

1 CONTRACT FOR PROVISION OF  
 2 CHILDREN’S CRISIS RESIDENTIAL SERVICES  
 3 BETWEEN  
 4 COUNTY OF ORANGE  
 5 AND  
 6 WAYMAKERS  
 7 JULY 1, 2022 THROUGH JUNE 30, 2025

8  
 9 THIS CONTRACT entered into this 1st day of July 2022, (effective date), is by and between the  
 10 COUNTY OF ORANGE, a political subdivision of the State of California (COUNTY), and  
 11 WAYMAKERS, a California nonprofit organization (CONTRACTOR). COUNTY and  
 12 CONTRACTOR may sometimes be referred to herein individually as “Party” or collectively as  
 13 “Parties.” This Contract shall be administered by the Director of the COUNTY’s Health Care Agency or  
 14 an authorized designee (“ADMINISTRATOR”).

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

17  
 18 WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Children’s  
 19 Crisis Residential Services described herein to the residents of Orange County; and

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

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

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**REFERENCED CONTRACT PROVISIONS**

**Term:** July 1, 2022 through June 30, 2025

Period One means the period from July 1, 2022 through June 30, 2023

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

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

**Amount Not To Exceed:**

Period One Amount Not To Exceed: \$ 5,200,000

Period Two Amount Not To Exceed: 5,200,000

Period Three Amount Not To Exceed: 5,200,000

TOTAL AMOUNT NOT TO EXCEED: \$15,600,000

**Basis for Reimbursement:** Actual Cost

**Payment Method:** Monthly in Arrears

**CONTRACTOR's DUNS Number:** 12-673-5729

**CONTRACTOR's Tax ID Number:** 95-3167866

**Notices to COUNTY and CONTRACTOR:**

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

CONTRACTOR: Waymakers  
1221 East Dyer Road, Suite 120  
Santa Ana, CA 92705  
Ronnetta Johnson, Executive Director  
[rjohnson@waymakersoc.org](mailto:rjohnson@waymakersoc.org)

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## I. ACRONYMS

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

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4	A. AES	Advanced Encryption Standard
5	B. AIDS	Acquired Immune Deficiency Syndrome
6	C. ARRA	American Recovery and Reinvestment Act of 2009
7	D. BBS	Board of Behavioral Sciences
8	E. BCP	Business Continuity Plan
9	F. BHS	Behavioral Health Services
10	G. CalOPTIMA	California Orange Prevention and Treatment Integrated Medical Assistance
11	H. CAP	Corrective Action Plan
12	I. CCC	California Civil Code
13	J. CCR	California Code of Regulations
14	K. CD/DVD	Compact Disc/Digital Video or Versatile Disc
15	L. CEO	County Executive Office
16	M. CFDA	Catalog of Federal Domestic Assistance
17	N. CFR	Code of Federal Regulations
18	O. CHDP	Child Health and Disability Prevention
19	P. CHHS	California Health and Human Services Agency
20	Q. CHPP	COUNTY HIPAA Policies and Procedures
21	R. CHS	Correctional Health Services
22	S. CRP	Crisis Residential Program
23	T. CRS	Crisis Residential Services
24	U. CIPA	California Information Practices Act
25	V. CMPPA	Computer Matching and Privacy Protection Act
26	W. COI	Certificate of Insurance
27	X. CPA	Certified Public Accountant
28	Y. CSW	Clinical Social Worker
29	Z. CYBHS	Children and Youth Behavioral Health Services
30	AA. DD	Dually Diagnosed
31	AB. DEA	Drug Enforcement Agency
32	AC. DHCS	California Department of Health Care Services
33	AD. DSH	Direct Service Hours
34	AE. D/MC	Drug/Medi-Cal
35	AF. DoD	US Department of Defense
36	AG. DPFS	Drug Program Fiscal Systems
37	AH. DRP	Disaster Recovery Plan

1	AI. DRS	Designated Record Set
2	AJ. DSM-V	Diagnostic and Statistical Manual of Mental Disorders. 5th Edition
3	AK. EHR	Electronic Health Records
4	AL. E-Mail	Electronic Mail
5	AM. ePHI	Electronic Protected Health Information
6	AN. EPSDT	Early and Periodic Screening, Diagnosis, and Treatment
7	AO. FIPS	Federal Information Processing Standards
8	AP. FQHC	Federally Qualified Health Center
9	AQ. FSP	Full Service Partnership
10	AR. FTE	Full Time Equivalent
11	AS. GAAP	Generally Accepted Accounting Principles
12	AT. HCA	County of Orange Health Care Agency
13	AU. HHS	Federal Health and Human Services Agency
14	AV. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public U
15		Law 104-191
16	AW. HITECH ACT	Health Information Technology for Economic and Clinical Health
17		Act, Public Law 111-005
18	AX. HSC	California Health and Safety Code
19	AY. ICC	Intensive Care Coordination
20	AZ. ID	Identification
21	BA. IEA	Information Exchange Contract
22	BB. IHBS	Intensive Home Based Services
23	BC. IRIS	Integrated Records and Information System
24	BD. ISO	Insurance Services Office
25	BE. LCSW	Licensed Clinical Social Worker
26	BF. LMFT	Licensed Marriage and Family Therapist
27	BG. LPCC	Licensed Professional Clinical Counselor
28	BH. LPT	Licensed Psychiatric Technician
29	BI. MH	Mental Health
30	BJ. MHP	Mental Health Plan
31	BK. MHRC	Mental Health Rehabilitation Centers
32	BL. MHS	Mental Health Specialist
33	BM. MHSA	Mental Health Services Act
34	BN. MTP	Master Treatment Plan
35	BO. NA	Narcotics Anonymous
36	BP. NIATx	Network Improvement of Addiction Treatment
37	BQ. NIH	National Institutes of Health

1	BR. NIST	National Institute of Standards and Technology
2	BS. NOA	Notice of Action
3	BT. NP	Nurse Practitioner
4	BU. NPI	National Provider Identifier
5	BV. NPP	Notice of Privacy Practices
6	BW. OCEMS	Orange County Emergency Medical Services
7	BX. OCPD	Orange County Probation Department
8	BY. OIG	Federal Office of Inspector General
9	BZ. OMB	Federal 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. PBM	Pharmaceutical Benefits Management
14	CE. PC	California Penal Code
15	CF. PCI DSS	Payment Card Industry Data Security Standard
16	CG. PCP	Primary Care Provider
17	CH. PHI	Protected Health Information
18	CI. PI	Personal Information
19	CJ. PII	Personally Identifiable Information
20	CK. POC	Plan of Care
21	CL. PRA	California Public Records Act
22	CM. QI	Quality Improvement
23	CN. QIC	Quality Improvement Committee
24	CO. RN	Registered Nurse
25	CP. SAMHSA	Substance Abuse and Mental Health Services Administration
26	CQ. SD/MC	Short-Doyle Medi-Cal
27	CR. SIR	Self-Insured Retention
28	CS. SMI	Seriously Mentally Ill
29	CT. SRP	Social Rehabilitation Program
30	CU. SRS	Social Rehabilitation Services
31	CV. SSA	County of Orange Social Services Agency
32	CW. SUD	Substance Use Disorder
33	CX. TAY	Transitional Age Youth
34	CY. TBS	Therapeutic Behavioral Services
35	CZ. TCM	Targeted Case Management
36	DA. TFC	Therapeutic Foster Care
37	DB. UMDAP	Uniform Method of Determining Ability to Pay

1	DC. UOS	Units of Service
2	DD. USC	United States Code
3	DE. W&IC	California Welfare and Institutions Code
4	DF. WIC	Women, Infants and Children

## 6 **II. ALTERATION OF TERMS**

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

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

## 14 **III. AMOUNT NOT TO EXCEED**

15 A. The Total Amount Not To Exceed of COUNTY for services provided in accordance with this  
16 Contract, and the separate Amount Not To Exceed for each period under this Contract, are as specified in  
17 the Referenced Contract Provisions of this Contract.

18 B. ADMINISTRATOR may amend the Amount Not To Exceed by an amount not to exceed ten  
19 percent (10%) of Period One funding for this Contract.  
20

## 21 **IV. ASSIGNMENT OF DEBTS**

22 Unless this Contract is followed without interruption by another contract between the parties hereto  
23 for the same services and substantially the same scope, at the termination of this Contract,  
24 CONTRACTOR shall assign to COUNTY any debts owing to CONTRACTOR by or on behalf of  
25 persons receiving services pursuant to this Contract. CONTRACTOR shall immediately notify by mail  
26 each of these persons, specifying the date of assignment, the County of Orange as assignee, and the  
27 address to which payments are to be sent. Payments received by CONTRACTOR from or on behalf of  
28 said persons, shall be immediately given to COUNTY.  
29

## 30 **V. COMPLIANCE**

31 A. COMPLIANCE PROGRAM - ADMINISTRATOR has established a Compliance Program for  
32 the purpose of ensuring adherence to all rules and regulations related to federal and state health care  
33 programs.  
34

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



1           2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own  
2 Compliance Program, Code of Conduct and any Compliance related policies and procedures.  
3 CONTRACTOR's Compliance Program, Code of Conduct and any related policies and procedures shall  
4 be verified by ADMINISTRATOR's Compliance Department to ensure they include all required  
5 elements by ADMINISTRATOR's Compliance Officer as described in this Paragraph IV  
6 (COMPLIANCE). These elements include:

7 //

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

15           3. If CONTRACTOR does not provide proof of its own Compliance program to  
16 ADMINISTRATOR, CONTRACTOR shall comply with ADMINISTRATOR's Compliance Program  
17 and Code of Conduct. CONTRACTOR shall submit to ADMINISTRATOR within thirty (30) calendar  
18 days of execution of this Contract a signed acknowledgement that CONTRACTOR shall comply with  
19 ADMINISTRATOR's Compliance Program and Code of Conduct.

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

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

37           B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or

1 retained to provide services related to this Contract monthly to ensure that they are not designated as  
2 Ineligible Persons, as pursuant to this Contract. Screening shall be conducted against the General  
3 Services Administration's Excluded Parties List System or System for Award Management, the Health  
4 and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and the  
5 California Medi-Cal Suspended and Ineligible Provider List, the Social Security Administration Death  
6 Master File at date of employment, and/or any other list or system as identified by ADMINISTRATOR.

7 1. For purposes of this Paragraph IV (COMPLIANCE), Covered Individuals includes all  
8 employees, interns, volunteers, contractors, subcontractors, agents, and other persons who provide health  
9 care items or services or who perform billing or coding functions on behalf of ADMINISTRATOR.  
10 Notwithstanding the above, this term does not include part-time or per-diem employees, contractors,  
11 subcontractors, agents, and other persons who are not reasonably expected to work more than one  
12 hundred sixty (160) hours per year; except that any such individuals shall become Covered Individuals at  
13 the point when they work more than one hundred sixty (160) hours during the calendar year.  
14 CONTRACTOR shall ensure that all Covered Individuals relative to this Contract are made aware of  
15 ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and procedures (or  
16 CONTRACTOR's own compliance program, code of conduct and related policies and procedures if  
17 CONTRACTOR has elected to use its own).

18 2. An Ineligible Person shall be any individual or entity who:  
19 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in  
20 federal and state health care programs; or  
21 b. has been convicted of a criminal offense related to the provision of health care items or  
22 services and has not been reinstated in the federal and state health care programs after a period of  
23 exclusion, suspension, debarment, or ineligibility.

24 3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement.  
25 CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this  
26 Contract.

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

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

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

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

14           C. GENERAL COMPLIANCE TRAINING – ADMINISTRATOR shall make General Compliance  
15 Training available to Covered Individuals.

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

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

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

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

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

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

31           1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered  
32 Individuals relative to this Contract.

