

**AGREEMENT FOR**

**AMENDMENT NO. 1**

**TO**

**CONTRACT NO. MA-042-20010216**

**FOR**

**PROVISION OF  
ADULT MENTAL HEALTH INTENSIVE RESIDENTIAL SERVICES  
BETWEEN**

**COUNTY OF ORANGE**

**AND**

**ANNE SIPPI CLINIC TREATMENT GROUP**

**JULY 1, 2017 THROUGH JUNE 30, 2019**

~~THIS AGREEMENT entered into this 1st day of July 2017 (effective date), which date is enumerated for purposes of reference only, is by and between the COUNTY OF ORANGE (COUNTY) and Anne Sippi Clinic Treatment Group, a California General Partnership, (CONTRACTOR). This Agreement shall be administered by the County of Orange Health Care Agency (ADMINISTRATOR).~~

**WITNESSETH:**

~~WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Adult Mental Health Intensive Residential Services described herein to the residents of Orange County; and~~

~~This Amendment (“Amendment No. 1”) to Contract No. MA-042-20010216 for Adult Mental Health Intensive Residential Services is made and entered into on May 24, 2022 (“Effective Date”) between ANNE SIPPI CLINIC TREATMENT GROUP (“Contractor”), with a place of business at 2457 Endicott Street, Los Angeles, CA 90032, and the County of Orange, a political subdivision of the State of California (“County”), through its Health Care Agency, with a place of business at 405 W. 5<sup>th</sup> Street, Santa Ana, CA 92701. Contractor and County may sometimes be referred to individually as “Party” or collectively as “Parties”.~~

**RECITALS**

~~WHEREAS, the Parties executed Contract No. MA-042-20010216 for Adult Mental Health Intensive Residential Services, effective July 1, 2019 through June 30, 2022, in an amount not to exceed \$1,121,235 (“Contract”); and~~

WHEREAS, CONTRACTOR is agreeable to the Parties now desire to enter into this Amendment No. 1 to extend the rendering of such services on the Contract for two years and to amend Exhibit A.

NOW THEREFORE, Contractor and County, in consideration of the above recitals, and in consideration of the mutual covenants, benefits and promises contained herein, agree to amend the Contract as follows:

1. The Contract is extended for a period of two (2) years, effective July 1, 2022, through June 30, 2024, in an amount not to exceed \$900,000 for this extension period, for a new total amount not to exceed \$2,021,235; on the amended terms and conditions hereinafter set forth.;

~~NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:~~

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<u>PARAGRAPH</u>	<u>CONTENTS</u>	<u>PAGE</u>
	Title Page .....	1
	Contents .....	2
	<b>Referenced Contract Provisions</b> .....	<b>4</b>
I.	Acronyms .....	5
II.	Alteration of Terms .....	6
III.	Assignment of Debts .....	6
IV.	Compliance .....	7
V.	Confidentiality .....	11
VI.	Cost Report .....	11
VII.	Delegation, Assignment and Subcontracts .....	13
VIII.	Employee Eligibility Verification .....	15
IX.	Facilities, Payments and Services .....	15
X.	Indemnification and Insurance .....	15
XI.	Inspections and Audits .....	20
XII.	Licenses and Laws .....	20
XIII.	Literature, Advertisements, <b><u>Term provision</u></b> and Social Media .....	22
XIV.	<b><u>Aggregate</u></b> Maximum Obligation .....	23
XV.	Minimum Wage Laws .....	23
XVI.	Nondiscrimination .....	23
XVII.	Notices .....	26
XVIII.	Notification <b><u>provision</u></b> , of Death .....	26
XIX.	Notification Of Public Events And Meetings .....	27
<b><u>XX.2.</u></b>	<b><u>Records Management</u></b> <b><u>the Contract are deleted in their entirety and</u></b> Maintenance <b><u>replaced with the following:</u></b>	27
XXI.	Research and Publication .....	29
XXII.	Revenue .....	29
XXIII.	Severability .....	30
XXIV.	Special Provisions .....	30
XXV.	Status of Contractor .....	31
XXVI.	Term .....	31
XXVII.	Termination .....	31
XXVIII.	Third Party Beneficiary .....	33

XXIX. Waiver of Default or Breach ..... 33

Signature Page..... 34

#

#

#

**CONTENTS**

<b><u>EXHIBIT A</u></b>	<b><u>PAGE</u></b>
I. Common Terms and Definitions.....	1
II. Issue Resolution.....	3
III. Patients' Rights.....	4
IV. Payments.....	5
V. Reports.....	6
VI. Services.....	7
VII. Staffing.....	11

<b><u>EXHIBIT B</u></b>	<b><u>PAGE</u></b>
I. Business Associate Contract .....	1

<b><u>EXHIBIT C</u></b>	<b><u>PAGE</u></b>
I. Personal Information Privacy and Security Contract.....	1

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**REFERENCED CONTRACT PROVISIONS**

“Term: -July 1, 2017 through June 30, 2019 through June 30, 2024

\_\_\_\_ Period One means the period from July 1, 2017-2019 through June 30, 2018-2020

\_\_\_\_ Period Two means the period from July 1, 2018-July 1, 2020 through June 30, 2021

\_\_\_\_ Period Three means the period from July 1, 2021 through June 30, 2019-2022

**Aggregate Maximum Obligation:**

\_\_\_\_ Period Four means the period from July 1, 2022 through June 30, 2023

\_\_\_\_ Period Five means the period from July 1, 2023 through June 30, 2024

**Amount Not To Exceed:**

\_\_\_\_ Period One Amount Not To Exceed: \$360,964

\_\_\_\_ Period Two Amount Not To Exceed: \$373,598

\_\_\_\_ Period Three Amount Not To Exceed: \$386,674

\_\_\_\_ Period Four Amount Not To Exceed: \$450,000

\_\_\_\_ Period Five Amount Not To Exceed: \$450,000

\_\_\_\_ TOTAL AMOUNT NOT TO EXCEED: \$2,021,235”

**3. All references to “Aggregate Maximum Obligation” and “Maximum Obligation:—\$ 348,757” in the Contract shall be replaced with “Amount Not To Exceed”.**

\_\_\_\_ Period Three Maximum Obligation: \_\_\_\_\_ 348,757

\_\_\_\_ TOTAL AGGREGATE MAXIMUM OBLIGATION: \_\_\_\_\_ \$697,514

**Basis for Reimbursement:** Fee for Service

**Payment Method:** \_\_\_\_\_ Monthly in Arrears

**CONTRACTOR DUNS (Endicott) Number:** 79-840-5122

**CONTRACTOR DUNS (Ranch) Number:** 10-039-5107

**Exhibit A**

**CONTRACTOR TAX ID Number:** 95-4257558

**Notices to COUNTY and CONTRACTOR:**

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

CONTRACTOR: ~~Anne Sippi Clinic Treatment Group~~  
~~2457 Endicott Street~~  
~~Los Angeles, CA 90032~~  
~~Nick Damian, Chief Operations Officer~~  
~~Nick\_Damian@yahoo.com~~

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**I. Acronyms**

~~4. \_\_\_\_\_ The **is deleted in its entirety and replaced with the following** standard definitions are for reference purposes only and may or may not apply in their entirety throughout this Agreement:~~

<del>A.</del>	<del>ADL</del>	<del>Activities of Daily Living</del>
<del>B.</del>	<del>AES</del>	<del>Advanced Encryption Standard</del>
<del>C.</del>	<del>AIS</del>	<del>Additional Income Source</del>
<del>D.</del>	<del>AMA</del>	<del>Against Medical Advice</del>
<del>E.</del>	<del>ARRA</del>	<del>American Recovery and Reinvestment Act of 2009</del>
<del>F.</del>	<del>BCP</del>	<del>Business Continuity Plan</del>
<del>G.</del>	<del>CCC</del>	<del>California Civil Code</del>
<del>H.</del>	<del>CCR</del>	<del>California Code of Regulations</del>
<del>I.</del>	<del>CD/DVD</del>	<del>Compact Disc/Digital Video or Versatile Disc</del>
<del>J.</del>	<del>CEO</del>	<del>County Executive Office</del>
<del>K.</del>	<del>CFR</del>	<del>Code of Federal Regulations</del>
<del>L.</del>	<del>CHHS</del>	<del>California Health and Human Services Agency</del>
<del>M.</del>	<del>CHPP</del>	<del>COUNTY HIPAA Policies and Procedures</del>
<del>N.</del>	<del>CIPA</del>	<del>California Information Practices Act</del>
<del>O.</del>	<del>CMPPA</del>	<del>Computer Matching and Privacy Protection Act</del>
<del>P.</del>	<del>COI</del>	<del>Certificate of Insurance</del>
<del>Q.</del>	<del>DHCS</del>	<del>California Department of Health Care Services</del>
<del>R.</del>	<del>DMS</del>	<del>Diagnostic and Statistical Manual of Mental Disorders</del>
<del>S.</del>	<del>DoD</del>	<del>US Department of Defense</del>
<del>T.</del>	<del>DRP</del>	<del>Disaster Recovery Plan</del>
<del>U.</del>	<del>DRS</del>	<del>Designated Record Set</del>
<del>V.</del>	<del>E-Mail</del>	<del>Electronic Mail</del>
<del>W.</del>	<del>EHR</del>	<del>Electronic Health Records</del>
<del>X.</del>	<del>ePHI</del>	<del>Electronic Protected Health Information</del>
<del>Y.</del>	<del>FIPS</del>	<del>Federal Information Processing Standards</del>
<del>Z.</del>	<del>GAAP</del>	<del>Generally Accepted Accounting Principles</del>
<del>AA.</del>	<del>HCA</del>	<del>County of Orange Health Care Agency</del>
<del>AB.</del>	<del>HHS</del>	<del>Federal Health and Human Services Agency</del>
<del>AC.</del>	<del>HIPAA</del>	<del>Health Insurance Portability and Accountability Act of 1996, Public Law 104-191</del>
<del>AD.</del>	<del>HITECH Act</del>	<del>Health Information Technology for Economic and Clinical Health Act, Public Law 111-005</del>

