

1 CONTRACT FOR PROVISION OF  
 2 DRUG MEDI-CAL CO-OCCURRING RESIDENTIAL TREATMENT 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).  
 15

16 WITNESSETH:  
 17

18 WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Drug Medi-Cal  
 19 Co-Occurring Residential Treatment Services Irvine Campus described herein to the residents of Orange  
 20 County; and

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

23 NOW, THEREFORE, in consideration of the mutual covenants, benefits, and promises contained  
 24 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:** \$10,800,000

Period One Amount Not to Exceed: \$ 3,600,000

Period Two Amount Not to Exceed: \$ 3,600,000

Period Three Amount Not to Exceed: \$ 3,600,000

TOTAL AMOUNT NOT TO EXCEED: \$ 10,800,000

**Basis for Reimbursement:** Fee For Service and 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:** Alice Gleghorn, Ph.D.  
 Phoenix House Orange County, Inc.  
 11600 Eldridge Ave.  
 Lake View Terrace, CA 91342-6506  
 AGleghorn@phoenixhouseca.org

<u>CFDA#</u>	<u>FAIN#</u>	<u>Program/ Service Title</u>	<u>Federal Funding Agency</u>	<u>Federal Award Date</u>	<u>Amount</u>	<u>R&amp;D Award (Y/N)</u>
93.959	VE2ZZY1ZH19	SABG	Substance Abuse and Mental Health ServicesAdministration (SAMHSA)	7/1/2024 TO 6/30/2026	\$19,306,499 annually	N

**I. ACRONYMS**

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

- A. AB 109 Assembly Bill 109, 2011 Public Safety Realignment
- B. AIDS Acquired Immune Deficiency Syndrome
- C. AES Advanced Encryption Standard
- D. AOD Alcohol and Other Drug
- E. ARRA American Recovery and Reinvestment Act
- F. ASAM PPC American Society of Addiction Medicine Patient Placement Criteria
- G. ASI Addiction Severity Index
- H. ASRS Alcohol and Drug Programs Reporting System
- I. BCP Business Continuity Plan
- J. BHS Behavioral Health Services
- K. CalOMS California Outcomes Measurement System
- L. CalWORKs California Work Opportunity and Responsibility for Kids
- M. CAP Corrective Action Plan
- N. CCC California Civil Code
- O. CCR California Code of Regulations
- P. CD/DVD Compact Disc/Digital Video or Versatile Disc
- Q. CEO County Executive Office
- R. CESI Client Evaluation of Self at Intake
- S. CEST Client Evaluation of Self and Treatment
- T. CFDA Catalog of Federal Domestic Assistance
- U. CFR Code of Federal Regulations
- V. CHHS California Health and Human Services Agency
- W. CHPP COUNTY HIPAA Policies and Procedures
- X. CHS Correctional Health Services
- Y. CIPA California Information Practices Act
- Z. CMPPA Computer Matching and Privacy Protection Act
- AA. COI Certificate of Insurance
- AB. CPA Certified Public Accountant
- AC. CSU Crisis Stabilization Unit
- AD. CSW Clinical Social Worker
- AE. DATAR Drug Abuse Treatment Access Report
- AF. DHCS Department of Health Care Services
- AG. D/MC Drug/Medi-Cal
- AH. DMC ODS Drug Medi-Cal Organized Delivery System

1	AI. DoD	US Department of Defense
2	AJ. DPFS	Drug Program Fiscal Systems
3	AK. DRP	Disaster Recovery Plan
4	AL. DRS	Designated Record Set
5	AM. DSM-5	Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition
6	AN. DSS	Department of Social Services
7	AO. EBPs	Evidenced Based Treatment Practices
8	AP. EEOC	Equal Employment Opportunity Commission
9	AQ. EHR	Electronic Health Records
10	AR. ePHI	Electronic Protected Health Information
11	AS. EPSDT	Early Periodic Screening, Diagnostic and Treatment
12	AT. FIPS	Federal Information Processing Standards
13	AU. FFS	Fee For Service
14	AV. FSP	Full Service Partnership
15	AW. FTE	Full Time Equivalent
16	AX. GAAP	Generally Accepted Accounting Principles
17	AY. HCA	Health Care Agency
18	AZ. HHS	Health and Human Services
19	BA. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
20		Law 104-191
21	BB. HITECH	The Health Information Technology for Economic and Clinical Health
22		Act, Public Law 111-005
23	BC. HIV	Human Immunodeficiency Virus
24	BD. HSC	California Health and Safety Code
25	BE. ID	Identification
26	BF. IEA	Information Exchange Agreement
27	BG. IRIS	Integrated Records and Information System
28	BH. ISO	Insurance Services Office
29	BI. ITC	Indigent Trauma Care
30	BJ. LCSW	Licensed Clinical Social Worker
31	BK. LPHA	Licensed Practitioner of the Healing Arts
32	BL. MAT	Medication Assisted Treatment
33	BM. MFT	Marriage and Family Therapist
34	BN. MH	Mental Health
35	BO. MHP	Mental Health Plan
36	BP. MHS	Mental Health Specialist
37	BQ. MHSA	Mental Health Services Act

1	BR. MSN	Medical Safety Net
2	BS. NIH	National Institutes of Health
3	BT. NIST	National Institute of Standards and Technology
4	BU. NPI	National Provider Identifier
5	BV. NPPES	National Plan and Provider Enumeration System
6	BW. OCPD	Orange County Probation Department
7	BX. OCR	Office for Civil Rights
8	BY. OIG	Office of Inspector General
9	BZ. OMB	Office of Management and Budget
10	CA. OPM	Federal Office of Personnel Management
11	CB. P&P	Policy and Procedure
12	CC. PA DSS	Payment Application Data Security Standard
13	CD. PATH	Projects for Assistance in Transition from Homelessness
14	CE. PC	State of California Penal Code
15	CF. PCI DSS	Payment Card Industry Data Security Standard
16	CG. PCS	Post-Release Community Supervision
17	CH. PHI	Protected Health Information
18	CI. PII	Personally Identifiable Information
19	CJ. PI	Personal Information
20	CK. RPC	Residential Placement Coordinator
21	CL. RTS	Residential Treatment Services
22	CM. SIR	Self-Insured Retention
23	CN. SMA	Statewide Maximum Allowance
24	CO. STC	Special Terms and Conditions
25	CP. SAPTBG	Substance Abuse Prevention and Treatment Block Grant
26	CQ. SMA	Statewide Maximum Allowable (rate)
27	CR. SOW	Scope of Work
28	CS. SUD	Substance Use Disorder
29	CT. TB	Tuberculosis
30	CU. UMDAP	Uniform method of Determining Ability to Pay
31	CV. UOS	Units of Service
32	CW. USC	United States Code
33	CX. WIC	Women, Infants and Children
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36	//	
37	//	

**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.

C. ADMINISTRATOR may increase or decrease the Amount Not to Exceed for each Period, provided the total of the Amount Not to Exceed for all Periods does not exceed the Total Amount Not to Exceed of COUNTY as specified in the Referenced Contract Provisions of 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.

1 CONTRACTOR’s compliance program, code of conduct and any related policies and procedures shall be  
 2 verified by ADMINISTRATOR’s Compliance Department to ensure they include all required elements  
 3 by ADMINISTRATOR’s Compliance Officer as described in this Compliance Paragraph to this Contract.

4 These elements include:

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

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

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

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

36 B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or  
 37 retained to provide services related to this Contract monthly to ensure that they are not designated as

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

//

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

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

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

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

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

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

**VII. CONFIDENTIALITY**

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

B. Prior to providing any services pursuant to this Contract, all members of the Board of Directors

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

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

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

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

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

21  
 22 **VIII. CONFLICT OF INTEREST**

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

1 Contract, employ any County employee for any purpose.  
2

### 3 **VIII. COST RECONCILIATION REPORT**

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

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

14 2. As indicated in Exhibit A, Section IV. Payments, Medi-Cal Reimbursement Rates, the Cost  
15 Reconciliation Report shall be for approved units of service. Costs of Medi-Cal services shall not exceed  
16 the negotiated rate as specified in this Contract. CONTRACTOR shall prepare the Cost Reconciliation  
17 Report in accordance with all applicable federal, state and COUNTY requirements, and the Special  
18 Provisions Paragraph of this Contract.

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

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

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

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

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

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

4 C. Final settlement shall be based upon the actual and reimbursable costs and approved units of  
5 service, as detailed in Exhibit A, Section IV. Payments, less applicable revenues and any late penalty, not  
6 to exceed COUNTY's Total Amount Not to Exceed as set forth in the Referenced Contract Provisions of  
7 this Contract. CONTRACTOR shall not claim units of service to COUNTY which are not reimbursable  
8 pursuant to applicable federal, state and COUNTY laws, regulations and requirements. Any payment  
9 made by COUNTY to CONTRACTOR, which is subsequently determined to have been for an  
10 unreimbursable unit of service, shall be repaid by CONTRACTOR to COUNTY in cash, or other  
11 authorized form of payment, within thirty (30) calendar days of submission of the Cost Reconciliation  
12 Report or COUNTY may elect to reduce any amount owed CONTRACTOR by an amount not to exceed  
13 the reimbursement due COUNTY.

14 D. If the Cost Reconciliation Report indicates the actual and reimbursable costs of services or  
15 approved units of service provided pursuant to this Contract, less applicable revenues and late penalty,  
16 are lower than the aggregate of interim monthly payments to CONTRACTOR, CONTRACTOR shall  
17 remit the difference to COUNTY. Such reimbursement shall be made, in cash, or other authorized form  
18 of payment, with the submission of the Cost Reconciliation Report. If such reimbursement is not made  
19 by CONTRACTOR within thirty (30) calendar days after submission of the Cost Reconciliation Report,  
20 COUNTY may, in addition to any other remedies, reduce any amount owed CONTRACTOR by an  
21 amount not to exceed the reimbursement due COUNTY.

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

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

28  
29 "I HEREBY CERTIFY that I have executed the accompanying Cost Reconciliation  
30 Report and supporting documentation prepared by \_\_\_\_\_ for the cost  
31 reconciliation report period beginning \_\_\_\_\_ and ending \_\_\_\_\_ and that,  
32 to the best of my knowledge and belief, costs reimbursed through this Contract are  
33 reasonable and allowable and directly or indirectly related to the services provided and  
34 that this Cost Reconciliation Report is a true, correct, and complete statement from the  
35 books and records of (provider name) in accordance with applicable instructions,  
36 except as noted. I also hereby certify that I have the authority to execute the  
37 accompanying Cost Reconciliation Report.

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Signed \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_”

**IXX. DEBARMENT AND SUSPENSION CERTIFICATION**

A. CONTRACTOR certifies that it and its principals:

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

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

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

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

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

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

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

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

A. No performance of this Contract or any portion thereof may be subcontracted or otherwise delegated by CONTRACTOR, in whole or in part, without first obtaining the prior express written consent of COUNTY. Any attempt by CONTRACTOR to subcontract or delegate any performance of this

1 Contract without the prior express written consent of COUNTY shall be invalid and shall constitute a  
2 material breach of this Contract, and any attempted assignment or delegation in derogation of this  
3 paragraph shall be void. In the event that CONTRACTOR is authorized by COUNTY to subcontract, this  
4 Contract shall take precedence over the terms of the contract between CONTRACTOR and subcontractor,  
5 and any contract between CONTRACTOR and a subcontractor shall incorporate by reference the terms  
6 of this Contract. CONTRACTOR shall remain responsible for the performance of this Contract and  
7 indemnification of COUNTY notwithstanding COUNTY's consent to CONTRACTOR's request for  
8 approval of a subcontractor. Under no circumstances shall COUNTY be required to directly monitor the  
9 performance of any subcontractor. All work performed by a subcontractor must be monitored by  
10 CONTRACTOR and must meet the approval of the County of Orange pursuant to the terms of this  
11 Contract.

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

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

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

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

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

1 the effective date of the assignment.

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

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

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

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

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

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

22 4. This provision shall not be applicable to service agreements usually and customarily entered  
 23 into by CONTRACTOR to obtain or arrange for supplies, technical support, and professional services  
 24 provided by consultants.

25 D. CONTRACTOR shall notify COUNTY in writing of any change in CONTRACTOR’s status  
 26 with respect to name changes that do not require an assignment of the Contract. CONTRACTOR also  
 27 shall notify COUNTY in writing if CONTRACTOR becomes a party to any litigation against COUNTY,  
 28 or a party to litigation that may reasonably affect CONTRACTOR’s performance under the Contract, as  
 29 well as any potential conflicts of interest between CONTRACTOR and COUNTY that may arise prior to  
 30 or during the period of Contract performance. While CONTRACTOR must provide this information  
 31 without prompting from COUNTY any time there is a change in CONTRACTOR’s name, conflict of  
 32 interest or litigation status, CONTRACTOR must also provide an update to COUNTY of its status in  
 33 these areas whenever requested by COUNTY.

34  
 35 **XII. DISPUTE RESOLUTION**

36 A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the  
 37 dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a

1 reasonable period of time by CONTRACTOR and ADMINISTRATOR, such matter shall be brought to  
2 the attention of COUNTY Purchasing Agency by way of the following process:

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

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

11 B. Pending the final resolution of any dispute arising under, related to, or involving this Contract,  
12 CONTRACTOR shall proceed diligently with the performance of services secured via this Contract,  
13 including the delivery of goods and/or provision of services. CONTRACTOR's failure to proceed  
14 diligently shall be considered a material breach of this Contract.

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

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

25  
26 **XIII. EMPLOYEE ELIGIBILITY VERIFICATION**

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

36  
37 **XIII. EQUIPMENT**

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

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

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

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

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

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

33 G. Unless this Contract is followed without interruption by another agreement between the Parties  
34 for substantially the same type and scope of services, at the termination of this Contract for  
35 any cause, CONTRACTOR shall return to COUNTY all Equipment purchased with funds paid through  
36 this Contract.

37 H. CONTRACTOR shall maintain and administer a sound business program for ensuring the proper

1 use, maintenance, repair, protection, insurance, and preservation of COUNTY Equipment.

2 I. The total cost of all Equipment purchases shall not exceed \$50,000 annually.

3  
4 **XIV. FACILITIES, PAYMENTS AND SERVICES**

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

10 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or supplies  
11 as required, ADMINISTRATOR may, at its sole discretion, reduce the Amount Not to Exceed for the  
12 appropriate Period as well as the Total Amount Not to Exceed. The reduction to the Amount Not to  
13 Exceed for the appropriate Period as well as the Total Amount Not to Exceed shall be in an amount  
14 proportionate to the number of days in which CONTRACTOR was determined to be unable to provide  
15 services, staffing, facilities or supplies.