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

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

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

1 //

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

6 E. MEDICAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

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

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

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

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

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

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

29  
30 **VI. CONFIDENTIALITY**

31 A. CONTRACTOR shall maintain the confidentiality of all records, including billings and any  
32 audio and/or video recordings, in accordance with all applicable federal, state and county codes and  
33 regulations, as they now exist or may hereafter be amended or changed.

34 1. CONTRACTOR acknowledges and agrees that all persons served pursuant to this Contract  
35 are clients of the Orange County Mental Health services system, and therefore it may be necessary for  
36 authorized staff of ADMINISTRATOR to audit client files, or to exchange information regarding  
37 specific clients with COUNTY or other providers of related services contracting with COUNTY.

1 //

2 2. CONTRACTOR acknowledges and agrees that it shall be responsible for obtaining written  
3 consents for the release of information from all persons served by CONTRACTOR pursuant to this  
4 Contract. Such consents shall be obtained by CONTRACTOR in accordance with CCC, Division 1, Part  
5 2.6 relating to confidentiality of medical information.

6 3. In the event of a collaborative service contract between Mental Health services providers,  
7 CONTRACTOR acknowledges and agrees that it is responsible for obtaining releases of information,  
8 from the collaborative agency, for clients receiving services through the collaborative contract.

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

#### 16 **VII. CONFLICT OF INTEREST**

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

#### 26 **VIII. COST REPORT**

27 A. CONTRACTOR shall submit separate Cost Reports for each Period, or for a portion thereof, to  
28 COUNTY no later than sixty (60) calendar days following the period for which they are prepared or  
29 termination of this Contract. CONTRACTOR shall prepare the Cost Report in accordance with all  
30 applicable federal, state and COUNTY requirements, GAAP and the Special Provisions Paragraph of this  
31 Contract. CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers,  
32 services, and funding sources in accordance with such requirements and consistent with prudent business  
33 practice, which costs and allocations shall be supported by source documentation maintained by  
34 CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice. In the event  
35 CONTRACTOR has multiple contracts for mental health services that are administered by HCA,  
36 consolidation of the individual Cost Reports into a single consolidated Cost Report may be required, as  
37

1 stipulated by ADMINISTRATOR. CONTRACTOR shall submit a consolidated Cost Report to  
2 COUNTY no later than five (5) business days following approval by ADMINISTRATOR of all  
3 individual Cost Reports to be incorporated into a consolidated Cost Report.

4 1. If CONTRACTOR fails to submit an accurate and complete individual and/or consolidated  
5 Cost Report within the time period specified above, ADMINISTRATOR shall have sole discretion to  
6 impose one or both of the following:

7 a. CONTRACTOR may be assessed a late penalty of five hundred dollars (\$500) for each  
8 business day after the above specified due date that the accurate and complete individual and/or  
9 consolidated Cost Report is not submitted. Imposition of the late penalty shall be at the sole discretion  
10 of ADMINISTRATOR. The late penalty shall be assessed separately on each outstanding individual  
11 and/or consolidated Cost Report due COUNTY by CONTRACTOR.

12 b. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR  
13 pursuant to any or all contracts between COUNTY and CONTRACTOR until such time that the  
14 individual and/or consolidated Cost Report is delivered to ADMINISTRATOR.

15 2. CONTRACTOR may request, in advance and in writing, an extension of the due date of the  
16 individual and/or consolidated Cost Report setting forth good cause for justification of the request.  
17 Approval of such requests shall be at the sole discretion of ADMINISTRATOR and shall not be  
18 unreasonably denied.

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

24 B. The individual and/or consolidated Cost Report prepared for each period shall be the final  
25 financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis  
26 for final settlement to CONTRACTOR for that period. CONTRACTOR shall document that costs are  
27 reasonable and allowable and directly or indirectly related to the services to be provided hereunder. The  
28 individual and/or consolidated Cost Report shall be the final financial record for subsequent audits, if  
29 any.

30 C. Final settlement shall be based upon the actual and reimbursable costs for services hereunder,  
31 less applicable revenues and late penalty, not to exceed COUNTY's Amount Not To Exceed as set forth  
32 in the Referenced Contract Provisions of this Contract. CONTRACTOR shall not claim expenditures to  
33 COUNTY which are not reimbursable pursuant to applicable federal, state and COUNTY laws,  
34 regulations and requirements. Any payment made by COUNTY to CONTRACTOR, which is  
35 subsequently determined to have been for a non-reimbursable expenditure or service, shall be repaid by  
36 CONTRACTOR to COUNTY in cash, or other authorized form of payment, within thirty (30) calendar  
37 days of submission of the individual and/or consolidated Cost Report or COUNTY may elect to reduce

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

2 D. Unless approved by ADMINISTRATOR, costs that exceed the County Contract Rates (CCR)  
3 Statewide per Medi-Cal Unit of Service, as determined by the DHCS, are non-reimbursable to  
4 CONTRACTOR.

5 E. In the event that CONTRACTOR is authorized to retain unanticipated revenues as described in  
6 the Budget Paragraph of Exhibit A to this Contract, CONTRACTOR shall specify in the Cost Report the  
7 services rendered with such revenues.

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

10  
11 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and supporting  
12 documentation prepared by \_\_\_\_\_ for the cost report period beginning \_\_\_\_\_ and  
13 ending \_\_\_\_\_ and that, to the best of my knowledge and belief, costs reimbursed through  
14 this Contract are reasonable and allowable and directly or indirectly related to the services  
15 provided and that this Cost Report is a true, correct, and complete statement from the books and  
16 records of (provider name) in accordance with applicable instructions, except as noted. I also  
17 hereby certify that I have the authority to execute the accompanying Cost Report.

18  
19 Signed \_\_\_\_\_  
20 Name \_\_\_\_\_  
21 Title \_\_\_\_\_  
22 Date \_\_\_\_\_"

23  
24 **IX. DEBARMENT AND SUSPENSION CERTIFICATION**

25 A. CONTRACTOR certifies that it and its principals:

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

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

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

37 4. Have not within a three-year period preceding this Contract had one or more public

1 transactions (federal, state, or local) terminated for cause or default.

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

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

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

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

13 A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part, without  
14 prior written consent of COUNTY. CONTRACTOR shall provide written notification of  
15 CONTRACTOR's intent to delegate the obligations hereunder, either in whole or part, to  
16 ADMINISTRATOR not less than sixty (60) calendar days prior to the effective date of the delegation.  
17 Any attempted assignment or delegation in derogation of this Paragraph shall be void.

18 B. CONTRACTOR may not assign the rights hereunder, either in whole or in part, without the  
19 prior written consent of COUNTY.

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

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

32 3. If CONTRACTOR is a governmental organization, any change to another structure,  
33 including a change in more than fifty percent (50%) of the composition of its governing body (i.e. Board  
34 of Supervisors, City Council, School Board) within a two (2) month period of time, shall be deemed an  
35 assignment for purposes of this paragraph. Any attempted assignment or delegation in derogation of this  
36 Subparagraph shall be void.  
37



1 //

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

6 5. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,  
7 CONTRACTOR shall provide written notification within thirty (30) calendar days to  
8 ADMINISTRATOR when there is change of more than fifty percent (50%) of Board of Directors of  
9 CONTRACTOR at one time.

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

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

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 contracts usually and customarily entered  
23 into by CONTRACTOR to obtain or arrange for supplies, technical support, and professional services  
24 provided by consultants.

## 25 26 **XI. DISPUTE RESOLUTION**

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

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

35 2. CONTRACTOR's written demand shall be fully supported by factual information, and, if  
36 such demand involves a cost adjustment to the Contract, CONTRACTOR shall include with the demand  
37 a written statement signed by an authorized representative indicating that the demand is made in good

1 faith, that the supporting data are accurate and complete, and that the amount requested accurately  
2 reflects the Contract adjustment for which CONTRACTOR believes COUNTY is liable.

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

7 C. Any final decision of COUNTY shall be expressly identified as such, shall be in writing, and  
8 shall be signed by a County Deputy Purchasing Agent or designee. If COUNTY fails to render a decision  
9 within ninety (90) calendar days after receipt of CONTRACTOR's demand, it shall be deemed a final  
10 decision adverse to CONTRACTOR's contentions.

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

## 18 **XII. EMPLOYEE ELIGIBILITY VERIFICATION**

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

## 29 **XIII. EQUIPMENT**

30 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as all  
31 property of a Relatively Permanent nature with significant value, purchased in whole or in part by  
32 ADMINISTRATOR to assist in performing the services described in this Contract. "Relatively  
33 Permanent" is defined as having a useful life of one year or longer. Equipment which costs \$5,000 or  
34 over, including freight charges, sales taxes, and other taxes, and installation costs are defined as Capital  
35 Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales taxes and  
36 other taxes, and installation costs, or electronic equipment that costs less than \$600 but may contain PHI  
37

1 or PII, are defined as Controlled Equipment. Controlled Equipment includes, but is not limited to  
2 phones, tablets, audio/visual equipment, computer equipment, and lab equipment. The cost of Equipment  
3 purchased, in whole or in part, with funds paid pursuant to this Contract shall be depreciated according to  
4 GAAP.

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

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

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

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

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

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

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

#### 33 34 **XIV. FACILITIES, PAYMENTS AND SERVICES**

35 A. CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance  
36 with this Contract. COUNTY shall compensate, and authorize, when applicable, said services.  
37 CONTRACTOR shall operate continuously throughout the term of this Contract with at least the

1 minimum number and type of staff which meet applicable federal and state requirements, and which are  
2 necessary for the provision of the services hereunder.

3 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or  
4 supplies as required, ADMINISTRATOR may, at its sole discretion, reduce the Amount Not To Exceed  
5 for the appropriate Period as well as the Total Amount Not To Exceed. The reduction to the Amount Not  
6 To Exceed for the appropriate Period as well as the Total Amount Not To Exceed shall be in an amount  
7 proportionate to the number of days in which CONTRACTOR was determined to be unable to provide  
8 services, staffing, facilities or supplies.

#### 9 10 **XV. GOOD NEIGHBOR POLICY**

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

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

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

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

#### 26 27 **XVI. INDEMNIFICATION AND INSURANCE**

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

1 B. Prior to the provision of services under this Contract, CONTRACTOR agrees to purchase all  
2 required insurance at CONTRACTOR's expense, including all endorsements required herein, necessary  
3 to satisfy COUNTY that the insurance provisions of this Contract have been complied with.  
4 CONTRACTOR agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on  
5 deposit with COUNTY during the entire term of this Contract. In addition, all subcontractors  
6 performing work on behalf of CONTRACTOR pursuant to this Contract shall obtain insurance subject to  
7 the same terms and conditions as set forth herein for CONTRACTOR.

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

17 D. All SIRs shall be clearly stated on the COI. Any SIR in an amount in excess of fifty thousand  
18 dollars (\$50,000) shall specifically be approved by the CEO/Office of Risk Management upon review of  
19 CONTRACTOR's current audited financial report. If CONTRACTOR's SIR is approved,  
20 CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this  
21 Contract, agrees to all of the following:

22 1. In addition to the duty to indemnify and hold COUNTY harmless against any and all  
23 liability, claim, demand or suit resulting from CONTRACTOR's, its agents, employee's or  
24 subcontractor's performance of this Contract, CONTRACTOR shall defend COUNTY at its sole cost  
25 and expense with counsel approved by Board of Supervisors against same; and

26 2. CONTRACTOR's duty to defend, as stated above, shall be absolute and irrespective of any  
27 duty to indemnify or hold harmless; and

28 3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to  
29 which the duty to defend stated above applies, and CONTRACTOR's SIR provision shall be interpreted  
30 as though CONTRACTOR was an insurer and COUNTY was the insured.

31 E. If CONTRACTOR fails to maintain insurance as required in this Paragraph XII  
32 (INDEMNIFICATION AND INSURANCE) for the full term of this Contract, such failure shall  
33 constitute a breach of CONTRACTOR's obligation hereunder and COUNTY may immediately terminate  
34 this Contract.

