

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

<u>PARAGRAPH</u>	<u>PAGE</u>
Title Page.....	1
Table of Contents	2
Referenced Contract Provisions	4
I. Acronyms	5
II. Alteration of Terms	8
III. Assignment of Debts.....	8
IV. Compliance	8
V. Confidentiality.....	12
VI. Conflict of Interest	13
VII. Cost Report.....	13
VIII. Debarment and Suspension Certification	15
IX. Delegation, Assignment and Subcontracts.....	16
X. Dispute Resolution.....	18
XI. Employee Eligibility Verification	19
XII. Equipment	19
XIII. Facilities, Payments and Services.....	20
XIV. Indemnification and Insurance	21
XV. Inspections and Audits.....	25
XVI. Licenses and Laws	26
XVII. Literature, Advertisements and Social Media.....	27
XVIII. Amount Not to Exceed	28
XIX. Minimum Wage Laws	28
XX. Nondiscrimination.....	28
XXI. Notices.....	31
XXII. Notification of Death	31
XXIII. Notification of Public Events and Meetings	32
XXIV. Patient’s Rights	32
XXV. Records Management and Maintenance	33
XXVI. Research and Publication.....	35
XXVII. Severability.....	35
XXVIII. Special Provisions	35
XXIX. Status of Contractor	36
XXX. Term	36
XXXI. Termination	37

TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
XXXII. Third Party Beneficiary	39
XXXIII. Waiver of Default or Breach.....	39
Signature Page.....	40
<u>EXHIBIT A</u>	
I. Common Terms and Definitions.....	1
II. Beneficiary Rights	5
III. Budget.....	7
IV. Issue Resolutions	49
V. Payments.....	9
VI. Quality Improvement	11
VII. Records	12
VIII. Reports	13
IX. Service	16
X. Staffing.....	39
<u>EXHIBIT B</u>	
I. Business Associate Contract.....	1
<u>EXHIBIT C</u>	
I. Personal Information Privacy and Security Contract.....	1
23 //	
24 //	
25 //	
26 //	
27 //	
28 //	
29 //	
30 //	
31 //	
32 //	
33 //	
34 //	
35 //	
36 //	
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REFERENCED CONTRACT PROVISIONS

Term: July 1, 2021 through June 30, 2023

Period One means the period from July 1, 2021 through June 30, 2022

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

Amount Not to Exceed:

Period One Amount Not to Exceed: \$ 7,285,105

Period Two Amount Not to Exceed: 6,998,538

TOTAL AMOUNT NOT TO EXCEED: \$14,283,643

Basis for Reimbursement: Indirect Costs: Negotiated Amount

Administrative Costs: Actual Cost

Program Services: Actual Cost

Mental Health Claims: Actual Cost

Payment Method: Monthly in Arrears

CONTRACTOR DUNS Number: 95-4297571

CONTRACTOR TAX ID Number: 04-3324848

Notices to COUNTY and CONTRACTOR:

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

CONTRACTOR: Beacon Health Options of California, Inc.
12898 Towne Center Drive
Cerritos. CA. 90703
Sarah Arnquist, President
Email: sarah.arnquist@beaconhealthoptions.com

I. ACRONYMS

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

1		
2		
3		
4	A. AA	Alcoholics Anonymous
5	B. ADL	Activities of Daily Living
6	C. AES	Advanced Encryption Standard
7	D. AOABS	Adult and Older Adult Behavioral Health
8	E. ABC	Allied Behavioral Care
9	F. ARRA	American Recovery and Reinvestment Act
10	G. ASIST	Applied Suicide Intervention Skills Training
11	H. ASO	Administrative Services Organization
12	I. ASRS	Alcohol and Drug Programs Reporting System
13	J. AQIS	Authority and Quality Improvement Services
14	K. BBS	Board of Behavioral Sciences
15	L. BCP	Business Continuity Plan
16	M. BHS	Behavioral Health Services
17	N. CalWORKs	California Work Opportunity and Responsibility for Kids
18	O. CAT	Centralized Assessment Team
19	P. CCC	California Civil Code
20	Q. CCR	California Code of Regulations
21	R. CD/DVD	Compact Disc/Digital Video or Versatile Disc
22	S. CFR	Code of Federal Regulations
23	T. CHHS	California Health and Human Services Agency
24	U. CHPP	COUNTY HIPAA Policies and Procedures
25	V. CHS	Correctional Health Services
26	W. CIPA	California Information Practices Act
27	X. CMPPA	Computer Matching and Privacy Protection Act
28	Y. COI	Certificate of Insurance
29	Z. CSI	Client and Services Information
30	AA. CSW	Clinical Social Worker
31	AB. CYBH	Children and Youth Behavioral Health Services
32	AC. D/MC	Drug/Medi-Cal
33	AD. DCR	Data Collection and Reporting
34	AE. DD	Dual Disorders
35	AF. DHCS	Department of Health Care Services
36	AG. DoD	Department of Defense
37	AH. DPFS	Drug Program Fiscal Systems