<del>AE.</del>	<del>HSC</del>	<del>California Health and Safety Code</del>
<del>AF.</del>	<del>ID</del>	<del>Identification</del>
<del>AG.</del>	<del>IEA</del>	<del>Information Exchange Agreement</del>
<del>AH.</del>	<del>ISO</del>	<del>Insurance Services Office</del>
<del>AI.</del>	<del>LPS</del>	<del>Lanterman/Petris/Short (Act)</del>
<del>AJ.</del>	<del>MHP</del>	<del>Mental Health Plan</del>
<del>AK.</del>	<del>MHSA</del>	<del>Mental Health Services Act</del>
<del>AL.</del>	<del>NIST</del>	<del>National Institute of Standards and Technology</del>
<del>AM.</del>	<del>NPI</del>	<del>National Provider Identification</del>
<del>AN.</del>	<del>NPP</del>	<del>Notice of Privacy Practices</del>
<del>AO.</del>	<del>OCR</del>	<del>Federal Office for Civil Rights</del>
<del>AP.</del>	<del>OMB</del>	<del>Federal Office of Management and Budget</del>
<del>AQ.</del>	<del>OPM</del>	<del>Federal Office of Personnel Management</del>
<del>AR.</del>	<del>PC</del>	<del>California Penal Code</del>
<del>AS.</del>	<del>PHI</del>	<del>Protected Health Information</del>
<del>AT.</del>	<del>PI</del>	<del>Personal Information</del>
<del>AU.</del>	<del>PII</del>	<del>Personally Identifiable Information</del>
<del>AV.</del>	<del>PRA</del>	<del>California Public Record Act</del>
<del>AW.</del>	<del>SIR</del>	<del>Self-Insured Retention</del>
<del>AX.</del>	<del>SNF/STP</del>	<del>Skilled Nursing Facility with Special Treatment Program</del>
<del>AY.</del>	<del>SSI/SSP</del>	<del>Supplemental Security Income/State Supplemental Income</del>
<del>AZ.</del>	<del>UMDAP</del>	<del>Uniform Method of Determining Ability to Pay</del>
<del>BA.</del>	<del>USC</del>	<del>United States Code</del>
<del>BB.</del>	<del>UOS</del>	<del>Unit of Service</del>
<del>BC.</del>	<del>W&amp;IC</del>	<del>California Welfare and Institutions Code</del>

## ~~II. ALTERATION OF TERMS~~

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

matter of this Agreement.

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

### ~~III. Assignment of Debts~~

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

### ~~IV. COMPLIANCE~~

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

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

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

- ~~a. Designation of a Compliance Officer and/or compliance staff.~~
- ~~b. Written standards, policies and/or procedures.~~
- ~~c. Compliance related training and/or education program and proof of completion.~~
- ~~d. Communication methods for reporting concerns to the Compliance Officer.~~
- ~~e. Methodology for conducting internal monitoring and auditing.~~
- ~~f. Methodology for detecting and correcting offenses.~~

~~g. Methodology/Procedure for enforcing disciplinary standards.~~

~~3. If CONTRACTOR does not provide proof of its own Compliance program to ADMINISTRATOR, CONTRACTOR shall acknowledge to comply with ADMINISTRATOR's Compliance Program and Code of Conduct, the CONTRACTOR shall submit to the ADMINISTRATOR within thirty (30) calendar days of execution of this Agreement a signed acknowledgement that CONTRACTOR shall comply with ADMINISTRATOR's Compliance Program and Code of Conduct.~~

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

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

~~B. SANCTION SCREENING—CONTRACTOR shall screen all Covered Individuals employed or retained to provide services related to this Agreement semi-annually to ensure that they are not designated as Ineligible Persons, as pursuant to this Agreement. Screening shall be conducted against the General Services Administration's Excluded Parties List System or System for Award Management, the Health and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider List and/or any other list or system as identified by the ADMINISTRATOR.~~

~~1. For purposes of this Paragraph V (COMPLIANCE), Covered Individuals includes all employees, interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care items or services or who perform billing or coding functions on behalf of ADMINISTRATOR. Notwithstanding the above, this term does not include part time or per diem employees, contractors,~~

~~subcontractors, agents, and other persons who are not reasonably expected to work more than one hundred sixty (160) hours per year; except that any such individuals shall become Covered Individuals at the point when they work more than one hundred sixty (160) hours during the calendar year. CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and procedures (or CONTRACTOR's own compliance program, code of conduct and related policies and procedures if CONTRACTOR has elected to use its own).~~

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

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

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

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~~3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement. CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this Agreement.~~

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

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

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

~~7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or~~

~~entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened. Such individual or entity shall be immediately removed from participating in any activity associated with this Agreement. ADMINISTRATOR will determine appropriate repayment from, or sanction(s) to CONTRACTOR for services provided by ineligible person or individual. CONTRACTOR shall promptly return any overpayments within forty five (45) business days after the overpayment is verified by ADMINISTRATOR.~~

~~C. GENERAL COMPLIANCE TRAINING ADMINISTRATOR shall make General Compliance Training available to Covered Individuals.~~

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

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

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

~~#~~

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

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

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

~~1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered Individuals relative to this Agreement.~~

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

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

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

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

~~— E. MEDICAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS~~

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

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

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

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

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

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~~— F. Failure to comply with the obligations stated in this Paragraph V (COMPLIANCE) shall constitute a breach of the Agreement on the part of CONTRACTOR and ground for COUNTY to terminate the Agreement. Unless the circumstances require a sooner period of cure, CONTRACTOR shall have thirty (30) calendar days from the date of the written notice of default to cure any defaults grounded on this Paragraph V (COMPLIANCE) prior to ADMINITRATOR's right to terminate this Agreement on the basis of such default.~~

~~**V. Confidentiality**~~

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

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

~~2. CONTRACTOR acknowledges and agrees that it shall be responsible for obtaining written consents for the release of information from all persons served by CONTRACTOR pursuant to this Agreement. Such consents shall be obtained by CONTRACTOR in accordance with CCC, Division 1,~~



~~Part 2.6, relating to confidentiality of medical information.~~

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

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

#### ~~VI. Cost Report~~

~~A. CONTRACTOR shall submit an individual and/or consolidated Cost Report to COUNTY no later than sixty (60) calendar days following termination of this Agreement. CONTRACTOR shall prepare the individual and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY requirements, GAAP and the Special Provisions Paragraph of this Agreement. CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in accordance with such requirements and consistent with prudent business practice, which costs and allocations shall be supported by source documentation maintained by CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple Agreements for mental health services that are administered by HCA, consolidation of the individual Cost Reports into a single consolidated Cost Report may be required, as stipulated by ADMINISTRATOR. CONTRACTOR shall submit the consolidated Cost Report to COUNTY no later than five (5) business days following approval by ADMINSTRATOR of all individual Cost Reports to be incorporated into a consolidated Cost Report.~~

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

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

~~b. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR~~



~~pursuant to any or all agreements between COUNTY and CONTRACTOR until such time that the accurate and complete an individual and/or consolidated Cost Report is delivered to ADMINISTRATOR.~~

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

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

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

~~C. Final settlement shall be based upon the actual and reimbursable costs for services hereunder, less applicable revenues and any late penalty, not to exceed COUNTY's Maximum Obligation as set forth in the Referenced Contract Provisions of this Agreement. CONTRACTOR shall not claim expenditures to COUNTY which are not reimbursable pursuant to applicable federal, state and COUNTY laws, regulations and requirements. Any payment made by COUNTY to CONTRACTOR, which is subsequently determined to have been for an unreimbursable expenditure or service, shall be repaid by CONTRACTOR to COUNTY in cash, or other authorized form of payment, within thirty (30) calendar days of submission of the individual and/or consolidated Cost Report or COUNTY may elect to reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.~~

~~D. Unless approved by ADMINISTRATOR, costs that exceed the Statewide Maximum Allowance (SMA) rates per Medi-Cal Unit of Services, as determined by the DHCS, shall be unreimbursable to CONTRACTOR.~~

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

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

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

~~\_\_\_\_\_ Signed \_\_\_\_\_  
\_\_\_\_\_ Name \_\_\_\_\_  
\_\_\_\_\_ Title \_\_\_\_\_  
\_\_\_\_\_ Date \_\_\_\_\_"~~

**VII. Delegation, Assignment and Subcontracts**

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

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

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

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

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

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

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

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

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

~~2. No subcontract shall terminate or alter the responsibilities of CONTRACTOR to COUNTY pursuant to this Agreement.~~

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

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

#### **VIII. Employee Eligibility Verification**

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

**IX. Facilities, Payments and Services**

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

~~— B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or supplies as required, ADMINISTRATOR may, at its sole discretion, reduce the Total Maximum Obligation for the appropriate Period as well as the Total Maximum Obligation. The reduction to the Maximum Obligation for the appropriate Period as well as the Total Maximum Obligation shall be in an amount proportionate to the number of days in which CONTRACTOR was determined to be unable to provide services, staffing, facilities or supplies.~~

**X. Indemnification and Insurance**

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

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

~~— C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of CONTRACTOR pursuant to this Agreement shall be covered under CONTRACTOR's insurance as an~~

~~Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less than the level of coverage required by COUNTY from CONTRACTOR under this Agreement. It is the obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by CONTRACTOR through the entirety of this Agreement for inspection by COUNTY representative(s) at any reasonable time.~~

~~—D. All SIRs and deductibles shall be clearly stated on the COI. If no SIRs or deductibles apply, indicate this on the COI with a zero (0) by the appropriate line of coverage. Any SIR or deductible in an amount in excess of \$50,000 (\$5,000 for automobile liability) shall specifically be approved by the CEO/Office of Risk Management upon review of CONTRACTOR's current audited financial report. If CONTRACTOR's SIR is approved, CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this Agreement, agrees to all of the following:~~

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

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

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

~~—E. If CONTRACTOR fails to maintain insurance as required in this Paragraph XII (INDEMNIFICATION AND INSURANCE) for the full term of this Agreement, such failure shall constitute a breach of CONTRACTOR's obligation hereunder and ground for COUNTY to terminate this Agreement.~~

~~—F. QUALIFIED INSURER~~

~~———1. The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property Casualty/United States or ambest.com). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).~~