35 F. QUALIFIED INSURER

36 1. The policy or policies of insurance must be issued by an insurer with a minimum rating of  
37 A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current

1 | edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred,  
 2 | but not mandatory, that the insurer be licensed to do business in the state of California (California  
 3 | Admitted Carrier).

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

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

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

#### 29 | H. REQUIRED COVERAGE FORMS

30 | 1. The Commercial General Liability coverage shall be written on ISO form CG 00 01, or a  
 31 | substitute form providing liability coverage at least as broad.

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

#### 34 | I. REQUIRED ENDORSEMENTS

35 | 1. The Commercial General Liability policy shall contain the following endorsements, which  
 36 | shall accompany the COI:

37 | //

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

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

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

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

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

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

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

22 L. CONTRACTOR shall notify COUNTY in writing within thirty (30) calendar days of any policy  
23 cancellation and within ten (10) calendar days for non-payment of premium and provide a copy of the  
24 cancellation notice to COUNTY. Failure to provide written notice of cancellation shall constitute a  
25 breach of CONTRACTOR's obligation hereunder and ground for COUNTY to terminate this Contract.

26 M. If CONTRACTOR's Professional Liability and/or Network Security & Privacy Liability are  
27 "Claims Made" policy(ies), CONTRACTOR shall agree to maintain coverage for two (2) years  
28 following the completion of the Contract.

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

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

35 P. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If  
36 CONTRACTOR does not deposit copies of acceptable COIs and endorsements with COUNTY  
37 incorporating such changes within thirty (30) calendar days of receipt of such notice, such failure shall

1 constitute a breach of CONTRACTOR's obligation hereunder and COUNTY may immediately terminate  
2 this Contract for cause.

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

6 R. SUBMISSION OF INSURANCE DOCUMENTS

7 1. The COI and endorsements shall be provided to COUNTY as follows:  
8 a. Prior to the start date of this Contract.  
9 b. No later than the expiration date for each policy.  
10 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding  
11 changes to any of the insurance types as set forth in Subparagraph G, above.

12 2. The COI and endorsements shall be provided to COUNTY at the address as specified in the  
13 Referenced Contract Provisions of this Contract.

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

17 a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR  
18 pursuant to any and all agreements between COUNTY and CONTRACTOR until such time that the  
19 required COI and endorsements that meet the insurance provisions stipulated in this Contract are  
20 submitted to ADMINISTRATOR.

21 b. CONTRACTOR may be assessed a penalty of one hundred dollars (\$100) for each late  
22 COI or endorsement for each business day, pursuant to any and all agreements between COUNTY and  
23 CONTRACTOR, until such time that the required COI and endorsements that meet the insurance  
24 provisions stipulated in this Contract are submitted to ADMINISTRATOR.

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

27 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any  
28 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs  
29 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.  
30

31 **XVII. INSPECTIONS AND AUDITS**

32 A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative  
33 of the State of California, the Secretary of the United States Department of HHS, the Comptroller  
34 General of the United States, or any other of their authorized representatives, shall have access to any  
35 books, documents, and records, including but not limited to, financial statements, general ledgers,  
36 relevant accounting systems, medical and client records, of CONTRACTOR that are directly pertinent to  
37 this Contract, for the purpose of responding to a beneficiary complaint or conducting an audit, review,



1 evaluation, or examination, or making transcripts during the periods of retention set forth in the Records  
2 Management and Maintenance Paragraph of this Contract. Such persons may at all reasonable times  
3 inspect or otherwise evaluate the services provided pursuant to this Contract, and the premises in which  
4 they are provided.

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

9 C. AUDIT RESPONSE

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

15 2. If the audit reveals that money is payable from one party to the other, that is, reimbursement  
16 by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to CONTRACTOR, said  
17 funds shall be due and payable from one party to the other within sixty (60) calendar days of receipt of  
18 the audit results. If reimbursement is due from CONTRACTOR to COUNTY, and such reimbursement  
19 is not received within said sixty (60) calendar days, COUNTY may, in addition to any other remedies  
20 provided by law, reduce any amount owed CONTRACTOR by an amount not to exceed the  
21 reimbursement due COUNTY.

22 D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare an annual  
23 Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under  
24 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for  
25 Federal Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within fourteen  
26 (14) calendar days of receipt.

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

31  
32 **XVIII. LICENSES AND LAWS**

33 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout  
34 the term of this Contract, maintain all necessary licenses, permits, approvals, certificates, accreditations,  
35 waivers, and exemptions necessary for the provision of the services hereunder and required by the laws,  
36 regulations and requirements of the United States, the State of California, COUNTY, and all other  
37 applicable governmental agencies. CONTRACTOR shall notify ADMINISTRATOR immediately and

1 in writing of its inability to obtain or maintain, irrespective of the pendency of any hearings or appeals,  
 2 permits, licenses, approvals, certificates, accreditations, waivers and exemptions. Said inability shall be  
 3 cause for termination of this Contract.

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

- 7 1. ARRA of 2009.
- 8 2. WIC, Division 5, Community Mental Health Services.
- 9 3. WIC, Division 6, Admissions and Judicial Commitments.
- 10 4. WIC, Division 7, Mental Institutions.
- 11 5. HSC, §§1250 et seq., Health Facilities.
- 12 6. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.
- 13 7. CCR, Title 9, Rehabilitative and Developmental Services.
- 14 8. CCR, Title 17, Public Health.
- 15 9. CCR, Title 22, Social Security.
- 16 10. CFR, Title 42, Public Health.
- 17 11. CFR, Title 45, Public Welfare.
- 18 12. USC Title 42. Public Health and Welfare.
- 19 13. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
- 20 14. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
- 21 15. 42 USC §1857, et seq., Clean Air Act.
- 22 16. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
- 23 17. Policies and procedures set forth in Mental Health Services Act.
- 24 18. Policies and procedures set forth in DHCS Letters.
- 25 19. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
- 26 20. 31 USC 7501–7507, as well as its implementing regulations under 2 CFR Part 200, Uniform  
 27 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- 28 21. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.
- 29 22. D/MC Certification Standards for Substance Abuse Clinics, July 2004.
- 30 23. D/MC Billing Manual (March 23, 2010).
- 31 24. Federal Medicare Cost reimbursement principles and cost reporting standards.
- 32 25. State of California-Health and Human Services Agency, Department of Health Care  
 33 Services, Mental Health Services Division (MHSD), Medi-Cal Billing Manual, October 2013.
- 34 26. Orange County Medi-Cal Mental Health Managed Care Plan.
- 35 27. Short Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case  
 36 Management.
- 37 28. Short-Doyle/Medi-Cal Modifications/Revisions for the Rehabilitation Option and Targeted

1 Case Management Manual, including DMH Letter 94-14, dated July 7, 1994, DMH Letter No. 95-04,  
2 dated July 27, 1995, DMH Letter 96-03, dated August 13, 1996.

3 D. CONTRACTOR shall at all times be capable and authorized by the State of California to  
4 provide treatment and bill for services provided to Medi-Cal eligible clients while working under the  
5 terms of this Contract.

6 E. CONTRACTOR shall make every reasonable effort to obtain appropriate licenses and/or  
7 waivers to provide Medi-Cal billable treatment services at school or other sites requested by  
8 ADMINISTRATOR.

### 9 10 **XIX. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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

21 C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly  
22 available social media sites) in support of the services described within this Contract, CONTRACTOR  
23 shall develop social media P&Ps and have them available to ADMINISTRATOR upon reasonable  
24 notice. CONTRACTOR shall inform ADMINISTRATOR of all forms of social media used to either  
25 directly or indirectly support the services described within this Contract. CONTRACTOR shall comply  
26 with COUNTY Social Media Use P&Ps as they pertain to any social media developed in support of the  
27 services described within this Contract. CONTRACTOR shall also include any required funding  
28 statement information on social media when required by ADMINISTRATOR.

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

### 31 32 **XX. MINIMUM WAGE LAWS**

33 A. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and  
34 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the  
35 federal or California Minimum Wage to all its employees that directly or indirectly provide services  
36 pursuant to this Contract, in any manner whatsoever. CONTRACTOR shall require and verify that all its  
37 contractors or other persons providing services pursuant to this Contract on behalf of CONTRACTOR

1 also pay their employees no less than the greater of the federal or California Minimum Wage.

2 B. CONTRACTOR shall comply and verify that its contractors comply with all other federal and  
3 State of California laws for minimum wage, overtime pay, record keeping, and child labor standards  
4 pursuant to providing services pursuant to this Contract.

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

## 9 10 **XXI. NONDISCRIMINATION**

### 11 **A. EMPLOYMENT**

12 1. During the term of this Contract, CONTRACTOR and its Covered Individuals shall not  
13 unlawfully discriminate against any employee or applicant for employment because of his/her race,  
14 religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition,  
15 genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual  
16 orientation, or military and veteran status. Additionally, during the term of this Contract,  
17 CONTRACTOR and its Covered Individuals shall require in its subcontracts that subcontractors shall  
18 not unlawfully discriminate against any employee or applicant for employment because of his/her race,  
19 religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition,  
20 genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual  
21 orientation, or military and veteran status.

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

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

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

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

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

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

18 Discrimination includes, but is not limited to the following based on one or more of the factors identified  
19 above:

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

29           C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all clients  
30 through a written statement that CONTRACTOR's and/or subcontractor's clients may file all complaints  
31 //  
32 alleging discrimination in the delivery of services with CONTRACTOR, subcontractor, and  
33 ADMINISTRATOR or COUNTY's Patient Rights Office.

34           1. Whenever possible, problems shall be resolved informally and at the point of service.  
35 CONTRACTOR shall establish an internal informal problem resolution process for clients not able to  
36 resolve such problems at the point of service. Clients may initiate a grievance or complaint directly with  
37 CONTRACTOR either orally or in writing.

1 a. COUNTY shall establish a formal resolution and grievance process in the event  
2 informal processes do not yield a resolution.

3 b. Throughout the problem resolution and grievance process, client rights shall be  
4 maintained, including access to the Patients' Rights Office at any point in the process. Clients shall be  
5 informed of their right to access the Patients' Rights Office at any time.

6 2. Within the time limits procedurally imposed, the complainant shall be notified in writing as  
7 to the findings regarding the alleged complaint and, if not satisfied with the decision, may file an appeal.

8 D. PERSONS WITH DISABILITIES – CONTRACTOR and/or subcontractor agree to comply  
9 with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as  
10 implemented in 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 as amended  
11 (42 USC 12101 et seq.; as implemented in 29 CFR 1630), as applicable, pertaining to the prohibition of  
12 discrimination against qualified persons with disabilities in all programs or activities; and if applicable,  
13 as implemented in Title 45, CFR, §84.1 et seq., as they exist now or may be hereafter amended together  
14 with succeeding legislation.

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

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

## 23 **XXII. NOTICES**

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

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

29 2. When faxed, transmission confirmed;

30 3. When sent by Email; or

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

33 B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of  
34 this Contract or as otherwise directed by ADMINISTRATOR and shall be effective when faxed,  
35 transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United  
36 Parcel Service, or other expedited delivery service.  
37

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

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

### 7 8 **XXIII. NOTIFICATION OF DEATH**

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

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

14 1. TELEPHONE NOTIFICATION – CONTRACTOR shall notify ADMINISTRATOR by  
 15 telephone immediately upon becoming aware of the death due to non-terminal illness of any person  
 16 served pursuant to this Contract; provided, however, weekends and holidays shall not be included for  
 17 purposes of computing the time within which to give telephone notice and, notwithstanding the time  
 18 limit herein specified, notice need only be given during normal business hours.

#### 19 2. WRITTEN NOTIFICATION

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

23 b. TERMINAL ILLNESS – CONTRACTOR shall notify ADMINISTRATOR by written  
 24 report hand delivered, faxed, sent via encrypted email, and/or postmarked and sent via U.S. Mail within  
 25 forty-eight (48) hours of becoming aware of the death due to terminal illness of any person served  
 26 pursuant to this Contract.