1	AI. DRP	Disaster Recovery Plan
2	AJ. DRS	Designated Record Set
3	AK. DSM	Diagnostic and Statistical Manual of Mental Disorders
4	AL. DSM-V	Diagnostic and Statistical Manual of Mental Disorders 5th Edition
5	AM. EBP	Evidence-Based Practice
6	AN. EHR	Electronic Health Record
7	AO. E-Mail	Electronic Mail
8	AP. EPSDT	Early and Periodic Screening, Diagnosis and Treatment
9	AQ. FAX	Facsimile Machine
10	AR. FFS	Fee For Service
11	AS. FIPS	Federal Information Processing Standards
12	AT. FSP	Full Service Partnership
13	AU. FTE	Full Time Equivalent
14	AV. GAAP	Generally Accepted Accounting Principles
15	AW. HCA	Health Care Agency
16	AX. HHS	Health and Human Services
17	AY. HIPAA	Health Insurance Portability and Accountability Act
18	AZ. HSC	California Health and Safety Code
19	BA. ID	Identification
20	BB. IEA	Information Exchange Agreement
21	BC. IMD	Institute for Mental Disease
22	BD. IBNR	Incurred But Not Reported
23	BE. IRIS	Integrated Records Information System
24	BF. LGBTQI	Lesbian, Gay, Bisexual, Transgender, Questioning, and Intersex
25	BG. LCSW	Licensed Clinical Social Worker
26	BH. LPT	Licensed Psychiatric Technician
27	BI. MEDS	Medi-Cal Eligibility Determination System
28	BJ. MFT	Marriage and Family Therapist
29	BK. MHP	Mental Health Plan
30	BL. MHRC	Mental Health Rehabilitation Centers
31	BM. MHS	Mental Health Specialist
32	BN. MHSA	Mental Health Services Act
33	BO. MIHS	Medical and Institutional Health Services
34	BP. MORS	Milestones of Recovery Scale
35	BQ. MTP	Master Treatment Plan
36	BR. NA	Narcotics Anonymous
37	BS. NIST	National Institute of Standards and Technology

1	BT. NOABD	Notice of Action
2	BU. NP	Nurse Practitioner
3	BV. NPDB	National Provider Data Bank
4	BW. NPI	National Provider Identifier
5	BX. NPP	Notice of Privacy Practices
6	BY. OCJS	Orange County Jail System
7	BZ. OCPD	Orange County Probation Department
8	CA. OCR	Office for Civil Rights
9	CB. OCSD	Orange County Sheriff's Department
10	CC. OIG	Office of Inspector General
11	CD. OMB	Office of Management and Budget
12	CE. OPM	Office of Personnel Management
13	CF. P&P	Policy and Procedure
14	CG. PADSS	Payment Application Data Security Standard
15	CH. PAF	Partnership Assessment Form
16	CI. PAR	Prior Authorization Request
17	CJ. PBM	Pharmaceutical Benefits Management
18	CK. PC	Penal Code
19	CL. PCP	Primary Care Provider
20	CM. PHI	Protected Health Information
21	CN. PI	Personal Information
22	CO. PII	Personally Identifiable Information
23	CP. PRA	Public Records Act
24	CQ. PSC	Personal Services Coordinator
25	CR. QI	Quality Improvement
26	CS. QIC	Quality Improvement Committee
27	CT. RN	Registered Nurse
28	CU. RSA	Remote Site Access
29	CV. SNF	Skilled Nursing Facility
30	CW. SSI	Supplemental Security Income
31	CX. SSA	Social Services Agency
32	CY. HITECH Act	The Health Information Technology for Economic and Clinical Health Act, Public Law 111-005
33		
34	CZ. TAR	Treatment Authorization Request
35	DA. TAY	Transitional Age Youth
36	DB. TTY	Teletypewriter
37	DC. UMDAP	Universal Method of Determining Ability to Pay