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

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

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

~~H. REQUIRED COVERAGE FORMS~~

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

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

~~I. REQUIRED ENDORSEMENTS~~

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

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

~~b. A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the CONTRACTOR's insurance is primary and any insurance or self-~~



~~insurance maintained by the County of Orange shall be excess and non-contributing.~~

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

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

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

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

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

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

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

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

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

~~P. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not deposit copies of acceptable COIs and endorsements with COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice, such failure shall constitute a breach of CONTRACTOR's obligation hereunder and ground for termination of this Agreement by COUNTY.~~

~~Q. The procuring of such required policy or policies of insurance shall not be construed to limit~~

~~CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.~~

~~— R. SUBMISSION OF INSURANCE DOCUMENTS~~

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

~~a. Prior to the start date of this Agreement.~~

~~b. No later than the expiration date for each policy.~~

~~c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding changes to any of the insurance types as set forth in Subparagraph G, above.~~

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

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

~~a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR pursuant to any and all Agreements between COUNTY and CONTRACTOR until such time that the required COI and endorsements that meet the insurance provisions stipulated in this Agreement are submitted to ADMINISTRATOR.~~

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

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

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

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~~**XI. Inspections and Audits**~~

~~A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative of the State of California, the Secretary of the United States Department of Health and Human Services, the Comptroller General of the United States, or any other of their authorized representatives, shall have~~



~~access to any books, documents, and records, including but not limited to, financial statements, general ledgers, relevant accounting systems, medical and client records, of CONTRACTOR that are directly pertinent to this Agreement, for the purpose of responding to a beneficiary complaint or conducting an audit, review, evaluation, or examination, or making transcripts during the periods of retention set forth in the Records Management and Maintenance Paragraph of this Agreement. Such persons may at all reasonable times inspect or otherwise evaluate the services provided pursuant to this Agreement, and the premises in which they are provided.~~

~~— B. CONTRACTOR shall actively participate and cooperate with any person specified in Subparagraph A. above in any evaluation or monitoring of the services provided pursuant to this Agreement, and shall provide the above mentioned persons adequate office space to conduct such evaluation or monitoring.~~

~~— C. CONTRACTOR shall not be subject to disallowances as the result of audits of the cost of services.~~

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

## ~~XII. Licenses and LawS~~

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

### ~~— B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS~~

~~—— 1. CONTRACTOR agrees to furnish to ADMINISTRATOR within thirty (30) calendar days of the award of this Agreement:~~

~~———— a. In the case of an individual contractor, his/her name, date of birth, social security number, and residence address;~~

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~~———— b. In the case of a contractor doing business in a form other than as an individual, the name, date of birth, social security number, and residence address of each individual who owns an interest of ten~~

percent (10%) or more in the contracting entity;

~~\_\_\_\_\_ c. A certification that CONTRACTOR has fully complied with all applicable federal and state reporting requirements regarding its employees;~~

~~\_\_\_\_\_ d. A certification that CONTRACTOR has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, and will continue to so comply.~~

~~\_\_\_\_\_ 2. Failure of CONTRACTOR to timely submit the data and/or certifications required by Subparagraphs 1.a., 1.b., 1.c., or 1.d. above, or to comply with all federal and state employee reporting requirements for child support enforcement, or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, shall constitute a material breach of this Agreement; and failure to cure such breach within sixty (60) calendar days of notice from COUNTY shall constitute grounds for termination of this Agreement.~~

~~\_\_\_\_\_ 3. It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders, or as permitted by federal and/or state statute.~~

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

~~\_\_\_\_\_ 1. ARRA of 2009.~~

~~\_\_\_\_\_ 2. Title 22, CCR, §51009, Confidentiality of Records.~~

~~\_\_\_\_\_ 3. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.~~

~~\_\_\_\_\_ 4. D/MC Certification Standards for Substance Abuse Clinics, July 2004.~~

~~\_\_\_\_\_ 5. D/MC Billing Manual (March 23, 2010).~~

~~\_\_\_\_\_ 6. Federal Medicare Cost reimbursement principles and cost reporting standards.~~

~~\_\_\_\_\_ 7. State of California Health and Human Services Agency, Department of Health Care Services, Mental Health Services Division (MHSD), Medi-Cal Billing Manual, October 2013 Orange County Medi-Cal Mental Health Managed Care Plan.~~

~~\_\_\_\_\_ 8. Short Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management.~~

~~\_\_\_\_\_ 9. Short Doyle/Medi-Cal Modifications/Revisions for the Rehabilitation Option and Targeted Case Management Manual, including DMH Letter 94-14, dated July 7, 1994, DMH Letter No. 95-04, dated July 27, 1995, DMH Letter 96-03, dated August 13, 1996.~~

~~\_\_\_\_\_ 10. WIC, Division 5, Community Mental Health Services.~~

~~\_\_\_\_\_ 11. WIC, Division 6, Admissions and Judicial Commitments.~~

~~\_\_\_\_\_ 12. WIC, Division 7, Mental Institutions.~~

~~\_\_\_\_\_ 13. HSC, §§1250 et seq., Health Facilities.~~

~~\_\_\_\_\_ 14. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.~~

~~\_\_\_\_\_ 15. CCR, Title 9, Rehabilitative and Developmental Services.~~

- ~~16. CCR, Title 17, Public Health.~~
  - ~~17. CCR, Title 22, Social Security.~~
  - ~~18. CFR, Title 42, Public Health.~~
  - ~~19. CFR, Title 45, Public Welfare.~~
  - ~~20. USC Title 42, Public Health and Welfare.~~
  - ~~21. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.~~
  - ~~22. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.~~
  - ~~23. 42 USC §1857, et seq., Clean Air Act.~~
  - ~~24. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.~~
  - ~~25. 31 USC 7501.70, Federal Single Audit Act of 1984.~~
  - ~~26. Policies and procedures set forth in Mental Health Services Act.~~
  - ~~27. Policies and procedures set forth in DHCS Letters.~~
  - ~~28. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.~~
  - ~~29. 31 USC 7501—7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.~~
- ~~D. CONTRACTOR shall at all times be capable and authorized by the State of California to provide treatment and bill for services provided to Medi-Cal eligible clients while working under the terms of this Agreement.~~

~~**XIII. Literature, Advertisements, and SOCIAL MEDIA**~~

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

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

~~C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly available social media sites) in support of the services described within this Agreement, CONTRACTOR shall develop social media policies and procedures and have them available to ADMINISTRATOR upon reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all forms of social media used to either directly or indirectly support the services described within this Agreement. CONTRACTOR~~

~~shall comply with COUNTY Social Media Use Policy and Procedures as they pertain to any social media developed in support of the services described within this Agreement. CONTRACTOR shall also include any required funding statement information on social media when required by ADMINISTRATOR.~~

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

#### ~~XIV. Maximum Obligation~~

~~— A. The Total Maximum Obligation of COUNTY for services provided in accordance with this Agreement, and the separate Maximum Obligations for each period under this Agreement, are as specified in the Referenced Contract Provisions of this Agreement, except as allowed for in Subparagraph B. below.~~

~~— B. ADMINISTRATOR may amend the Maximum Obligation by an amount not to exceed ten percent (10%) of Period One funding for this Agreement.~~

#### ~~XV. MINIMUM WAGE LAWS~~

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

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

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

#### ~~XVI. Nondiscrimination~~

##### ~~A. EMPLOYMENT~~

~~— 1. During the term of this Agreement, CONTRACTOR and its Covered Individuals shall not unlawfully discriminate against any employee or applicant for employment because of his/her race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition,~~

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

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

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

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

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

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

~~B. SERVICES, BENEFITS AND FACILITIES — CONTRACTOR and/or subcontractor shall not discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status in accordance with Title IX of the Education Amendments of 1972 as they relate to 20 USC §1681—§1688; Title VI of the Civil Rights Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division 4, Chapter 6,~~

~~Article 1 (§10800, et seq.) of the California Code of Regulations; and Title II of the Genetic Information Nondiscrimination Act of 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and regulations promulgated pursuant thereto, and as otherwise provided by state law and regulations, as all may now exist or be hereafter amended or changed. For the purpose of this Nondiscrimination paragraph, Discrimination includes, but is not limited to the following based on one or more of the factors identified above:~~

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

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

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

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

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

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

~~D. PERSONS WITH DISABILITIES — CONTRACTOR and/or subcontractor agree to comply with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as implemented in 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 as amended (42 USC 12101 et seq.; as implemented in 29 CFR 1630), as applicable, pertaining to the prohibition of discrimination against qualified persons with disabilities in all programs or activities; and if applicable, as implemented~~



in Title 45, CFR, §84.1 et seq., as they exist now or may be hereafter amended together with succeeding legislation.

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

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

#### **XVII. Notices**

~~— A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements authorized or required by this Agreement shall be effective:~~

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

~~—— 2. When faxed, transmission confirmed;~~

~~—— 3. When sent by Email; or~~

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

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

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

~~— D. For purposes of this Agreement, any notice to be provided by COUNTY may be given by ADMINISTRATOR.~~

#### **XVIII. NOTIFICATION OF DEATH**

~~— A. Upon becoming aware of the death of any person served pursuant to this Agreement,~~

~~CONTRACTOR shall immediately notify ADMINISTRATOR.~~

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

~~— 1. TELEPHONE NOTIFICATION — CONTRACTOR shall notify ADMINISTRATOR by telephone immediately upon becoming aware of the death due to non-terminal illness of any person served pursuant to this Agreement; provided, however, weekends and holidays shall not be included for~~

~~purposes of computing the time within which to give telephone notice and, notwithstanding the time limit herein specified, notice need only be given during normal business hours.~~

~~— 2. WRITTEN NOTIFICATION~~

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

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

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

#### ~~**XIX. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**~~

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

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

#### ~~**XX. Records Management and Maintenance**~~

~~— CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term of this~~



~~Agreement, prepare, maintain and manage records appropriate to the services provided and in accordance with this Agreement and all applicable requirements.~~

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

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

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

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

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

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

~~— G. CONTRACTOR may retain client, and/or patient documentation electronically in accordance with the terms of this Agreement and common business practices. If documentation is retained electronically, CONTRACTOR shall, in the event of an audit or site visit:~~