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

31 //

### 32 **XXIV. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

36 B. CONTRACTOR shall notify ADMINISTRATOR at least thirty (30) business days in advance of  
 37 any applicable public event or meeting. The notification must include the date, time, duration, location

1 and purpose of public event or meeting. Any promotional materials or event related flyers must be  
2 approved by ADMINISTRATOR prior to distribution.

### 4 **XXV. PATIENT'S RIGHTS**

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

9 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have an  
10 internal grievance process approved by ADMINISTRATOR, to which the Client shall have access.

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

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

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

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

### 26 **XXVI. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

36 3. CONTRACTOR shall maintain books, records, documents, accounting procedures and  
37 practices, and other evidence sufficient to reflect properly all direct and indirect cost of whatever nature



1 | claimed to have been incurred in the performance of this Contract and in accordance with Medicare  
2 | principles of reimbursement and GAAP.

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

7 | B. CONTRACTOR shall implement and maintain administrative, technical and physical safeguards  
8 | to ensure the privacy of PHI and prevent the intentional or unintentional use or disclosure of PHI in  
9 | violation of the HIPAA, federal and state regulations. CONTRACTOR shall mitigate to the extent  
10 | practicable, the known harmful effect of any use or disclosure of PHI made in violation of federal or state  
11 | regulations and/or COUNTY policies.

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

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

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

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

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

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

32 | 1. The medical records and billing records about individuals maintained by or for a covered  
33 | health care provider;

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

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

37 | I. CONTRACTOR may retain client, and/or patient documentation electronically in accordance

1 with the terms of this Contract and common business practices. If documentation is retained  
2 electronically, CONTRACTOR shall, in the event of an audit or site visit:

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

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

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

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

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

15 L. CONTRACTOR shall make records pertaining to the costs of services, patient fees, charges,  
16 billings, and revenues available at one (1) location within the limits of the County of Orange.

## 17 **XXVII. RESEARCH AND PUBLICATION**

18 CONTRACTOR shall not utilize information and/or data received from COUNTY, or arising out of,  
19 or developed, as a result of this Contract for the purpose of personal or professional research, or for  
20 publication.  
21

## 22 **XXVIII. REVENUE**

23 A. CLIENT FEES – CONTRACTOR shall charge, unless waived by ADMINISTRATOR, a fee to  
24 Clients to whom billable services, other than those amounts reimbursed by Medicare, Medi-Cal or other  
25 third party health plans, are provided pursuant to this Contract, their estates and responsible relatives,  
26 according to their ability to pay as determined by the State Department of Health Care Services’  
27 “Uniform Method of Determining Ability to Pay” (UMDAP) procedure or by any other payment  
28 procedure as approved in advance, and in writing by ADMINISTRATOR; and in accordance with Title 9  
29 of the California Code of Regulations. Such fee shall not exceed the actual cost of services provided.  
30 No Client shall be denied services because of an inability to pay.  
31

32 B. THIRD-PARTY REVENUE – CONTRACTOR shall make every reasonable effort to obtain all  
33 available third-party reimbursement for which persons served pursuant to this Contract may be eligible.  
34 Charges to insurance carriers shall be on the basis of CONTRACTOR’s usual and customary charges.

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

1 shall provide ADMINISTRATOR, monthly, a written report specifying the current status of fees which  
 2 are billed, collected, transferred to a collection agency, or deemed by CONTRACTOR to be  
 3 uncollectible.

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

#### 7 **XXIX. SEVERABILITY**

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

13 //

14 //

#### 15 **XXX. SPECIAL PROVISIONS**

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

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

37 B. Unless otherwise specified in advance and in writing by ADMINISTRATOR, CONTRACTOR

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

- 2 1. Funding travel or training (excluding mileage or parking).
- 3 2. Making phone calls outside of the local area unless documented to be directly for the
- 4 purpose of client care.
- 5 3. Payment for grant writing, consultants, certified public accounting, or legal services.
- 6 4. Purchase of artwork or other items that are for decorative purposes and do not directly
- 7 contribute to the quality of services to be provided pursuant to this Contract.
- 8 5. Purchasing or improving land, including constructing or permanently improving any
- 9 building or facility, except for tenant improvements.
- 10 6. Providing inpatient hospital services or purchasing major medical equipment.
- 11 7. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal
- 12 funds (matching).

13 //

14 //

### 15 **XXXI. STATUS OF CONTRACTOR**

16 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be  
 17 wholly responsible for the manner in which it performs the services required of it by the terms of this  
 18 Contract. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and  
 19 consultants employed by CONTRACTOR. This Contract shall not be construed as creating the  
 20 relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR  
 21 or any of CONTRACTOR's employees, agents, consultants, or subcontractors. CONTRACTOR  
 22 assumes exclusively the responsibility for the acts of its employees, agents, consultants, or  
 23 subcontractors as they relate to the services to be provided during the course and scope of their  
 24 employment. CONTRACTOR, its agents, employees, consultants, or subcontractors, shall not be  
 25 entitled to any rights or privileges of COUNTY's employees and shall not be considered in any manner  
 26 to be COUNTY's employees.

### 27 **XXXII. TERM**

28  
 29 A. The term of this Contract shall commence as specified in the Referenced Contract Provisions of  
 30 this Contract or the execution date, whichever is later. This Contract shall terminate as specified in the  
 31 Referenced Contract Provisions of this Contract unless otherwise sooner terminated as provided in this  
 32 Contract; provided, however, CONTRACTOR shall be obligated to perform such duties as would  
 33 normally extend beyond this term, including but not limited to, obligations with respect to  
 34 confidentiality, indemnification, audits, reporting and accounting.

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

37

**XXXIII. TERMINATION**

1  
2 A. CONTRACTOR is responsible for meeting all programmatic and administrative contracted  
3 objectives and requirements as indicated in this Contract. CONTRACTOR shall be subject to the  
4 issuance of a CAP for the failure to perform to the level of contracted objectives, continuing to not meet  
5 goals and expectations, and/or for non-compliance. If CAPs are not completed within timeframe as  
6 determined by ADMINISTRATOR notice, payments may be reduced or withheld until CAP is resolved  
7 and/or the Contract could be terminated.

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

- 10 1. The loss by CONTRACTOR of legal capacity.
- 11 2. Cessation of services.
- 12 3. The delegation or assignment of CONTRACTOR's services, operation or administration to  
13 another entity without the prior written consent of COUNTY.
- 14 4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty  
15 required pursuant to this Contract.
- 16 5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this  
17 Contract.
- 18 6. The continued incapacity of any physician or licensed person to perform duties required  
19 pursuant to this Contract.
- 20 7. Unethical conduct or malpractice by any physician or licensed person providing services  
21 pursuant to this Contract; provided, however, COUNTY may waive this option if CONTRACTOR  
22 removes such physician or licensed person from serving persons treated or assisted pursuant to this  
23 Contract.

24 C. CONTINGENT FUNDING

- 25 1. Any obligation of COUNTY under this Contract is contingent upon the following:
  - 26 a. The continued availability of federal, state and county funds for reimbursement of  
27 COUNTY's expenditures, and
  - 28 b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s)  
29 approved by the Board of Supervisors.
- 30 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,  
31 terminate or renegotiate this Contract upon thirty (30) calendar days' written notice given  
32 CONTRACTOR. If COUNTY elects to renegotiate this Contract due to reduced or terminated funding,  
33 CONTRACTOR shall not be obligated to accept the renegotiated terms.

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

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

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

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

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

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

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

13 //

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

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

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

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

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

31  
32 **XXXIV. THIRD PARTY BENEFICIARY**

33 Neither party hereto intends that this Contract shall create rights hereunder in third parties including,  
34 but not limited to, any subcontractors or any clients provided services pursuant to this Contract.

35  
36 **XXXV. WAIVER OF DEFAULT OR BREACH**

37 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any

1 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this  
2 Contract shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any default  
3 or any breach by CONTRACTOR shall not be considered a modification of the terms of this Contract.

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

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4 WAYMAKERS

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6 DocuSigned by:  
7 BY: Ronnetta J. Johnson DATED: 4/20/2022  
8 E7650FB9A6CC48A...

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10 TITLE: Chief Executive Officer

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16 COUNTY OF ORANGE

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18  
19 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
20 HEALTH CARE AGENCY

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

28  
29 DocuSigned by:  
30 BY: Brittany McLean DATED: 4/20/2022  
31 9713A4061D4343D...  
32 DEPUTY

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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  
36 Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. If  
37 the Contract is signed by one (1) 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



1 EXHIBIT A  
 2 TO CONTRACT FOR PROVISION OF  
 3 CHILDREN’S CRISIS RESIDENTIAL SERVICES  
 4 BETWEEN  
 5 COUNTY OF ORANGE  
 6 AND  
 7 WAYMAKERS  
 8 JULY 1, 2022 THROUGH JUNE 30, 2025  
 9

10 **I. COMMON TERMS AND DEFINITIONS**

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

13 1. Administrative Support means individual(s) who is/are responsible for providing a broad  
14 range of office support to program and management staff that includes: answering and directing phone  
15 calls, writing correspondences, entering data in spreadsheets, preparing invoices for payment,  
16 maintaining tracking reports and files, and working on special projects, as assigned.

17 2. Admission means documentation, by CONTRACTOR, for completion of entry and  
18 evaluation services provided to Clients into IRIS.

19 3. Client means any individual, referred, or enrolled, for services under the Contract who is  
20 living with mental, emotional, or behavioral disorders.

21 4. Crisis Intervention means a service, lasting less than twenty-four (24) hours that is provided  
22 to or on behalf of a Client for a condition that requires more timely response than a regularly scheduled  
23 visit. Service activities may include, but are not limited to: assessment, individual therapy, collateral  
24 therapy, family therapy, case management, and psychiatric evaluation.

25 5. Crisis Residential Services (CRS) means an alternative to providing acute psychiatric  
26 hospital services for individuals who would otherwise require hospitalization. The targeted length of  
27 stay for each Client in this Contract is three (3) weeks. CRS are provided in normalized living  
28 environments and are integrated into residential communities. The CRS programs follow a social  
29 rehabilitation model that integrates aspects of emergency psychiatric care, psychosocial rehabilitation,  
30 milieu therapy, case management, and practical social work.

31 6. Data Collection System means software used for the collection, tracking, and reporting of  
32 outcomes data for Clients enrolled in the FSP programs.

33 7. Diagnosis means identifying the nature of a Client's disorder. When formulating the  
34 diagnosis of Client, CONTRACTOR shall use the diagnostic codes and axes as specified in the most  
35 current edition of the Diagnostic and Statistical Manual (DSM) published by the American Psychiatric  
36 Association. DSM diagnoses will be recorded on all IRIS documents, as appropriate.

37 //

1 8. DSH means the time, measured in hours and portions of hours, that a clinician spends  
2 providing services to Clients or significant others on behalf of Clients. DSH credit, both billable and  
3 non-billable minutes, is obtained by providing mental health, case management, medication support, and  
4 crisis intervention services to Clients open in IRIS.

5 9. Engagement means the process where a trusting relationship between CONTRACTOR's  
6 staff and Client is developed over a short period of time, so CONTRACTOR and Client can develop a  
7 plan to link the Client to appropriate services within the community. Engagement of the Client is the  
8 objective of a successful outreach.

9 10. Full Service Partnership (FSP) means a program model described in COUNTY's MHSA  
10 plan that has been approved by the State. The MHSA plan describes how COUNTY will utilize MHSA  
11 funds to develop and implement treatment plans for mental health Clients through FSPs. A FSP is an  
12 evidence-based and strength-based model with the focus on the individual rather than the disease.

13 11. Group Home, for the purpose of this Contract, means a facility for housing youth and is  
14 licensed by Community Care Licensing under the provisions of CCR, Title 22, Division 6, Chapter 2,  
15 Articles 1-8.