16  
17 **XV. INDEMNIFICATION AND INSURANCE**

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

28 B. Prior to the provision of services under this Contract, CONTRACTOR agrees to carry all required  
29 insurance at CONTRACTOR's expense, including all endorsements required herein, necessary to satisfy  
30 COUNTY that the insurance provisions of this Contract have been complied with. CONTRACTOR agrees  
31 to keep such insurance coverage current, provide Certificates of Insurance, and endorsements to  
32 COUNTY during the entire term of this Contract.

33 C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of  
34 CONTRACTOR pursuant to this Contract shall be covered under CONTRACTOR's insurance as an  
35 Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for  
36 CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less  
37 than the level of coverage required by COUNTY from CONTRACTOR under this Contract. It is the

obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by CONTRACTOR through the entirety of this Contract for inspection by COUNTY representative(s) at any reasonable time.

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

E. If CONTRACTOR fails to maintain insurance acceptable to COUNTY for the full term of this 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 or scheduled, non-owned, and hired vehicles (4 passengers or less)	\$1,000,000 per occurrence
Passenger vehicles (7 passengers or less)	\$2,000,000 per occurrence
Passenger vehicles (8 passengers or more)	\$5,000,000 per occurrence
Workers' Compensation	Statutory

1	Employers' Liability Insurance	\$1,000,000 per accident or disease
2		
3	Network Security & Privacy Liability	\$1,000,000 per claims -made
4		
5	Professional Liability Insurance	\$1,000,000 per claims -made or occurrence
6		\$1,000,000 aggregate
7		
8	Sexual Misconduct Liability	\$1,000,000 per occurrence
9		
10	Employee Dishonesty	\$1,000,000 per occurrence

11  
12 H. REQUIRED COVERAGE FORMS

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

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

18 I. REQUIRED ENDORSEMENTS

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

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

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

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

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

32 b. A primary and non-contributing endorsement evidencing that CONTRACTOR's  
33 insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be  
34 excess and non-contributing.

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

1 **CONTRACT.**

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

5 L. The County of Orange shall be the loss payee on the Employee Dishonesty coverage. A Loss  
6 Payee endorsement evidencing that the County of Orange is a Loss Payee shall accompany the Certificate  
7 of Insurance.

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

13 N. If CONTRACTOR's Professional Liability, Sexual Misconduct Liability and/or Network  
14 Security & Privacy Liability are "Claims-Made" policy(ies), CONTRACTOR shall agree to the following:

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

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

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

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

25 P. Insurance certificates should be forwarded to the department address listed in the Referenced  
26 Contract Provisions of this Contract.

27 Q. If CONTRACTOR fails to provide the insurance certificates and endorsements within seven (7)  
28 calendar days of notification by COUNTY, COUNTY may suspend or terminate this Contract.

29 R. COUNTY expressly retains the right to require CONTRACTOR to increase or decrease insurance  
30 of any of the above insurance types throughout the term of this Contract. Any increase or decrease in  
31 insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect  
32 COUNTY.

33 S. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If  
34 CONTRACTOR does not provide acceptable Certificate of Insurance and endorsements to COUNTY  
35 incorporating such changes within thirty (30) calendar days of receipt of such notice, this Contract may  
36 be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal  
37 remedies.

1 T. The procuring of such required policy or policies of insurance shall not be construed to limit  
2 CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of this  
3 Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.  
4

#### 5 **XVII. INSPECTIONS AND AUDITS**

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

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

#### 20 C. AUDIT RESPONSE

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

26 2. If the audit reveals that money is payable from one Party to the other, that is, reimbursement  
27 by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to CONTRACTOR, said  
28 funds shall be due and payable from one Party to the other within sixty (60) calendar days of receipt of  
29 the audit results. If reimbursement is due from CONTRACTOR to COUNTY, and such reimbursement  
30 is not received within said sixty (60) calendar days, COUNTY may, in addition to any other remedies  
31 provided by law, reduce any amount owed CONTRACTOR by an amount not to exceed the  
32 reimbursement due COUNTY.

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

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

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

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

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

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

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

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

24  
 25 **XVIII. LICENSES AND LAWS**

26 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout  
 27 the term of this Contract, maintain all necessary licenses, permits, approvals, certificates, accreditations,  
 28 waivers, and exemptions necessary for the provision of the services hereunder and required by the laws,  
 29 regulations and requirements of the United States, the State of California, COUNTY, and all other  
 30 applicable governmental agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and in  
 31 writing of its inability to obtain or maintain, irrespective of the pendency of any hearings or appeals,  
 32 permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be  
 33 cause for termination of this Contract. In addition, all treatment providers will be certified by the State  
 34 Department of Health Care Services as a Drug Medi-Cal provider and must meet any additional  
 35 requirements established by COUNTY as part of this certification.

36 B. CONTRACTOR shall comply with all applicable governmental laws, regulations, and  
 37 requirements as they exist now or may be hereafter amended or changed. These laws, regulations, and

1 requirements shall include, but not be limited to, the following:

- 2 1. ARRA of 2009.
- 3 2. Trafficking Victims Protection Act of 2000.
- 4 3. CCC §§56 through 56.37, Confidentiality of Medical Information.
- 5 4. CCC §§1798.80 through 1798.84, Customer Records.
- 6 5. CCC §1798.85, Confidentiality of Social Security Numbers.
- 7 6. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social
- 8 Security.
- 9 7. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse Master
- 10 Plans.
- 11 8. HSC, §§11839 through 11839.22, Narcotic Treatment Programs.
- 12 9. HSC, §11876, Narcotic Treatment Programs.
- 13 10. HSC, §§123110 through 123149.5, Patient Access to Health Records.
- 14 11. Code of Federal Regulations, Title 42, Public Health.
- 15 12. 2 CFR 230, Cost Principles for Nonprofit Organizations.
- 16 13. 2 CFR 376, Nonprocurement, Debarment and Suspension.
- 17 14. 41 CFR 50, Public Contracts and Property Management.
- 18 15. 42 CFR Part 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
- 19 16. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse
- 20 prevention and treatment block grants and/or projects for assistance in transition from homelessness
- 21 grants.
- 22 17. 45 CFR 93, New Restrictions on Lobbying.
- 23 18. 45 CFR 96.127, Requirements regarding Tuberculosis.
- 24 19. 45 CFR 96.132, Additional Agreements.
- 25 20. 45 CFR 96.135, Restrictions on Expenditure of Grant.
- 26 21. 45 CFR 160, General Administrative Requirements.
- 27 22. 45 CFR 162, Administrative Requirements.
- 28 23. 45 CFR 164, Security and Privacy.
- 29 24. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
- 30 25. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.
- 31 26. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal
- 32 Contracting and Financial Transactions.
- 33 27. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism.
- 34 28. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services
- 35 Administration.
- 36 29. 42 USC §290dd-2, Confidentiality of Records.
- 37 30. 42 USC §1320(a), Uniform reporting systems for health services facilities and organizations.

- 1 31. 42 USC §§1320d through 1320d-9, Administrative Simplification.
- 2 32. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
- 3 33. 42 USC §6101 et seq., Age Discrimination Act of 1975.
- 4 34. 42 USC §2000d, Civil Rights Act of 1964.
- 5 35. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform
- 6 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 7 36. U.S. Department of Health and Human Services, National Institutes of Health (NIH), Grants
- 8 Policy Statement (10/13).
- 9 37. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for Co-
- 10 Occurring Disorders, Mental Health Services Oversight and Accountability Commission, 1/17/08.
- 11 38. State of California, Department of Health Care Services (DHCS), Alcohol and/or Other Drug
- 12 Program Certification Standards, December 2020.
- 13 39. CCR Title 22, §§70751(c), 71551(c), 73543(a), 74731(d), 75055(a), 75343(a), and 77143(a).
- 14 40. State of California, Department of Health Care Services ASRS Manual.
- 15 41. State of California, Department of Health Care Services DPFS Manual.
- 16 42. HSC §123145.
- 17 43. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).
- 18 44. 5 USC §7321 – §7326, Political Activities (Hatch Act)
- 19 45. 45 CFR 96.124(e), Certain Allocations (SAPTBG).
- 20 46. 45 CFR 96.131, Treatment Services for Pregnant Women.
- 21 47. HSC §11757.59, Perinatal State General Fund.
- 22 48. County of Orange, HCA, Alcohol Program and Drug Abuse Services D/MC Utilization
- 23 Control Plan for Perinatal Residential Services.
- 24 49. DHCS, Perinatal Services Guidelines.
- 25 50. 42 CFR, Section 438, Managed Care Regulations
- 26 51. CCR, Title 22, §51341.1(h)(5)(A), Drug Medi-Cal Substance Abuse Services.
- 27 52. DHCS, Office of Women’s and Perinatal Services, Perinatal Services Network Guidelines
- 28 2014.
- 29 53. CCR, Title 22, Division 3, Health Care Services.
- 30 54. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform
- 31 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- 32 55. D/MC Certification Title 22, California Code of Regulations (CCR).
- 33 56. D/MC Billing Manual (March 23, 2010).
- 34 57. Federal Medicare Cost reimbursement principles and cost reporting standards.
- 35 58. State of California-Health and Human Services Agency, Department of Health Care Services,
- 36 MHSD, Medi-Cal Billing Manual, October 2013.
- 37 59. Orange County Drug Medi-Cal Organized Delivery System Managed Care Plan

60. California Bridge to Health Reform DMC-ODS Waiver, Standard Terms and Conditions, August 2015, and subsequent versions.
61. Title 21, CFR Part 1300, et seq., Title 42, CFR, Part 8.
62. Drug Medi-Cal Certification Standards for Substance Abuse Clinics (Document 2E).
63. Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1, (Document 2C).
64. Standards for Drug Treatment Programs (October 21, 1981) (Document 2F).
65. Title 9, CCR, Division 4, Chapter 5, Subchapter 1, Sections 10000, et seq.
66. Title 22, CCR, Division 3, Chapter 3, sections 51000 et. seq.
67. Title 9, CCR, Section 1810.435.
68. Title 9, CCR, Section 1840.105.
69. Title 22, CCR, §51009, Confidentiality of Records.
70. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.
71. HSC, §§11758.40 through 11758.47, Medi-Cal Drug Treatment Program.
72. U.S. Food and Drug Administration Guidelines for Vivitrol (currently listed at <http://www.fda.gov/downloads/Drugs/DrugSafety/UMC206669.pdf>).
73. US Department of Justice, Drug Enforcement Administration.
74. 42 CFR, Public Health, Part 8 – Certification of Opioid Treatment Programs.
75. 21 CFR Part 1308-Schedules of Controlled Substances.
76. 21 CFR Parts 1300, 1301, 1304, et al. Disposal of Controlled Substances, Final Rule.
77. AB 109 2011 Public Safety Realignment.
78. 4.3.2: Intergovernmental Agreement Exhibit A, Attachment I, III, DD, 15, i-xiii:
  - a. Executive Order 11246 (42 USC 2000(e) et seq. and 41 CFR Part 60) regarding nondiscrimination in employment under federal contracts and construction contracts greater than \$10,000 funded by federal financial assistance.
  - b. Executive Order 13166 (67 FR 41455) to improve access to federal services for those with limited English proficiency.
  - c. The Drug Abuse Office and Treatment Act of 1972, as amended, relating to nondiscrimination on the basis of drug abuse.
  - d. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism.
79. 4.3.3: Intergovernmental Agreement Exhibit A, Attachment I, III, DD, 16, i-v:
  - a. Fair Employment and Housing Act (Gov. Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code Regs., tit. 2, Div. 4 § 7285.0 et seq.).
  - b. Title 2, Division 3, Article 9.5 of the Gov. Code, commencing with Section 11135.
  - c. Noncompliance with the requirements of nondiscrimination in services shall constitute grounds for state to withhold payments under this Contract or terminate all, or any type, of funding

1 provided hereunder.

2 80. 1.5.3: SABG Application, Enclosure 2, II General, 20:

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

6 b. Age Discrimination Act of 1975 (45 CFR Part 90), as amended 42 USC Sections 6101 –  
7 6107), which prohibits discrimination on the basis of age.

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

9 d. Title I of the Americans with Disabilities Act (29 CFR Part 1630) prohibiting  
10 discrimination against the disabled in employment.

11 e. Title II of the Americans with Disabilities Act (28 CFR Part 35) prohibiting  
12 discrimination against the disabled by public entities.

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

14 g. Section 504 of the Rehabilitation Act of 1973, as amended (29 USC Section 794),  
15 prohibiting discrimination on the basis of individuals with disabilities.

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

19 i. Executive Order 13166 (67 FR 41455) to improve access to federal services for those  
20 with limited English proficiency.

21 j. The Drug Abuse Office and Treatment Act of 1972, as amended, relating to  
22 nondiscrimination on the basis of drug abuse.

23 k. Confidentiality of Alcohol and Drug Abuse Patient Records (42 CFR Part 2, Subparts A  
24 – E).

25 81. 1.5.4: SABG Application Enclosure 2, II General 21:

26 a. Fair Employment and Housing Act (Government Code Section 12900 et seq.) and the  
27 applicable regulations promulgated thereunder (2 CCR 7285.0 et seq.).

28 b. Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section  
29 11135.

30 c. Title 9, Division 4, Chapter 8 of the CCR, commencing with Section 13000.

31 d. No federal funds shall be used by CONTRACTOR or its subcontractors for sectarian  
32 worship, instruction, or proselytization. No federal funds shall be used by CONTRACTOR or its  
33 subcontractors to provide direct, immediate, or substantial support to any religious activity.

34  
35 **XVIII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

36 A. Any written information or literature, including educational or promotional materials, distributed  
37 by CONTRACTOR to any person or organization for purposes directly or indirectly related to this

1 Contract must be approved at least thirty (30) calendar days in advance and in writing by  
2 ADMINISTRATOR before distribution. For the purposes of this Contract, distribution of written  
3 materials shall include, but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads,  
4 and electronic media such as the Internet.

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

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

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

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

21  
22 **XIX. MINIMUM WAGE LAWS**

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

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

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

**XX. NONDISCRIMINATION**

**A. EMPLOYMENT**

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

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

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

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

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

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

**B. SERVICES, BENEFITS AND FACILITIES** – CONTRACTOR and/or subcontractor shall not discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression,

1 age, sexual orientation, or military and veteran status in accordance with Title IX of the Education  
 2 Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights Act of 1964  
 3 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division 4, Chapter 6,  
 4 Article 1 (§10800, et seq.) of the CCR; and Title II of the Genetic Information Nondiscrimination Act of  
 5 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and regulations promulgated  
 6 pursuant thereto, and as otherwise provided by state law and regulations, as all may now exist or be  
 7 hereafter amended or changed. For the purpose of this Nondiscrimination paragraph, discrimination  
 8 includes, but is not limited to the following based on one or more of the factors identified above:

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

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

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

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

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

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

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

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

9 G. Nondiscrimination in Employment and Services: CONTRACTOR certifies that under the laws of  
 10 the United States and the State of California, CONTRACTOR will not unlawfully discriminate against  
 11 any person.

