOR, said

1 funds shall be due and payable from one Party to the other within sixty (60) calendar days of receipt of
 2 the audit results. If reimbursement is due from CONTRACTOR to COUNTY, and such reimbursement
 3 is not received within said sixty (60) calendar days, COUNTY may, in addition to any other remedies
 4 provided by law, reduce any amount owed CONTRACTOR by an amount not to exceed the
 5 reimbursement due COUNTY.

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

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

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

15 2. The beneficiary’s right to file grievances and appeals and the requirements and timeframes
 16 for filling.

17 3. The availability of assistance to the beneficiary with filling grievances and appeals.

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

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

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

34
 35 **XVII. LICENSES AND LAWS**

36 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout
 37 the term of this Contract, maintain all necessary licenses, permits, approvals, certificates, accreditations,

1 | waivers, and exemptions necessary for the provision of the services hereunder and required by the laws,
 2 | regulations and requirements of the United States, the State of California, COUNTY, and all other
 3 | applicable governmental agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and in
 4 | writing of its inability to obtain or maintain, irrespective of the pendency of any hearings or appeals,
 5 | permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be
 6 | cause for termination of this Contract. In addition, all treatment providers will be certified by the State
 7 | Department of Health Care Services as a Drug Medi-Cal provider and must meet any additional
 8 | requirements established by COUNTY as part of this certification

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

- 12 | 1. ARRA of 2009.
- 13 | 2. Trafficking Victims Protection Act of 2000.
- 14 | 3. CCC §§56 through 56.37, Confidentiality of Medical Information.
- 15 | 4. CCC §§1798.80 through 1798.84, Customer Records.
- 16 | 5. CCC §1798.85, Confidentiality of Social Security Numbers.
- 17 | 6. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social
 18 | Security.
- 19 | 7. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse Master
 20 | Plans.
- 21 | 8. HSC, §§11839 through 11839.22, Narcotic Treatment Programs.
- 22 | 9. HSC, §11876, Narcotic Treatment Programs.
- 23 | 10. HSC, §§123110 through 123149.5, Patient Access to Health Records.
- 24 | 11. Code of Federal Regulations, Title 42, Public Health.
- 25 | 12. 2 CFR 230, Cost Principles for Nonprofit Organizations.
- 26 | 13. 2 CFR 376, Nonprocurement, Debarment and Suspension.
- 27 | 14. 41 CFR 50, Public Contracts and Property Management.
- 28 | 15. 42 CFR 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
- 29 | 16. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse
 30 | prevention and treatment block grants and/or projects for assistance in transition from homelessness
 31 | grants.
- 32 | 17. 45 CFR 93, New Restrictions on Lobbying.
- 33 | 18. 45 CFR 96.127, Requirements regarding Tuberculosis.
- 34 | 19. 45 CFR 96.132, Additional Contracts.
- 35 | 20. 45 CFR 96.135, Restrictions on Expenditure of Grant.
- 36 | 21. 45 CFR 160, General Administrative Requirements.
- 37 | 22. 45 CFR 162, Administrative Requirements.

- 1 23. 45 CFR 164, Security and Privacy.
- 2 24. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
- 3 25. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.
- 4 26. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal
- 5 Contracting and Financial Transactions.
- 6 27. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism; National
- 7 Institute on Drug Abuse.
- 8 28. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services
- 9 Administration.
- 10 29. 42 USC §290dd-2, Confidentiality of Records.
- 11 30. 42 USC §1320(a), Uniform reporting systems for health services facilities and organizations.
- 12 31. 42 USC §§1320d through 1320d-9, Administrative Simplification.
- 13 32. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
- 14 33. 42 USC §6101 et seq., Age Discrimination Act of 1975.
- 15 34. 42 USC §2000d, Civil Rights Act of 1964.
- 16 35. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform
- 17 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 18 36. U.S. Department of Health and Human Services, National Institutes of Health (NIH), Grants
- 19 Policy Statement (10/13).
- 20 37. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for Co-
- 21 Occurring Disorders, Mental Health Services Oversight and Accountability Commission, 1/17/08.
- 22 38. State of California, Department of Alcohol and Drug Programs Audit Assistance Guide
- 23 Manual.
- 24 39. State of California, Department of Alcohol and Drug Programs, Alcohol and/or Other Drug
- 25 Program Certification Standards, March 2004.
- 26 40. CCR Title 22, §§70751(c), 71551(c), 73543(a), 74731(d), 75055(a), 75343(a), and 77143(a).
- 27 41. State of California, Department of Health Care Services ASRS Manual.
- 28 42. State of California, Department of Health Care Services DPFS Manual.
- 29 43. HSC §123145.
- 30 44. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).
- 31 45. 5 USC §7321 – §7326, Political Activities (Hatch Act)
- 32 46. 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 47. Title 2, Division 3, Article 9.5 of the Gov. Code, commencing with Section 11135.
- 35 48. 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 49. Title VIII of the Civil Rights Act of 1968 (42 USC 3601 et seq.) prohibiting discrimination
 2 on the basis of race, color, religion, sex, handicap, familial status or national origin in the sale or rental of
 3 housing.

4 50. 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 51. Age Discrimination in Employment Act (29 CFR Part 1625).

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

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

11 54. Title III of the Americans with Disabilities Act (28 CFR Part 36) regarding access.
 12 Section 504 of the Rehabilitation Act of 1973, as amended (29 USC Section 794), prohibiting
 13 discrimination on the basis of individuals with disabilities.

14 55. 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 \$10,000
 16 funded by federal financial assistance.

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

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

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

23 59. Title 9, Division 4, Chapter 8 of the CCR, commencing with Section 13000.

24 60. No federal funds shall be used by CONTRACTOR or its subcontractors for sectarian
 25 worship, instruction, or proselytization. No federal funds shall be used by CONTRACTOR or its
 26 subcontractors to provide direct, immediate, or substantial support to any religious activity.

27 61. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and
 28 Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of
 29 alcohol abuse or alcoholism.

30
 31 **XVIII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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 Contract
 3 must be approved in advance at least thirty (30) calendar days and in writing by ADMINISTRATOR.

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

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

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

17
 18 **XIX. MINIMUM WAGE LAWS**

19 A. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and
 20 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the federal
 21 or California Minimum Wage to all its Covered Individuals (as defined within the “Compliance”
 22 paragraph of this Contract) that directly or indirectly provide services pursuant to this Contract, in any
 23 manner whatsoever. CONTRACTOR shall require and verify that all of its Covered Individuals providing
 24 services pursuant to this Contract be paid no less than the greater of the federal or California Minimum
 25 Wage.

26 B. CONTRACTOR shall comply and verify that its Covered Individuals comply with all other
 27 federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor
 28 standards pursuant to providing services pursuant to this Contract.