16 12. Head of Service means an individual ultimately responsible for overseeing the program and  
17 is required to be licensed as a mental health professional in conformance to one of the following staff  
18 categories: Psychiatrist, Licensed Psychologist, LCSW, LPCC, LMFT, RN, LVN, or LPT.

19 13. Intake means the initial meeting between a Client and CONTRACTOR's staff, and includes  
20 an evaluation of the Client to determine if the Client meets program criteria and is willing to seek  
21 services.

22 14. Integrated Records Information System (IRIS) means ADMINISTRATOR's database  
23 system that collects Clients' information such as registration, scheduled appointments, laboratory  
24 information system, invoice and reporting capabilities, compliance with regulatory requirements,  
25 electronic medical records, and other relevant applications.

26 15. LCSW means a licensed individual, pursuant to the provisions of Division 2, Chapter 14 of  
27 the California Business and Professions Code, who can provide clinical services to Clients. The license  
28 must be current and in force and not suspended or revoked. Also, it is preferred that the individual has  
29 at least one (1) year of experience treating children and TAY.

30 16. LMFT means a licensed individual, pursuant to the provisions of Division 2, Chapter 13 of  
31 the California Business and Professions Code, who can provide clinical services to Clients. The license  
32 must be current and in force and not suspended or revoked. Also, it is preferred that the individual has  
33 at least one (1) year of experience treating children and TAY.

34 17. LPCC means a licensed individual, pursuant to the provisions of Division 2, Chapter 16 of  
35 the California Business and Professions Code, who can provide clinical service to Clients. The license  
36 must be current and in force and not suspended or revoked. Also, it is preferred that the individual has  
37 at least one (1) year of experience treating children and TAY.

1 18. LPT means a licensed individual, pursuant to the provisions of Chapter 10 of the California  
2 Business and Professions Code, who can provide clinical services to Clients. The license must be  
3 current and in force and not suspended or revoked. Also, it is preferred that the individual has at least  
4 one (1) year of experience treating children and TAY.

5 19. Licensed Psychologist means a licensed individual, pursuant to the provisions of Chapter  
6 6.6 of the California Business and Professions Code, who can provide clinical services to Clients. The  
7 license must be current and in force and not suspended or revoked. Also, it is preferred that the  
8 individual has at least one (1) year of experience treating children and TAY.

9 20. LVN means a licensed individual, pursuant to the provisions of Chapter 6.5 of the  
10 California Business and Professions Code, who can provide clinical services to Clients. The license  
11 must be current and in force and not suspended or revoked. Also, it is preferred that the individual has  
12 at least one (1) year of experience treating children and TAY.

13 21. Live Scan means an inkless, electronic fingerprint which is transmitted directly to the  
14 Department of Justice (DOJ) for the completion of a criminal record check, typically required of  
15 employees who have direct contact with Clients.

16 22. Medi-Cal means the State of California's implementation of the Federal Medicaid health  
17 care program which pays for a variety of medical services for children and adults who meet eligibility  
18 criteria for these services.

19 23. Medical Necessity means diagnosis, impairment, and intervention related criteria as defined  
20 in COUNTY's Mental Health Plan (MHP) under Medical Necessity for Medi-Cal reimbursed Specialty  
21 Mental Health Services.

22 24. Mental Health Services means an individual or a group therapy intervention being provided  
23 to Clients that is designed to reduce mental disability and restores or improves daily functioning. These  
24 Mental Health Services must be consistent with goals of learning and development, as well as  
25 independent living and enhanced self-sufficiency. In addition, these services cannot be provided as a  
26 component of adult residential services, crisis residential treatment services, crisis intervention, crisis  
27 stabilization, day rehabilitation, or day treatment intensive. Service activities may include, but are not  
28 limited to: assessment, plan development, rehabilitation, and collateral. Also, Mental Health Services  
29 may be either Face-to-Face Contact, or by telephone or video with Clients or significant support  
30 individuals, and services may be provided anywhere in the community.

31 a. Assessment means a service activity, which may include a clinical analysis of the  
32 history and current status of a Client's mental, emotional, behavioral disorder, and relevant cultural  
33 issues. The Assessment also needs to include history of services being provided, diagnosis, and use of  
34 testing procedures.

35 b. Collateral means significant support individual(s) in a Client's life and is/are used to  
36 define services provided to the Client with the intent of improving or maintaining the mental health  
37 status of the Client. The Client may or may not be present for this service activity.

1 c. Co-Occurring see Dual Diagnosis Integrated Treatment Model.

2 d. Dual Diagnosis Integrated Treatment Model means a program that uses a stage-wise  
3 treatment model and is non-confrontational, follows behavioral principles, considers interactions  
4 between mental illness and substance abuse, and has gradual expectations of abstinence. Mental illness  
5 and substance abuse research has strongly indicated that a Client with a co-occurring disorder needs  
6 treatment for both problems to recover fully and focusing on one does not ensure the other will go away.  
7 Dual diagnosis services integrate assistance for each condition by helping Clients recover from mental  
8 illness and substance abuse in one setting and at the same time.

9 e. Intensive Care Coordination (ICC) Service means assessment and plan development  
10 services, to children and youth that qualify under the Katie A. Subclass, that must address the  
11 child/youth's mental health need(s) through the coordination of care with providers not primarily  
12 associated with mental health services such as the Social Services Agency, Probation Department, and  
13 schools (although the client, collateral and mental health providers may also be present).

14 f. In Home Behavioral Services (IHBS) means intensive, individualized and strength-  
15 based interventions, with children and youth that qualify under the Katie A. Subclass, to assist the  
16 child/youth and his/her significant support persons to develop skills to achieve the goals and objectives  
17 of the child/youth's treatment plan. IHBS only includes Individual Rehabilitation and Collateral  
18 services. Mental Health Services other than Individual Rehabilitation and Collateral will be claimed  
19 separately from IHBS.

20 g. Medication Support Services means services provided by licensed physicians,  
21 registered nurses, or other qualified medical staff, which include: prescribing, administering, dispensing  
22 and monitoring of psychiatric medications or biologicals that are necessary to alleviate symptoms of  
23 mental illness. These services also include evaluation and documentation of the clinical justification and  
24 effectiveness of medication, dosage, side effects, compliance, and response to medication. In addition,  
25 the licensed physicians, registered nurses, or other qualified medical staff must obtain informed consent  
26 from Clients prior to providing medication education and plan development related to the delivery of  
27 these services and/or assessment to Clients.

28 h. Rehabilitation Service means an activity which includes, but is not limited to assistance  
29 to improving, maintaining, or restoring a Client's or group of Clients' functional skills, daily living  
30 skills, social and leisure skills, grooming and personal hygiene skills, meal preparation skills, support  
31 resources and/or medication education.

32 i. Targeted Case Management (TCM) means services that assist a Client to access needed  
33 medical, educational, social, prevocational, vocational, rehabilitative, or other community services.  
34 These service activities may include, but are not limited to: communicating and coordinating services  
35 through referral; monitoring service delivery to ensure Clients' access to service and the service delivery  
36 system; and tracking of Clients' progress and plan development.

37 j. Therapeutic Behavioral Services (TBS) means one-on-one behavioral interventions

1 with a Client, which is designed to reduce or eliminate targeted behaviors as identified in the Client's  
2 treatment plan. Collateral services are also provided to parent(s)/guardian(s) as part of TBS. Clients  
3 must be Medi-Cal eligible and meet TBS class membership and service need requirements.  
4 Documentation in the medical record must support Medical Necessity for these intensive services.  
5 Cases in which Clients are receiving more than twenty (20) hours per week of TBS or those who are  
6 expected to receive more than four months (120 days) of TBS must be approved by  
7 ADMINISTRATOR. ADMINISTRATOR must approve individuals that are delivering these  
8 intervention services to ensure they are qualified to deliver these services.

9 k. Therapy means a therapeutic intervention that focuses primarily on symptom reduction  
10 as a means to improve functional impairments. Therapy may be delivered to a Client or a group of  
11 Clients, which may include family therapy with Client being present.

12 25. MHSA stands for "Mental Health Services Act" and means the State of California law that  
13 provides funding for expanded community mental health services. It is also known as "Proposition 63."

14 26. NPI stands for "National Provider Identifier" and means the standard unique health  
15 identifier that was adopted by the Secretary of HHS Services under HIPAA of 1996 for health care  
16 providers. All HIPAA covered healthcare providers, individuals, and organizations must obtain an NPI  
17 for use to identify themselves in HIPAA standard transactions. The NPI is assigned for life.

18 27. NOAA stands for "Notice of Adverse Action" and means a Medi-Cal requirement that  
19 informs the beneficiary that she/he is not entitled to any specialty mental health service. COUNTY has  
20 expanded the requirement for a NOAA to all beneficiaries requesting an assessment for services and  
21 found not to meet the Medical Necessity criteria for specialty mental health services.

22 28. NPP stands for "Notice of Privacy Practices" and means a document that notifies Clients of  
23 uses and disclosures of Personal Health Information (PHI). The NPP may be made by, or on behalf of,  
24 the health plan or health care provider as set forth in HIPAA of 1996.

25 29. Outreach means linking potential Clients to appropriate mental health services within the  
26 community. Outreach activities include educating the community about the services offered and  
27 requirements for participation in the programs. Such activities may result in CONTRACTOR  
28 developing referral sources for Clients from various programs being offered within the community.

29 30. PCC stands for "Professional Clinical Counseling" and means, pursuant to the provisions of  
30 section 4999.20 of the California Business and Professions Code, the application of counseling  
31 interventions and psychotherapeutic techniques to identify and remediate cognitive, mental, and  
32 emotional issues, including personal growth, adjustment to disability, crisis intervention, and  
33 psychosocial and environmental problems. It includes conducting assessments for the purpose of  
34 establishing counseling goals and objectives to empower individuals to deal adequately with life  
35 situations, reduce stress, experience growth, change behavior, and make well-informed rational  
36 decisions.

37 31. Pre-Licensed Psychologist means an individual who has a Ph.D. or Psy.D. in Clinical

1 Psychology and is registered with the Board of Psychology as a Registered Psychologist or  
2 Psychological Assistant, while acquiring hours for licensing and providing services under a waiver in  
3 accordance with WIC section 575.2. The waiver may not exceed five (5) years.

4 32. Pre-Licensed Therapist means an individual who has a Master's Degree in social work or  
5 MFT, PCC and is registered with the BBS as an associate clinical social worker, PCC intern, or MFT  
6 intern, while acquiring hours for licensing. Registration is subject to regulations adopted by BBS.

7 33. Program Director means an individual who is responsible for all aspects of administration  
8 and clinical operations of the mental health program, including development and adherence to the  
9 annual budget. This individual also is responsible for the following: hiring, development and  
10 performance management of professional and support staff, and ensuring mental health treatment  
11 services are provided in concert with local and state rules and regulations.

12 34. PHI stands for "Protected Health Information" and means individually identifiable health  
13 information usually transmitted through electronic media. PHI can be maintained in any medium as  
14 defined in the regulations, or for an entity such as a health plan, transmitted or maintained in any other  
15 medium. It is created or received by a covered entity and is related to the past, present, or future  
16 physical or mental health or condition of an individual, provision of health care to an individual, or the  
17 past, present, or future payment for health care provided to an individual.

18 35. Psychiatrist means an individual who meets the minimum professional and licensure  
19 requirements set forth in Title 9, CCR, Section 623, and, preferably, has at least one (1) year of  
20 experience treating children and TAY.

21 36. Psychology Student or Psychology Intern means an individual who is in school pursuing a  
22 Ph.D. or Psy.D. in Clinical Psychology, and may or may not meet the criteria for a Department of Health  
23 Care Services (DHCS) Waiver in order to provide services in accordance with DHCS Information Letter  
24 No. 10-03. The waiver may not exceed five (5) years.