1 DD. USC United States Code

2 DE. WIC State of California Welfare and Institutions Code

3
4 **II. ALTERATION OF TERMS**

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

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

12
13 **III. ASSIGNMENT OF DEBTS**

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

21
22 **IV. COMPLIANCE**

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

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

29 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own
30 compliance program, code of conduct and any compliance related policies and procedures.
31 CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall
32 be verified by ADMINISTRATOR's Compliance Department to ensure they include all required
33 elements by ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to
34 this Contract. These elements include:

- 35 a. Designation of a Compliance Officer and/or compliance staff.
36 b. Written standards, policies and/or procedures.
37 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 internally comply with ADMINISTRATOR's Compliance Program and Code of Conduct, CONTRACTOR shall submit to ADMINISTRATOR within thirty (30) calendar days of execution of this Contract a signed acknowledgement that CONTRACTOR shall internally comply with ADMINISTRATOR's Compliance Program and Code of Conduct. CONTRACTOR shall have as many Covered Individuals as it determines necessary complete ADMINISTRATOR's annual compliance training to ensure proper compliance.

4. If CONTRACTOR elects to have its own compliance program, code of conduct and any Compliance related policies and procedures reviewed 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 Contract. 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 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 ADMINISTRATOR.

5. Upon written confirmation from ADMINISTRATOR's compliance officer that 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 Contract are made aware of CONTRACTOR's compliance program, code of conduct, related policies and procedures and contact information for ADMINISTRATOR's Compliance Program.

B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or retained to provide services related to this Contract monthly to ensure that they are not designated as Ineligible Persons, as pursuant to this Contract. 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, the Social Security Administration's Death Master File, and/or any other list or system as identified by ADMINISTRATOR.

1. For purposes of this Compliance Paragraph, Covered Individuals includes all employees, interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care items

1 or services or who perform billing or coding functions on behalf of ADMINISTRATOR.
2 CONTRACTOR shall ensure that all Covered Individuals relative to this Contract are made aware of
3 ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and procedures (or
4 CONTRACTOR's own compliance program, code of conduct and related policies and procedures if
5 CONTRACTOR has elected to use its own).

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

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

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

12 3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement.
13 CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this
14 Contract.

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

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

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

32 7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or
33 entity is currently excluded, suspended or debarred, or is identified as such after being sanction
34 screened. Such individual or entity shall be immediately removed from participating in any activity
35 associated with this Contract. ADMINISTRATOR will determine appropriate repayment from, or
36 sanction(s) to CONTRACTOR for services provided by ineligible person or individual.

37 //

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

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

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

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

11 3. Such training shall be made available to each Covered Individual annually.

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

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

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

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

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

26 3. Such training shall be made available to each Covered Individual annually.

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

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

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

34 1. CONTRACTOR shall take reasonable precaution to ensure that the coding of health care
35 claims, billings and/or invoices for same are prepared and submitted in an accurate and timely manner
36 and are consistent with federal, state and county laws and regulations. This includes compliance with
37 federal and state health care program regulations and procedures or instructions otherwise

1 Part 2.6, relating to confidentiality of medical information.

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

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

12 **VI. CONFLICT OF INTEREST**

13
14 CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions
15 that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation
16 shall apply to CONTRACTOR's employees, agents, and subcontractors associated with the provision of
17 goods and services provided under this Contract. CONTRACTOR's efforts shall include, but not be
18 limited to establishing rules and procedures preventing its employees, agents, and subcontractors from
19 providing or offering gifts, entertainment, payments, loans or other considerations which could be
20 deemed to influence or appear to influence COUNTY staff or elected officers in the performance of
21 their duties.