~~—— 1. Have documents readily available within forty eight (48) hour notice of a scheduled audit or site visit.~~

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

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

~~— H. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and security of PII and/or PHI. CONTRACTOR shall notify COUNTY immediately by telephone call plus email or fax upon the discovery of a Breach of unsecured PHI and/or PII.~~

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

~~—J. CONTRACTOR shall retain all client and/or patient medical records for seven (7) years following discharge of the client and/or patient, with the exception of non-emancipated minors for whom records must be kept for at least one (1) year after such minors have reached the age of eighteen (18) years, or for seven (7) years after the last date of service, whichever is longer.~~

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

~~—L. CONTRACTOR shall retain all participant, client, and/or patient medical records for seven (7) years following discharge of the participant, client and/or patient, with the exception of non-emancipated minors for whom records must be kept for at least one (1) year after such minors have reached the age of eighteen (18) years, or for seven (7) years after the last date of service, whichever is longer.~~

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~~—M. If CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR may provide written approval to CONTRACTOR to maintain records in a single location, identified by CONTRACTOR.~~

~~—N. CONTRACTOR may be required to retain all records involving litigation proceedings and settlement of claims for a longer term which will be directed by the ADMINISTRATOR.~~

~~—O. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out of, this Agreement, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR all information that is requested by the PRA request.~~

#### ~~**XXI. RESEARCH AND PUBLICATION**~~

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

#### ~~**XXII. Revenue**~~

~~—A. CLIENT FEES—CONTRACTOR shall charge, unless waived by ADMINISTRATOR, a fee to clients to whom billable services, other than those amounts reimbursed by Medicare, Medi-Cal or other third party health plans, are provided pursuant to this Agreement, their estates and responsible relatives, according to their ability to pay as determined by the State Department of Health Care Services’ “Uniform Method of Determining Ability to Pay” (UMDAP) procedure or by any other payment procedure as approved in advance, and in writing by ADMINISTRATOR; and in accordance with Title 9 of the~~

~~California Code of Regulations. Such fee shall not exceed the actual cost of services provided. No client shall be denied services because of an inability to pay.~~

~~— B. THIRD PARTY REVENUE — CONTRACTOR shall make every reasonable effort to obtain all available third party reimbursement for which persons served pursuant to this Agreement may be eligible. Charges to insurance carriers shall be on the basis of CONTRACTOR's usual and customary charges.~~

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

~~— D. OTHER REVENUES — CONTRACTOR shall charge for services, supplies, or facility use by persons other than individuals or groups eligible for services pursuant to this Agreement.~~

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#### ~~**XXIII. Severability**~~

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

#### ~~**XXIV. Special Provisions**~~

~~— A. CONTRACTOR shall not use the funds provided by means of this Agreement for the following purposes:~~

- ~~— 1. Making cash payments to intended recipients of services through this Agreement.~~
- ~~— 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on use of appropriated funds to influence certain federal contracting and financial transactions).~~
- ~~— 3. Fundraising.~~
- ~~— 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for CONTRACTOR's staff, volunteers, or members of the Board of Directors or governing body.~~
- ~~— 5. Reimbursement of CONTRACTOR's members of the Board of Directors or governing body for expenses or services.~~
- ~~— 6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants, subcontractors, and members of the Board of Directors or governing body, or its designee or authorized~~

agent, or making salary advances or giving bonuses to CONTRACTOR's staff.

~~7. Paying an individual salary or compensation for services at a rate in excess of the current Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary Schedule may be found at www.opm.gov.~~

~~8. Severance pay for separating employees.~~

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

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

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

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

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

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

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#### ~~XXV. Status of Contractor~~

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

#### ~~XXVI. Term~~

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

~~— B. Any administrative duty or obligation to be performed pursuant to this Agreement on a weekend or holiday may be performed on the next regular business day.~~

#### ~~XXVII. Termination~~

~~— A. Either party may terminate this Agreement, without cause, upon thirty (30) calendar days' written notice given the other party.~~

~~— B. Unless otherwise specified in this Agreement, COUNTY may terminate this Agreement upon five (5) calendar days' written notice if CONTRACTOR fails to perform any of the terms of this Agreement. At ADMINISTRATOR's sole discretion, CONTRACTOR may be allowed up to thirty (30) calendar days for corrective action.~~

~~— C. COUNTY may terminate this Agreement immediately, upon written notice, on the occurrence of any of the following events:~~

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

~~— D. CONTINGENT FUNDING~~

~~—— 1. Any obligation of COUNTY under this Agreement is contingent upon the following:~~

- ~~—— a. The continued availability of federal, state and county funds for reimbursement of COUNTY's expenditures, and~~
- ~~—— b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s) approved by the Board of Supervisors.~~

~~—— 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend, terminate or renegotiate this Agreement upon thirty (30) calendar days' written notice given CONTRACTOR. If COUNTY elects to renegotiate this Agreement due to reduced or terminated funding,~~

~~CONTRACTOR shall not be obligated to accept the renegotiated terms.~~

~~— E. In the event this Agreement is suspended or terminated prior to the completion of the term as specified in the Referenced Contract Provisions of this Agreement, ADMINISTRATOR may, at its sole discretion, reduce the Maximum Obligation of this Agreement in an amount consistent with the reduced term of the Agreement.~~

~~— F. In the event this Agreement is terminated by either party pursuant to Subparagraphs B., C. or D. above, CONTRACTOR shall do the following:~~

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

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

~~—— 3. Until the date of termination, continue to provide the same level of service required by this Agreement.~~

~~—— 4. If clients are to be transferred to another facility for services, furnish ADMINISTRATOR, upon request, all client information and records deemed necessary by ADMINISTRATOR to effect an orderly transfer.~~

~~—— 5. Assist ADMINISTRATOR in effecting the transfer of clients in a manner consistent with client's best interests.~~

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

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

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

~~—— 9. Provide written notice of termination of services to each client being served under this Agreement, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendar day period.~~

~~— G. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.~~

~~XXVIII. Third Party Beneficiary~~

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

~~XXIX. Waiver of Default or Breach~~

~~— Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this Agreement shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any default or any breach by CONTRACTOR shall not be considered a modification of the terms of this Agreement.~~

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~~IN WITNESS WHEREOF, the parties have executed this Agreement, in the County of Orange, State of California.~~

~~ANNE SIPPI CLINIC TREATMENT GROUP~~

~~BY: \_\_\_\_\_ DATED: \_\_\_\_\_~~

~~TITLE: \_\_\_\_\_~~

~~BY: \_\_\_\_\_ DATED: \_\_\_\_\_~~

~~TITLE: \_\_\_\_\_~~

~~COUNTY OF ORANGE~~

~~BY: \_\_\_\_\_ DATED: \_\_\_\_\_~~

~~HEALTH CARE AGENCY~~

~~APPROVED AS TO FORM  
OFFICE OF THE COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA~~



BY: \_\_\_\_\_ DATED: \_\_\_\_\_

\_\_\_\_\_  
DEPUTY

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

EXHIBIT A  
 AGREEMENT FOR PROVISION OF  
 ADULT MENTAL HEALTH INTENSIVE RESIDENTIAL SERVICES  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 ANNE SIPPI CLINIC TREATMENT GROUP  
 JULY 1, 2017 THROUGH JUNE 30, 2019

~~I. Common terms and Definitions~~ COMMON TERMS AND DEFINITIONS

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

1. ADL ~~refers to~~means diet, personal hygiene, clothing, care, grooming, money and household management, personal safety, symptom monitoring, etc.

2. AWOL ~~refers to~~means absent without leave and refers to a ~~client~~Client being away from the facility without permission or a doctor's order.

3. AIS ~~refers to~~means all income other than SSI and includes such sources of income as retirement income, disability income, trust fund income, Social Security income, Veteran's Affairs disability income, etc.

4. Client Day means one (1) calendar day during which CONTRACTOR provides all of the services described hereunder, including the day of admission and excluding the day of discharge. If admission and discharge occur on the same day, one (1) client day shall be charged.

5. Client or Consumer means an individual, referred by COUNTY or ~~enrolled in CONTRACTOR's program for~~an individual referred by COUNTY and receiving services under the Agreement, who is dealing with a chronic mental illness.

~~6~~ 6. CSU means a psychiatric crisis stabilization program that operates twenty-four (24) hours a day that serves Orange County residents aged thirteen (13) and older who are experiencing a psychiatric crisis that cannot wait until a regularly scheduled appointment. Individuals receive a thorough psychiatric evaluation, crisis stabilization treatment, and referral to the appropriate level of continuing care. As a designated outpatient facility, the CSU may evaluate and treat individuals for no longer than twenty-three (23) hours and fifty-nine (59) minutes.

7. Diagnosis means the definition of the nature of the ~~client's~~Client's disorder. When formulating the diagnosis of ~~client~~Client, CONTRACTOR shall use the diagnostic codes and axis as specified in the most current edition of the DSM published by the American Psychiatric Association.

8. Engagement means the process where a trusting relationship is developed over a short period of time with the goal to link the individual(s) to appropriate services within the community. Engagement is the objective of a successful outreach.

~~9.~~ 7. LPS refers to Face-to-Face means an encounter between the individual/parent/guardian and provider where they are both physically present. This does not include contact by phone, email, etc., except for Telepsychiatry provided in a manner that meets COUNTY protocols.

10. Health Care Services means any preventive, diagnostic, treatment, or support services, including professional services, which may be medically necessary to protect life, prevent significant disability, and/or treat diseases, illnesses, or injuries in order to prevent a serious deterioration of health.

11. HIPAA means the federal law that establishes standards for the privacy and security of health information, as well as standards for electronic data interchange of health information. HIPAA law has two main goals, as its name implies: making health insurance more portable when persons change employers, and making the health care system more accountable for costs-trying especially to reduce waste and fraud.

12. Lanterman-Petris-Short (LPS) Act (Cal. Welf & Inst. Code, sec. 5000 et seq.) means the Act that went into effect July 1, 1972 in California. The Act in effect ended all hospital commitments by the judiciary system, except in the case of criminal sentencing (e.g. convicted sexual offenders) and those who were "gravely disabled" defined as unable to obtain food, clothing, or shelter. It expanded the evaluative power of psychiatrists and created provisions and criteria for involuntary detentions, and provides guidelines for handling involuntary civil commitment to a mental health institution in the State of California.