25 37. QIC means a committee that meets quarterly to review one percent (1%) of all "high-risk"  
26 Medi-Cal Clients in order to monitor and evaluate the quality and appropriateness of services provided.  
27 At a minimum, the committee is comprised of one (1) ADMINISTRATOR, one (1) clinician, and one  
28 (1) physician who are not involved in the clinical care of the cases.

29 38. Referral means effectively linking Clients to other services within the community and  
30 documenting follow-up provided within five (5) business days to assure that Clients have made contact  
31 with the referred service(s).

32 39. RN stands for "Registered Nurse" and means a licensed individual, pursuant to the  
33 provisions of Chapter 6 of the California Business and Professions Code, who can provide clinical  
34 services to Clients. The license must be current and in force and not suspended or revoked. Also, it is  
35 preferred that the individual has at least one (1) year of experience treating children and TAY.

36 40. SRS stands for "[INSERT]" and means individual and group counseling, crisis intervention,  
37 and planned activities provided to Client and Client's family when available; however, SRS must be

1 provided in ways that are consistent with Client’s treatment/rehabilitation plan with a targeted length of  
2 stay of sixty (60) to one hundred and twenty (120) calendar days for each Client. In addition, SRS will  
3 link the Client to other community support systems to maximize utilization of non-mental health  
4 community resources such as pre-vocational or vocational counseling, Client advocacy skills, activities  
5 to enhance the Client’s socialization skills, and other required resources to assist the Client to live  
6 independently.

7 41. Student Intern means a student(s) currently enrolled in an accredited graduate or under-  
8 graduate program and who is/are accumulating supervised work experience hours as part of field work,  
9 internship, or practicum requirements. Acceptable programs include all programs that assist students in  
10 meeting the educational requirements to be a Licensed MFT, an LCSW, a Licensed Clinical  
11 Psychologist, a Licensed PCC, or to obtain a Bachelor’s degree. Individuals with graduate degrees and  
12 two (2) years of full-time experience in a mental health setting, either post-degree or as part of the  
13 program leading to the graduate degree, are not considered as students.

14 42. Supervisory Review means ongoing clinical case reviews in accordance with procedures  
15 developed by COUNTY to determine the appropriateness of the diagnosis and treatment plan for  
16 Clients, as well as to monitor compliance to the minimum ADMINISTRATOR and Medi-Cal charting  
17 standards. Supervisory review is conducted by the program/clinic director or designee.

18 43. Token means the security device which allows an end-user to access ADMINISTRATOR’s  
19 computer-based IRIS.

20 44. UMDAP stands for “Universal Method to Determine Ability to Pay” and means the method  
21 used for determining the annual Client liability for mental health services received from COUNTY’s  
22 mental health system and is set by the State of California.

23 45. Wraparound Orange County means the wraparound program administered by COUNTY’s  
24 SSA and is available to children and TAY who are returning from or being considered for placement in  
25 group homes.

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

28  
29 **II. BUDGET**

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

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	PERIOD ONE	PERIOD TWO	PERIOD THREE	TOTAL
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2				
3	ADMINISTRATIVE COST			
4	Indirect Costs	<u>\$ 452,461</u>	<u>\$ 452,461</u>	<u>\$ 452,461</u>
5	SUBTOTAL	\$452,461	\$452,461	\$1,357,383
6	ADMINISTRATIVE COST			
7	PROGRAM COST			
8	Salaries	\$3,197,804	\$3,197,804	\$9,593,412
9	Benefits	776,793	776,793	\$2,330,379
10	Services and Supplies	554,542	554,542	\$1,663,626
11	Subcontractor	218,400	218,400	\$655,200
12	SUBTOTAL PROGRAM COST	<u>\$4,747,539</u>	<u>\$4,747,539</u>	<u>\$14,242,617</u>
13	TOTAL GROSS COST	\$5,200,000	\$5,200,000	\$15,600,000
14				
15	REVENUE			
16	FFP Medi-Cal	\$ 800,000	\$ 800,000	2,400,000
17	MHSA	<u>4,400,000</u>	<u>4,400,000</u>	<u>13,200,000</u>
18	TOTAL REVENUE	\$5,200,000	\$5,200,000	\$5,200,000
19	TOTAL	\$5,200,000	\$5,200,000	\$15,600,000
20	AMOUNT NOT TO EXCEED			

21

22 B. CONTRACTOR agrees the total cost of services provided for in the Contract are based upon

23 projected revenue generation and shall be reimbursed by federal Medi-Cal and COUNTY MHSA

24 revenues. CONTRACTOR agrees that if actual federal Medi-Cal reimbursement, based upon the

25 completed Cost Report, as specified in the Cost Report Paragraph of the Contract, for each Fiscal Year

26 is less than budgeted, the Amount Not To Exceed may, at ADMINISTRATOR's sole discretion, be

27 adjusted down by the amount of under generated federal Medi-Cal revenue. CONTRACTOR further

28 agrees that MHSA revenue shall be used to cover the cost of non-Medi-Cal Clients and/or non-Medi-Cal

29 billable services and shall not exceed the amounts specified in the Budget Paragraph of this Exhibit A to

30 the Contract, unless authorized, in writing, by ADMINISTRATOR.

31 C. In the event CONTRACTOR collects fees and insurance, including Medicare, for services

32 provided pursuant to the Contract, CONTRACTOR may make written application to

33 ADMINISTRATOR to retain such revenues; provided, however, the application must specify that the

34 fees and insurance shall be utilized exclusively to provide Mental Health Services. ADMINISTRATOR

35 may, at its sole discretion, approve any such retention of revenues. Approval by ADMINISTRATOR

36 shall be in writing to CONTRACTOR and shall specify the amount of said revenues to be retained and

37 the quantity of services to be provided by CONTRACTOR.



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

12 E. FINANCIAL RECORDS – CONTRACTOR shall prepare and maintain accurate and complete  
13 financial records of its cost and operating expenses. Such records will reflect the actual cost of the type  
14 of service for which payment is claimed. Any apportionment of or distribution of costs, including  
15 indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and will  
16 be made in accordance with GAAP.

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

### 19 20 **III. PAYMENTS**

21 A. COUNTY shall pay CONTRACTOR monthly, in arrears, the provisional amounts of \$433,333  
22 per month, as specified in the Referenced Contract Provisions of the Contract. All payments are interim  
23 payments only, and subject to Final Settlement in accordance with the Cost Report Paragraph of the  
24 Contract for which CONTRACTOR shall be reimbursed for the actual cost of providing the services  
25 hereunder; provided, however, the total of such payments does not exceed COUNTY's Total Amount  
26 Not To Exceed as specified in the Referenced Contract Provisions of the Contract and, provided further,  
27 CONTRACTOR's costs are reimbursable pursuant to COUNTY, state, and federal regulations.  
28 ADMINISTRATOR may, at its discretion, pay supplemental invoices for any month for which the  
29 provisional amount specified above has not been fully paid.

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

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

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

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

8 B. CONTRACTOR's invoices shall be on a form approved or supplied by ADMINISTRATOR  
9 and provide such information as is required by ADMINISTRATOR. Invoices are due the tenth (10th)  
10 day of each month. Invoices received after the due date may not be paid within the same month.  
11 Payments to CONTRACTOR should be released by COUNTY no later than thirty-one (31) calendar  
12 days after receipt of the correctly completed invoice.

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

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

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

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

#### 23 24 **IV. REPORTS**

##### 25 **A. FISCAL**

26 1. CONTRACTOR shall submit monthly Expenditure and Revenue Reports to  
27 ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by,  
28 ADMINISTRATOR and shall report actual costs and revenues for CONTRACTOR's program described  
29 in the Services Paragraph of this Exhibit A to the Contract. Any changes, modifications, or deviations  
30 to any approved budget line item must be approved in advance and in writing by ADMINISTRATOR  
31 and annotated on the monthly Expenditure and Revenue Report, or said cost deviations may be subject  
32 to disallowance. Such reports shall be received by ADMINISTRATOR no later than twenty (20)  
33 calendar days following the end of the month being reported.

34 2. CONTRACTOR shall submit Year-End Projection Reports to ADMINISTRATOR. These  
35 reports shall be on a form acceptable to, or provided by, ADMINISTRATOR and shall report  
36 anticipated year-end actual costs and revenues for CONTRACTOR's program described in the Services  
37 Paragraph of this Exhibit A to the Contract. Such reports shall include actual monthly costs and revenue

1 to date and anticipated monthly costs and revenue to the end of the fiscal year, and shall include a  
 2 projection narrative justifying the year-end projections. Year-End Projection Reports shall be submitted  
 3 in conjunction with the Monthly Expenditure and Revenue Reports.

4 B. STAFFING REPORT – CONTRACTOR shall submit monthly Staffing Reports to  
 5 ADMINISTRATOR. CONTRACTOR’s reports shall contain required information, and be on a form  
 6 acceptable to, or provided by ADMINISTRATOR. CONTRACTOR shall submit these reports no later  
 7 than twenty (20) calendar days following the end of the month being reported.

8 C. PROGRAMMATIC – CONTRACTOR shall submit monthly Programmatic reports to  
 9 ADMINISTRATOR. These reports shall be in a format approved by ADMINISTRATOR and shall  
 10 include but not limited to, descriptions of any performance objectives, outcomes, and or interim findings  
 11 as directed by ADMINISTRATOR. DCR data files shall be submitted to ADMINISTRATOR in an  
 12 XML format that has successfully passed individual and batch tests for submission to the State.  
 13 CONTRACTOR shall be prepared to present and discuss the programmatic reports at the monthly  
 14 meetings with ADMINISTRATOR, to include whether or not CONTRACTOR is progressing  
 15 satisfactorily and if not, specify what steps are being taken to achieve satisfactory progress. Such  
 16 reports shall be received by ADMINISTRATOR no later than twentieth (20th) calendar day following  
 17 the end of the month being reported.

18 D. ADDITIONAL REPORTS – Upon ADMINISTRATOR’s request, CONTRACTOR shall make  
 19 such additional reports as required by ADMINISTRATOR concerning CONTRACTOR's activities as  
 20 they affect the services hereunder. ADMINISTRATOR shall be specific as to the nature of information  
 21 requested and allow thirty (30) calendar days for CONTRACTOR to respond.

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

## 24 **V. SERVICES**

### 25 **A. FACILITIES**

26 1. CONTRACTOR shall maintain a minimum of three (3) fully licensed and appropriate  
 27 facilities for the provision of Children’s Crisis Residential Services which meet the minimum  
 28 requirements for Medi-Cal eligibility at the following locations or any other location(s) approved by  
 29 ADMINISTRATOR:  
 30

31	980 Catalina Street	7291 Talbert Avenue	14632 Yorba Street
32	Laguna Beach, CA 92651	Huntington Beach, CA 92648	Tustin, CA 92780

33  
 34  
 35 2. CONTRACTOR shall, provide Clients access to their assigned Crisis Residential Program  
 36 twenty-four (24) hour a day, seven (7) day a week, and three hundred sixty-five (365) day a year.  
 37 //

1 3. CONTRACTOR's administrative staff holiday schedule shall be consistent with  
2 COUNTY's holiday schedule unless otherwise approved, in advance and in writing, by  
3 ADMINISTRATOR.

4 4. Upon ADMINISTRATOR's certification of CONTRACTOR's existing site,  
5 CONTRACTOR is responsible for making any necessary changes to meet and maintain Medi-Cal site  
6 standards.

7 B. CRISIS RESIDENTIAL SERVICES: means an alternative to providing acute psychiatric  
8 hospital services for individuals who would otherwise require hospitalization. The targeted length of  
9 stay for each Client will be no longer than three (3) weeks. The services are provided in normalized  
10 living environments, are integrated into residential communities, and follow a social rehabilitation  
11 model that integrates aspects of emergency psychiatric care to include psychiatric evaluation and/or  
12 medication services, psychosocial rehabilitation, milieu therapy, case management, and practical social  
13 work.