12 **XXI. NOTICES**

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

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

18 2. When faxed, transmission confirmed;

19 3. When sent by Email; or

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

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

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

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

32  
 33 **XXII. NOTIFICATION OF DEATH**

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

36 B. All Notifications of Death provided to ADMINISTRATOR by CONTRACTOR shall contain the  
 37 name of the deceased, the date and time of death, the nature and circumstances of the death, and the

1 name(s) of CONTRACTOR’s officers or employees with knowledge of the incident.

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

5 2. WRITTEN NOTIFICATION

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

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

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

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

18  
 19 **XXIII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

27  
 28 **XXIV. MEMBERS’ RIGHTS**

29 A. CONTRACTOR shall post the current Drug Medi-Cal Organized Delivery System (DMC-ODS)  
 30 Grievance and Appeals poster in locations readily available to Clients and staff and have Grievance and  
 31 Appeal forms in the threshold languages and envelopes readily accessible to Clients to take without having  
 32 to request it on the unit.

33 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have  
 34 internal grievance processes approved by ADMINISTRATOR, to which the member shall have access.

35 1. CONTRACTOR's grievance processes shall incorporate COUNTY's grievance and/or  
 36 utilization management guidelines and procedures. The member has the right to utilize either or both  
 37 grievance process simultaneously in order to resolve their dissatisfaction.

1 C. The parties agree that Clients have recourse to initiate an expression of dissatisfaction to  
 2 CONTRACTOR and file a grievance or complaint.

3  
 4 **XXV. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

18 4. CONTRACTOR shall ensure the maintenance of medical records required by §70747  
 19 through and including §70751 of the CCR, as they exist now or may hereafter be amended, the medical  
 20 necessity of the service, and the quality of care provided. Records shall be maintained in accordance with  
 21 §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

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

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

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

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

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

1 CONTRACTOR to maintain records in a single location, identified by CONTRACTOR.

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

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

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

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

- 17 1. Have documents readily available within twenty-four (24) hour notice of a scheduled audit  
 18 or site visit.
- 19 2. Provide auditor or other authorized individuals access to documents via a computer terminal.
- 20 3. Provide auditor or other authorized individuals a hardcopy printout of documents, if  
 21 requested.

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

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

29 L. CONTRACTOR shall obtain a NPI for each site identified as a location for providing contractual  
 30 services. CONTRACTOR's site NPIs must be submitted to ADMINISTRATOR prior to rendering  
 31 services to Clients. CONTRACTOR providing direct or indirect services for State reporting must also  
 32 submit rendering (individual) provider NPIs to ADMINISTRATOR for each staff member providing  
 33 Medi-Cal billable services. CONTRACTOR reimbursement will not be processed unless NPIs are on  
 34 file with ADMINISTRATOR in advance of providing services to Clients. It is the responsibility of  
 35 CONTRACTOR site and individual staff member that bills Medi-Cal to obtain a NPI from the NPPES.  
 36 Each Contract site, as well as every staff member that provides billable services, is responsible for  
 37 notifying the NPPES within thirty (30) calendar days of any updates to personal information, which may

1 include, but is not limited to, worksite address, name changes, taxonomy code changes, etc.

2  
3 **XXVI. RESEARCH AND PUBLICATION**

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

7  
8 **XXVII. REVENUE**

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

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

16 C. PROCEDURES – CONTRACTOR shall maintain internal financial controls which adequately  
17 ensure proper billing and collection procedures. CONTRACTOR’s procedures shall specifically provide  
18 for the identification of delinquent accounts and methods for pursuing such accounts.

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

21  
22 **XXVIII. SEVERABILITY**

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

28  
29 **XXIX. SPECIAL PROVISIONS**

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

- 32 1. Making cash payments to intended recipients of services through this Contract.
- 33 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications  
34 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on use  
35 of appropriated funds to influence certain federal contracting and financial transactions).
- 36 3. Fundraising.
- 37 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for

1 CONTRACTOR’s staff, volunteers, or members of the Board of Directors or governing body.

2 5. Reimbursement of CONTRACTOR’s members of the Board of Directors or governing body  
3 for expenses or services.

4 6. Making personal loans to CONTRACTOR’s staff, volunteers, interns, consultants,  
5 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized  
6 agent, or making salary advances or giving bonuses to CONTRACTOR’s staff.

7 7. Paying an individual salary or compensation for services at a rate in excess of the current  
8 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary Schedule  
9 may be found at [www.opm.gov](http://www.opm.gov).

10 8. Severance pay for separating employees.

11 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building  
12 codes and obtaining all necessary building permits for any associated construction.

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

15 11. Satisfying any expenditure of non–federal funds as a condition for the receipt of federal funds  
16 (matching).

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

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

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

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

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

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

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

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

29 2. Making phone calls outside of the local area unless documented to be directly for the purpose  
30 of client care.

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

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

34 5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for  
35 CONTRACTOR’s clients.

36 C. Neither Party shall be responsible for delays or failures in performance resulting from acts beyond  
37 the control of the affected Party. Such acts shall include, but not be limited to, acts of God, fire, flood,

1 earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight, embargo, public related  
 2 utility, or governmental statutes or regulations imposed after the fact.

3  
 4 **XXX. STATUS OF CONTRACTOR**

5 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be  
 6 wholly responsible for the manner in which it performs the services required of it by the terms of this  
 7 Contract. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and consultants  
 8 employed by CONTRACTOR. This Contract shall not be construed as creating the relationship of  
 9 employer and employee, or principal and agent, between COUNTY and CONTRACTOR or any of  
 10 CONTRACTOR’s employees, agents, consultants, volunteers, interns, or subcontractors.  
 11 CONTRACTOR assumes exclusively the responsibility for the acts of its employees, agents, consultants,  
 12 volunteers, interns, or subcontractors as they relate to the services to be provided during the course and  
 13 scope of their employment. CONTRACTOR, its agents, employees, consultants, volunteers, interns, or  
 14 subcontractors, shall not be entitled to any rights or privileges of COUNTY’s employees and shall not be  
 15 considered in any manner to be COUNTY’s employees.

16  
 17 **XXXI. TERM**

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

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

26  
 27 **XXXII. TERMINATION**

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

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

- 36 1. The loss by CONTRACTOR of legal capacity.
- 37 2. Cessation of services.

1           3. The delegation or assignment of CONTRACTOR’s services, operation or administration to  
2 another entity without the prior written consent of COUNTY.

3           4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty  
4 required pursuant to this Contract.

5           5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this  
6 Contract.

7           6. The continued incapacity of any physician or licensed person to perform duties required  
8 pursuant to this Contract.

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

13           C. CONTINGENT FUNDING

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

15           a. The continued availability of federal, state and county funds for reimbursement of  
16 COUNTY’s expenditures, and

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

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

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

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

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

30           2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract  
31 performance during the remaining Contract term.

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

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

37           5. Assist ADMINISTRATOR in effecting the transfer of Clients in a manner consistent with

1 Client’s best interests.

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

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

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

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

16 F. COUNTY may terminate this Contract, without cause, upon thirty (30) calendar days’ written  
17 notice. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be  
18 exclusive, and are in addition to any other rights and remedies provided by law or under this Contract.

19  
20 **XXXIII. THIRD-PARTY BENEFICIARY**

21 Neither Party hereto intends that this Contract shall create rights hereunder in third parties including,  
22 but not limited to, any subcontractors or any Clients provided services pursuant to this Contract.

23  
24 **XXXIV. WAIVER OF DEFAULT OR BREACH**

25 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any  
26 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this  
27 Contract shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any default  
28 or any breach by CONTRACTOR shall not be considered a modification of the terms of this Contract.

29  
30 **XXXV. PARTICIPATION OF COUNTY BEHAVIORAL HEALTH DIRECTOR’S**  
31 **ASSOCIATION OF CALIFORNIA**

32 The County AOD Program Administrator shall participate and represent COUNTY in meetings of  
33 the County Behavioral Health Director’s Association of California for the purposes of representing the  
34 counties in their relationship with DHCS with respect to policies, standards, and administration for AOD  
35 abuse services. The County AOD Program Administrator shall attend any special meetings called by the  
36 Director of DHCS. Participation and representation shall also be provided by the County Behavioral  
37 Health Director’s Association of California.

**XXXVI. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)  
OF 1996**

All work performed under this Contract is subject to HIPAA. COUNTY shall perform the work in compliance with all applicable provisions of HIPAA. As identified in Exhibit E of DHCS Agreement #21-10100, DHCS and COUNTY shall cooperate to assure mutual agreement as to those transactions between them, to which this provision applies. Refer to Exhibit E of DHCS Agreement #21-10100 for additional information.

**XXXVII. INTRAVENOUS DRUG USE (IVDU) TREATMENT**

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

**XXXVIII. YOUTH TREATMENT GUIDELINES**

COUNTY must comply with DHCS guidelines in developing and implementing youth treatment programs funded under this Enclosure, until new Youth Treatment Guidelines are established and adopted.

Adolescent Substance Use Disorder Best Practices Guide found here:

[https://www.dhcs.ca.gov/Documents/CSD\\_CMHCS/Adol%20Best%20Practices%20Guide/AdolBestPracGuideOCTOBER2020.pdf](https://www.dhcs.ca.gov/Documents/CSD_CMHCS/Adol%20Best%20Practices%20Guide/AdolBestPracGuideOCTOBER2020.pdf).

**XXXIX. SUBG – DEBARMENT AND SUSPENSION**

A. County shall not subcontract with or employ any party listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp. p. 189) and 12689 (3 CFR part 1989., p. 235), “Debarment and Suspension.” SAM exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

B. The County shall advise all subcontractors of their obligation to comply with applicable federal debarment and suspension regulations, in addition to the requirements set forth in 42 CFR Part 1001.

C. If a County subcontracts or employs an excluded party, DHCS has the right to withhold payments, disallow costs, or issue a CAP, as appropriate, pursuant to HSC Code 11817.8(h).

**XLL. SUBG - NO UNLAWFUL USE OR UNLAWFUL USE MESSAGES REGARDING  
DRUGS**

County agrees that information produced through these funds, and which pertains to drugs and alcohol-related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug or alcohol-related program

1 shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (HSC, Division  
2 10.7, Chapter 1429, Sections 11999-11999.3). By signing this Enclosure, County agrees that it will  
3 enforce, and will require its subcontractors to enforce, these requirements.

4  
5 **XXI. SUBG - LIMITATION ON USE OF FUNDS FOR PROMOTION OF LEGALIZATION**  
6 **OF CONTROLLED SUBSTANCES**

7 None of the funds made available through this Contract may be used for any activity that promotes  
8 the legalization of any drug or other substance included in Schedule I of Section 202 of the Controlled  
9 Substances Act (21 USC 812).

10  
11 **XLIII. SUBG - RESTRICTION ON DISTRIBUTION OF STERILE NEEDLES**

12 No SABG funds made available through this Contract shall be used to carry out any program that  
13 includes the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug  
14 unless DHCS chooses to implement a demonstration syringe services program for injecting drug users.

15  
16 **XLIIII. SUBG - NONDISCRIMINATION AND INSTITUTIONAL SAFEGUARDS FOR**  
17 **RELIGIOUS PROVIDERS**

18 County shall establish such processes and procedures as necessary to comply with the provisions  
19 of USC, Title 42, Section 300x-65 and CFR, Title 42, Part 54.

20  
21 **XLIVV. SUBG - TRAFFICKING VICTIMS PROTECTION ACT OF 2000**

22 County and its subcontractors that provide services covered by this Contract shall comply with the  
23 Trafficking Victims Protection Act of 2000 (USC, Title 22, Chapter 78, Section 7104) as amended by  
24 section 1702 of Pub. L. 112-239.

25 //  
26 //  
27 //  
28 //  
29 //  
30 //  
31 //  
32 //

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

3  
4 PHOENIX HOUSE ORANGE COUNTY, INC.

5  
6 Signed by:  
7 BY: *Alvin* DATED: 4/23/2025  
8 E036800A6FBE428...  
9 TITLE: President and CEO

10  
11  
12  
13 COUNTY OF ORANGE

14  
15  
16 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
17 HEALTH CARE AGENCY

18  
19  
20  
21 APPROVED AS TO FORM  
22 OFFICE OF THE COUNTY COUNSEL  
23 ORANGE COUNTY, CALIFORNIA

24 Signed by:  
25 BY: *Brittany Mclean* DATED: 4/23/2025  
26 71CFE638662E411...  
27 DEPUTY

28  
29  
30  
31  
32  
33  
34  
35 If CONTRACTOR is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and  
36 one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. If the Contract is signed by one (1)  
37 authorized individual only, a copy of the corporate resolution or by-laws whereby the Board of Directors has empowered said authorized individual to act on  
its behalf by his or her signature alone is required by ADMINISTRATOR.

EXHIBIT A  
 TO CONTRACT FOR PROVISION OF  
 DRUG MEDI-CAL CO-OCCURRING RESIDENTIAL TREATMENT SERVICES IRVINE CAMPUS  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 PHOENIX HOUSE ORANGE COUNTY, INC.  
 JULY 1, 2025 THROUGH JUNE 30, 2028

**I. COMMON TERMS AND DEFINITIONS**

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

1. AB109 means services for those Clients deemed eligible by Assembly Bill 109, Public Safety Realignment, under which the Client’s last offense was non-violent, non-sexual, and non-serious.

2. AB109 Supervision means an offender released from prison to OCPD or sentenced under AB109 and is doing their incarceration in jail instead of prison.

3. Ancillary Service means to include individualized connection, referral, and linkages to community-based services and supports.

4. ASAM Criteria means a comprehensive set of guidelines for placement, continued stay and transfer/discharge of Clients with addiction and co-occurring conditions.

5. ART Team means a Health Care Agency team that assesses for treatment, authorizes services and refers for treatment.

6. Beneficiary means a person who: (a) has been determined eligible for Medi-Cal; (b) is not institutionalized; (c) has a substance-related disorder per the current "Diagnostic and Statistical Manual of Mental Disorders (DSM)” criteria; and (d) meets the admission criteria to receive DMC covered services.

7. CalOMS means a statewide Client-based data collection and outcomes measurement system as required by the State to effectively manage and improve the provision of alcohol and drug treatment services at the State, COUNTY, and provider levels.

8. Care Coordination means services that assist a Client to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services.

9. Client means a Beneficiary or unfunded person who has a substance use disorder, for whom a COUNTY-approved intake and admission for Residential Treatment Services as appropriate have been completed pursuant to this Contract.

10. Clinically Managed means services are directed by addiction professional such as therapist or counselor as opposed to services directed by medical physician. These services are designed to improve a Client’s ability to structure and organize tasks of daily living and recovery.

1 11. Closed-loop referral means the people, processes and technologies that are deployed to  
 2 coordinate and refer Clients to available community resources (i.e., health care, behavioral health services,  
 3 and/or other support services) and follow-up to verify if services were rendered.