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

33
 34 **XX. NONDISCRIMINATION**

35 **A. EMPLOYMENT**

36 1. During the term of this Contract, CONTRACTOR and its Covered Individuals (as defined in
 37 the “Compliance” paragraph of this Contract) shall not unlawfully discriminate against any employee or

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

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

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

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

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

25 6. Each labor union or representative of workers with which CONTRACTOR and/or
 26 subcontractor has a collective bargaining contract or other contract or understanding must post a notice
 27 advising the labor union or workers' representative of the commitments under this Nondiscrimination
 28 Paragraph and shall post copies of the notice in conspicuous places, available to employees and applicants
 29 for employment.

30 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not
 31 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities
 32 on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability,
 33 medical condition, genetic information, marital status, sex, gender, gender identity, gender expression,
 34 age, sexual orientation, or military and veteran status in accordance with Title IX of the Education
 35 Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights Act of 1964
 36 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division 4, Chapter 6,
 37 Article 1 (§10800, et seq.) of the CCR; and Title II of the Genetic Information Nondiscrimination Act of

1 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and regulations promulgated
2 pursuant thereto, and as otherwise provided by state law and regulations, as all may now exist or be
3 hereafter amended or changed. For the purpose of this Nondiscrimination paragraph, discrimination
4 includes, but is not limited to the following based on one or more of the factors identified above:

- 5 1. Denying a Client or potential Client any service, benefit, or accommodation.
- 6 2. Providing any service or benefit to a Client which is different or is provided in a different
7 manner or at a different time from that provided to other Clients.
- 8 3. Restricting a Client in any way in the enjoyment of any advantage or privilege enjoyed by
9 others receiving any service and/or benefit.
- 10 4. Treating a Client differently from others in satisfying any admission requirement or
11 condition, or eligibility requirement or condition, which individuals must meet in order to be provided
12 any service and/or benefit.
- 13 5. Assignment of times or places for the provision of services.

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

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

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

24 b. Throughout the problem resolution and grievance process, Client rights shall be
25 maintained, including access to the COUNTY’s Patients’ Rights Office at any point in the process. Clients
26 shall be informed of their right to access the COUNTY’s Patients’ Rights Office at any time.

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

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

37 E. RETALIATION – Neither CONTRACTOR nor subcontractor, nor its employees or agents shall

1 intimidate, coerce or take adverse action against any person for the purpose of interfering with rights
 2 secured by federal or state laws, or because such person has filed a complaint, certified, assisted or
 3 otherwise participated in an investigation, proceeding, hearing or any other activity undertaken to enforce
 4 rights secured by federal or state law.

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

8
 9 **XXI. NOTICES**

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

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

15 2. When faxed, transmission confirmed;

16 3. When sent by Email; or

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

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

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

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

29
 30 **XXII. NOTIFICATION OF DEATH**

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

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

36 1. TELEPHONE NOTIFICATION – CONTRACTOR shall notify ADMINISTRATOR by
 37 telephone immediately upon becoming aware of the death due to non-terminal illness of any person served

1 pursuant to this Contract; notice need only be given during normal business hours.

2 2. WRITTEN NOTIFICATION

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

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

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

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

15
16 **XXIII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

24 //

25 //

26 **XXIV. PATIENT’S RIGHTS**

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

31 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have an
32 internal grievance processes approved by ADMINISTRATOR, to which the beneficiary shall have access.

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

36 2. Title IX Rights Advocacy. This process may be initiated by a Client who registers a statutory
37 rights violation or a denial or abuse complaint with the County Patients’ Rights Office. The Patients’

1 Rights office shall investigate the complaint, and Title IX grievance procedures shall apply, which involve
 2 ADMINISTRATOR’S Director of Behavioral Health Care and the State Patients’ Rights Office.

3 C. The parties agree that Clients have recourse to initiate an expression of dissatisfaction to
 4 CONTRACTOR, appeal to the County Patients’ Rights Office, file a grievance, and file a Title IX
 5 complaint. The Patients’ Advocate shall advise and assist the Client, investigate the cause of the
 6 grievance, and attempt to resolve the matter

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

9
 10 **XXV. PAYMENT CARD COMPLIANCE**

11 Should CONTRACTOR conduct credit/debit card transactions in conjunction with their business with
 12 COUNTY, on behalf of COUNTY, or as part of the business that they conduct, CONTRACTOR
 13 covenants and warrants that it is currently PA DSS and PCI DSS compliant and will remain compliant
 14 during the entire duration of this Contract. CONTRACTOR agrees to immediately notify COUNTY in
 15 the event CONTRACTOR should ever become non-compliant, and to take all necessary steps to return to
 16 compliance and shall be compliant within ten (10) business days of the commencement of any such
 17 interruption. Upon demand by COUNTY, CONTRACTOR shall provide to COUNTY written
 18 certification of CONTRACTOR’s PA DSS and/or PCI DSS compliance.

19
 20 **XXVI. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

34 4. CONTRACTOR shall ensure the maintenance of medical records required by §70747
 35 through and including §70751 of the CCR, as they exist now or may hereafter be amended, the medical
 36 necessity of the service, and the quality of care provided. Records shall be maintained in accordance with
 37 §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

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

6 C. CONTRACTOR’s participant, client, and/or patient records shall be maintained in a secure
 7 manner. CONTRACTOR shall maintain participant, client, and/or patient records and must establish and
 8 implement written record management procedures.

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

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

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

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

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

- 25 1. The medical records and billing records about individuals maintained by or for a covered
 26 health care provider;
- 27 2. The enrollment, payment, claims adjudication, and case or medical management record
 28 systems maintained by or for a health plan; or
- 29 3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

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

- 33 1. Have documents readily available within twenty-four (24) hour notice of a scheduled audit
 34 or site visit.
- 35 2. Provide auditor or other authorized individuals access to documents via a computer terminal.
- 36 3. Provide auditor or other authorized individuals a hardcopy printout of documents, if
 37 requested.

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

5 K. CONTRACTOR may be required to pay any costs associated with a Breach of privacy and/or
6 security of PII and/or PHI, including but not limited to the costs of notification. CONTRACTOR shall
7 pay any and all such costs arising out of a Breach of privacy and/or security of PII and/or PHI.

8
9 **XXVII. RESEARCH AND PUBLICATION**

10 CONTRACTOR shall not utilize information and/or data received from COUNTY, or arising out of,
11 or developed, as a result of this Contract for the purpose of personal or professional research, or for
12 publication.

13
14 **XXVIII. REVENUE**

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

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

22 C. PROCEDURES – CONTRACTOR shall maintain internal financial controls which adequately
23 ensure proper billing and collection procedures. CONTRACTOR’s procedures shall specifically provide
24 for the identification of delinquent accounts and methods for pursuing such accounts. CONTRACTOR
25 shall provide ADMINISTRATOR, monthly, a written report specifying the current status of fees which
26 are billed, collected, transferred to a collection agency, or deemed by CONTRACTOR to be uncollectible.