14 1. CONTRACTOR shall deliver crisis intervention and mental health services to SED/SMI  
15 children and, when available, their families identified by COUNTY as eligible for these services.

16 2. CONTRACTOR shall assess potential clients meeting the following criteria unless written  
17 exception is granted by COUNTY:

- 18 a. Orange County residents.
- 19 b. displaying behaviors or a history indicative of SED/SMI as defined by WIC Code  
20 5600.3(b).
- 21 c. between the ages of twelve (12) and seventeen (17).
- 22 d. experiencing significant familial conflict.
- 23 e. at risk of hospitalization and/or out-of-home placement.
- 24 f. unserved or underserved because of linguistic or cultural isolation.
- 25 g. in the foster care system.

26 3. CONTRACTOR shall engage both the Client and the Client's family in the program  
27 whenever possible. Clinical staff work schedules shall be based on the availability of the Client,  
28 significant family members, and legal guardians. Clinical staff are assigned seven (7) days per week.

29 4. CONTRACTOR shall provide contact within two (2) hours of Client's referral for services.

30 5. CONTRACTOR shall provide an adequate amount of treatment services during evening  
31 hours to accommodate Clients and their parents/legal guardians not able to participate during regular  
32 day-time hours when available. Treatment services shall include, but may not be limited to:

- 33 a. Performing clinical and psycho-diagnostic assessment using current DSM diagnostic  
34 format, to include clinical consideration of each fundamental need: physical, psychological,  
35 maturational, developmental, familial, educational, social, environmental, and recreational. Additional  
36 examinations, tests and evaluations may be conducted as clinically indicated. Findings of the

37 //

1 examinations and evaluations shall be documented in the client record and signed by CONTRACTOR's  
2 appropriate and responsible staff.

3 b. Obtaining valid consents from parents, legal guardians, or courts for treatment.

4 c. Developing a written treatment plan for each Client that shall be based on the  
5 assessment and diagnosis of that Client. The treatment plan shall delineate and justify all specific  
6 treatment modes and therapeutic modalities to be used, and shall be developed in accordance with  
7 ADMINISTRATOR standards, and utilize a full range of appropriate psychiatric and psychological  
8 treatment modes and modalities. Such plans shall identify specific treatment modes, milestones for the  
9 individual client, obstacles/symptoms, and efforts of significant support person(s) and program staff on  
10 behalf of the client. All treatment/service plans shall include observable and measurable client  
11 milestones.

12 d. Use of individual therapy, brief intensive services, and short and long-term group  
13 therapy modalities including psycho-educational, cognitive behavioral and child management therapy  
14 techniques.

15 e. Collateral services, including individual therapy to a Client's adult caregivers to help  
16 them in their parenting role when available. Services shall be provided to adult caregivers when it is  
17 determined that it is in the best interest in treating the Client, and CONTRACTOR shall promote active  
18 participation of Client's family when available. CONTRACTOR shall refer the adult caregiver(s) to an  
19 appropriate adult mental health provider for medication and/or mental health services to address the  
20 adult caregiver's DSM mental disorder.

21 f. Providing other mental health services which may include, but not be limited to, family  
22 therapy, crisis intervention, treatment planning, discharge planning, case management, linkage, and  
23 consultation.

24 g. Medication support services, including a system of medication quality review, which  
25 shall be provided by well-trained, experienced psychiatrists knowledgeable in the use of medication to  
26 improve the functioning and enhance the self-esteem of children. Medication used solely for psychiatric  
27 purposes, and no other purposes, shall be prescribed for all Clients for whom it is clinically indicated.

28 CONTRACTOR shall ensure that the following are adhered to:

29 1) Established plan for maximizing use of physician time.

30 2) CONTRACTOR shall use COUNTY's formulary and prescribing practices.

31 3) Prescriptions may be filled at any pharmacy with which COUNTY's Pharmacy  
32 Benefits Manager has a contract, provided that CONTRACTOR shall be responsible for noting the  
33 Medi-Cal number on prescriptions for Medi-Cal Clients.

34 4) CONTRACTOR shall provide COUNTY, in writing, with the name, license  
35 number, and Drug Enforcement Agency number of any physician who will be prescribing medications,  
36 prior to the physician's start date. Failure to so notify COUNTY may result in CONTRACTOR being  
37 liable for the cost of the medication.

1                   5) CONTRACTOR shall order such laboratory tests as are necessary and appropriate  
2 to monitor psychotropic medications.

3                   h. CONTRACTOR shall provide all necessary substance abuse treatment services for  
4 Clients who are dually diagnosed with a concurrent substance abuse problem in addition to their mental  
5 illness, when appropriate.

6                   7. CONTRACTOR shall accept referrals from and make referrals to the various MHSA  
7 programs, as appropriate. CONTRACTOR shall coordinate referrals with other existing mental health  
8 services and wraparound services, to ensure that Clients and, when available, their families are given  
9 access to the most appropriate level and type of service. Other services may include Wraparound  
10 Orange County; MHSA FSP programs and other COUNTY mental health services.

11                  8. CONTRACTOR shall participate in any clinical case review and implement any  
12 recommendations made by COUNTY to improve client care.

13                  9. CONTRACTOR shall conduct Supervisory Review in accordance with procedures  
14 developed by ADMINISTRATOR. CONTRACTOR shall conduct thirty (30) calendar day review of  
15 open cases, or previously opened with another provider. CONTRACTOR shall ensure that all chart  
16 documentation complies with all federal, state, and local guidelines and standards.

17                  10. CONTRACTOR shall ensure that all clinical documentation is completed promptly and is  
18 reflected on the Client's chart within seventy-two (72) hours after the completion of services.

19                  11. CONTRACTOR shall ensure that all staff complete COUNTY's Annual Provider Training  
20 and staff responsible for input into IRIS complete IRIS New User Training.

21                  12. CONTRACTOR shall ensure that Annual Compliance Training is completed as set forth in  
22 the Compliance Paragraph of the Contract.

### 23                  C. PERFORMANCE OUTCOMES

24                  1. CONTRACTOR shall complete Performance Outcome Measures as required by State  
25 and/or COUNTY.

26                  2. ADMINISTRATOR shall develop and provide CONTRACTOR with performance outcome  
27 measure guidelines for the purpose of evaluating the impact and/or contribution of CONTRACTOR's  
28 services on the well-being of COUNTY residents being served under the terms of the Contract. The  
29 expected outcomes for the Monitoring Plan are to enable Clients to adaptively function at a higher and  
30 more appropriate level and to provide a quantifiable and repeatable measure to assess overall program  
31 effectiveness.

32                  3. CONTRACTOR shall cooperate in data collection to develop baseline figures for future  
33 evaluation and report performance in terms of Client satisfaction, length of stay, and duration of  
34 services.

35                  D. TOKENS – ADMINISTRATOR shall provide CONTRACTOR the necessary number of  
36 Tokens for appropriate individual staff to access IRIS at no cost to CONTRACTOR.

37 //

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

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

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

7 4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following  
8 conditions:

- 9 a. Token of each staff member who no longer supports the Contract;
- 10 b. Token of each staff member who no longer requires access to IRIS;
- 11 c. Token of each staff member who leaves employment of CONTRACTOR;
- 12 d. Token is malfunctioning; or
- 13 e. Termination of the Contract.

14 5. ADMINISTRATOR shall issue Tokens for CONTRACTOR's staff members who require  
15 access to IRIS upon initial training or as a replacement for malfunctioning Tokens.

16 6. CONTRACTOR shall reimburse COUNTY for Tokens lost, stolen, or damaged through  
17 acts of negligence.

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

21 E. CONTRACTOR shall obtain an NPI.

22 1. All HIPAA covered healthcare providers, individuals and organizations must obtain a NPI  
23 for use to identify themselves in HIPAA standard transactions.

24 2. CONTRACTOR, including each employee that provides services under the Contract, will  
25 obtain an NPI upon commencement of the Contract or prior to providing services under the Contract.  
26 CONTRACTOR shall report to ADMINISTRATOR, on a form approved or supplied by  
27 ADMINISTRATOR, all NPI as soon as they are available.

28 F. CONTRACTOR shall provide the NPP for COUNTY, as the MHP, at the time of the first  
29 service provided under the Contract to individuals who are covered by Medi-Cal and have not  
30 previously received services at a COUNTY operated clinic. CONTRACTOR shall also provide, upon  
31 request, the NPP for COUNTY, as the MHP, to any individual who received services under the  
32 Contract.

33 G. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources,  
34 with respect to any individual(s) who have been referred to CONTRACTOR by COUNTY under the  
35 terms of the Contract. Further, CONTRACTOR agrees that the funds provided hereunder will not be  
36 used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian  
37 institution, or religious belief.

1 H. CONTRACTOR shall not engage in, or permit any of its employees or subcontractors, to  
2 conduct research activity on COUNTY Clients without obtaining prior written authorization from  
3 ADMINISTRATOR.

4 I. CONTRACTOR shall provide effective Administrative management of the budget, staffing,  
5 recording, and reporting portion of the Contract with COUNTY. If administrative responsibilities are  
6 delegated to subcontractors, CONTRACTOR must ensure that any subcontractor(s) possess the  
7 qualifications and capacity to perform all delegated responsibilities. These responsibilities include, but  
8 are not limited, to the following:

- 9 1. Designate the responsible position(s) in your organization for managing the funds allocated  
10 to the program;
- 11 2. Maximize the use of the allocated funds;
- 12 3. Ensure timely and accurate reporting of monthly expenditures;
- 13 4. Maintain appropriate staffing levels;
- 14 5. Request budget and/or staffing modifications to the Contract;
- 15 6. Effectively communicate and monitor the program for its success;
- 16 7. Track and report expenditures electronically;
- 17 8. Maintain electronic and telephone communication between CONTRACTOR and  
18 ADMINISTRATOR; and
- 19 9. Act quickly to identify and solve problems.

20 J. CONTRACTOR shall document all adverse incidents affecting the physical and/or emotional  
21 welfare of Clients, including but not limited to serious physical harm to self or others, serious  
22 destruction of property, developments, etc., and which may raise liability issues with COUNTY.  
23 CONTRACTOR shall notify COUNTY within twenty-four (24) hours of any such serious adverse  
24 incident.

25 K. CONTRACTOR shall advise ADMINISTRATOR of any special incidents, conditions, or issues  
26 that adversely affect the quality or accessibility of Client-related services provided by, or under contract  
27 with, COUNTY as identified by ADMINISTRATOR.

28 L. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
29 Services Paragraph of this Exhibit A to the Contract.

30  
31 **VI. STAFFING**

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

35 //  
36 //  
37 //



	Laguna	Huntington	Tustin	TOTAL
PROGRAM	Beach	Beach	FTEs	FTE's
	FTEs	FTEs		
Chief Program Officer – Youth Development	0.05	0.05	0.05	0.15
Program Director	0.50	1.00	0.50	2.00
ADP/Licensed Clinical Supervisor	0.50	0.00	0.50	1.00
Counselor II/III	2.00	1.50	2.00	5.50
House Supervisor	1.00	0.40	1.00	2.40
Volunteer Coordinator	1.00	0.50	1.00	2.50
QA Billing Specialist	1.00	1.00	1.00	3.00
Tutor/Mental Health Specialist	1.00	1.00	1.00	3.00
Mental Health Specialist	8.80	6.00	8.80	23.60
On-Call Pool	0.50	0.50	0.50	1.50
Seasonal Premium	0.00	0.00	0.00	0.00
Differential Pool	0.00	0.00	0.00	0.00
SUBTOTAL PROGRAM	16.35	11.95	16.35	44.65
SUBCONTRACTORS				
Psychiatrist	<u>0.20</u>	<u>0.20</u>	<u>0.10</u>	<u>0.50</u>
SUBTOTAL SUBCONTRACTORS	0.20	0.20	0.10	0.50
TOTAL FTEs	16.55	12.15	16.45	45.15

B. CONTRACTOR shall have as Head of Service a licensed mental health professional, in conformance to one of the following staff categories: Psychiatrist, Licensed Psychologist, LCSW, LPCC, LMFT, RN, LVN, or LPT.