4 12. Completion means the Client has made sufficient progress on goals and objectives identified  
 5 during treatment planning activities to be safely transitioned to lower level of care.

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

8 14. DATAR means the DHCS system used to collect data on SUD treatment capacity and waiting  
 9 lists.

10 15. DHCS (DHCS)-Designated Levels of Care (LOC) means a designation that is issued by  
 11 DHCS to a residential program based on the services provided at the facility. For the purposes of this  
 12 Contract, CONTRACTOR shall provide services in accordance with one of the following DHCS-  
 13 Designated Levels of Care:

14 a. 3.1 – Clinically Managed Low-Intensity Residential Services means a twenty-four (24)  
 15 hour structure with available trained personnel; at least five (5) hours of clinical service/week that includes  
 16 groups, individual counseling, patient education and other structured therapeutic activities and preparation  
 17 for outpatient treatment.

18 b. 3.2 - Clinically Managed Residential Withdrawal Management (3.2 WM) means twenty-  
 19 four (24) hour structure and support with trained and credentialed personnel providing organized services  
 20 in a social setting emphasizing peer support for individuals with moderate risk of withdrawal.

21 c. 3.3 – Clinically Managed Population-Specific High-Intensity Residential Services means  
 22 a twenty-four (24) hour structured living environment in combination with high-intensity clinical services  
 23 for clients with significant cognitive impairment.

24 d. 3.5 – Clinically Managed High-Intensity Residential Services means a twenty-four (24)  
 25 hour residential care for Clients who require a twenty-four (24) hour supportive treatment environment in  
 26 order to develop sufficient recovery skills to avoid relapse or continued AOD use. It will include at least  
 27 five (5) hours of clinical service/week.

28 16. EPSDT means the federally mandated Medicaid benefit that entitles full-scope Medi-Cal-  
 29 covered beneficiaries less than twenty-one (21) years of age to receive any Medicaid service necessary to  
 30 correct or help to improve a defect, mental illness, or other condition, such as a substance-related disorder,  
 31 that is discovered during a health screening.

32 17. Incidental Medical Services means optional services, approved by DHCS to be provided at a  
 33 licensed adult alcoholism or drug use residential treatment facility by or under the supervision of a LPHA  
 34 that addresses medical issues associated with either detoxification or substance use.

35 18. Intake means the initial face-to-face meeting between a Client and CONTRACTOR staff in  
 36 which specific information about the Client is gathered including the ability to pay and standard admission  
 37 forms pursuant to this Contract.

1 19. IRIS means a collection of applications and databases that serve the needs of programs within  
 2 HCA and includes functionality such as registration and scheduling, laboratory information system,  
 3 invoices and reporting capabilities, compliance with regulatory requirements, electronic medical records  
 4 and other relevant applications.

5 20. Linkage means when a Client has attended at least one appointment or made one visit to the  
 6 identified program or service for which the Client has received a referral or to which they have self-  
 7 referred.

8 21. Licensed Practitioners of the Healing Arts (LPHA) means any of the following: Physician,  
 9 Nurse Practitioner (NP), Physician Assistant (PA), Registered Nurse, Registered Pharmacist, Licensed  
 10 Clinical Psychologist (LCP), Licensed Clinical Social Worker (LCSW), Licensed Professional Clinical  
 11 Counselor (LPCC), and Licensed Marriage and Family Therapist (LMFT), and licensed-eligible  
 12 practitioner registered with the Board of Psychology or Behavioral Science Board working under the  
 13 supervision of a licensed clinician.

14 22. MAT for Alcohol Use Disorders (AUD) and Non-Opioid Substance Use Disorders means all  
 15 FDA-approved drugs and services to treat AUD and other non-opioid SUDs involving FDA-approved  
 16 medications to treat AUD and non-opioid SUDs. When provided by residential program with Incidental  
 17 Medical Services it can be billed separately from the bundled treatment rate.

18 23. MAT for Opioid Use Disorders (OUD) means all medications approved under section 505 of  
 19 the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) and all biological products licensed under  
 20 section 351 of the Public Health Service Act (42 U.S.C. 262) to treat opioid use disorders. When provided  
 21 by residential program with Incidental Medical Services, it can be billed separately from the bundled  
 22 treatment rate.

23 24. Medication Services means the prescription or administration of medication related to  
 24 substance use disorder services, or the assessment of the side effects or results of the medication.  
 25 Medication Services does not include MAT for Opioid Use Disorders (OUD) or MAT for Alcohol Use  
 26 Disorders (AUD) and other Non-Opioid Substance Use Disorders. Medication Services includes  
 27 prescribing, administering, and monitoring medications used in the treatment or management of SUD  
 28 and/or withdrawal management not included in the definitions of MAT for OUD or MAT for AUD  
 29 services.

30 25. Patient Education means education for the Client on addiction, treatment, recovery and  
 31 associated health risks. Patient Education groups may exceed 12 participants.

32 26. Perinatal means the condition of being pregnant or Postpartum. This condition must be  
 33 documented to apply billing descriptor of perinatal attached to services.

34 27. Perinatal Residential Treatment Services means AOD treatment services that are provided to  
 35 a woman, eighteen (18) years and older, who is pregnant and/or has custody of dependent children up to  
 36 twelve (12) years of age, in her care; who has a primary problem of substance use disorder, and who  
 37 demonstrates a need for perinatal substance use disorder residential treatment services. Services are

1 provided in a twenty-four (24) hour residential program. These services are provided in a non-medical,  
2 residential setting that has been licensed and certified by DHCS to provide perinatal services. These  
3 treatment services are provided to both perinatal and parenting women in accordance with the Perinatal  
4 Network Service Guidelines.

5 28. Postpartum, as defined for DMC purposes, means the 365-day period beginning on the last  
6 day of pregnancy, regardless of whether other conditions of eligibility are met. Eligibility for perinatal  
7 services shall end on the last day of the calendar month in which the 365th day occurs.

8 29. Recovery Services means billable services available after the Client has completed the  
9 residential episode of care. While in residential treatment recovery services are part of the bundled day  
10 rate. Recovery Services are designed to support recovery and prevent relapse with the objective of  
11 restoring the Client to their best possible functional level. Recovery services emphasize the Client's  
12 central role in managing their health, use effective self-management support strategies, and organize  
13 internal and community resources to provide ongoing self-management support to Clients.

14 30. Referral means the process of sending a Client from one service provider to another service  
15 provider for health care, behavioral health services, and/or other support services, by electronic  
16 transmission, in writing or verbally, regardless of Linkage status.

17 31. Residential Treatment Authorization means the approval that is provided by the HCA ART  
18 Team for a Client to receive residential services to ensure that the Client meets the requirements for the  
19 service. Decisions for service authorization are provided by the ART team for admission with exception  
20 determined by CONTRACTOR.

21 32. Resource Recommendation means the process of providing a Client with one or more  
22 suggested resources, without plans and/or an ability to follow up on Linkage status.

23 33. RTS means alcohol and other drug treatment services that are provided to Clients at a twenty-  
24 four (24) hour residential program. Services are provided in an alcohol and drug free environment and  
25 support recovery from alcohol and/or other drug related problems. These services are provided in a non-  
26 medical, residential setting that has been licensed and certified by DHCS.

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

30 35. Self-Referral means when a Client or family member directly contacts a service provider with  
31 the goal of receiving services for themselves or a family member, regardless of Linkage status.

32 36. Structured Therapeutic Activities means organized program activities that are designed to  
33 meet treatment goals and objectives for increased social responsibility, self-motivation, and integration  
34 into the larger community. Such activities would include participation in the social structure of the  
35 residential program. It also includes the Client's progression, with increasing levels of responsibility and  
36 independence through job and other assignments culminating in employment seeking and employment-  
37 initiation activities in the community.

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

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

4 39. Unfunded means Orange County residents that are uninsured and ineligible for Medi-Cal.

5 40. Unit of Service (UOS) means:

6 a. For care coordination and recovery services, contact with a Client in 15-minute  
 7 increments on a calendar day. At least half of the time (8 minutes) must be provided to round up to one  
 8 billable unit of service.

9 b. For MAT, physician services that includes ordering, prescribing, administering, and  
 10 monitoring of all medications for substance use disorders per visit or in 15-minute increments.

11 c. For residential services, providing 24-hour daily service, per Client, per bed rate. A  
 12 residential service component (assessment, individual or group counseling, family therapy, patient  
 13 education, or SUD crisis services) must be provided within the 24 hour day and documented to bill the  
 14 unit of service.

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

17  
 18 **II. GENERAL REQUIREMENTS**

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

22 B. ALCOHOL AND/OR DRUG SCREENING

23 1. CONTRACTOR shall have a written policy and procedure statement regarding drug  
 24 screening that includes random drug and/or alcohol screen at a minimum of one (1) time per month for  
 25 the first thirty (30) calendar days and two (2) times per month for the remaining term of the Contract for  
 26 all Clients. All urine specimen collections shall be observed by same-sex or sex congruent staff. This  
 27 policy shall be approved by ADMINISTRATOR. A Client shall not be denied admittance to treatment  
 28 for a positive alcohol and/or drug screen at admission if they meet all other criteria for admission.  
 29 CONTRACTOR shall:

30 a. Establish procedures that protect against the falsification and/or contamination of any  
 31 body specimen sample collected for drug screening; and,

32 b. Assure that all urine specimen collections shall be observed by same-sex or sex congruent  
 33 staff; and,

34 c. Document results of the drug screening in the Client's record.

35 2. In the event CONTRACTOR wishes to utilize a COUNTY-contracted laboratory for drug  
 36 screening purposes, CONTRACTOR shall collect and label samples from Clients. Such testing shall be  
 37 provided at COUNTY’s expense. For tests not already covered in COUNTY-contracted laboratory

1 agreement, CONTRACTOR must receive approval from ADMINISTRATOR prior to using COUNTY-  
 2 contracted laboratory for drug screenings.

3 3. In the event that any Client receives a drug test result indicating any substance abuse,  
 4 CONTRACTOR shall formulate and implement a plan of corrective action which shall be documented in  
 5 the Client record. CONTRACTOR shall notify ADMINISTRATOR within two (2) business days of  
 6 receipt of such test results via an incident report indicating the corrective action to be taken by the Client  
 7 if the Client is allowed to remain in the program.

8 C. CULTURAL COMPETENCY – CONTRACTOR shall provide culturally competent services.  
 9 CONTRACTOR must ensure that its policies, procedures, and practices are consistent with the principles  
 10 outlined and are embedded in the organizational structure, as well as being upheld in day-to-day  
 11 operations. Translation services must be available for Clients, as needed. CONTRACTOR shall maintain  
 12 documentation of such efforts which may include; but not be limited to: records of participation in  
 13 COUNTY-sponsored or other applicable training; recruitment and hiring policies and procedures; copies  
 14 of literature in multiple languages and formats, as appropriate; and descriptions of measures taken to  
 15 enhance accessibility for, and sensitivity to, individuals who are physically challenged.

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

23 E. POSTINGS – CONTRACTOR shall post the following in a prominent place within the facility:

- 24 1. State Licensure and Certification
- 25 2. Business License
- 26 3. Conditional Use Permit (if applicable)
- 27 4. Fire clearance
- 28 5. Client rights
- 29 6. Grievance procedure
- 30 7. Employee Code of Conduct
- 31 8. Evacuation floor plan
- 32 9. Equal Employment Opportunity notices
- 33 10. Name, address, telephone number for fire department, crisis program, local law enforcement,  
 34 and ambulance service.
- 35 11. List of resources within community which shall include medical, dental, mental health, public  
 36 health, social services and where to apply for determination of eligibility for Federal, State, or County  
 37 entitlement programs.

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

2 F. CONTRACTOR shall utilize protocols developed and supported by the Medical Director. These  
3 protocols shall provide procedures should a Client’s condition deteriorate and appear to need medical  
4 intervention.

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

9 H. AUTHORITY – CONTRACTOR shall recognize the authority of OCPD as officers of the court,  
10 and shall extend cooperation to OCPD within the constraints of CONTRACTOR’s program of substance  
11 use disorder residential services.

12 I. NON-SMOKING POLICY – CONTRACTOR shall establish a written non-smoking policy  
13 which shall be reviewed and approved by ADMINISTRATOR. At a minimum, the non-smoking policy  
14 shall specify that the facility is “smoke free” and that designated smoking areas are outside the visiting  
15 areas at the facility.

16 J. CLIENT SIGN IN/OUT LOG AND SCHEDULE – CONTRACTOR shall maintain a resident  
17 sign in/out log for all residents, which shall include, but not be limited to, the following:

- 18 1. Client’s schedule for treatment, work, education or other activities;
- 19 2. Location and telephone number where the Client may be reached; and
- 20 3. Requirement for all Clients to notify the program of any change in his/her schedule.

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

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

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

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

36 L. VISITATION POLICY – CONTRACTOR shall establish a written Visitation Policy, which shall  
37 be reviewed and approved by ADMINISTRATOR, which shall include, but not be limited to, the

1 following:

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

5 M. TRANSGENDER POLICY – CONTRACTOR shall establish a written Transgender Policy,  
6 which shall be reviewed and approved by ADMINISTRATOR. The policy shall include, but not limited  
7 to, the following:

- 8 1. Admission
- 9 2. Housing arrangement
- 10 3. Bathroom privacy
- 11 4. Drug testing

12 N. MEDICATION POLICY – CONTRACTOR shall establish a written Medication Policy, which  
13 shall be reviewed and approved by ADMINISTRATOR. The policy shall include but not be limited to  
14 the securing, handling, and administration of medication(s) prescribed to the Client. The policy shall  
15 address Medications that are prescribed for substance and mental health disorders. Clients shall be  
16 allowed to have Medications during their stay with the program, and/or to have the ability to get refill(s).

17 O. OPIOID OVERDOSE EMERGENCY TREATMENT – CONTRACTOR shall have available at  
18 each program site at minimum two (2) unexpired Naloxone doses or other opioid reversal medication for  
19 the treatment of known or suspected opioid overdose. Staff shall be trained in how to access and  
20 administer the Naloxone. Training may include review of online resources and the National Harm  
21 Reduction Coalition's Opioid Overdose Basics website to respond effectively to an opioid-associated  
22 overdose emergency. Staff shall certify that they have reviewed and undergone training in opioid overdose  
23 prevention and treatment. Completion of training shall be documented in the staff member’s individual  
24 personnel file. Naloxone is not a substitute for emergency medical care. CONTRACTOR shall always  
25 seek emergency medical assistance in the event of a suspected, potentially life-threatening opioid  
26 emergency.

27 P. TOKENS – ADMINISTRATOR will provide CONTRACTOR the necessary number of Tokens  
28 for appropriate individual staff to access IRIS at no cost to CONTRACTOR.