27 D. OTHER REVENUES – CONTRACTOR shall charge for services, supplies, or facility use by
28 persons other than individuals or groups eligible for services pursuant to this Contract.

29
30 **XXIX. SEVERABILITY**

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

36
37 **XXX. SPECIAL PROVISIONS**

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

- 3 1. Making cash payments to intended recipients of services through this Contract.
- 4 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications
 5 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on use
 6 of appropriated funds to influence certain federal contracting and financial transactions).
- 7 3. Fundraising.
- 8 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
 9 CONTRACTOR’s staff, volunteers, or members of the Board of Directors or governing body.
- 10 5. Reimbursement of CONTRACTOR’s members of the Board of Directors or governing body
 11 for expenses or services.
- 12 6. Making personal loans to CONTRACTOR’s staff, volunteers, interns, consultants,
 13 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized
 14 agent, or making salary advances or giving bonuses to CONTRACTOR’s staff.
- 15 7. Paying an individual salary or compensation for services at a rate in excess of the current
 16 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary Schedule
 17 may be found at www.opm.gov.
- 18 8. Severance pay for separating employees.
- 19 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building
 20 codes and obtaining all necessary building permits for any associated construction.

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

- 23 1. Funding travel or training (excluding mileage or parking).
- 24 2. Making phone calls outside of the local area unless documented to be directly for the purpose
 25 of client care.
- 26 3. Payment for grant writing, consultants, certified public accounting, or legal services.
- 27 4. Purchase of artwork or other items that are for decorative purposes and do not directly
 28 contribute to the quality of services to be provided pursuant to this Contract.

30 **XXXII. STATUS OF CONTRACTOR**

31 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be
 32 wholly responsible for the manner in which it performs the services required of it by the terms of this
 33 Contract. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and consultants
 34 employed by CONTRACTOR. This Contract shall not be construed as creating the relationship of
 35 employer and employee, or principal and agent, between COUNTY and CONTRACTOR or any of
 36 CONTRACTOR’s employees, agents, consultants, volunteers, interns, or subcontractors.
 37 CONTRACTOR assumes exclusively the responsibility for the acts of its employees, agents, consultants,

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

5
 6 **XXXII. TERM**

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

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

15
 16 **XXXIII. TERMINATION**

17 A. CONTRACTOR shall meet all programmatic and administrative contracted objectives and
 18 requirements as indicated in this Contract. CONTRACTOR shall be subject to the issuance of a CAP for
 19 the failure to perform to the level of contracted objectives, continuing to not meet goals and expectations,
 20 and/or for non-compliance. If CAPs are not completed within timeframe as determined by
 21 ADMINISTRATOR notice, payments may be reduced or withheld until CAP is resolved and/or the
 22 Contract could be terminated.

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

- 25 1. The loss by CONTRACTOR of legal capacity.
- 26 2. Cessation of services.
- 27 3. The delegation or assignment of CONTRACTOR’s services, operation or administration to
 28 another entity without the prior written consent of COUNTY.
- 29 4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty
 30 required pursuant to this Contract.
- 31 5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this
 32 Contract.
- 33 6. The continued incapacity of any physician or licensed person to perform duties required
 34 pursuant to this Contract.
- 35 7. Unethical conduct or malpractice by any physician or licensed person providing services
 36 pursuant to this Contract; provided, however, COUNTY may waive this option if CONTRACTOR
 37 removes such physician or licensed person from serving persons treated or assisted pursuant to this

1 Contract.

2 C. CONTINGENT FUNDING

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

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

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

8 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,
9 terminate or renegotiate this Contract upon written notice given CONTRACTOR. If COUNTY elects to
10 renegotiate this Contract due to reduced or terminated funding, CONTRACTOR shall not be obligated to
11 accept the renegotiated terms.

12 D. In the event this Contract is suspended or terminated prior to the completion of the term as
13 specified in the Referenced Contract Provisions of this Contract, ADMINISTRATOR may, at its
14 sole discretion, reduce the Total Amount Not to Exceed of this Contract in an amount consistent with the
15 reduced term of the Contract.

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

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

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

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

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

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

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

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

32 8. To the extent services are terminated, cancel outstanding commitments covering the
33 procurement of materials, supplies, equipment, and miscellaneous items, as well as outstanding
34 commitments which relate to personal services. With respect to these canceled commitments,
35 CONTRACTOR shall submit a written plan for settlement of all outstanding liabilities and all claims
36 arising out of such cancellation of commitment which shall be subject to written approval of
37 ADMINISTRATOR.

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

3
4
5 PHOENIX HOUSE ORANGE COUNTY, INC.

6
7 Signed by:
8 BY: Alice Glegorn DATED: 4/21/2025
9 E036800A6FBE428...

10 TITLE: President and CEO

11
12
13
14
15 COUNTY OF ORANGE

16
17 BY: _____ DATED: _____

18
19 TITLE: _____

20
21
22 Signed by:
23 BY: Brittany Mclean DATED: 4/22/2025
24 71CFE63862E411...

HEALTH CARE AGENCY

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

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1 EXHIBIT A
 2 TO CONTRACT FOR PROVISION OF
 3 SOBERING CENTER SERVICES IRVINE CAMPUS
 4 BETWEEN
 5 COUNTY OF ORANGE
 6 AND
 7 PHOENIX HOUSE ORANGE COUNTY, INC.
 8 JULY 1, 2025 THROUGH JUNE 30, 2028
 9

10 **I. COMMON TERMS AND DEFINITIONS**

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

13 1. DHCS-Designated Levels of Care means a designation that is issued by State Department of
 14 Health Care Services (DHCS) to a residential program based on the services provided at the facility.

15 2. ART Team means the Authorization and Referral Treatment team. The Art team will assist
 16 in referrals to residential treatment upon completion of the sobering or withdrawal management stay.

17 3. Client means a person who has a substance use disorder, for whom a COUNTY approved
 18 intake and admission for services have been completed pursuant to this Contract.

19 4. Co-Occurring means when a person has at least one substance use disorder and one mental
 20 health disorder that can be diagnosed independently of the other.

21 5. CSU means a psychiatric crisis stabilization program that operates 24 hours a day and serves
 22 Orange County residents, aged 18 and older, who are experiencing a psychiatric crisis and need immediate
 23 evaluation. Clients receive a thorough psychiatric evaluation, crisis stabilization treatment, and referral to
 24 the appropriate level of continuing care. As a designated outpatient facility, the CSU may evaluate and
 25 treat Clients for no longer than 23 hours.

26 6. Intake means the initial face-to-face meeting between a Client and CONTRACTOR staff in
 27 which specific information about the Client is gathered on standard admission forms pursuant to this
 28 Contract.