~~8. HIPAA refers to the federal law that establishes standards for the privacy and security of health information, as well as standards for electronic data interchange of health information. HIPAA law has two main goals, as its name implies: making health insurance more portable when persons # change employers, and making the health care system more accountable for costs trying especially to reduce waste and fraud.~~

~~9.~~

13. Licensed Clinical Social Worker (LCSW) means a licensed individual, pursuant to the provisions of Chapter 14 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force and not suspended or

revoked. Also, it is preferred that the individual has at least one (1) year of experience treating TAY.

14. Licensed Marriage Family Therapist (MFT) means a licensed individual, pursuant to the provisions of Chapter 13 and Chapter 14 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force, and not suspended or revoked. Also, it is preferred that the individual has at least one (1) year of experience treating TAY.

15. Licensed Professional Clinical Counselor (LPCC) means a licensed individual, pursuant to the provisions of Chapter 13 and Chapter 16 of the California Business and Professions Code, who can provide clinical service to individuals they serve. The license must be current and in force, and not suspended or revoked. Also, it is preferred that the individual has at least one (1) year of experience treating TAY.

16. Licensed Psychiatric Technician (LPT) means a licensed individual, pursuant to the provisions of Chapter 10 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force, and not suspended or revoked. Also, it is preferred that the individual has at least one (1) year of experience treating TAY.

17. Licensed Psychologist means a licensed individual, pursuant to the provisions of Chapter 6.6 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force and not suspended or revoked. A licensed psychologist also means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 624.

18. Licensed Vocational Nurse (LVN) means a licensed individual, pursuant to the provisions of Chapter 6.5 of the California Business and Professions Code, who can provide clinical services to individuals they serve. The license must be current and in force, and not suspended or revoked. Also, it is preferred that the individual has at least one (1) year of experience treating TAY.

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

20. Medi-Cal means the State of California's implementation of the federal Medicaid health care program which pays for a variety of medical services for children and adults who meet eligibility criteria.

21. Medical Necessity means the requirements as defined in the Mental Health Plan Medical Necessity for Medi-Cal reimbursed Specialty Mental Health Services that includes Diagnosis, Impairment Criteria and Intervention Related Criteria.

22. The Mental Health Services Act (MHSA) means a voter-approved initiative to develop a comprehensive approach to providing community-based mental health services and supports for California residents. It is also known as "Proposition 63."

—————10

23. Mental Health Services means interventions designed to provide the maximum reduction of mental disability and restoration or maintenance of functioning consistent with the requirements for learning, development and enhanced self-sufficiency. Services shall include:

a. Assessment means a service activity, which may include a clinical analysis of the history and current status of a ~~beneficiary's~~Client's mental, emotional, or behavioral disorder, relevant cultural issues and history, diagnosis and the use of testing procedures.

b. Medication Support Services means those services provided by a licensed physician, registered nurse, or other qualified medical staff, which includes prescribing, administering, dispensing and monitoring of psychiatric medications or biologicals and which are necessary to alleviate the symptoms of mental illness. These services also include evaluation and documentation of the clinical justification and effectiveness for use of the medication, dosage, side effects, compliance and response to medication, as well as obtaining informed consent, providing medication education and plan development related to the delivery of the service and/or assessment of the ~~beneficiary~~Client.

c. Rehabilitation Service means an activity which includes assistance in improving, maintaining, or restoring a ~~client's~~Client's or group of ~~clients'~~Clients' functional skills, daily living skills, social and leisure skill, grooming and personal hygiene skills, meal preparation skills, support resources and/or medication education.

d. Therapy means a service activity which is a therapeutic intervention that focuses primarily on symptom reduction as a means to improve functional impairments. Therapy may be delivered to ~~an individual~~a Client or group of ~~beneficiaries~~Clients which may include family therapy in which the ~~beneficiary~~Client is present.

24. Milestones of Recovery Scale (MORS) means a Recovery scale that COUNTY uses in Adult Mental Health programs. The scale assigns Clients to their appropriate level of care and replaces diagnostic and acuity of illness-based tools.

~~25~~ ~~11. MHSA refers to the law that provides funding for expanded community mental health services. It is also known as "Proposition 63."~~

~~12. NPI refers to~~means the standard unique health identifier that was adopted by HHS under HIPAA for health care providers. All HIPAA covered healthcare providers, individuals and organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions. The NPI is assigned for life.

~~13~~

26. NPP refers tomeans a document that notifies individuals of uses and disclosures of PHI that may be made by or on behalf of the health plan or health care provider as set forth in the HIPAA.

~~14. PHI refers to~~

27. Outreach means linking individuals to appropriate Mental Health Services within the community. Outreach activities will include educating the community about the services offered and requirements for participation in the various mental health programs within the community. Such activities will result in CONTRACTOR developing its own Referral sources for programs being offered within the community.

28. Peer Recovery Specialist/Counselor means an individual in a paid position who has been through the same or similar Recovery process as those being assisted to attain their Recovery goals in the CSU. A peer Recovery Specialist practice is informed by personal experience.

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

30. PHI means Personal Health Information which is individually identifiable health information usually transmitted by electronic media, maintained in any medium as defined in the regulations, or for an entity such as a health plan, transmitted or maintained in any other medium. It is created or received by a covered entity and relates to the past, present, or future physical or mental health or condition of an individual, provision of health care to an individual, or the past, present, or future payment for health care provided to an individual.

~~15.~~

31. Psychiatrist means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 623.

~~16. Psychologist means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 624.~~

~~17~~

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

33. Recovery ~~is~~means a "process of change through which individuals improve their health and wellness,

live a self-directed life and strive to reach their full potential,” and identifies four major dimensions to support recovery in life:

- a. “Health: Overcoming or managing one’s disease(s) as well as living in a physically and emotionally healthy way;”
- b. Home: A stable and safe place to live
- c. Purpose: Meaningful daily activities, such as a job, school, volunteerism, caretaking or creative endeavors, and the independence, income, and resources to participate in society; and
- d. Community: Relationships and social networks that provide support, friendship, love, and hope.”

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34. Referral means ~~providing~~ effectively linking individuals to other services within the effective linkage of a client to another community and documenting follow-up provided within five (5) business days to assure that individuals have made contact with the referred service, when indicated. (s).

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35. Registered Nurse (RN) means a licensed individual, pursuant to the provisions of Chapter 6 of the California Business and Professions Code, who can provide clinical services to the individuals served. The license must be current and in force and not suspended or revoked.

36. Serious Persistent Mental Impairment (SPMI) means an adult with a behavioral health disorder that is severe in degree and persistent in duration, which may cause behavioral functioning which interferes substantially with the primary activities of daily living, and which may result in an inability to maintain stable adjustment and independent functioning without treatment, support, and rehabilitation for a long or indefinite period of time. W&I 5600.3.

37. SNF/STP ~~refers to~~ means a facility certified by the DHCS ~~to a facility~~ that provides twenty-four (24)-hour/day skilled nursing care and supervision and at least twenty-seven (27) hours of programming to ~~clients~~ Clients with a primary psychiatric diagnosis, who may also have co-existing medical conditions. In most cases, ~~clients~~ Clients are conserved under LPS.

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38. SSI/SSP ~~refers to~~ means revenue resources paid to an eligible ~~client~~ Client, or the ~~client's~~ Client's payee, by the federal Social Security Administration.

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39. Supervisory Review means ongoing clinical case reviews in accordance with procedures developed by ADMINISTRATOR, to determine the appropriateness of Diagnosis and treatment and to monitor compliance to the minimum ADMINISTRATOR and Medi-Cal charting standards.

40. Token means the security device which allows an individual user to access COUNTY's computer based IRIS.

41. UOS means one (1) calendar day during which CONTRACTOR provides all of the services described hereunder, which day shall begin at twelve o'clock midnight. The number of billable UOS shall include the day of admission and exclude the day of discharge unless admission and discharge occur on the same day then one day is charged.

42. Wellness Action & Recovery Plan (WRAP) means a self-help technique for monitoring and responding to symptoms to achieve the highest possible levels of wellness, stability, and quality of life.

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

## **II. ISSUE RESOLUTION**

A. CONTRACTOR agrees that for resolution of issues between COUNTY and CONTRACTOR, with respect to the implementation and operation of the Agreement or COUNTY's P&P regarding services described herein, the following sequential steps will be followed:

1. CONTRACTOR shall routinely utilize all informal communication processes and methods with ADMINISTRATOR including, but not limited to, telephone, email, - and fax communication, written correspondence and meetings, to resolve any issues or problems regarding the implementation and operation of the Agreement or ADMINISTRATOR's P&P regarding services described herein.

2. CONTRACTOR agrees that if the parties are unable to resolve the issue, CONTRACTOR shall give written notice to ADMINISTRATOR setting forth, in specific terms, the existence and nature of any unresolved matter or concern related to the purposes and obligations of the Agreement. ADMINISTRATOR shall be given fifteen (15) calendar days following such notice to obtain resolution of any issue(s) identified in this manner. CONTRACTOR agrees that by mutual consent this period of time may be extended to thirty (30) calendar days.

3. CONTRACTOR agrees that if the parties are still unable to obtain resolution of the issue, they shall submit a joint written statement describing the facts of the issue, within thirty (30) calendar days after the written notice described above to COUNTY's Director of Behavioral Health, or designee, for final resolution.

B. The rights and remedies provided by this paragraph are in addition to those provided by law to



either party.

C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify the Issue Resolution Paragraph of this Exhibit A to the Agreement.

### III. PATIENTS' RIGHTS

A. CONTRACTOR shall post the current California DHCS Patients' Rights poster as well as the local MHP Complaint and Grievance posters in all threshold languages in locations readily available to patientsClients and staff and have complaint forms and complaint envelopes readily accessible to patientsClients.

B. In addition to those processes provided by COUNTY, CONTRACTOR shall have complaint resolution and grievance processes approved by ADMINISTRATOR, to which the beneficiaryClient shall have access.

1. CONTRACTOR's complaint resolution processes shall emphasize informal, easily understood steps designed to resolve disputes as quickly and simply as possible in all threshold languages.