- 29 1. CONTRACTOR recognizes that a Token is assigned to a specific individual staff member  
30 with a unique password. Tokens and passwords shall not be shared with anyone.
- 31 2. CONTRACTOR shall maintain an inventory of the Tokens, by serial number, and the staff  
32 member to whom each is assigned.
- 33 3. CONTRACTOR shall indicate in the monthly staffing report, the serial number of the Token  
34 for each staff member assigned a Token.
- 35 4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following  
36 conditions:

- 37 a. Token of each staff member who no longer supports this Contract.

- b. Token of each staff member who no longer requires access to IRIS.
- c. Token of each staff member who leaves employment of CONTRACTOR.
- d. Tokens malfunctioning.

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

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

**III. BUDGET**

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

	PERIOD ONE (through November 30, 2025)	PERIOD TWO	PERIOD THREE
<b>START-UP COSTS</b>			
<b>ADMINISTRATIVE COST</b>			
Indirect Costs	<u>\$ 83,446</u>	N/A	N/A
<b>SUBTOTAL</b>	<b>\$ 83,446</b>	N/A	N/A
<b>ADMINISTRATIVE COST</b>			
<b>PROGRAM COST</b>			
Salaries	\$ 428,206	N/A	N/A
Benefits	\$ 107,051	N/A	N/A
Services & Supplies	<u>\$ 299,204</u>	N/A	N/A
<b>SUBTOTAL PROGRAM COST</b>	<b>\$ 834,461</b>	N/A	N/A
<b>TOTAL START-UP COSTS</b>			
	<b>\$917,907</b>	N/A	N/A

B. CONTRACTOR and ADMINISTRATOR mutually agree that the Amount Not to Exceed identified in Subparagraph III.A. of this Exhibit A to the Contract includes Indirect Costs not to exceed ten percent (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

1 include operating income.

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

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

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

23  
 24  
 25 **IV. PAYMENTS**

26 A. BASIS FOR REIMBURSEMENT – As compensation to CONTRACTOR for services provided  
 27 pursuant to the Contract, COUNTY shall pay CONTRACTOR at the following rates of reimbursement;  
 28 provided, however, the total of all payments to CONTRACTOR under this Contract shall not exceed  
 29 COUNTY's Total Amount Not to Exceed as set forth in the Referenced Contract Provisions of the  
 30 Contract; and provided further, that CONTRACTOR's costs are allowable pursuant to applicable  
 31 COUNTY, federal, and state regulations. Furthermore, if CONTRACTOR is ineligible to provide  
 32 services due to non-compliance with licensure and/or certification standards of the state or COUNTY,  
 33 ADMINISTRATOR may elect to reduce COUNTY'S Total Amount Not to Exceed proportionate to the  
 34 length of time that CONTRACTOR is ineligible to provide services. CONTRACTOR shall ensure  
 35 compliance with all Medi-Cal billing and documentation requirements when entering Units of Service  
 36 (UOS) into COUNTY's IRIS system. ADMINISTRATOR may reduce, withhold or delay any payment  
 37 associated with non-compliant billing practices or non-compliant licensure and/or certification standards.

If Corrective Action Plans (CAP) are not completed within timeframes as determined by ADMINISTRATOR, payments may be reduced accordingly.

1. For Medi-Cal services provided pursuant to the Contract, COUNTY shall claim reimbursement to the State Medi-Cal unit on behalf of CONTRACTOR to the extent these services are eligible.

2. Proper DMC certification and enrollment with the Provider Enrollment Division (PED) of DHCS, through the Provider Application and Validation for Enrollment (PAVE) system is required. CONTRACTOR shall submit proof of enrollment for each new rendering provider as required by regulations. Failure to demonstrate provider enrollment within six months of services being rendered shall result in disallowance of those services by pending providers.

3. CONTRACTOR shall submit appropriate Medi-Cal billing invoices to ADMINISTRATOR on a monthly basis. CONTRACTOR shall review billing queues in IRIS for billing errors and make necessary corrections. ADMINISTRATOR shall review billing and remit to Accounting for submission to the State Medi-Cal unit.

4. CONTRACTOR shall assume responsibility for any audit disallowances or penalties imposed on COUNTY by the State related to amounts or services claimed by COUNTY on behalf of CONTRACTOR. CONTRACTOR shall reimburse COUNTY for any such disallowances or penalties within thirty (30) calendar days of written notification by COUNTY.

5. For unfunded services provided pursuant to the Contract, CONTRACTOR will work with ADMINISTRATOR to obtain proof of a Medi-Cal denial. Any payment made by COUNTY to CONTRACTOR, which is unsupported by proof of a denial by the end of the current contract period, shall be repaid by CONTRACTOR to COUNTY in cash, or other authorized form of payment, within thirty (30) calendar days of submission of the Cost Report or ADMINISTRATOR may elect to reduce any amount owed to CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

Reimbursement Type	Rate
<u>Provider Type</u>	<b>Contractor Baseline Rate per billable minute</b>
Licensed Physician	\$8.33
Clinical Nurse Specialist	\$6.67
Nurse Practitioner	\$6.67
Registered Pharmacist	\$6.67
Physician Assistant	\$5.83
Registered Nurse	\$5.58
Psychologist (Licensed or Waivered)	\$5.42
Occupational Therapist	\$5.00
LCSW (Licensed, Waivered or Registered)	\$4.75

MFT/LPCC (Licensed, Waivered or Registered)	\$4.75
Certified AOD Counselor	\$3.92
Licensed Vocational Nurse	\$3.83
Peer Support Specialists	\$3.67
Mental Health Rehabilitation Specialist	\$3.33
Other Qualified Practitioner	\$3.33
Licensed Psychiatric Technician	\$3.33
Medical Assistant	\$2.50
<b>Other</b>	
<b>Start-up Costs (through November 30, 2025)</b>	<b>Actual Cost</b>
<b>MODE OF SERVICE</b>	<b>PER BED DAY RATE</b>
Residential Treatment 3.1	\$125
Residential Treatment 3.5	\$235
Withdrawal Management 3.2 Treatment Services	\$250
Room and Board	\$100

**B. PAYMENT METHOD –**

1. Reimbursement Rates: COUNTY shall pay CONTRACTOR monthly in arrears, however, the total of all payments under this Contract shall not exceed COUNTY’s Total Amount Not to Exceed. CONTRACTOR’s invoices shall be on a form approved by ADMINISTRATOR and shall provide such information as is required by ADMINISTRATOR. Invoices are due by the tenth (10th) calendar day of each month, and payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days after receipt of the correctly completed invoice form. For each Period, invoices received after the due date may not be paid in accordance with this Subparagraph IV.B.

a. Monthly payments are interim payments only, and subject to Final Settlement in accordance with Paragraph VIII. Cost Reconciliation Report and subparagraph IV.B.1.b. of this Exhibit A below.

b. Quarterly, ADMINISTRATOR will review the approved UOS report from the State Medi-Cal unit.

1). If total amounts of approved UOS indicate more units were approved than billed, COUNTY may reimburse CONTRACTOR for additional approved UOS; however, the total of all payments to CONTRACTOR under this Contract shall not exceed COUNTY’s Total Amount Not to Exceed as set forth in the Referenced Contract Provisions of the Contract.

2). If total amounts of approved UOS indicate fewer units were approved than billed, COUNTY shall reduce the monthly invoice amount for the month immediately following ADMINISTRATOR’s completion of the quarterly review.

1 c. In conjunction with Subparagraph IV.A above, CONTRACTOR shall not enter UOS into  
 2 COUNTY IRIS system for services not rendered. If such information is entered, CONTRACTOR shall  
 3 make corrections within ten (10) calendar days from notification by ADMINISTRATOR. Additionally,  
 4 to assist in the protection of data integrity, CONTRACTOR shall create a procedure to ensure separation  
 5 of duties between the individual performing direct services (LPHA, clinicians, counselors, etc.), and the  
 6 clerical staff who enter information into the IRIS system. Clerical staff shall enter data into IRIS using  
 7 the chart information provided by the direct service staff.

8 2. Actual Costs: COUNTY shall pay CONTRACTOR monthly in arrears the actual cost of the  
 9 services, less revenues that are actually received by CONTRACTOR provided, however, that the total of  
 10 all payments under this Contract shall not exceed the COUNTY's Total Amount Not to Exceed. Invoices  
 11 are due by the tenth (10th) calendar day of each month, and payments to CONTRACTOR should be  
 12 released by COUNTY no later than thirty (30) calendar days after receipt of the correctly completed  
 13 invoice form. For each Period, invoices received after the due date may not be paid in accordance with  
 14 this Subparagraph IV.B.

15 a. In support of the monthly invoice, CONTRACTOR shall submit an Expenditure and  
 16 Revenue Report as specified in the Reports Paragraph of this Exhibit A to the  
 17 Contract. ADMINISTRATOR shall use the Expenditure and Revenue Report to determine payment to  
 18 CONTRACTOR.

19 b. Monthly payments are interim payments only, and subject to Final Settlement in  
 20 accordance with the Expenditure and Revenue Report.

21 C. All invoices to COUNTY shall be supported, at CONTRACTOR's facility, by source  
 22 documentation including, but not limited to, ledgers, books, vouchers, journals, time sheets, payrolls,  
 23 appointment schedules, schedules for allocating costs, invoices, bank statements, canceled checks,  
 24 receipts, receiving records, and records of services provided. This support documentation shall be made  
 25 available for inspection by ADMINISTRATOR upon ADMINISTRATOR's request.

26 D. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply with  
 27 any provision of this Contract.

28 E. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration  
 29 and/or termination of this Contract.

30 F. CONTRACTOR shall ensure compliance with all DMC billing and documentation requirements  
 31 when entering UOS into COUNTY's IRIS system. ADMINISTRATOR shall withhold payment for non-  
 32 compliant UOS, and may reduce, withhold or delay any payment associated with non-compliant billing  
 33 practices.

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

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

1 | Payments Paragraph of this Exhibit A to the Contract.

3 | **V.RECORDS**

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

7 | 1. Any apportionment of or distribution of costs, including indirect costs, to or between  
 8 | programs or cost centers of CONTRACTOR shall be documented, and shall be made in accordance with  
 9 | generally accepted accounting principles.

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

12 | 3. CLIENT FEES – Pursuant to 42 CFR 438.106, CONTRACTOR shall not collect fees from  
 13 | a Medi-Cal beneficiary or persons acting on behalf of the beneficiary for any SUD or related  
 14 | administrative services provided under this Contract, except to collect other health insurance coverage,  
 15 | share of cost, and co-payments. Drug Medi-Cal is payment in full for treatment services rendered for  
 16 | Medi-Cal beneficiaries.

17 | B. CLIENT RECORDS – CONTRACTOR shall maintain adequate records in accordance with the  
 18 | licensing authority, DHCS, the Orange County DMC ODS CalAIM Documentation Manual, and CCR,  
 19 | Title 22, related to DMC on each individual Client in sufficient detail to permit an evaluation of services,  
 20 | which shall include, but not limited to:

21 | 1. Documentation of ADMINISTRATOR’s Residential Treatment Authorization for  
 22 | Residential Treatment Services.

23 | 2. Documentation that RTS for substance use disorders are appropriate for the Client. This shall  
 24 | include initial medical necessity determination for the DMC-ODS benefit performed through a review by  
 25 | a LPHA. Additionally, the ASAM Criteria assessment will be applied to determine placement into the  
 26 | level of assessed services and documented in the Client record.

27 | 3. Intake and admission data, including, if applicable, a physical examination;

28 | 4. Problem list;

29 | 5. Reassessments of Client functioning based on ASAM criteria;

30 | 6. Progress notes;

31 | 7. Laboratory test orders and results;

32 | 8. Referrals;

33 | 9. Discharge plan; and/or

34 | 10. Discharge summary;

35 | 11. Any other information relating to the treatment services rendered to the Client; and

36 | 12. A sign-in sheet for every group counseling session.

37 | C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Records

1 Paragraph of this Exhibit A to the Contract.

2  
3 **VI. REPORTS**

4 **A. PROGRAMMATIC**

5 1. Monthly Data and Performance Outcome Report (MDPOR) - CONTRACTOR shall submit  
6 a MDPOR to ADMINISTRATOR, on a template provided by ADMINISTRATOR, no later than the tenth  
7 (10th) calendar day of the month following the report month. CONTRACTOR shall be responsible for  
8 including in the monthly programmatic report any problems in implementing the provisions of this  
9 Contract, pertinent facts or interim findings, staff changes, status of license(s) and/or certification(s),  
10 changes in population served, and reasons for any changes. Additionally, a statement that  
11 CONTRACTOR is or is not progressing satisfactorily in achieving all the terms of the Contract shall be  
12 included.

13 2. DATAR – CONTRACTOR shall provide reports under the DATAR, and/or any other State  
14 reporting system in a manner prescribed by ADMINISTRATOR, no later than the fifth (5th) calendar day  
15 of the month following the report month.

16 3. DAILY BED CAPACITY - CONTRACTOR shall notify ART team daily regarding status  
17 of bed availability slots and percentage of total capacity being utilized.

18 **B. MANAGED CARE**

19 1. Provider Directory - CONTRACTOR shall submit list of service providers for their  
20 designated program(s) with updates to provider status, license and/or certification, and specialties on a  
21 form provided by ADMINISTRATOR monthly no later than the 15th of each month.

22 2. Clinical Supervision Reporting – CONTRACTOR shall provide supervisor information for  
23 all treatment/counseling staff.

24 3. Grievance Reporting – CONTRACTOR shall submit Managed Care Team Grievance  
25 Tracking form when grievances are filed.

26 4. CONTRACTOR shall provide Managed Care Team copy of Notice of Adverse Benefit  
27 Determinations issued to beneficiaries.

28 5. CONTRACTOR shall submit Change of Provider/Second Opinion Tracking on quarterly  
29 basis.

30 **C. FISCAL**

31 1. In support of the monthly invoice, CONTRACTOR shall submit monthly Expenditure and  
32 Revenue Reports to ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by  
33 ADMINISTRATOR and shall report actual costs and revenues for each of CONTRACTOR’s program(s)  
34 or cost center(s) described in the Services Paragraph of Exhibit A to the Contract. CONTRACTOR shall  
35 submit these reports by no later than twenty (20) calendar days following the end of the month reported.

36 2. CONTRACTOR shall submit Year-End Projection Reports to ADMINISTRATOR. These  
37 reports shall be on a form acceptable to, or provided by, ADMINISTRATOR and shall report anticipated

1 year-end actual costs and revenues for CONTRACTOR’s program(s) or cost center(s) described in the  
 2 Services Paragraph of Exhibit A to the Contract. Such reports shall include actual monthly costs and  
 3 revenue to date and anticipated monthly costs and revenue to the end of the fiscal year. Year-End  
 4 Projection Reports shall be submitted at the same time as the monthly Expenditure and Revenue Reports

5 D. IRIS

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

8 2. CalOMS – CONTRACTOR shall complete a CalOMS encounter and a CalOMS admission  
 9 record in IRIS within seven (7) calendar days of Client admission. CONTRACTOR shall complete a  
 10 CalOMS discharge record in IRIS within seven (7) calendar days of Client discharge. CONTRACTOR  
 11 shall run a CalOMS error report (CEDR) and correct any errors within two (2) business days of submitting  
 12 the CalOMS admission or discharge, and continue to recheck until error free.