29 7. IRIS means a collection of applications and databases that serve the needs of programs within
 30 HCA and includes functionality such as registration and scheduling, laboratory information system,
 31 invoices and reporting capabilities, compliance with regulatory requirements, electronic medical records
 32 and other relevant applications.

33 8. Linkage means connecting Client to ancillary services such as outpatient and/or Residential
 34 Treatment and supportive services which may include self-help groups, social services, rehabilitation
 35 services, vocational services, job training services, or other appropriate services.

36 9. Medication means those medications that are needed to maintain Client’s health, and without
 37 which there could be medical or mental health consequences to the Client.

10. Self-Help Meetings means a non-professional, peer participatory meeting formed by people with a common problem or situation offering mutual support to each other towards a goal or healing or recovery.

11. SUD means a condition in which the use of one or more substances leads to a clinically significant impairment or distress per the DSM-5.

12. Token means the security device which allows an individual user to access IRIS.

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

II. BUDGET

A. COUNTY shall pay CONTRACTOR in accordance with the Payments Paragraph of this Exhibit A to the Contract and the following budget, which is set forth for informational purposes only and may be adjusted by mutual agreement, in writing, by ADMINISTRATOR and CONTRACTOR.

	<u>Period One</u>	<u>Period Two</u>	<u>Period Three</u>	<u>TOTAL</u>
ADMINISTRATIVE COSTS				
Indirect Costs	\$ 172,736	\$ 172,736	\$ 172,736	\$ 518,208
TOTAL ADMINISTRATIVE COSTS	\$ 172,736	\$ 172,736	\$ 172,736	\$ 518,208
PROGRAM COSTS				
Salaries	\$ 1,055,659	\$ 1,055,659	\$ 1,055,659	\$ 3,166,977
Benefits	263,915	263,915	263,915	791,745
Services and Supplies	396,268	396,268	396,268	1,188,804
Subcontractor	<u>11,520</u>	<u>11,520</u>	<u>11,520</u>	<u>34,560</u>
TOTAL PROGRAM COSTS	\$ 1,727,362	\$ 1,727,362	\$ 1,727,362	\$ 5,182,086
TOTAL COST	\$ 1,900,098	\$ 1,900,098	\$ 1,900,098	\$ 5,700,294
TOTAL AMOUNT NOT TO EXCEED	\$ 1,900,098	\$ 1,900,098	\$ 1,900,098	\$ 1,900,098

B. CONTRACTOR and ADMINISTRATOR mutually agree that the Amount Not to Exceed identified in Subparagraph II.A. of this Exhibit A to the Contract includes Indirect Costs not to exceed ten (10%) of Direct Costs, and which may include operating income estimated at two percent (2%). Final settlement paid to CONTRACTOR shall include Indirect Costs and such Indirect Costs may include operating income.

C. BUDGET/STAFFING MODIFICATIONS – CONTRACTOR may request to shift funds between programs, or between budgeted line items within a program, for the purpose of meeting specific

1 program needs or for providing continuity of care to its clients, by utilizing a Budget/Staffing Modification
 2 Request form provided by ADMINISTRATOR. CONTRACTOR shall submit a properly completed
 3 Budget/Staffing Modification Request to ADMINISTRATOR for consideration, in advance, which will
 4 include a justification narrative specifying the purpose of the request, the amount of said funds to be
 5 shifted, and the sustaining annual impact of the shift as may be applicable to the current contract period
 6 and/or future contract periods. CONTRACTOR shall obtain written approval of any Budget/Staffing
 7 Modification Request(s) from ADMINISTRATOR prior to implementation by CONTRACTOR. Failure
 8 of CONTRACTOR to obtain written approval from ADMINISTRATOR for any proposed
 9 Budget/Staffing Modification Request(s) may result in disallowance of those costs.

10 D. FINANCIAL RECORDS – CONTRACTOR shall prepare and maintain accurate and complete
 11 financial records of its cost and operating expenses. Such records shall reflect the actual cost of the type
 12 of service for which payment is claimed. Any apportionment of or distribution of costs, including indirect
 13 costs, to or between programs or cost centers of CONTRACTOR shall be documented, and shall be made
 14 in accordance with GAAP, and Medicare regulations. The Client eligibility determination and fee charged
 15 to and collected from Clients, together with a record of all billings rendered and revenues received from
 16 any source, on behalf of Clients treated pursuant to the Contract, must be reflected in CONTRACTOR’s
 17 financial records.

18 E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Budget
 19 Paragraph of this Exhibit A to the Contract.

20
 21 **III. PAYMENTS**

22 A. COUNTY shall pay CONTRACTOR monthly, in arrears, at the provisional amount of \$158,341
 23 per month. All payments are interim payments only, and subject to final settlement in accordance with the
 24 Cost Reconciliation Report Paragraph of the Contract for which CONTRACTOR shall be reimbursed for
 25 the actual cost of providing the services, which may include Indirect Administrative Costs, as identified
 26 in Subparagraph II.A. of this Exhibit A to the Contract; provided, however, the total of such payments
 27 does not exceed the Not to Exceed Amount for each Period as stated in the Referenced Contract Provisions
 28 of the Contract and, provided further, CONTRACTOR’s costs are reimbursable pursuant to County, State,
 29 and/or Federal regulations. ADMINISTRATOR may, at its discretion, pay supplemental invoices for any
 30 month for which the provisional amount specified above has not been fully paid.

31 1. In support of the monthly invoice, CONTRACTOR shall submit an Expenditure and Revenue
 32 (E&R) Report as specified in the Reports Paragraph of this Exhibit A to the Contract.
 33 ADMINISTRATOR shall use the Expenditure and Revenue Report to determine payment to
 34 CONTRACTOR as specified in Subparagraphs A.2. and A.3., below.

35 2. If, at any time, CONTRACTOR’s Expenditure and Revenue Reports indicate that the
 36 provisional amount payments exceed the actual cost of providing services, ADMINISTRATOR may
 37 reduce COUNTY payments to CONTRACTOR by an amount not to exceed the difference between the

1 year-to-date provisional amount payments to CONTRACTOR's and the year-to-date actual cost incurred
 2 by CONTRACTOR.

3 3. If, at any time, CONTRACTOR's Expenditure and Revenue Reports indicate that the
 4 provisional amount payments are less than the actual cost of providing services, ADMINISTRATOR may
 5 authorize an increase in the provisional amount payment to CONTRACTOR by an amount not to exceed
 6 the difference between the year-to-date provisional amount payments to CONTRACTOR and the year-
 7 to-date actual cost incurred by CONTRACTOR.

8 B. CONTRACTOR's invoices shall be on a form approved or supplied by COUNTY and provide
 9 such information as is required by ADMINISTRATOR. Invoices are due the tenth (10th) calendar day of
 10 each month. Invoices received after the due date may not be paid within the same month. Payments to
 11 CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days after receipt of
 12 the correctly completed invoice form.