2. CONTRACTOR's complaint resolution and grievance processes shall incorporate COUNTY's and the resident County's grievance, patients' rights, and utilization management guidelines and procedures.

C. Complaint Resolution and Grievance Process - COUNTY shall support complaint and grievance procedures in concert with the resident County that shall include the components outlined below. The resident County will handle such complaints that may include allegations of denial of rights, dissatisfaction with services or with the quality of care, or dissatisfaction with the condition of the physical plant. COUNTY will handle such complaints regarding access to care or regarding COUNTY's Public Administrator/Public Guardian Office services.

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1. Complaint Resolution. This process will specifically address and attempt to resolve elientClient complaints and concerns at CONTRACTOR's facility.

2. Formal Grievance. When the elient'sClient's complaint is not resolved at CONTRACTOR's facility and the elientClient or elientClient representative requests it, the complaint becomes a formal grievance. The request is made to the respective Resident County or ADMINISTRATOR and represents the first step in the formal grievance process.

3. Title IX Rights Advocacy. This process may be initiated by a elientClient who registers a statutory rights violation or a denial or abuse complaint with COUNTY Patients' Rights Office. The Patients' Rights office shall investigate the complaint, and Title IX grievance procedures shall apply, which involve COUNTY Behavioral Health Director and the State Patients' Rights Office.

D. CONTRACTOR agrees that ~~clients~~Clients have recourse to initiate a complaint to CONTRACTOR, appeal to the respective resident County or COUNTY's Patients' Rights Office, to file a formal grievance, file a Title IX complaint. The Patients' Advocate shall advise and assist the ~~client~~Client, investigate the cause of the complaint or grievance, and attempt to resolve the matter.

E. CONTRACTOR agrees that no provision of the Agreement shall be construed to replace or conflict with the duties of COUNTY Patients' Rights Office pursuant to WIC Section 5500.

F. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify the Patients' Rights Paragraph of this Exhibit A to the Agreement.

#### **IV. PAYMENTS**

A. For all services provided pursuant to the Agreement, COUNTY shall pay CONTRACTOR monthly, in arrears at the rate of ~~\$162.75~~\$191.28 per client bed day for Period Four and \$197.97 per client bed day for Period Five; provided, however, the total of all such payments to CONTRACTOR ~~during Period One, Period Two, and Period Three~~ shall not exceed the ~~Maximum Obligation~~Amount Not to Exceed for each Period as specified in the Referenced Contract Provisions of the Agreement. Reimbursement shall be made only for services provided to ~~clients~~Clients who are certified by ADMINISTRATOR as eligible to receive services.

1. CONTRACTOR's invoices shall be on a form approved or supplied by COUNTY and provide such information as is required by ADMINISTRATOR. Invoices are due the ~~tenth (10th)~~(20th) day of the month. Invoices received after the due date may not be paid within the same month. Payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days after receipt of the correctly completed invoice.

2. CONTRACTOR shall collect SSI/SSP revenue, additional income sources and all other revenues due the ~~client~~Client, conservator/guardian, or legally responsible person to determine a ~~client~~Client share of cost. CONTRACTOR shall ensure that the ~~client~~Client share of cost is clearly stated on ~~the~~ CONTRACTOR's invoice. CONTRACTOR shall deduct the ~~client's~~Client's share of costs from the amount owed to CONTRACTOR by ~~the~~ COUNTY.

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a. ADMINISTRATOR shall review and approve ~~client's~~Client's revenue and share of cost. ADMINISTRATOR may adjust CONTRACTOR's monthly invoice if the appropriate revenue is not stated and/or the share of cost has not been appropriately deducted from the amount due from ~~the~~ COUNTY.

b. ADMINISTRATOR may authorize CONTRACTOR to use a portion of the revenue for non-covered costs such as personal and/or incidental costs for the ~~client's~~Client's care or personal needs. ADMINISTRATOR shall monitor such costs and may adjust the invoice to ensure that the appropriate costs are deducted from the amount due from ~~the~~ COUNTY.

B. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply with any provision of the Agreement.

C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing to modify the Payments Paragraph of this Exhibit A to the Agreement.

## V. REPORTS

A. A.—CONTRACTOR shall maintain records and make statistical reports as required by ADMINISTRATOR on forms provided by agency.

B. CONTRACTOR shall report all special incidents to ADMINISTRATOR and shall submit a written special incident report referred to as “Notable Incident Form” in accordance with the Notices Paragraph of this Exhibit A to the Agreement. Special incidents shall include, but are not limited to, ~~client's~~Client's suicide or attempted suicide, elopement or absence without leave, serious injury or illness, death, criminal behavior including arrests with or without conviction, positive test results for substance abuse from urine screenings, serious destruction of property or any other incident which may expose COUNTY or CONTRACTOR to liability.

1. CONTRACTOIR shall notify COUNTY within twenty-four (24) hours of any such serious adverse incident

B. STAFFING – CONTRACTOR shall submit to ADMINISTRATOR, on a quarterly basis, a list of individuals who provide services under the Agreement and their job descriptions. The staff list shall state the ~~employee~~employee's name, job title, professional degree, and license number, if applicable.

C. PROGRAMMATIC – CONTRACTOR shall submit monthly programmatic reports to ADMINISTRATOR, which shall be received no later than fourteen (14) calendar days following the end of the month being reported. These reports shall be on a form acceptable to, or provided by, ADMINISTRATOR and shall evaluate each ~~client's~~Client's participation and functioning in CONTRACTOR's psycho-social rehabilitation program.

D. CONTRACTOR shall provide ADMINISTRATOR a copy of the annual State Community Care licensing audit within sixty (60) calendar days of the exit interview. CONTRACTOR shall provide ADMINISTRATOR copies of plans of correction in order to determine the quality and nature of services provided hereunder. ADMINISTRATOR will allow thirty (30) calendar days for CONTRACTOR to respond.

E. CONTRACTOR shall provide census data monthly or more frequently as requested by ~~the ADMINISTRATOR.~~ ~~CONTRACTOR shall notify ADMINISTRATOR by telephone whenever a client is sent out for acute psychiatric or general medical hospital care.~~ ~~CONTRACTOR will notify~~  
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~~ADMINISTRATOR in writing whether the client will be accepted back as soon as the client is stabilized and ready for return.~~ADMINISTRATOR.

F. CONTRACTOR shall notify ADMINISTRATOR by telephone whenever a Client is sent out for acute psychiatric or general medical hospital care. CONTRACTOR will notify ADMINISTRATOR in writing whether the Client will be accepted back as soon as the Client is stabilized and ready for return.

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

## VI. SERVICES

### A. FACILITY

1. CONTRACTOR shall provide a2 licensed Community Care FacilityFacilities dedicated for the care of those ~~clients~~Clients referred by COUNTY. Such beds shall be located at the following ~~address~~addresses or other facility approved in advance and in writing by ADMINISTRATOR. Facility shall provide for a safe and secure treatment setting appropriate to the level of care of its treatment population.

2457 Endicott Street  
Los Angeles, CA 90032

19200 Highway 178  
Bakersfield, CA 93306

2. CONTRACTOR's ~~facility~~facilities shall include the following:

- Private or semi-private rooms for each ~~client~~Client;
- Kitchen area including refrigerator, stove, and sink;
- Dining area;
- Central living area or group room(s) with an appropriate capacity for group meetings, occupational and vocational therapy, activities, or visitors.

3. CONTRACTOR shall make available appropriate office space for confidential medical examinations and client interviews.

4. CONTRACTOR shall maintain an environment conducive to the total care and treatment of persons who are mentally ill.

5. CONTRACTOR shall maintain well-groomed landscaping and a well-maintained facility appearance.

### B. PERSONS TO BE SERVED

1. CONTRACTOR shall serve clients, ~~as defined by WIC Section 5903,~~ who are referred by COUNTY and authorized for services under the Agreement. CONTRACTOR shall admit ~~clients~~Clients with ~~aan included~~ DSM/ICD diagnosis in need of twenty-four (24)-hour residential care services. These

~~clients~~Clients may include persons who have histories of, or are at risk for, combativeness, suicide, and excessive verbal abusiveness, or co-occurring substance use issues.

2. CONTRACTOR may deny admission of a ~~client~~Client based upon lack of availability of beds. CONTRACTOR may deny admission of a ~~client~~Client if the number of ~~COUNTY-clients~~Clients receiving services pursuant to the Agreement in CONTRACTOR's facility exceeds the number of beds specified in Subparagraph XI.C.1. of this Exhibit A to the Agreement.~~available.~~

### C. SERVICES PROVIDED

1. CONTRACTOR shall serve an average of ~~six (6) consumers~~7 clients per day or a minimum of two thousand ~~one~~five hundred ~~forty-three~~fifty-five (2,143~~555~~) client bed days annually, dedicated for the care of those ~~clients~~Clients referred by COUNTY.

2. CONTRACTOR shall provide a specialized intensive residential program seven (7) days per week with an emphasis on structured client-centered rehabilitative and treatment services.

a. The overall goal of this program shall be to increase the functional levels of ~~clients~~Clients, enabling them to more fully engage in their recovery plan and transition to less restrictive levels of intervention, including independent living.

b. ADMINISTRATOR, in conjunction with CONTRACTOR, shall develop a Treatment Plan for each ~~client~~Client which includes goals identified by developed in collaboration with the ~~client~~Client and steps the ~~client~~Client needs to take in conjunction with the treatment team in order to reach these goals.

3. CONTRACTOR shall provide a program consistent with the State mandate to place ~~clients~~Clients in the least restrictive level of care possible. Determination regarding discharge of a ~~client~~Client to a lower level of care shall be made by ADMINISTRATOR in conjunction with the facility treatment team.

4. CONTRACTOR will identify behaviors that present barriers to placement at lower levels of care and shall focus on treatment that addresses these behaviors.