13 3. ACCESS LOG – CONTRACTOR shall track and enter information on initial requests for  
 14 DMC ODS services into access log form in IRIS.

15 4. LEVEL OF CARE SUMMARY – CONTRACTOR shall enter ASAM level of care  
 16 information into IRIS on each ASAM level of care assessment and re-assessment completed.

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

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

26 G. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Reports  
 27 Paragraph of this Exhibit A to the Contract.

28  
 29 **VII. SERVICES**

30 A. FACILITY – CONTRACTOR shall operate a DHCS licensed substance use disorder residential  
 31 treatment facility with DHCS approval to provide co-occurring detoxification services and residential  
 32 treatment, in accordance with the standards established by COUNTY and the State within the  
 33 specifications stated below, unless otherwise authorized by ADMINISTRATOR. Program shall have  
 34 DMC certification and must be designated by DHCS or ASAM as capable of delivering care consistent  
 35 with ASAM treatment criteria. Residential services may be provided in facilities with no bed capacity  
 36 limit. The environment shall be healthy and safe and the facility shall be clean and in good repair. Unless  
 37 otherwise authorized in writing by ADMINISTRATOR, CONTRACTOR shall maintain regularly

1 | scheduled service hours, seven (7) days a week, twenty-four (24) hours per day, three hundred sixty-five  
 2 | (365) days a year. The facility shall have, at a minimum: a kitchen, dining room, and laundry facilities,  
 3 | with enough space for leisure time and group activities. Services shall be provided at the following  
 4 | locations, or at any other location approved in advance, in writing, by ADMINISTRATOR:

5 |  
 6 | 7800 Marine Way,  
 7 | Irvine, CA 92618  
 8 |

9 | B. LENGTH OF STAY - Length of stay is based on medical necessity as determined by a Licensed  
 10 | Practitioner of the Healing Arts. COUNTY is adhering to the state goal of a thirty (30) calendar day  
 11 | average in the residential level of care based on medical necessity. At CONTRACTOR’s discretion,  
 12 | CONTRACTOR may hold a Client’s bed seven (7) calendar days or less, during which the Client is absent  
 13 | from the program due to a brief hospitalization for physical or mental health condition including  
 14 | detoxification, family death or emergency, or flash incarceration. A temporary absence bed hold is not  
 15 | reimbursed by ADMINISTRATOR. Client’s readmission will not necessitate a new treatment  
 16 | authorization or CalOMS admission. Documentation timelines must adhere to original admission date.

17 | C. PERSONS TO BE SERVED – In order to receive services through the DMC-ODS, the Client  
 18 | must be a current beneficiary or must enroll in Medi-Cal, reside in Orange County, and meet medical  
 19 | necessity and access criteria, as outlined below. CONTRACTOR may serve Clients without insurance,  
 20 | as COUNTY resources allow. Services shall be provided when determined by a Medical Director or  
 21 | LPHA as medically necessary. Appropriateness for services must adhere to all DHCS requirements, meet  
 22 | ASAM Criteria and be documented in the Client’s file.

23 | D. MEDI-CAL ELIGIBILITY

- 24 | 1. CONTRACTOR must verify the Medi-Cal eligibility determination of potential Clients.
- 25 | 2. ADMINISTRATOR will reimburse treatment for unfunded Clients and undocumented  
 26 | Clients with realignment funding while CONTRACTOR assists Client in applying for benefits or  
 27 | transferring Medi-Cal benefits to Orange County. The Heath plan in IRIS will be assigned as “Self Pay”.  
 28 | When applying for Medi-Cal, Client shall request that Medi-Cal coverage is retroactively applied to date  
 29 | of admission. If current Medi-Cal is assigned to a different county (not Orange County), Client must  
 30 | initiate transfer within ten (10) calendar days of admission. If county of responsibility is other than Orange  
 31 | County and county of residence in Medical Eligibility Data System is Orange County and Medi-Cal  
 32 | transfer has been initiated, CONTRACTOR shall enter Health plan as “Medi-Cal” in IRIS. These claims  
 33 | will be accepted by the State. If both county of responsibility and county of residence are other than  
 34 | Orange County, or Client is undocumented, Contractor shall assign the Health plan as “Self-Pay”.  
 35 | CONTRACTOR shall review Self Pay Health Plan claims from the previous six months and recheck  
 36 | eligibility status. If claims dates are covered by Medi-Cal, CONTRACTOR shall update the Health Plan  
 37 | and these claims will be automatically credited and re-dropped by the IRIS system.

1 E. MEDICAL NECESSITY - DMC-ODS services must be medically necessary.

2 1. Pursuant to W&I Code section 14059.5(a), for individuals 21 years of age or older, a service  
3 is “medically necessary” when it is reasonable and necessary to protect life, to prevent significant illness  
4 or significant disability, or to alleviate severe pain.

5 2. For individuals under 21 years of age, a service is “medically necessary” or a “medical  
6 necessity” if the service is necessary to correct or ameliorate screened health conditions. Consistent with  
7 federal guidance, services need not be curative or completely restorative to ameliorate a health condition,  
8 including substance misuse and SUDs. Services that sustain, support, improve, or make more tolerable  
9 substance misuse or a SUD are considered to ameliorate the condition and are thus covered as EPSDT  
10 services. (Section 1396d(r)(5) of Title 42 of the United States Code; W&I Section 14059.5(b)(1)).

11 3. The ASAM Criteria shall be used to determine placement into the appropriate level of care for  
12 all members and is separate and distinct from determining medical necessity.

13 F. ADMISSIONS

14 1. CONTRACTOR shall accept any person who is physically and mentally able to comply with  
15 the program's rules and regulations. Said persons shall include persons with a concurrent diagnosis of  
16 mental illness, i.e., those identified as having a co-occurring diagnosis. Persons with co-occurring  
17 disorders and others who require prescribed medication shall not be precluded from acceptance or  
18 admission solely based on their licit use of prescribed medications.

19 2. CONTRACTOR shall accept unfunded Clients with proof of Medi-Cal application. Clients  
20 may be referred to an outpatient clinic or a Social Service office to complete an application if necessary.  
21 CONTRACTOR is responsible for verification of application and status.

22 3. CONTRACTOR shall have policies and procedures in place to screen for emergency medical  
23 conditions and immediately refer Clients to emergency medical care.

24 4. CONTRACTOR shall have a policy that requires a Client who shows signs of any  
25 communicable disease, or through medical disclosure during the intake process, admits to a health-related  
26 problem that would put others at risk, to be cleared medically before services are provided.

27 5. Admission Policy – CONTRACTOR shall establish and make available to the public a  
28 written Admission Policy. ADMINISTRATOR may revise Admission Policy due to funding. Admission  
29 Policy shall recognize the following specialty populations:

- 30 a. pregnant persons who have a substance use disorder and inject substances.
- 31 b. pregnant persons who have a substance use disorder.
- 32 c. persons who have a substance use disorder and inject substances.
- 33 d. persons who have a recent history of fentanyl use disorder.
- 34 e. persons linking to residential from withdrawal management.

35 6. CONTRACTOR’s Admission Policy shall reflect all applicable federal, state, and county  
36 regulations. CONTRACTOR shall have the right to refuse admission of a person only in accordance with  
37 its written Admission Policy; provided, however, CONTRACTOR complies with the Nondiscrimination

1 | provisions of this Contract.

2 | 7. CONTRACTOR shall initiate services within reasonable promptness and shall have a  
3 | documented system for monitoring and evaluating the quality, appropriateness, and accessibility of care.

4 | G. RESIDENTIAL TREATMENT AUTHORIZATION

5 | 1. Clients will be authorized and referred to CONTRACTOR by the ART Team. Clients who  
6 | contact CONTRACTOR directly to request services shall be referred by CONTRACTOR to the ART  
7 | Team. If Client is pregnant, an intravenous drug user, has a recent history of fentanyl use, or is transferring  
8 | from a withdrawal management program and meets medical necessity for Residential Treatment,  
9 | CONTRACTOR may admit to treatment bypassing the ART Team if CONTRACTOR has available bed  
10 | slot. In this instance, CONTRACTOR shall complete a SUD assessment and establish medical necessity  
11 | for residential level of care. Assessment and authorization request must be submitted to the ART team  
12 | for authorization within 72 hours of Client admission. CONTRACTOR shall enter data regarding request  
13 | for service into IRIS access log established by ADMINISTRATOR for these Clients who access  
14 | CONTRACTOR directly and bypass the ART team.

15 | 2. If it is determined after assessing the Client that medical necessity and/or access criteria, has  
16 | not been met, then a written Notice of Adverse Benefit Determination shall be issued to Beneficiaries in  
17 | accordance with 42 CFR 438.404 and 42 CFR Part 431, subpart E.

18 | H. INFORMING MATERIALS – CONTRACTOR is responsible to distribute informing materials  
19 | and provider lists that meet the content requirements of 42 CRF 438.100 to beneficiaries when they first  
20 | access SUD services through the DMC-ODS and on request. Informing materials will be provided by  
21 | ADMINISTRATOR.

22 | I. INTERIM SERVICES – All persons who are not admitted into RTS shall be referred to Interim  
23 | Services by CONTRACTOR. Interim Services shall be provided until an individual is admitted to  
24 | residential treatment program. The purposes of the services are to reduce the adverse health effects of  
25 | such abuse, promote the health of the individual, and reduce the risk of transmission of disease. At a  
26 | minimum, Interim Services include counseling and education about HIV and TB, about the risks of  
27 | needle-sharing, the risks of transmission to sexual partners and infants, and about steps that can be taken  
28 | to ensure that HIV and TB transmission does not occur, as well as referral for HIV or TB treatment  
29 | services if necessary. CONTRACTOR shall provide Clients, especially opiate users, with drug overdose  
30 | education/information. For pregnant women, Interim Services include counseling on the effects of alcohol  
31 | and drug use on the fetus, as well as referrals for prenatal care. Provision of Interim Services shall be  
32 | documented on the DATAR and reported monthly to the State.

33 | J. RESIDENTIAL SERVICES (LEVEL OF CARE 3.1, 3 .2, 3.3., or 3.5) – CONTRACTOR shall  
34 | provide a non-institutional, twenty-four (24) hour non-medical, short-term residential program that  
35 | provides rehabilitation services to Clients. These services are intended to be individualized to treat the  
36 | functional deficits identified in the ASAM Criteria. Each Client shall live on the premises and shall be  
37 | supported in their efforts to restore, maintain and apply interpersonal and independent living skills and

1 access community support systems. CONTRACTOR and residents work collaboratively to plan  
2 treatment, define barriers, set priorities, establish goals, and solve problems. Goals include sustaining  
3 abstinence, preparing for relapse triggers, improving personal health and social functioning, and engaging  
4 in continuing care. Residential Treatment program shall consist of the following:

5 1. Assessment: The process of determining that a Client meets the medical necessity criteria  
6 and a Client is admitted into a substance use disorder treatment program. Intake includes the evaluation  
7 or analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of  
8 treatment needs to provide medically necessary services. Intake may include a physical examination and  
9 laboratory testing necessary for substance use disorder treatment.

10 2. Individual Counseling: Contacts between a Client and a therapist or counselor.

11 3. Group Counseling: Face-to-face contacts in which one or more therapists or counselors treat  
12 two or more Clients at the same time with a maximum of twelve (12) in the group, focusing on the needs  
13 of the individuals served.

14 4. Family Therapy: When clinically appropriate, family members can provide social support to  
15 the Client, help motivate their loved one to remain in treatment, and receive help and support for their  
16 own family recovery as well.

17 5. Patient Education: Provide research-based education on addiction, treatment, recovery and  
18 associated health risks.

19 6. Medication Services: Facilities will store all Client medication and facility staff members  
20 will oversee resident's self-administration of medication.

21 7. SUD Crisis Intervention Services: Contact between a therapist or counselor and a Client in  
22 crisis. Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an  
23 unforeseen event or circumstance which presents to the Client an imminent threat of relapse. Crisis  
24 intervention services shall be limited to the stabilization of the Client's emergency situation.

25 8. Structured Therapeutic Activities: Residential Treatment Services shall consist of a minimum  
26 of twenty (20) hours of structured activity per week.

27 9. EBPs: CONTRACTORs shall implement at least two of the following EBPs. The two EBPs  
28 are per CONTRACTOR per service modality. The required EBPs include:

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

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

35 c. Relapse Prevention: A behavioral self-control program that teaches individuals with  
36 substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention can be  
37 used as a stand-alone substance use treatment program or as an aftercare program to sustain gains achieved

1 during initial substance use treatment.

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

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

9 10. Care Coordination: Care Coordination services shall be provided by a LPHA or registered/  
10 certified counselor and shall include one or more of the following components:

11 a. Coordinating with medical and mental health care providers to monitor and support  
12 comorbid health conditions.

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

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

20 CONTRACTOR shall provide Care Coordination services for the Client during treatment, transition to  
21 other levels of care and follow ups, to encourage the Client to engage and participate in an appropriate  
22 level of care or Recovery Services after discharge. Care Coordination becomes the responsibility of the  
23 next treating provider after successful transition to a different level of care. Care Coordination services  
24 may be provided face-to-face, by telephone, or by telehealth with the Client and may be provided  
25 anywhere in the community.

26 11. Medication Assisted Treatment

27 a. CONTRACTOR must offer or have an effective referral process in place to the most  
28 clinically appropriate MAT services pursuant to the requirements set forth in DHCS information notices.  
29 An effective referral process shall include an established relationship with a MAT provider and  
30 transportation to appointments for MAT. Providing a Client the contact information for a treatment  
31 program does not meet the requirement of an effective referral. A facilitated referral to any Medi-Cal  
32 provider rendering MAT to a Beneficiary is compliant whether or not that provider seeks reimbursement  
33 through DMC-ODS. Clients needing or utilizing MAT shall be served and cannot be denied treatment  
34 services or be required to be tapered off medications as a condition of entering or remaining in the  
35 program.

36 b. MAT services may be provided onsite with approval for Incidental Medical Services  
37 from DHCS. Medically necessary MAT services must be provided in accordance with an individualized

1 treatment plan determined by a Licensed Physician, Registered Nurse Practitioner, Physician Assistant,  
2 or Registered Nurse working within their scope of practice.

3 c. MAT services must be provided in compliance with Policy and Procedures submitted to  
4 DHCS for Incidental Medical Services (IMS) designation. CONTRACTOR must ensure ability to  
5 continue MAT after discharge through linkage to appropriate prescriber. MAT shall include the  
6 assessment, treatment planning, ordering, prescribing, administering, and monitoring of all medications  
7 for SUDs.