13 C. All invoices to COUNTY shall be supported, at CONTRACTOR's facility, by source
 14 documentation including, but not limited to, ledgers, journals, time sheets, invoices, bank statements,
 15 canceled checks, receipts, receiving records and records of services provided.

16 D. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply with
 17 any provision of the Contract.

18 E. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration
 19 and/or termination of the Contract, except as may otherwise be provided under the Contract, or specifically
 20 agreed upon in a subsequent contract.

21 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
 22 Payments Paragraph of this Exhibit A to the Contract.

23
 24 **IV. REPORTS**

25 **A. MONTHLY PROGRAMMATIC**

26 1. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR,
 27 including information required and on a form approved or provided by ADMINISTRATOR. These
 28 monthly programmatic reports should be submitted to ADMINISTRATOR no later than the tenth (10th)
 29 calendar day of the month following the report month.

30 2. CONTRACTOR shall be responsible for including in the monthly programmatic report any
 31 problems in implementing the provisions of this Contract, pertinent facts or interim findings, staff
 32 changes, changes in population served, and reasons for any changes. Additionally, a statement that
 33 CONTRACTOR is or is not progressing satisfactorily in achieving all the terms of the Contract shall be
 34 included.

35 B. ADMINISTRATOR may request reasonable reports of CONTRACTOR in order to determine
 36 the quality and nature of services provided hereunder. ADMINISTRATOR will be specific as to the nature
 37 of information requested, and may allow up to thirty (30) calendar days for CONTRACTOR to respond.

1 C MONTHLY IRIS – CONTRACTOR shall input all Units of Service provided in COUNTY’s
 2 IRIS database for the preceding month no later than the fifth (5th) calendar day of the month following
 3 the report month.

4 D. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports as required by
 5 ADMINISTRATOR concerning CONTRACTOR’s activities as they affect the services hereunder.
 6 ADMINISTRATOR will be specific as to the nature of the information requested and the timeframe the
 7 information is needed.

8 E. CONTRACTOR agrees to enter psychometrics into COUNTY’s EHR system as requested by
 9 ADMINISTRATOR. Said psychometrics are for COUNTY’s analytical uses only, and shall not be relied
 10 upon by CONTRACTOR to make clinical decisions. CONTRACTOR agrees to hold COUNTY
 11 harmless, and indemnify pursuant to Section XV, from any claims that arise from non-COUNTY use of
 12 said psychometrics.

13 F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Reports
 14 Paragraph of this Exhibit A to the Contract.

15
 16 **V. GENERAL REQUIREMENTS**

17 A. MEETINGS – CONTRACTOR’s Executive Director or designee shall participate, when
 18 requested, in meetings facilitated by ADMINISTRATOR related to the provision of services pursuant to
 19 this Contract.

20 B. CULTURAL COMPETENCY – CONTRACTOR must ensure that its policies, procedures, and
 21 practices are consistent with the principles outlined and are embedded in the organizational structure, as
 22 well as being upheld in day-to-day operations. Translation services must be available for beneficiaries,
 23 as needed. CONTRACTOR shall maintain documentation of such efforts which may include; but not be
 24 limited to: records of participation in COUNTY-sponsored or other applicable training; recruitment and
 25 hiring policies and procedures; copies of literature in multiple languages and formats, as appropriate; and
 26 descriptions of measures taken to enhance accessibility for, and sensitivity to, individuals who are
 27 physically challenged.

28 C. CONTRACTOR shall include bilingual/bicultural services to meet the needs of threshold
 29 languages as determined by COUNTY.

30 D. POSTINGS – CONTRACTOR shall post the following in a prominent place within the facility:

- 31 1. Business License
- 32 2. Conditional Use Permit (if applicable)
- 33 3. Fire clearance
- 34 4. Client rights
- 35 5. Grievance procedure
- 36 6. Employee Code of Conduct
- 37 7. Evacuation floor plan

8. Equal Employment Opportunity notices

9. Name, address, telephone number for fire department, crisis program, local law enforcement, and ambulance service.

10. List of resources within community which shall include medical, dental, mental health, public health, social services and where to apply for determination of eligibility for State, Federal or county entitlement programs.

11. Information on self-help meetings. AA, NA, and non-12 step meetings shall be included.

E. NO PROSELYTIZING POLICY – CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources, with respect to any person served under the terms of this Contract. Further, CONTRACTOR agrees that the funds provided hereunder shall not be used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian institution, or religious belief.

F. NON-SMOKING POLICY – CONTRACTOR shall establish a written non-smoking policy which shall be reviewed and approved by ADMINISTRATOR.

G. GOOD NEIGHBOR POLICY – ADMINISTRATOR has established a Good Neighbor Policy for the purpose of identifying community impacts and measures to mitigate those impacts. The Good Neighbor Policy is a set of principles and activities designed to provide a consistent means of communication between facilities that provide client services and their respective neighbors. The Good Neighbor Policy is applicable for Residential Programs when CONTRACTOR provides service to County residents and the services have a potential impact including but not limited to community safety, cleanliness, and security in the surrounding neighborhood(s).

1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the Good Neighbor Policy, attached hereto as Exhibit D.

2. CONTRACTOR agrees to adhere to the Good Neighbor Policy to the fullest extent possible. In addition, each facility shall develop a written procedure for the handling of neighborhood complaints which shall be approved by ADMINISTRATOR. Approved procedure must be available onsite, readily accessible upon request, and include ADMINISTRATOR’s contact information as provided.

3. Non-compliance with this Paragraph and Exhibit D shall constitute a material breach of this Contract and constitute cause for immediate termination of this Contract.

H. VISITATION POLICY – CONTRACTOR shall establish a written Visitation Policy if visitors are allowed, to be reviewed and approved by ADMINISTRATOR, which shall include, but not be limited to, the following:

- 1. Sign in logs;
- 2. Visitation hours; and
- 3. Designated visiting areas at the Facility.

I. OPIOID OVERDOSE EMERGENCY TREATMENT – CONTRACTOR shall have available at each program site at minimum two (2) unexpired Naloxone Nasal Spray for the treatment of known or suspected opioid overdose. Staff shall be trained in how to access and administer the Naloxone. Training

1 may include review of online resources and the National Harm Reduction Coalition's Opioid Overdose
 2 Basics website to respond effectively to an opioid-associated overdose emergency. Staff shall certify that
 3 they have reviewed and undergone training in opioid overdose prevention and treatment. Completion of
 4 training shall be documented in the staff member's individual personnel file. Naloxone Nasal Spray is not
 5 a substitute for emergency medical care. CONTRACTOR shall always seek emergency medical
 6 assistance in the event of a suspected, potentially life-threatening opioid emergency.