5. CONTRACTOR shall provide a-an evidence based ~~recovery-based oriented and trauma informed~~ structured ~~psycho-social rehabilitation~~ program that will assist ~~clients~~Clients to move along the ~~rehabilitative~~recovery continuum so that daily living skills are learned and reinforced each day. and Clients learn that recovery from mental health issues is possible. The program shall consist of one-to-one interaction between CONTRACTOR's staff and ~~clients~~Clients, as well as a minimum of ~~five (5)~~ten (10) planned and structured group activities each week led by CONTRACTOR's case management staff. Services shall be recovery-based, non-coercive, and must focus on assisting Clients to become more independent and self-sufficient. CONTRACTOR services shall include, but not be limited to, the following:

a. All basic services required of a Community Care Facility licensed by the State Department of Social Services as set forth in CCR, Title 22, including twenty-four (24) ~~hour~~hours awake supervision of ~~clients~~Clients;

- b. Behavior management services to improve ~~clients'~~Clients' social skills and interpersonal relationships;
- c. Training in independent living skills to facilitate ~~clients'~~Clients' transition to a more independent living arrangement; this includes daily education and training in the use of public transportation, grooming, hygiene, laundry, care of personal belongings, cleanliness of personal and community rooms, cooking, and money management skills;
- d. Vocational and pre-vocational activities that will help ~~clients~~Clients to share their skills and areas of expertise and to further develop ~~self-confidence and~~ work-related skills, ~~thereby as needed,~~ increasing their ~~chances of obtaining~~ability to obtain paid employment; vocational activities may include kitchen help, gardening, facility maintenance, woodworking, developing computer skills, submitting job resumes, practicing interview skills, temporary employment, volunteer work and full-time employment;
- e. A daily physical activity or exercise program designed to enhance the physical well-being of ~~clients~~Clients;
- f. Individual and small group recreational outings designed to help the ~~client~~Client use community resources;
- g. Establishing positive working relationships with ~~clients~~other Clients, their families, friends, and ~~Care Coordinator~~the treatment team to plan and implement client driven goals;
- h. Transportation of ~~clients~~Clients to essential appointments.
- i. Treatment for co-occurring substance use disorders based on either harm-reduction or abstinence-based models to wellness and recovery;
- j. Group and individual therapy modalities shall be provided to Clients on a weekly basis.

6. CONTRACTOR shall provide Medication Support Services which shall include, but not be limited to, the following:

- a. Encouraging ~~clients~~Clients to take their medication and helping them to recognize the side effects of their medications;
  - b. Medication education in group and individual settings so that ~~clients~~Clients understand the need for medication related to their psychiatric condition, the signs of ~~decompensation~~deregulation, and how to implement an appropriate corrective action plan;
  - c. Monitoring and encouraging ~~clients'~~Clients' medication compliance and working cooperatively and effectively with their prescribing physicians;
  - d. Providing in-service staff training in effects and side effects of psychotropic medications.
- CONTRACTOR shall make sure that all staff have knowledge of and familiarity with this important element of treatment.

7. CONTRACTOR shall use a program that identifies and rewards targeted behaviors and skills as appropriate for each ~~client~~Client. CONTRACTOR shall document individual



client progress in achieving the goals of their Treatment Plan and provide special recognition ~~for clients functioning at advanced levels.~~ for all Clients that are making progress based on their individual circumstances. CONTRACTOR shall not provide cigarettes or other tobacco products as rewards for targeted behaviors.

8. CONTRACTOR shall meet the requirements of CCR, Title 22, Division 6 as it pertains to the following:

- a. Maintaining client records, including documentation of ~~Tuberculosis~~tuberculosis clearance;
- b. Providing secure storage of ~~clients'~~Clients' valuables, including medications:
  - 1) Medication shall be kept in a safe and locked place that is not accessible to persons other than employees responsible for the supervision of centrally stored medications;
  - 2) Medication shall be stored in its originally received container. No medication shall be transferred between containers;
- c. Maintaining a record of daily occupancy;
- d. Protecting ~~clients'~~Clients' rights to privacy and confidentiality;
- e. Providing basic life support and other support services, including food, housekeeping, laundry, excluding personal items, and arrangements for emergency and non-emergency medical services.

9. CONTRACTOR shall maintain the following and ensure that ~~clients~~Clients are made aware of them:

- a. House rules
- b. Residents' rights
- c. Policies regarding resident fees

10. CONTRACTOR shall assist ~~clients~~Clients in establishing and maintaining a ~~client~~Client-oriented facility council in accordance with CCR, Title 22, Division 6. The ~~client~~Client-run council provides opportunity for ~~client~~Client input into the operations of the facility, including but not limited to, activities, house rules, and resolution of disputes/disagreements.

11. CONTRACTOR shall establish an admission policy that states that all COUNTY ~~client~~Client admissions shall result from referrals from ~~the~~ADMINISTRATOR. CONTRACTOR and ADMINISTRATOR shall communicate and coordinate any action which impacts a ~~client's~~Client's continued eligibility for program services and which might otherwise result in discharge from the program.

12. CONTRACTOR shall work cooperatively with ADMINISTRATOR in placing ~~clients~~Clients in other appropriate facilities, including ~~clients~~Clients released from LPS conservatorship.

13. CONTRACTOR shall notify ADMINISTRATOR within three (3) business days when Conservatorship terminates.

14. CONTRACTOR shall notify ADMINISTRATOR within two (2) hours by telephone and one (1) working day in writing of any change in census, e.g. transfers to acute psychiatric and medical hospitals, ~~clients~~Clients discharged to a lower level of care, ~~clients~~Clients on unauthorized leave AWOL and voluntary ~~clients~~Clients discharged AMA.

15. CONTRACTOR shall complete and submit discharge information on ADMINISTRATOR's Long Term Care Discharge Form within one (1) business day of discharge. CONTRACTOR shall also notify ~~the~~ ADMINISTRATOR of the discharge by telephone call.

16. If a ~~client~~Client is sent to an acute psychiatric or medical hospital, CONTRACTOR shall notify ADMINISTRATOR and indicate the intent related to acceptance of the ~~client~~Client back following hospital discharge.

17. CONTRACTOR shall provide psychiatrist time and services regarding conservatorship issues. This includes the annual filing of court documents to renew conservatorship, as well as LPS Conservatorship Court appearances/testimony as requested by COUNTY. CONTRACTOR shall provide medical and psychiatric records as needed for all Court appearances.

18. CONTRACTOR shall attend COUNTY sponsored or recommended training, as appropriate, for the purpose of increasing familiarity with COUNTY guidelines and providing more effective services.

#### D. QUALITY IMPROVEMENT AND PERFORMANCE OUTCOMES

1. The overall goal of these services is to increase the functional levels of ~~clients, enabling them~~Clients in a safe, therapeutic environment, promoting wellness and recovery to enable Clients to transition to less restrictive levels of ~~intervention~~care, including independent living.

2. QUALITY IMPROVEMENT REVIEW - CONTRACTOR shall develop and maintain a plan for quality improvement, the overall goal of which is the maintenance of high-~~quality~~ care and effective utilization of services offered. This plan shall include utilization review, peer review, and medication monitoring as mandated by the California DHCS. This plan will contain measurable outcomes and focus on personal growth and recovery for ~~clients~~Clients who are functionally impaired by psychiatric symptoms with a path to treatment in less restrictive levels of care and a return to community living.

~~3. For all services proposed, the selected applicant shall be required to meet the following performance objectives annually:~~

#### 3. PROGRAM OBJECTIVES:

a. ~~To increase~~Increase the ~~client's~~Client's motivation and skills toward self-restoration by involving ~~clients~~Clients in ~~directing their own~~developing collaborative treatment ~~programs~~goals with treatment team and ensuring the use of the most effective trauma informed and ~~newest~~recovery-oriented psychiatric and medical pharmacological treatments ~~and methods, as well as evidence-based practices tailored to the individual needs of Clients.~~

b. ~~To assist the County in efficiently and effectively managing limited resources by~~



~~providing~~Provide an alternative to utilization of state hospital days and acute hospital administrative days.

c. ~~To prevent~~Prevent the need for re-hospitalization in acute psychiatric or medical facilities by maintaining ~~clients~~Clients in a stable environment and assisting ~~clients~~Clients to maintain or improve functioning and decrease symptoms.

4. CONTRACTOR shall cooperate with COUNTY in meeting quality improvement and utilization review standards.

5. CONTRACTOR shall provide assistance to COUNTY in conducting its utilization and reporting functions, and medical necessity determination.

E. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Services Paragraph of this Exhibit A to the Agreement.

## VII. STAFFING

A. CONTRACTOR shall provide staffing patterns and policies that meet the following requirements:

1. Provision of shelter, food services, and supportive services provided directly by the program in accordance with the guidelines outlined in the Services Paragraph of this Exhibit A to the Agreement.

2. Provision for twenty-four (24)-hour on-site management of the facility, including night supervision in accordance with CCR, Title 22, Division 6;

3. Provision of licensed staff responsible for the planning, implementation, and day-to-day supervision of all treatment services. All therapeutic treatment activities shall be carried out by personnel with appropriate specialized mental health training;

4. Provision of Case Managers/Case Manager Supervisors to implement structured individual and group psycho-social rehabilitative services;

5. Documentation of employee qualifications and job descriptions for each position which include duties and responsibilities, bilingual/bicultural requirements, and proof of licensure, where applicable;

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

### CONTRACTOR #

2. \_\_\_\_\_ 6. \_\_\_\_\_ A shall provide ongoing supervision throughout all shifts to all staff, paid or unpaid, direct line staff or supervisors/directors, to enhance service quality and program effectiveness. Supervision methods should include debriefings and consultation as needed, individual supervision or one-on-one support, and team meetings. Supervision should be provided by a supervisor who has extensive knowledge regarding mental health issues.

3. CONTRACTOR shall provide a written policy for the use of volunteers and part-time student interns which may augment paid staff.

B.

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

C.

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

This Amendment No. 1 modifies the Contract, only as expressly set forth herein. Wherever there is a conflict in the terms or conditions between this Amendment No. 1, and the Contract, the terms and conditions of this Amendment No. 1 prevail. In all other respects, the terms and conditions of the Contract, not specifically changed by this Amendment No. 1 remain in full force and effect.

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**SIGNATURE PAGE FOLLOWS**

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1. If Contractor is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be either the Chairman of the Board, the President, or any Vice President; 2) the second signature must be either the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution or by-laws demonstrating the legal authority of the signature to bind the company.