8 d. CONTRACTOR shall provide administration of buprenorphine, naltrexone (oral and  
9 injectable), acamprosate, disulfiram, and vivitrol. Other approved medications in the treatment of SUDs  
10 may also be prescribed and administered, as medically necessary.

11 e. CONTRACTOR must provide care coordination with treatment and ancillary service  
12 providers and facilitate transitions between levels of care. Clients may simultaneously participate in MAT  
13 services and other ASAM levels of care.

14 f. CONTRACTOR must participate in ADMINISTRATOR'S Medication Monitoring  
15 practices process as a quality assurance measure. Medication Monitoring is to assure the appropriateness  
16 of medication prescriptions for Mental Health and Recovery (MHRS) Clients and to establish practices  
17 for monitoring the safety and effectiveness of medication practices in MHRS.

## 18 12. Health, Medical, Psychiatric and Emergency Services

19 a. CONTRACTOR shall ensure that all persons admitted for Residential Treatment services  
20 have a health questionnaire completed using DHCS 5103 form, or may develop their own form provided  
21 it contains, at a minimum, the information requested in the DHCS 5103 form. The health questionnaire  
22 is a Client's self-assessment of his/her current health status and shall be completed by Client.

23 1) CONTRACTOR shall review and approve the health questionnaire form prior to  
24 Client's admission to the program. The completed health questionnaire shall be signed and dated by  
25 CONTRACTOR and Client, prior to admission.

26 2) A copy of the questionnaire shall be filed in the Client's record.

27 b. CONTRACTOR shall, based on information provided by Client on the health  
28 questionnaire form, refer Client to licensed medical professionals for physical and laboratory  
29 examinations as appropriate.

30 1) CONTRACTOR shall obtain a copy of Client's medical clearance or release prior to  
31 Client's admission to the program when applicable.

32 2) A copy of the referral and clearance shall be filed in the Client's file.

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

35 d. The programs shall have written procedures for obtaining medical or psychiatric  
36 evaluation and emergency and non-emergency services.

37 e. The programs shall post the name, address, and telephone number for the fire department,

1 a crisis program, local law enforcement, and ambulance service.

2 f. CONTRACTOR shall provide TB services to the Clients by referral to COUNTY or  
 3 another appropriate provider. TB services shall be provided within thirty (30) calendar days of admission.  
 4 These TB services shall consist of the following:

- 5 1) Counseling with respect to TB;
- 6 2) Testing to determine whether the individual has been infected and to determine the  
 7 appropriate form of treatment;
- 8 3) Provision for, or referral of, infected Clients for medical evaluation, treatment and  
 9 clearance. CONTRACTOR shall ensure that a TB-infected Client is medically cleared prior to  
 10 commencing treatment.

11 13. Clinician Consultation Services

12 a. Clinician Consultation Services consist of DMC-ODS providers who are qualified to  
 13 perform assessments, consulting with providers, such as addiction medicine physicians, licensed  
 14 clinicians, addiction psychiatrists, or clinical pharmacists, to support the provision of care.

15 b. Clinician Consultation is not a direct service provided to Clients. Clinician Consultation  
 16 supports DMC-ODS licensed clinicians with complex cases and may address medication selection,  
 17 dosing, side effect management, adherence, drug-drug interactions, or level of care considerations. It  
 18 includes consultations between clinicians designed to assist DMC clinicians with seeking expert advice  
 19 on treatment needs for specific DMC-ODS beneficiaries. These consultations can occur in person, by  
 20 telehealth, by telephone, or by asynchronous telecommunication systems.

21 14. Discharge Services: The process to prepare the Client for referral into another level of care,  
 22 post treatment return or reentry into the community, and/or the linkage of the individual to essential  
 23 community treatment, housing and human services. CONTRACTOR shall provide or arrange for  
 24 transportation of Clients to aftercare destination. CONTRACTOR shall begin discharge planning  
 25 immediately after enrollment.

26 a. Discharge Plan – CONTRACTOR shall develop a formal discharge plan within thirty  
 27 (30) calendar days prior to Client’s planned discharge from the program. A discharge plan is to be  
 28 completed for each Client, except a Client with whom CONTRACTOR loses contact. The discharge plan  
 29 shall be completed and signed by the LPHA or counselor and the Client. A copy of the discharge plan  
 30 shall be provided to the Client and retained in the Client’s record.

31 b. Discharge Summary – The discharge summary is to be completed by the LPHA or  
 32 counselor within thirty (30) calendar days of the date of the last face-to-face treatment contact with the  
 33 Client.

34 15. Recovery Services: Clients may access recovery services after completing their course of  
 35 treatment to prevent relapse. Recovery services may be provided face-to-face, by telephone, or by  
 36 telehealth with the Client and may be provided anywhere in the community. Recovery services shall be  
 37 made available to DMC-ODS Clients when a Medical Director or LPHA has determined that recovery

1 services are medically necessary in accordance with their individualized treatment plan. The components  
 2 of Recovery Services are:

- 3 a. Outpatient counseling services in the form of individual or group counseling to stabilize  
 4 the Client and then reassess if the Client needs further care;
- 5 b. Recovery Monitoring: Recovery coaching, monitoring via telephone and internet;
- 6 c. Education and Job Skills: Linkages to life skills, employment services, job training, and  
 7 education services;

8 16. Family Support: Linkages to childcare, parent education, child development support services,  
 9 family/marriage education;

10 17. Food and Other Services: CONTRACTOR shall provide a clean, safe environment, toiletries,  
 11 clean linen, and food service.

12 18. Support Services: CONTRACTOR shall provide housekeeping, which may be done by  
 13 Clients; laundry access; and maintenance.

14 19. Transportation Services

15 a. COUNTY shall only pay for medical ambulance or medical van transportation to and  
 16 from designated residential substance use disorder treatment programs or health facilities through  
 17 COUNTY's Medical Transportation Agreement under the following conditions:

18 1) Ambulance transportation shall be used for services requiring immediate attention  
 19 for a Client due to any sudden or serious illness or injury requiring immediate medical attention, where  
 20 delay in providing such services may aggravate the medical condition or cause the loss of life.

21 2) When any Client needs non-emergency transportation as identified in Subparagraph  
 22 19.b below, and CONTRACTOR cannot transport Client due to unforeseen circumstances including, but  
 23 not limited to, staffing constraints, CONTRACTOR vehicle access within a timely manner or Client's  
 24 physical condition and/or limitations.

25 3) CONTRACTOR shall utilize COUNTY's Ambulance Monthly Rotation Call Log to  
 26 request transportation services from Ambulance Providers designated for transportation within the city of  
 27 CONTRACTOR's facility for each said month as identified on the log.

28 4) CONTRACTOR shall use its best efforts to contact Ambulance Providers identified  
 29 on the Monthly Rotation Call Log as those providers who offer van transportation services if and when  
 30 an ambulance is not required.

31 5) CONTRACTOR shall be held liable and may be billed by the Ambulance Provider  
 32 for services requested by CONTRACTOR that are deemed inappropriate for use and not a covered service  
 33 under this section by COUNTY.

34 b. Non-Emergency Transportation – CONTRACTOR shall transport Client to locations  
 35 that are considered necessary and/or important to the Client's recovery plan including, but not limited to,  
 36 Social Security Administration offices for Supplemental Security Income benefits and for non-emergency  
 37 medical or mental health services not identified in Subparagraph 19.a. above, that require treatment at a

1 physician office, urgent care, or emergency room when an ambulance provider is not necessary or required  
2 for transportation based on the level of severity and/or services required by the Client.

3 K. RESIDENTIAL LEVELS OF CARE – CONTRACTOR shall provide services in accordance  
4 with one of the following DHCS Levels of Care:

5 1. 3.1 – Clinically Managed Low-Intensity Residential Services: Services provided under a  
6 level 3.1 designation includes the following:

7 a. Clinical Component:

8 1) A minimum of 5 hours per week of individual counseling, group, and education  
9 sessions and/or structured therapeutic activities.

10 2) Clinically-managed treatment to facilitate recovery skills, relapse prevention and  
11 emotional coping strategies

12 3) Arrangements for addiction pharmacotherapy and drug screening

13 4) Motivational enhancement and engagement strategies

14 5) Daily monitoring of residents’ medication adherence

15 6) Recovery services

16 7) Arrangements of services for resident’s family and significant others, as appropriate  
17 to advance treatment goals and objectives

18 8) Education on benefits of medication assisted treatment (MAT) and arrange for  
19 referral to treatment as necessary

20 b. Residential Component:

21 1) Structured recovery environment with twenty-four (24) hour staffing;

22 2) Community house meetings and responsibilities to promote community recovery  
23 concepts and norms; and

24 3) Introduction of Client to local recovery community and resources

25 c. Support Systems:

26 1) Telephone or in-person consultation with a physician and emergency services  
27 available twenty-four (24) hours/day, seven (7) days/week;

28 2) Direct affiliations with other levels of care with close coordination of transfer to more  
29 intensive levels of care, medication management, and housing services; and

30 3) Ability to arrange for needed procedures as appropriate to the severity and urgency  
31 of the Client’s condition—to include obtaining pharmacotherapy for psychiatric and anti-addiction  
32 medications.

33 2. 3.3 – Clinically Managed Population Specific High-Intensity Residential Services: Services  
34 provided under a Level 3.3 designation includes above service components and the following:

35 a. Clinical Component:

36 1) A minimum of 5 hours clinical services per week specific for individuals with  
37 cognitive or other functioning impairments.

1                   2) Range of cognitive and behavioral therapies administered in individual and group  
2 settings.

3                   3) Arrangements for recreational therapy, art, music, physical therapy, and/or vocational  
4 rehabilitation.

5                   3. 3.5 – Clinically Managed High-Intensity Residential Services: Services provided under a  
6 Level 3.5 designation includes above services and the following:

7                   a. A minimum of 5 hours clinical services per week of specific for individuals with co-  
8 occurring mental health disorders;

9                   b. Daily scheduled professional services and interdisciplinary assessments and treatment  
10 designed to develop and apply recovery skills

11                  4. 3.2 – Withdrawal Management Services: CONTRACTOR shall provide medically necessary  
12 habilitative and rehabilitative services in accordance with an individualized treatment plan prescribed by  
13 a licensed physician or licensed prescriber. Withdrawal Management program shall consist of the  
14 following:

15                  a. Assessment: A compilation of information gathered from the Client and if applicable  
16 significant others, to determine a diagnosis, that Client meets access criteria, and level of care placement  
17 needs. Assessment is to be completed and signed within 24 hours of admission. A full ASAM Criteria  
18 assessment is not required for admission. The assessment tool utilized should be robust enough to identify  
19 the need for the stabilization and management of symptoms associated with withdrawal and coordination  
20 of care for effectively transitioning to a level of care for additional treatment services.

21                  b. Observation:

22                  1). At least one staff member shall be assigned to the observation of Withdrawal  
23 Management Clients at all times and be certified in cardiopulmonary resuscitation, first aid, and Naloxone  
24 administration. In facilities with sixteen (16) or more clients, two (2) staff or volunteers shall be present  
25 at all times.

26                  2). Staff shall physically check each Client for breathing by a face-to-face physical  
27 observation at least every thirty (30) minutes and monitor vital signs at least once every six (6) hours at a  
28 minimum during the first seventy-two (72) hours following admission. The close observation and  
29 physical checks shall continue beyond the initial seventy-two (72) hour period for as long as the  
30 withdrawal signs and symptoms warrant. After twenty-four (24) hours, close observations and physical  
31 checks may be discontinued or reduced based upon a determination by a staff member trained in providing  
32 Withdrawal Management Services. Documentation of the information that supports a decrease in close  
33 observation and physical checks shall be recorded in the Client's file.

34                  3). Documentation of observations and physical checks shall be recorded in a systematic  
35 manner in the Client file including information supporting a decrease in observation and physical checks  
36 and signature of staff.

37                  4). Only program staff that have been trained in the provisions of Withdrawal

1 Management Services may conduct observations and physical checks of Clients receiving Withdrawal  
 2 Management Services. Training shall include information on detoxification medications, and signs and  
 3 symptoms that require referral to a higher level of care. Training shall also include first aid  
 4 cardiopulmonary resuscitation, and Naloxone administration. Copies of detoxification training records  
 5 shall be kept in personnel files.

6  
 7 **L. PERFORMANCE OUTCOMES**

8 1. CONTRACTOR shall achieve performance objectives, tracking and reporting Performance  
 9 Outcome Objective statistics in monthly programmatic reports, as appropriate. ADMINISTRATOR  
 10 recognizes that alterations may be necessary to the above services to meet the objectives, and, therefore,  
 11 revisions to objectives and services may be implemented by mutual agreement between CONTRACTOR  
 12 and ADMINISTRATOR.

13 2. Performance Outcome Objectives

14 a. Objective 1: CONTRACTOR shall provide effective residential substance abuse  
 15 assessment, treatment and withdrawal management services, and counseling to Clients with identified  
 16 alcohol and/or drug problems as measured by Completion Rate.

17 1) Successful Completion Rates shall be calculated by using the number of Clients who  
 18 leave with satisfactory progress divided by the total number of Clients discharged during the evaluation  
 19 period. Seventy percent (70%) of Clients will complete residential treatment program.

20 b. Objective 2: CONTRACTOR shall provide linkage to the next level of care for Clients  
 21 upon discharge. Thirty percent (30%) of Clients who have discharged will be linked with a lower level of  
 22 care within thirty (30) calendar days, as measured by charge data entered into the IRIS. Linkage rates for  
 23 Clients who discharge will include all CalOMS standard discharge dispositions. All CalOMS  
 24 administrative discharge dispositions will be excluded.

25 M. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Services  
 26 paragraph of this Exhibit A to the Contract.

27  
 28 **VIII. STAFFING**

29 A. CONTRACTOR shall provide twenty-four (24) hour supervision with at least one (1) staff  
 30 member on-site at all times. Residential programs shall require twenty-four (24)-hour awake supervision.

31 B. Professional staff shall complete the HCA credentialing process by the Managed Care Support  
 32 Team (MCST) prior to rendering any Medi-Cal covered services.

33 1. CONTRACTOR shall comply with the requirements of the state’s established uniform  
 34 credentialing and re-credentialing policy that addresses behavioral and substance use disorders, outlined  
 35 in DHCS Information Notice 18-019.

36 2. CONTRACTOR shall follow COUNTY’s process for credentialing and re-credentialing of  
 37 network providers and shall ensure that all registered, licensed or certified staff who deliver Medi-Cal

1 covered services are properly credentialed by COUNTY before delivering any Medi-Cal covered services.

2 C. Professional staff shall be licensed, registered, certified or recognized under California scope of  
 3 practice statutes. Professional staff shall provide services within their individual scope of practice and  
 4 receive supervision by CONTRACTOR as required under their scope of practice laws.