7 J. TOKENS – ADMINISTRATOR will provide CONTRACTOR the necessary number of Tokens
 8 for appropriate individual staff to access IRIS at no cost to CONTRACTOR.

9 1. CONTRACTOR recognizes that a Token is assigned to a specific individual staff member
 10 with a unique password. Tokens and passwords shall not be shared with anyone.

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

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

15 4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following
 16 conditions:

- 17 a. Token of each staff member who no longer supports this Contract.
- 18 b. Token of each staff member who no longer requires access to IRIS.
- 19 c. Token of each staff member who leaves employment of CONTRACTOR.
- 20 d. Tokens malfunctioning.

21 5. ADMINISTRATOR will issue Tokens for CONTRACTOR's staff members who require
 22 access to the IRIS upon initial training or as a replacement for malfunctioning Tokens. CONTRACTOR
 23 shall reimburse COUNTY for Tokens lost, stolen, or damaged through acts of negligence.

24 K. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the General
 25 Requirements Paragraph of this Exhibit A to the Contract.

26
 27 **VI. SERVICES**

28 A. FACILITY –CONTRACTOR shall ensure facility remains clean, safe and in good repair. The
 29 Sobering Center consists of cots, an intake station, showers, and a laundry facility. CONTRACTOR shall
 30 store client personal belongings while client is receiving services. Services shall be provided at the
 31 following locations, or at any other location approved in advance, in writing, by ADMINISTRATOR:

32
 33 7800 Marine Way
 34 Irvine, CA 92618
 35

36 B. PERSONS TO BE SERVED – Sobering Center services shall be provided to adults 18 years of
 37 age and older, who present with intoxication and can safely be served at the facility. These persons might

1 otherwise be detained by law enforcement or utilize hospital emergency departments for issues related to
 2 intoxication. Referrals will come from HCA identified referral sources.

3 C. SERVICES

4 1. Screening - CONTRACTOR may perform phone screening with referral source to determine
 5 if the individual can be safely served in the facility. When clients are found to have acute physical health
 6 conditions or need a higher-level care such as clinically-managed Withdrawal Management ASAM 3.2,
 7 medically-managed Withdrawal Management ASAM 3.7 or hospitalization, CONTRACTOR shall
 8 arrange transport to the detox facility or a hospital for the appropriate level of care.

9 2. Admissions - CONTRACTOR shall ensure admissions are conducted 24 hours a day.

10 3. Intake – CONTRACTOR shall record demographics and past medical history.

11 4. Engagement – CONTRACTOR shall utilize evidence based practices such as Motivational
 12 Interviewing and/ or Negotiated interviewing to engage clients who may not wish to participate to assist
 13 with preventing clients from leaving prior to it being safe for them to do so.

14 5. Monitoring – CONTRACTOR shall monitor for signs and symptoms of intoxication per
 15 protocols established by medical staff. CONTRACTOR shall incorporate blood pressure checks and the
 16 Clinical Opiate Withdrawal Scale (COWS) and/or Clinical Institute Withdrawal Assessment of Alcohol
 17 (CIWA) scale. Clients shall be monitored visually every 15 minutes for the first 12 hours. Clients who are
 18 sleeping shall be monitored visually every 15 minutes. Documentation of the information that supports a
 19 decrease in observation and physical checks shall be recorded in Client's file by a qualified and authorized
 20 staff.

21 6. Anticipated length of stay to last between 6 and 8 hours. Length of stay shall be less than 24
 22 hours.

23 7. Ancillary Services – CONTRACTOR shall provide light snacks and hydration, temporary
 24 clean clothing, toiletries, clean linen and laundry service.

25 8. Discharge Planning – CONTRACTOR must begin Discharge Planning as soon as the Client
 26 enters Sobering Services. CONTRACTOR shall develop an exit/transition plan with the Client. The
 27 exit/transition plan shall include:

28 a. A strategy or strategies to assist the Client in pursuing an alcohol and drug-free lifestyle.

29 b. A plan for linkage and transition of the Client to appropriate services, including treatment
 30 services.

31 c. Linkage – CONTRACTOR shall provide a warm link transfer to ongoing physical health,
 32 and/or behavioral health treatment as appropriate utilizing ASAM criteria to determine appropriate level
 33 of care. Withdrawal management and outpatient linkages are made directly to provider. Residential
 34 linkages are coordinated with the ART team. CONTRACTOR shall provide referral and linkage to
 35 support group meetings, and Social Service benefits.

36 9. Transportation – CONTRACTOR shall arrange for or provide transportation to next care
 37 setting upon discharge.

1 10. Support Services – CONTRACTOR shall provide housekeeping, maintenance and
2 arrangements for emergency and non-emergency medical services.

3 D. PERFORMANCE OUTCOMES

- 4 1. Capture linkage rate to continuing behavioral health services.
- 5 2. Capture linkage rate to other medical, dental, social services or recovery supports.
- 6 3. Capture number of unduplicated clients served.
- 7 4. Capture number of admissions.
- 8 5. Capture percentage of clients who accepted a referral appointment upon discharge.

9 E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Services
10 paragraph of this Exhibit A to the Contract.

11
12 **VII. STAFFING**

13 A. CONTRACTOR shall provide adequate staffing to assure that the services outlined above are
14 performed in an efficient manner.

15 B. CONTRACTOR shall provide twenty-four (24) hour supervision with at least three (3) staff member
16 on-site at all times.

17 C. Whenever possible, bilingual/bicultural staff should be retained. Any clinical vacancies
18 occurring at a time when bilingual and bicultural composition of the clinical staffing does not meet the
19 above requirement, the vacancies must be filled with bilingual and bicultural staff unless
20 ADMINISTRATOR consents, in advance and in writing, to the filling of those positions with non-
21 bilingual staff. Salary savings resulting from such vacant positions may not be used
22 to cover costs other than salaries and employees benefits unless otherwise authorized, in advance and in
23 writing, by ADMINISTRATOR.

24 D. CONTRACTOR shall maintain personnel files for each staff person, including management and
25 other administrative positions, both direct and indirect to the Contract, which shall include, but not be
26 limited to, an application for employment, qualifications for the position, applicable licenses, waivers,
27 registrations, documentation of bicultural/bilingual capabilities (if applicable), pay rate and evaluations
28 justifying pay increases.

29 E. CONTRACTOR shall make its best effort to provide services pursuant to the Contract in a manner
30 that is culturally and linguistically appropriate for the population(s) served. CONTRACTOR shall
31 maintain documents of such efforts which may include; but not be limited to: records of participation in
32 COUNTY-sponsored or other applicable training; recruitment and hiring P&Ps; copies of literature in
33 multiple languages and formats, as appropriate; and descriptions of measures taken to enhance
34 accessibility for, and sensitivity to, clients who are physically challenged.