**Contractor: ANNE SIPPI CLINIC TREATMENT GROUP**

Nathan Petty  
Print Name

Chief Financial Officer  
Title

Signature

Date

Print Name

Title

Signature

Date

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**County of Orange, a political subdivision of the State of California**

Purchasing Agent/Designee Authorized Signature:

William Norsetter  
Print Name

Deputy Purchasing Agent/Admin. Manager II  
Title

Signature

Date

**APPROVED AS TO FORM**

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EXHIBIT B  
 AGREEMENT FOR PROVISION OF  
 ADULT MENTAL HEALTH INTENSIVE RESIDENTIAL SERVICES  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 ANNE SIPPI CLINIC TREATMENT GROUP  
 JULY 1, 2017 THROUGH JUNE 30, 2019

**I. Business Associate Contract**

~~— A. GENERAL PROVISIONS AND RECITALS~~

~~—— 1. The parties agree that the terms used, but not otherwise defined in the Common Terms and Definitions Paragraph of Exhibit A, B, and C to the Agreement or in subparagraph B below, shall have the same meaning given to such terms under HIPAA, the HITECH Act, and their implementing regulations at 45 CFR Parts 160 and 164 HIPAA regulations as they may exist now or be hereafter amended.~~

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

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

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

~~—— 5. The parties understand and acknowledge that HIPAA, the HITECH Act, and the HIPAA regulations do not pre-empt any state statutes, rules, or regulations that are not otherwise pre-empted by~~

~~other Federal law(s) and impose more stringent requirements with respect to privacy of PHI.~~

~~6. The parties understand that the HIPAA Privacy and Security rules, as defined below in Subparagraphs B.9 and B.14, apply to the CONTRACTOR in the same manner as they apply to the covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the terms of this Business Associate Contract and the applicable standards, implementation specifications, and requirements of the Privacy and the Security rules, as they may exist now or be hereafter amended, with respect to PHI and electronic PHI created, received, maintained, transmitted, used, or disclosed pursuant to the Agreement.~~

~~B. DEFINITIONS~~

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

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

~~a. Breach excludes:~~

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

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

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

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

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

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

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

- ~~4) The extent to which the risk to the PHI has been mitigated.~~
- ~~3. “Data Aggregation” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.501.~~
- ~~4. “DRS” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.501.~~
- ~~5. “Disclosure” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.~~
- #
- ~~6. “Health Care Operations” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.501.~~
- ~~7. “Individual” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).~~
- ~~8. “Physical Safeguards” are physical measures, policies, and procedures to protect CONTRACTOR’s electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion.~~
- ~~9. “The HIPAA Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.~~
- ~~10. “PHI” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.~~
- ~~11. “Required by Law” shall have the meaning given to such term under the HIPAA Privacy Rule in 45 CFR § 164.103.~~
- ~~12. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his or her designee.~~
- ~~13. “Security Incident” means attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. “Security incident” does not include trivial incidents that occur on a daily basis, such as scans, “pings”, or unsuccessful attempts to penetrate computer networks or servers maintained by CONTRACTOR.~~
- ~~14. “The HIPAA Security Rule” shall mean the Security Standards for the Protection of electronic PHI at 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.~~
- ~~15. “Subcontractor” shall have the meaning given to such term under the HIPAA regulations in 45 CFR § 160.103.~~
- ~~16. “Technical safeguards” means the technology and the policy and procedures for its use that protect electronic PHI and control access to it.~~

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

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

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

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

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

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

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

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

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

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

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



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

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

~~#~~

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

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

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

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

~~15. CONTRACTOR shall make itself and any subcontractors, employees or agents assisting CONTRACTOR in the performance of its obligations under the Agreement, available to COUNTY at no cost to COUNTY to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against COUNTY, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves~~

~~inactions or actions by CONTRACTOR, except where CONTRACTOR or its subcontractor, employee, or agent is a named adverse party.~~

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

~~#~~

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

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

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

#### ~~D. SECURITY RULE~~

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

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

~~3. CONTRACTOR shall ensure the continuous security of all computerized data systems containing electronic PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,~~

~~maintains, or transmits on behalf of COUNTY. CONTRACTOR shall protect paper documents containing PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY. These steps shall include, at a minimum:~~

~~————— a. Complying with all of the data system security precautions listed under subparagraphs E, below;~~

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

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

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

~~#~~

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

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

~~— E. DATA SECURITY REQUIREMENTS~~

~~————— 1. Personal Controls~~

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

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

~~————— c. Confidentiality Statement. All persons that will be working with PHI COUNTY~~

~~discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to such PHI. The statement must be renewed annually. The CONTRACTOR shall retain each person's written confidentiality statement for COUNTY inspection for a period of six (6) years following the termination of the Agreement.~~

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

~~2. Technical Security Controls~~

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

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

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

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

~~e. Antivirus software. All workstations, laptops and other systems that process and/or store PHICOUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits~~

~~on behalf of COUNTY must have installed and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.~~

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

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

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

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

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

~~Office of the County Counsel  
Orange County, California~~

~~Brittany McLean~~

~~Deputy County Counsel~~

Print NameTitleSignatureDate

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

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

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

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

~~n. Intrusion Detection. All systems involved in accessing, holding, transporting, and protecting PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, #~~

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

~~3. Audit Controls~~

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



~~levels of protection. Reviews should include vulnerability scanning tools.~~

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

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

~~\_\_\_\_\_ 4. Business Continuity/Disaster Recovery Control~~

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

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

~~\_\_\_\_\_ 5. Paper Document Controls~~

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

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

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

~~\_\_\_\_\_d. Removal of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY must not be removed from the premises of the CONTRACTOR except with express written permission of COUNTY.~~

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

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

~~\_\_\_\_\_F. BREACH DISCOVERY AND NOTIFICATION~~

~~\_\_\_\_\_1. Following the discovery of a Breach of Unsecured PHI, CONTRACTOR shall notify COUNTY of such Breach, however both parties agree to a delay in the notification if so advised by a law enforcement official pursuant to 45 CFR § 164.412.~~

~~\_\_\_\_\_a. A Breach shall be treated as discovered by CONTRACTOR as of the first day on which such Breach is known to CONTRACTOR or, by exercising reasonable diligence, would have been known to CONTRACTOR.~~

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

~~\_\_\_\_\_2. CONTRACTOR shall provide the notification of the Breach immediately to the COUNTY Privacy Officer. CONTRACTOR's notification may be oral, but shall be followed by written notification within 24 hours of the oral notification.~~

~~\_\_\_\_\_3. CONTRACTOR's notification shall include, to the extent possible:~~

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

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



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

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

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

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

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

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

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

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

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

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

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

~~G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR~~

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

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

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

~~1) The Disclosure is required by law; or~~

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

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

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

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

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

#### ~~H. PROHIBITED USES AND DISCLOSURES~~

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

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

#### ~~I. OBLIGATIONS OF COUNTY~~

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

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

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

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

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

~~J. BUSINESS ASSOCIATE TERMINATION~~

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

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

~~b. Immediately terminate the Agreement, if CONTRACTOR is unwilling or unable to cure the material Breach or end the violation within (30) days, provided termination of the Agreement is feasible.~~

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

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

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

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

~~3. The obligations of this Business Associate Contract shall survive the termination of the Agreement.~~

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EXHIBIT C  
 AGREEMENT FOR PROVISION OF  
 ADULT MENTAL HEALTH INTENSIVE RESIDENTIAL SERVICES  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 ANNE SIPPI CLINIC TREATMENT GROUP  
 JULY 1, 2017 THROUGH JUNE 30, 2019

**I. Personal Information Privacy and Security Contract**

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

~~— A. DEFINITIONS~~

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

~~— 2. "Breach of the security of the system" shall have the meaning given to such term under the CIPA, Civil Code § 1798.29(d).~~

~~— 3. "CMPPA Agreement" means the CMPPA Agreement between the SSA and CHHS.~~

~~— 4. "DHCS PI" shall mean Personal Information, as defined below, accessed in a database maintained by the COUNTY or DHCS, received by CONTRACTOR from the COUNTY or DHCS or acquired or created by CONTRACTOR in connection with performing the functions, activities and services specified in the Agreement on behalf of the COUNTY.~~

~~— 5. "IEA" shall mean the Information Exchange Agreement currently in effect between the SSA and DHCS.~~

~~— 6. "Notice triggering Personal Information" shall mean the personal information identified in California Civil Code § 1798.29(e) whose unauthorized access may trigger notification requirements under California Civil Code § 1709.29. For purposes of this provision, identity shall include, but not be limited to, name, identifying number, symbol, or~~

~~other identifying particular assigned to the individual, such as a finger or voice print, a photograph or a biometric identifier. Notice triggering PI includes PI in electronic, paper or any other medium.~~

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

~~8. "PI" shall have the meaning given to such term in California Civil Code § 1798.3(a).~~

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

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

#### ~~B. TERMS OF AGREEMENT~~

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

~~2. Responsibilities of CONTRACTOR~~

~~CONTRACTOR agrees:~~

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

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

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

~~\_\_\_\_\_ 1) Complying with all of the data system security precautions listed in subparagraph E of the Business Associate Contract, Exhibit B to the Agreement; and~~

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

~~\_\_\_\_\_ 3) If the data obtained by CONTRACTOR from COUNTY includes PII, CONTRACTOR shall also comply with the substantive privacy and security requirements in the CMPPA Agreement between the SSA and the CHHS and in the Agreement between the SSA and DHCS, known as the IEA. The specific sections of the IEA with substantive privacy and security requirements to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies Exchanging Electronic Information with the SSA. CONTRACTOR also agrees to ensure that any of CONTRACTOR's agents or subcontractors, to whom CONTRACTOR provides DHCS PII agree to the same requirements for privacy and security safeguards for confidential data that apply to CONTRACTOR with respect to such information.~~

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

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

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

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

~~\_\_\_\_\_h. Breaches and Security Incidents. During the term of the Agreement, CONTRACTOR agrees to implement reasonable systems for the discovery of any Breach of unsecured DHCS PI and PII or security incident. CONTRACTOR agrees to give notification of any beach of unsecured DHCS PI and PII or security incident in accordance with subparagraph F, of the Business Associate Contract, Exhibit B to the Agreement.~~

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



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