5 D. Non-professional staff shall receive appropriate onsite orientation and training by  
 6 CONTRACTOR prior to performing assigned duties. Non-professional staff shall be supervised by  
 7 CONTRACTOR by professional and/or administrative staff.

8 E. Professional and Non-professional staff are required to have appropriate experience and any  
 9 necessary training at the time of hiring and prior to providing services under this Contract.

10 F. Registered and certified SUD counselors shall adhere to all requirements in the CCR, Title 9,  
 11 Division 4, Chapter 8.

12 G. Pursuant to the CCR, Title 9, Division 4, Chapter 8, Subchapter 2, at least thirty percent (30%)  
 13 of CONTRACTOR staff providing counseling services shall be licensed or certified. All other counseling  
 14 staff shall be registered.

15 H. CONTRACTOR must have a SUD Medical Director who, prior to the delivery of services under  
 16 this Contract has enrolled with DHCS under applicable state regulations, has been screened in accordance  
 17 with 42 CFR 455.450(a) as a “limited” categorical risk within a year prior to serving as a Medical Director  
 18 under this Contract, and has signed a Medicaid provider agreement with DHCS as required by 42 CFR  
 19 431.107.

20 1. The SUD Medical Director’s responsibilities shall, at a minimum include all of the following:

21 a. Ensure that medical care provided by physicians, registered nurse practitioners, and  
 22 physician assistants meets the applicable standard of care;

23 b. Ensure that physicians do not delegate their duties to non-physician personnel;

24 c. Develop and implement medical policies and standards for the physicians;

25 d. Ensure that physicians, registered nurse practitioners, and physician assistants follow  
 26 CONTRACTOR's medical policies and standards;

27 e. Ensure that the medical decisions made by physicians are not influenced by fiscal  
 28 considerations;

29 f. Ensure that CONTRACTOR's physicians and LPHAs are adequately trained to perform  
 30 diagnosis of substance use disorders for Clients and to determine the medical necessity of treatment for  
 31 Clients;

32 g. Ensure that CONTRACTOR's physicians are adequately trained to perform other  
 33 physician duties, as outlined in this section.

34 2. The substance use disorder medical director may delegate his/her responsibilities to a  
 35 physician consistent with CONTRACTOR's medical policies and standards; however, the substance use  
 36 disorder medical director shall remain responsible for ensuring all delegated duties are properly  
 37 performed.

3. Written roles and responsibilities for the Medical Director shall be clearly documented, signed and dated by a CONTRACTOR representative and the physician.

4. A code of conduct for the Medical Director shall be clearly documented, signed and dated by a CONTRACTOR representative and the physician.

I. CONTRACTOR shall, at a minimum, provide the following staffing pattern expressed in FTEs continuously throughout the term of the Contract. One (1) FTE will be equal to an average of forty (40) hours of work per week.

DIRECT PROGRAM	FTEs
Admissions Clinician	1.00
Admissions Specialist	1.00
Peer Care Coordinator	1.00
Care Coordinator	1.00
Lead Clinician	1.00
Clinician	1.00
Care Coordinator	1.00
Clinical Manager	1.00
Facility Manager	3.00
Supervising Counselor	1.00
Counselor	3.00
Driver	1.00
Nurse	3.00
Nurse Manager	1.00
Recovery Support Specialist	19.00
Recovery Support Specialist Lead	1.00
QA Clinician	1.00
RN	0.25
Program Administrator	1.00
Receptionist	1.00
Program Director	0.80
Operations Manager	1.00
Lead Cook	1.00
Cook	1.00
Maintenance Supervisor	1.00
<b>TOTAL DIRECT PROGRAM FTEs</b>	<b>48.05</b>

J. CONTRACTOR's certification to participate in the DMC program shall automatically terminate

1 in the event that CONTRACTOR or its owners, officers or directors are convicted of Medi-Cal fraud,  
 2 abuse or malfeasance. For purposes of this section, a conviction shall include a plea of guilty or nolo  
 3 contendere. Once certification is terminated, COUNTY may terminate this Contract immediately.

4 K. VOLUNTEERS/INTERNS – CONTRACTOR may augment the above paid staff with volunteers  
 5 or part-time student interns. Unless waived by ADMINISTRATOR, prior to providing services pursuant  
 6 to this Contract, interns shall be Master's Candidates in Counseling or Social Work or have a Bachelor's  
 7 Degree in a related field or be participating in any state recognized counselor certification program.  
 8 Additionally, volunteers or student interns must be AOD registered or certified. CONTRACTOR shall  
 9 provide supervision of work by interns or consistent with school or licensing Board requirements.  
 10 CONTRACTOR shall provide supervision to volunteers as specified in the respective job descriptions or  
 11 work contracts. Volunteer or student intern services may not comprise more than twenty percent (20%)  
 12 of the services provided, unless approved in advance by ADMINISTRATOR.

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

22 M. STAFF/VOLUNTEER/INTERN SCREENING – CONTRACTOR shall provide pre-  
 23 employment “live scan” screening of any staff person providing services pursuant to this Contract. All  
 24 new staff, volunteers, and interns shall pass a one-time “live scan” finger printing background check prior  
 25 to starting services. All staff shall be subject to sanction screening as referenced in the Compliance  
 26 paragraph. All staff shall also be screened by Megan’s Law, OC Courts and OC Sheriff’s Department on  
 27 an annual basis. The results of the fingerprint checks will be sent directly from the Department of Justice  
 28 to CONTRACTOR. Results must remain in staff file.

- 29 1. All staff/volunteers/interns, prior to starting services, shall meet the following requirements:  
 30 a. No person shall have been convicted of a sex offense for which the person is required to  
 31 register as a sex offender under PC section 290;  
 32 b. No person shall have been convicted of an arson offense – Violation of PC sections 451,  
 33 451.1, 451.5, 452, 45231, 453, 454, or 455;  
 34 c. No person shall have been convicted of any violent felony as defined in PC section 667.5,  
 35 which involves doing bodily harm to another person, for which the staff member was convicted within  
 36 five (5) years prior to employment;  
 37 d. No person shall be on parole or probation.

2. Exceptions to staffing requirements set forth above, may be requested if CONTRACTOR deems the decision will benefit the program. Requests for exceptions shall be submitted in writing and approved in advance by ADMINISTRATOR.

N. STAFF TRAINING – CONTRACTOR shall develop an annual written plan for staff training. All Staff training shall be documented and maintained as part of the training plan. Training may be conducted in person or web-based.

1. CONTRACTOR shall ensure that PRIOR to providing services all professional staff complete the following:

a. ASAM Training (2 modules) provided by ADMINISTRATOR:

1) ASAM A (or I) Multidimensional Assessment.

2) ASAM B (or II) Assessment to Service Planning and Level of Care.

3) This requirement may only be waived for physicians/Medical Directors who are Board Certified with an Addiction sub-specialty.

b. Annual Provider Training (APT) – Professional staff and administrators must receive training on DMC-ODS requirements prior to providing services and annually thereafter. These requirements will be contained in COUNTY-developed Annual Provider Training.

c. Cultural Competency Training as approved by ADMINISTRATOR

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

a. LPHAs, including Medical Directors, shall receive a minimum of five (5) hours of continuing education related to addiction medicine annually.

b. SUD documentation training within ninety (90) calendar days of hire is mandatory for all professional staff, Quality Management staff, and supervisors; however, compliant documentation is required from the onset of services;

c. Annual training in the two minimum evidence-based practices (EBP) utilized at the program. Motivational Interviewing must be taken at least once and will count as one EBP for the year; CONTRACTOR may choose other EBP courses after.

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

a. Naloxone Administration Training;

b. CPR / first aid Training;

c. Training in facility MAT policy;

d. Training in risks and benefits of MAT;

e. General knowledge of alcohol and/or drug abuse and alcoholism and the principles of recovery;

f. Housekeeping and sanitation principles;

g. Principles of communicable disease prevention and control;

- h. Recognition of early signs of illness and the need for professional assistance;
- i. Availability of community services and resources;
- j. Recognition of individuals under the influence of alcohol and/or drugs;
- k. Principles of nutrition, food preparation and storage, and menu planning.

4. Facility personnel who provide withdrawal management services or who monitor or supervise the provision of such services must:

- a. Complete six (6) hours of orientation training that covers the needs of the Clients;
- b. Repeat the orientation training within fourteen (14) calendar days of return after not working for one hundred and eighty (180) or more consecutive calendar days; and
- c. Complete eight (8) hours of training on an annual basis covering the needs of residents receiving withdrawal management services.

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

- 1. Application for employment and/or resume;
- 2. Signed employment confirmation statement/duty statement;
- 3. Job description;
- 4. Salary schedule and salary adjustment information;
- 5. Performance evaluations;
- 6. Health records/status as required by the provider, AOD Certification or Title 9;
- 7. Other personnel actions (e.g. commendations, discipline, status change, employment incidents and/or injuries);
- 8. Training documentation relevant to substance use disorders and treatment to include:
  - a. Training identified above
  - b. Training in program’s MAT policy (assigned staff per policy)
  - c. Training in risks and benefits of MAT (assigned staff per policy)
- 9. Current registration, certification, intern status, or licensure;
- 10. Proof of continuing education required by licensing or certifying agency and program; and
- 11. CONTRACTOR’s Code of Conduct and for registered, certified, and licensed staff, a copy of the certifying/licensing body’s code of conduct.

12. All personnel files shall be complete and made readily accessible to ADMINISTRATOR for purposes of audits and investigations or any other reason deemed necessary by ADMINISTRATOR.

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

1 EXHIBIT B  
 2 TO CONTRACT FOR PROVISION OF  
 3 DRUG MEDI-CAL CO-OCCURRING RESIDENTIAL TREATMENT 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 45  
 15 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 CONTRACTOR and COUNTY arises to the extent that CONTRACTOR  
 18 performs, or delegates to subcontractors to perform, functions or activities on behalf of COUNTY  
 19 pursuant to, and as set forth in, the Contract that are described in the definition of “Business Associate”  
 20 in 45 CFR § 160.103.

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

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

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

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

1 created, received, maintained, transmitted, used, or disclosed pursuant to the Contract.

2 B. DEFINITIONS

3 1. "Administrative Safeguards" are administrative actions, and policies and procedures, to  
 4 manage the selection, development, implementation, and maintenance of security measures to protect  
 5 electronic PHI and to manage the conduct of CONTRACTOR's workforce in relation to the protection of  
 6 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 CONTRACTOR, or organized health care  
 16 arrangement in which COUNTY participates, and the information received as a result of such disclosure  
 17 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 paragraph (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 45 CFR  
 33 § 164.501.

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

36 6. "Health Care Operations" shall have the meaning given to such term under the HIPAA  
 37

1 Privacy Rule in 45 CFR § 164.501.

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

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

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

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

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

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

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

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

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

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

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

30 18. "Use" shall have the meaning given to such term under the HIPAA regulations in 45 CFR §  
31 160.103.

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

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

36 2. CONTRACTOR agrees to use appropriate safeguards, as provided for in this Business  
37

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

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

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

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

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

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

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

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

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

36 11. CONTRACTOR agrees to provide COUNTY or an Individual, as directed by COUNTY, in  
 37

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

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

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

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

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

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

- 34 a. CONTRACTOR does not promptly enter into negotiations to amend this Business
- 35 Associate Contract when requested by COUNTY pursuant to this Subparagraph F; or
- 36 b. CONTRACTOR does not enter into an amendment providing assurances regarding the
- 37

1 safeguarding of PHI that COUNTY deems are necessary to satisfy the standards and requirements of  
 2 HIPAA, the HITECH Act, and the HIPAA regulations.

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

6 D. SECURITY RULE

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

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

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

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

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

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

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

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

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

4           E. DATA SECURITY REQUIREMENTS

5           1. Personal Controls

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

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

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

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

31           2. Technical Security Controls

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

36           b. Server Security. Servers containing unencrypted PHI COUNTY discloses to  
 37

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

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

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

14 e. Antivirus software. 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 installed and actively use comprehensive anti-virus software solution  
 17 with automatic updates scheduled at least daily.

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

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

- 34 1) Upper case letters (A-Z)
- 35 2) Lower case letters (a-z)
- 36 3) Arabic numerals (0-9)

1 4) Non-alphanumeric characters (punctuation symbols)

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

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

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

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

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

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

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

36 3. Audit Controls

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

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

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

14 4. Business Continuity/Disaster Recovery Control

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

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

27 5. Paper Document Controls

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

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

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

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

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

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

19 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

35 b. Any other information that COUNTY is required to include in the notification to  
 36 Individual under 45 CFR §164.404 (c) at the time CONTRACTOR is required to notify COUNTY or  
 37

1 promptly thereafter as this information becomes available, even after the regulatory sixty (60) day period  
 2 set forth in 45 CFR § 164.410 (b) has elapsed, including:

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

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

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

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

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

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

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

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

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

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

33 9. If the Breach is the fault of CONTRACTOR, CONTRACTOR shall bear all expense or other  
 34 costs associated with the Breach and shall reimburse COUNTY for all expenses COUNTY incurs in  
 35 addressing the Breach and consequences thereof, including costs of investigation, notification,  
 36 remediation, documentation or other costs associated with addressing the Breach.

G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

1) The Disclosure is required by law; or

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

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

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

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

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

H. PROHIBITED USES AND DISCLOSURES

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

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

I. OBLIGATIONS OF COUNTY

1. COUNTY shall notify CONTRACTOR of any limitation(s) in COUNTY’s notice of privacy

1 | practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect  
2 | CONTRACTOR’s Use or Disclosure of PHI.

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

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

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

11 |         J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

22 |                 a. This provision shall apply to all PHI that is in the possession of Subcontractors or agents  
23 | of CONTRACTOR.

24 |                 b. CONTRACTOR shall retain no copies of the PHI.

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

31 |             3. The obligations of this Business Associate Contract shall survive the termination of the  
32 | Contract.

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1 EXHIBIT C  
 2 TO CONTRACT FOR PROVISION OF  
 3 DRUG MEDI-CAL CO-OCCURRING RESIDENTIAL TREATMENT 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 Agreement" means the CMPPA Agreement between the SSA and CHHS.

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

1 the production of information, including statutes or regulations that require such information if payment  
 2 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 COUNTY pursuant to the terms of the Contract  
 10 provided that such use or disclosure would not violate the CIPA if done by 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 Office of Management and Budget in OMB Circular No. A-130,  
 32 Appendix III-Security of Federal Automated Information Systems, which sets forth guidelines for  
 33 automated information systems in 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 Agreement between the SSA and the CHHS and in the Contract between the SSA and DHCS, known as

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

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

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

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

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

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

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

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1 EXHIBIT D  
 2 TO CONTRACT FOR PROVISION OF  
 3 DRUG MEDI-CAL CO-OCCURRING RESIDENTIAL TREATMENT 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 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

1 contact if complaint is not adequately resolved. The procedures must also identify how these incidents  
2 will be reported to the appropriate COUNTY contact in a timely manner.

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

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

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