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

D. CONTRACTOR shall maintain personnel files for each staff person, including management and other administrative positions, both direct and indirect to the Contract, which shall include, but not be limited to, an application for employment, qualifications for the position, applicable licenses, Live Scan

1 results, waivers, registrations, documentation of bicultural/bilingual capabilities (if applicable), pay rate  
2 and evaluations justifying pay increases.

3 E. CONTRACTOR shall make its best effort to provide services pursuant to the Contract in a  
4 manner that is culturally and linguistically appropriate for the population(s) served. CONTRACTOR  
5 shall maintain documents of such efforts which may include, but not be limited to, records of  
6 participation in COUNTY-sponsored or other applicable training; recruitment and hiring Policies &  
7 Procedures; copies of literature in multiple languages and formats, as appropriate; and descriptions of  
8 measures taken to enhance accessibility for, and sensitivity to, individuals who are physically  
9 challenged.

10 F. CONTRACTOR shall recruit, hire, train, and maintain staff that are persons in recovery, and/or  
11 family members of persons in recovery. These individuals shall not be currently receiving services  
12 directly from CONTRACTOR. Documentation may include, but not be limited to, the following:  
13 records attesting to efforts made in recruitment and hiring practices and identification of measures taken  
14 to enhance accessibility for potential staff in these categories.

15 G. CONTRACTOR shall develop a training program that is approved by ADMINISTRATOR.

16 H. CONTRACTOR shall maintain a current signature list including each supervisor and provider  
17 of direct services who signs chart documentation. The list shall include the printed/typed staff name and  
18 title, followed by the legal signature with title as it appears on all chart documents. For licensed or  
19 registered clinical staff, the name must match the name on the license or registration.

20 I. CONTRACTOR shall establish clear P&Ps pertaining to staff's work location options (i.e.  
21 office vs. field/home) and equipment usage (e.g., cell phones, texting devices, and computers). The  
22 P&Ps shall address at a minimum the following:

- 23 1. Eligibility and selection criteria,
- 24 2. Staff's field/home on-duty conduct and responsibilities,
- 25 3. Supervision plan of staff and equipment including emergency procedure, and
- 26 4. Confidentiality and records keeping.

27 J. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours of  
28 any staffing vacancies that occur during the term of the Contract. CONTRACTOR's notification shall  
29 include at a minimum the following information: employee name(s), position title(s), date(s) of  
30 resignation, date(s) of hire, and a description of recruitment activity.

31 K. CONTRACTOR shall notify ADMINISTRATOR, in writing, at least seven (7) calendar days in  
32 advance, of any new staffing changes; including promotions, temporary FTE changes and internal or  
33 external temporary staffing assignment requests that occur during the term of the Contract.

34 L. CONTRACTOR shall ensure that all staff, albeit paid or unpaid, complete necessary training  
35 prior to discharging duties associated with their titles and any other training necessary to assist  
36 CONTRACTOR and COUNTY to comply with prevailing standards of practice as well as State and  
37 Federal regulatory requirements.

1 M. CONTRACTOR shall provide ongoing supervision throughout all shifts to all staff, albeit paid  
2 or unpaid, direct line staff or supervisors/directors, to enhance service quality and program  
3 effectiveness. Supervision methods should include debriefings and consultation as needed, individual  
4 supervision or one-on-one support, and team meetings. Supervision should be provided by a supervisor  
5 who has extensive knowledge regarding mental health issues.

6 N. WORKLOAD STANDARDS - CONTRACTOR understands and agrees that at any given time  
7 the standards referenced below are minimum standards and shall make every effort to exceed these  
8 minimums.

9 1. One (1) DSH shall be equal to one hundred (100) minutes of direct Client service.

10 2. CONTRACTOR shall, during the term of the Contract, provide a minimum of seven  
11 thousand two hundred (7,200) billable DSH, including six thousand six hundred (6,600) hours of service  
12 including mental health, case management, and/or crisis intervention services, with a minimum of six  
13 hundred (600) hours of Psychiatric services.

14 3. CONTRACTOR shall provide a minimum of one hundred (100) DSH per month per FTE  
15 or twelve hundred (1200) DSH per year per FTE clinician, of mental health services, unless otherwise  
16 approved by ADMINISTRATOR.

17 4. CONTRACTOR shall provide services to a minimum number of Clients as follows:  
18 seventy-two (72) Clients for Laguna Beach and Tustin locations and forty-eight (48) Clients for the  
19 Huntington Beach location per year, for a minimum total of one hundred ninety-two (192) Clients  
20 during the term of the Contract. These are based on each the Laguna Beach and Tustin location's  
21 minimum of a six (6) bed capacity and the Huntington Beach location minimum four (4) bed capacity  
22 and a targeted length of stay to be no longer than three (3) weeks. Stays in these short-term programs  
23 longer than the three (3) week target must have ADMINISTRATOR approval.

24 5. CONTRACTOR shall not refuse Client referrals if any of CONTRACTOR's staff are  
25 below workload standards, as defined in the Staffing Paragraph of this Exhibit A to the Contract, unless  
26 otherwise approved by ADMINISTRATOR.

#### 27 O. STUDENT INTERNS

28 1. CONTRACTOR may augment the above paid staff with volunteers or interns upon written  
29 approval of ADMINISTRATOR.

30 a. CONTRACTOR shall meet minimum requirements for supervision of each Student  
31 Intern as required by the State Licensing Board and/or school program descriptions or work contracts.

32 b. Student Intern services shall not comprise more than twenty percent (20%) of total  
33 services provided.

34 2. CONTRACTOR shall provide a minimum of two (2) hours per week supervision to each  
35 Student Intern providing Mental Health Services and one (1) hour of supervision for each ten (10) hours  
36 of treatment for Student Interns providing substance abuse services. CONTRACTOR shall provide  
37 supervision to volunteers as specified in the respective job descriptions or work contracts.

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

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1 EXHIBIT B  
 2 TO CONTRACT FOR PROVISION OF  
 3 CHILDREN’S CRISIS RESIDENTIAL SERVICES  
 4 BETWEEN  
 5 COUNTY OF ORANGE  
 6 AND  
 7 WAYMAKERS  
 8 JULY 1, 2022 THROUGH JUNE 30, 2025  
 9

10 **I. BUSINESS ASSOCIATE CONTRACT**

11 A. GENERAL PROVISIONS AND RECITALS

12 1. The parties agree that the terms used, but not otherwise defined in the Common Terms and  
13 Definitions Paragraph of Exhibit A to 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,  
17 and the HIPAA regulations between the CONTRACTOR and COUNTY arises to the extent that  
18 CONTRACTOR performs, or delegates to subcontractors to perform, functions or activities on behalf of  
19 COUNTY pursuant to, and as set forth in, the Contract that are described in the definition of “Business  
20 Associate” in 45 CFR § 160.103.

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

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

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

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

1 with respect to PHI and ePHI created, received, maintained, transmitted, used, or disclosed pursuant to  
2 the Contract.

3 B. DEFINITIONS

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

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

9 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 30 C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE

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

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

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

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

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

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

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

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

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

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

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

37 //



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

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

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

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

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

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

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

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

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

3 D. SECURITY RULE

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

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

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

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

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

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

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

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

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

37 E. DATA SECURITY REQUIREMENTS

1           1. Personal Controls

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

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

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

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

27           2. Technical Security Controls

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

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

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

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

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

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

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

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

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

35 h. Data Destruction. When no longer needed, all PHI COUNTY discloses to  
36 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY  
37 must be wiped using the Gutmann or US DoD 5220.22-M (7 Pass) standard, or by degaussing. Media

1 may also be physically destroyed in accordance with NIST Special Publication 800-88. Other methods  
2 require prior written permission by COUNTY.

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

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

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

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

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

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

### 32 3. Audit Controls

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

1 adequate levels of protection. Reviews should include vulnerability scanning tools.

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

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

9 4. Business Continuity/Disaster Recovery Control

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

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

22 5. Paper Document Controls

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

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

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

35 //

36 //

37 d. Removal of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR

1 creates, receives, maintains, or transmits on behalf of COUNTY must not be removed from the premises  
2 of the CONTRACTOR except with express written permission of COUNTY.

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

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

#### 15 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

37 2) A description of the types of Unsecured PHI that were involved in the Breach (such

1 as whether full name, social security number, date of birth, home address, account number, diagnosis,  
2 disability code, or other types of information were involved);

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

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

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

9 4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in  
10 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the  
11 COUNTY.

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

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

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

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

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

### 33 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

34 1. CONTRACTOR may use or further disclose PHI COUNTY discloses to CONTRACTOR  
35 as necessary to perform functions, activities, or services for, or on behalf of, COUNTY as specified in  
36 //

37 the Contract, provided that such use or Disclosure would not violate the HIPAA Privacy Rule if done by



1 COUNTY except for the specific Uses and Disclosures set forth below.

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

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

7 1) The Disclosure is required by law; or

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

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

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

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

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

22 H. PROHIBITED USES AND DISCLOSURES

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

28 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI  
29 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on  
30 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by 42 USC §  
31 17935(d)(2).

32 I. OBLIGATIONS OF COUNTY

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

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

1 CONTRACTOR’s Use or Disclosure of PHI.

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

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

7 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

27 3. The obligations of this Business Associate Contract shall survive the termination of the  
28 Contract.//

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1 EXHIBIT C  
 2 TO CONTRACT FOR PROVISION OF  
 3 CHILDREN’S CRISIS RESIDENTIAL SERVICES  
 4 BETWEEN  
 5 COUNTY OF ORANGE  
 6 AND  
 7 WAYMAKERS  
 8 JULY 1, 2022 THROUGH JUNE 30, 2025  
 9

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

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

13 A. DEFINITIONS

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

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

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

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

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

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

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

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

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

1 information if payment is sought under a government program providing public benefits.

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

5 B. TERMS OF CONTRACT

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

10 2. Responsibilities of CONTRACTOR

11 CONTRACTOR agrees:

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

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

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

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

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

33 3) If the data obtained by CONTRACTOR from COUNTY includes PII,  
34 CONTRACTOR shall also comply with the substantive privacy and security requirements in the  
35 CMPPA Contract between the SSA and the CHHS and in the Contract between the SSA and DHCS,  
36 known as the IEA. The specific sections of the IEA with substantive privacy and security requirements  
37 to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information

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

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

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

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

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

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

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

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1 EXHIBIT D  
2 TO CONTRACT FOR PROVISION OF  
3 CHILDREN'S CRISIS RESIDENTIAL SERVICES  
4 BETWEEN  
5 COUNTY OF ORANGE  
6 AND  
7 WAYMAKERS  
8 JULY 1, 2022 THROUGH JUNE 30, 2025  
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10 **I. 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 Orange County residents. In addition, COUNTY provides certain other  
13 non-mandated services to enhance the well-being and quality of life for its residents. COUNTY is  
14 committed to ensuring positive relations through this Good Neighbor Policy in the neighborhoods and  
15 communities in which its Residential Program contractors provide services to its residents.  
16 Following the effective date of this Contract, but no later than August 1, 2023, CONTRACTOR shall  
17 conduct reasonable outreach to cities, neighborhoods and communities that could be affected by services  
18 provided by CONTRACTOR.  
19

20 **II. GOOD NEIGHBOR POLICY**

21 This Policy applies only to the extent CONTRACTOR provides direct services to COUNTY clients  
22 pursuant to this Contract. The intent of this Policy is to identify community impacts and measures to  
23 mitigate those impacts to be an integral part of the neighborhood and community COUNTY serves.  
24 CONTRACTOR shall establish a policy that includes all of the following elements:

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

1 a timely manner.

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

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

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