35 F. CONTRACTOR shall ensure that all staff, paid or unpaid, complete necessary training prior to
36 discharging duties associated with their titles and any other training necessary to assist CONTRACTOR
37 and COUNTY to be in compliance with prevailing standards of practice as well as State and Federal

1 regulatory requirements.

2 G. All staff shall be trained in Cardiopulmonary Resuscitation (CPR) and Naloxone administration.

3 H. CONTRACTOR shall ensure that all staff, including interns and volunteers, are trained and have
4 a clear understanding of all P&Ps. CONTRACTOR shall provide signature confirmation of the P&P
5 training for each staff member and place in their personnel files.

6 I. CONTRACTOR shall provide detailed job descriptions, including education and experience
7 requirements, all applicable responsibilities, assigned duties, and workflow for each delineated position.

8 J. CONTRACTOR shall, at a minimum, provide the following staffing pattern expressed in Full-
9 Time Equivalents (FTEs) continuously throughout the term of the Contract. One (1) FTE shall be equal
10 to an average of forty (40) hours work per week.

Title of Position	FTE
Program Director	.20
Licensed Vocational Nurse, LVN	2.00
Facility Manager	2.00
Admissions Specialist	1.00
Recovery Support Specialist	11.00
Quality Assurance Specialist	1.00
Driver	1.00
Subcontractor	0.02
Total	18.22

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21 K. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Staffing
22 Paragraph of this Exhibit A to the Contract.

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1 EXHIBIT B
 2 TO CONTRACT FOR PROVISION OF
 3 SOBERING CENTER SERVICES IRVINE CAMPUS
 4 BETWEEN
 5 COUNTY OF ORANGE
 6 AND
 7 PHOENIX HOUSE ORANGE COUNTY, INC.
 8 JULY 1, 2025 THROUGH JUNE 30, 2028
 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 the 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, and
 17 the HIPAA regulations between the CONTRACTOR and COUNTY arises to the extent that
 18 CONTRACTOR performs, or delegates to subcontractors to perform, functions or activities on behalf of
 19 COUNTY pursuant to, and as set forth in, the 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 the 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 the
 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 the Contract in compliance with
 27 the applicable standards, implementation specifications, and requirements of HIPAA, the HITECH Act,
 28 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 the Contract.

3 B. DEFINITIONS

4 1. "Administrative Safeguards" are administrative actions, and P&Ps, to manage the selection,
 5 development, implementation, and maintenance of security measures to protect ePHI and to manage the
 6 conduct of CONTRACTOR's workforce in relation to the protection of that information.

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

9 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 12. "Secretary" shall mean the Secretary of the Department of HHS or his or her designee.

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

19 14. "The HIPAA Security Rule" shall mean the Security Standards for the Protection of ePHI at
20 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

21 15. "Subcontractor" shall have the meaning given to such term under the HIPAA regulations in
22 45 CFR § 160.103.

23 16. "Technical safeguards" means the technology and the P&Ps for its use that protect electronic
24 PHI and control access to it.

25 17. "Unsecured PHI" or "PHI that is unsecured" means PHI that is not rendered unusable,
26 unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology
27 specified by the Secretary of HHS in the guidance issued on the HHS Web site.

28 18. "Use" shall have the meaning given to such term under the HIPAA regulations in
29 45 CFR § 160.103.

30 C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE

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

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

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

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

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

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

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

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

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

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

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

37 //

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

4 13. If CONTRACTOR receives Social Security data from COUNTY provided to COUNTY by
 5 a state agency, upon request by COUNTY, CONTRACTOR shall provide COUNTY with a list of all
 6 employees, subcontractors, and agents who have access to the Social Security data, including employees,
 7 agents, subcontractors, and agents of its subcontractors.

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

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

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

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

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

36 //

37 17. CONTRACTOR shall work with COUNTY upon notification by CONTRACTOR to

1 COUNTY of a Breach to properly determine if any Breach exclusions exist as defined in Subparagraph
2 B.2.a above.

3 D. SECURITY RULE

4 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish and
5 maintain appropriate Administrative, Physical and Technical Safeguards in accordance with
6 45 CFR § 164.308, § 164.310, and § 164.312, with respect to electronic PHI COUNTY discloses to
7 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.
8 CONTRACTOR shall develop and maintain a written information privacy and security program that
9 includes Administrative, Physical, and Technical Safeguards appropriate to the size and complexity of
10 CONTRACTOR's operations and the nature and scope of its activities.

11 2. CONTRACTOR shall implement reasonable and appropriate P&Ps to comply with the
12 standards, implementation specifications and other requirements of 45 CFR Part 164, Subpart C, in
13 compliance with 45 CFR § 164.316. CONTRACTOR will provide COUNTY with its current and updated
14 policies upon request.

15 3. CONTRACTOR shall ensure the continuous security of all computerized data systems
16 containing ePHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,
17 or transmits on behalf of COUNTY. CONTRACTOR shall protect paper documents containing PHI
18 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
19 behalf of COUNTY. These steps shall include, at a minimum:

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

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

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

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

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

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

37 E. DATA SECURITY REQUIREMENTS

1 1. Personal Controls

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

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

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

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

27 2. Technical Security Controls

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

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

37 c. Minimum Necessary. Only the minimum necessary amount of PHI COUNTY discloses

1 to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
 2 required to perform necessary business functions may be copied, downloaded, or exported.

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

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

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

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

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

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

1 prior written permission by COUNTY.

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

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

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

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

21 m. Transmission encryption. All data transmissions of PHI COUNTY discloses to
 22 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
 23 outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is
 24 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files
 25 containing PHI can be encrypted. This requirement pertains to any type of PHI in motion such as website
 26 access, file transfer, and E-Mail.

27 n. Intrusion Detection. All systems involved in accessing, holding, transporting, and
 28 protecting PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,
 29 or transmits on behalf of COUNTY that are accessible via the Internet must be protected by a
 30 comprehensive intrusion detection and prevention solution.

31 3. Audit Controls

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

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

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

8 4. Business Continuity/Disaster Recovery Control

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

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

21 5. Paper Document Controls

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

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

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

34 //

35 //

36 d. Removal of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR
37 creates, receives, maintains, or transmits on behalf of COUNTY must not be removed from the premises

1 of the CONTRACTOR except with express written permission of COUNTY.

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

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

14 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

24 2. CONTRACTOR shall provide the notification of the Breach immediately to the COUNTY
 25 Privacy Officer. CONTRACTOR’s notification may be oral, but shall be followed by written notification
 26 within twenty-four (24) hours of the oral notification.

27 3. CONTRACTOR’s notification shall include, to the extent possible:

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

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

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

36 2) A description of the types of Unsecured PHI that were involved in the Breach (such
 37 as whether full name, social security number, date of birth, home address, account number, diagnosis,

1 | disability code, or other types of information were involved);

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

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

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

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

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

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

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

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

27 | 9. If the Breach is the fault of CONTRACTOR, CONTRACTOR shall bear all expense or other
28 | costs associated with the Breach and shall reimburse COUNTY for all expenses COUNTY incurs in
29 | addressing the Breach and consequences thereof, including costs of investigation, notification,
30 | remediation, documentation or other costs associated with addressing the Breach.

31 | G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

32 | 1. CONTRACTOR may use or further disclose PHI COUNTY discloses to CONTRACTOR as
33 | necessary to perform functions, activities, or services for, or on behalf of, COUNTY as specified in
34 | //
35 | the Contract, provided that such use or Disclosure would not violate the HIPAA Privacy Rule if done by
36 | COUNTY except for the specific Uses and Disclosures set forth below.

37 | a. CONTRACTOR may use PHI COUNTY discloses to CONTRACTOR, if necessary, for

1 the proper management and administration of CONTRACTOR.

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

5 1) The Disclosure is required by law; or

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

10 c. CONTRACTOR may use or further disclose PHI COUNTY discloses to
11 CONTRACTOR to provide Data Aggregation services relating to the Health Care Operations of
12 CONTRACTOR.

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

15 3. CONTRACTOR may use and disclose PHI COUNTY discloses to CONTRACTOR
16 consistent with the minimum necessary P&Ps of COUNTY.

17 4. CONTRACTOR may use or disclose PHI COUNTY discloses to CONTRACTOR as
18 required by law.

19 H. PROHIBITED USES AND DISCLOSURES

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

25 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI
26 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
27 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by
28 42 USC § 17935(d)(2).

29 I. OBLIGATIONS OF COUNTY

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

33 //

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

37 3. COUNTY shall notify CONTRACTOR of any restriction to the Use or Disclosure of PHI

1 that COUNTY has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may
2 affect CONTRACTOR’s Use or Disclosure of PHI.

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

5 J. BUSINESS ASSOCIATE TERMINATION

6 1. Upon COUNTY’s knowledge of a material Breach or violation by CONTRACTOR of the
7 requirements of this Business Associate Contract, COUNTY shall:

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

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

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

16 a. This provision shall apply to all PHI that is in the possession of Subcontractors or agents
17 of CONTRACTOR.

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

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

25 3. The obligations of this Business Associate Contract shall survive the termination of the
26 Contract.

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1 EXHIBIT C
 2 TO CONTRACT FOR PROVISION OF
 3 SOBERING CENTER SERVICES IRVINE CAMPUS
 4 BETWEEN
 5 COUNTY OF ORANGE
 6 AND
 7 PHOENIX HOUSE ORANGE COUNTY, INC.
 8 JULY 1, 2025 THROUGH JUNE 30, 2028
 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 in
 12 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 Contract" means the CMPPA Contract between the 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 the
 22 Contract on behalf of the COUNTY.

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

24 6. "Notice-triggering PI" shall mean the PI identified in CCC § 1798.29(e) whose unauthorized
 25 access may trigger notification requirements under CCC § 1709.29. For purposes of this provision,
 26 identity shall include, but not be limited to, name, identifying number, symbol, or other identifying
 27 particular assigned to the individual, such as a finger or voice print, a photograph or a biometric identifier.
 28 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 governmental
 34 or tribal inspector general, or an administrative body authorized to require the production of information,
 35 and a civil or an authorized investigative demand. It also includes Medicare conditions of participation
 36 with respect to health care providers participating in the program, and statutes or

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

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

6 B. TERMS OF CONTRACT

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

11 2. Responsibilities of CONTRACTOR

12 CONTRACTOR agrees:

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

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

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

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

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

34 3) If the data obtained by CONTRACTOR from COUNTY includes PII,
 35 CONTRACTOR shall also comply with the substantive privacy and security requirements in the CMPPA
 36 Contract between the SSA and the CHHS and in the Contract between the SSA and DHCS, known as the
 37 IEA. The specific sections of the IEA with substantive privacy and security requirements to be complied

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

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

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

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

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

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

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

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1 EXHIBIT D
 2 TO CONTRACT FOR PROVISION OF
 3 SOBERING CENTER SERVICES IRVINE CAMPUS
 4 BETWEEN
 5 COUNTY OF ORANGE
 6 AND
 7 PHOENIX HOUSE ORANGE COUNTY, INC.
 8 JULY 1, 2025 THROUGH JUNE 30, 2028
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10 **PREFACE**

11 COUNTY as a political subdivision of the State of California, is mandated by state and federal law to
12 provide certain services to all County residents. In addition, COUNTY provides certain other non-
13 mandated services to enhance the well-being and quality of life for its residents. COUNTY is committed
14 to ensuring positive relations through this Good Neighbor Policy in the neighborhoods and communities
15 in which its Residential Program contractors provide services to its residents.

16
17 Following effective date of this Contract, but no later than thirty (30) calendar days after the start of
18 services, CONTRACTOR shall conduct reasonable outreach to cities, neighborhoods and communities
19 that could be affected by services provided by CONTRACTOR.

20
21 Good Neighbor Policy

22 This Policy applies only to the extent CONTRACTOR provides direct services to COUNTY clients
23 pursuant to this Contract. The intent of this Policy is to identify community impacts and measures to
24 mitigate those impacts to be an integral part of the neighborhood and community COUNTY serves.

25
26 CONTRACTOR shall establish a policy that includes all of the following elements:

- 27 • Ensure staff and clients conduct themselves in a manner that demonstrates respect for the
 28 community and consideration of neighbors when entering/exiting the facility or outdoors.
- 29 • Establish and maintain early communication with cities, neighborhoods and communities as a
 30 way to identify potential impacts to neighborhoods and mitigate as needed.
- 31 • Establish cooperative relationships with cities, neighborhoods and communities where services
 32 are being rendered and mitigate impact as needed.
- 33 • Collaborate with cities, neighborhoods and communities as a way to promote integration of
 34 facilities into the community and determine the effectiveness of established good neighbor practices.
- 35 • Develop written procedures to track, respond and mitigate neighborhood complaints. Procedures
 36 should include identification of a contact person for complaint resolution and identification of COUNTY
 37 contact if complaint is not adequately resolved. The procedures must also identify how these incidents

1 will be reported to the appropriate COUNTY contact in a timely manner.

- 2 • Establish generalized good neighbor practices for services and facility(ies) that include:
 - 3 - Adequate parking
 - 4 - Adequate waiting and visiting areas
 - 5 - Adequate restroom facilities
 - 6 - Property maintenance and appearance
 - 7 - Community safety
 - 8 - Congregation guidelines
 - 9 - Security provisions

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11 CONTRACTOR shall submit its policy to COUNTY for review and approval prior to the commencing of
12 services.

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