22 **VII. COST REPORT**

23
24 A. CONTRACTOR shall submit separate individual and/or consolidated Cost Reports for Period
25 One, and Period Two, or for a portion thereof, to COUNTY no later than sixty (60) calendar days
26 following the period for which they are prepared or termination of this Contract. CONTRACTOR shall
27 prepare the individual and/or consolidated Cost Report in accordance with all applicable federal, state
28 and COUNTY requirements, GAAP and the Special Provisions Paragraph of this Contract.
29 CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services,
30 and funding sources in accordance with such requirements and consistent with prudent business
31 practice, which costs and allocations shall be supported by source documentation maintained by
32 CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice. In the event
33 CONTRACTOR has multiple Contracts for mental health services that are administered by HCA,
34 consolidation of the individual Cost Reports into a single consolidated Cost Report may be required, as
35 stipulated by ADMINISTRATOR. CONTRACTOR shall submit the consolidated Cost Report to
36 COUNTY no later than five (5) business days following approval by ADMINISTRATOR of all
37 individual Cost Reports to be incorporated into a consolidated Cost Report.

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

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

9 b. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
10 pursuant to any or all Contracts between COUNTY and CONTRACTOR until such time that the
11 accurate and complete individual and/or consolidated Cost Report is delivered to ADMINISTRATOR.

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

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

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

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

36 D. If the individual and/or consolidated Cost Report indicates the actual and reimbursable costs of
37 services provided pursuant to this Contract, less applicable revenues and late penalty, are lower than the

1 aggregate of interim monthly payments to CONTRACTOR, CONTRACTOR shall remit the difference
2 to COUNTY. Such reimbursement shall be made, in cash, or other authorized form of payment, with
3 the submission of the individual and/or consolidated Cost Report. If such reimbursement is not made by
4 CONTRACTOR within thirty (30) calendar days after submission of the individual and/or consolidated
5 Cost Report, COUNTY may, in addition to any other remedies, reduce any amount owed
6 CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

7 E. If the individual and/or consolidated Cost Report indicates the actual and reimbursable costs of
8 services provided pursuant to this Contract, less applicable revenues and late penalty, are higher than the
9 aggregate of interim monthly payments to CONTRACTOR, COUNTY shall pay CONTRACTOR the
10 difference, provided such payment does not exceed the Total Amount Not to Exceed of COUNTY.

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

14 G. In the event that CONTRACTOR is authorized to retain unanticipated revenues as described in
15 the Budget Paragraph of Exhibit A to this Contract, CONTRACTOR shall specify in the individual
16 and/or consolidated Cost Report the services rendered with such revenues.

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

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

28
29 Signed _____
30 Name _____
31 Title _____
32 Date _____"

33
34 **VIII. DEBARMENT AND SUSPENSION CERTIFICATION**

35 A. CONTRACTOR certifies that it and its principals:

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

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

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

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

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

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

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

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

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

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

35 1. If CONTRACTOR is a nonprofit organization, any change from a nonprofit corporation to
36 any other corporate structure of CONTRACTOR, including a change in more than fifty percent (50%)
37 of the composition of the Board of Directors within a two (2) month period of time, shall be deemed an

1 assignment for purposes of this paragraph, unless CONTRACTOR is transitioning from a community
2 clinic/health center to a Federally Qualified Health Center and has been so designated by the Federal
3 Government. Any attempted assignment or delegation in derogation of this subparagraph shall be void.

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

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

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

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

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

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

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

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

37 //

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

8 9 **XI. EMPLOYEE ELIGIBILITY VERIFICATION**

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

19 20 **XII. EQUIPMENT**

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

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

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

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

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

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

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

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

23
24 **XIII. FACILITIES, PAYMENTS AND SERVICES**

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

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

36 //
37 //

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 CONTRACTOR’s SIR provision shall be interpreted as though CONTRACTOR was an insurer and COUNTY was the insured.

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

F. QUALIFIED INSURER

1. The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). 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>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Network Security & Privacy Liability	\$1,000,000 per claims made
Professional Liability Insurance	\$1,000,000 per claims made \$1,000,000 aggregate

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.

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

3 I. REQUIRED ENDORSEMENTS

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

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

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

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

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

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

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

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

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

32 M. If CONTRACTOR's Professional Liability and/or Network Security & Privacy Liability are
33 "Claims-Made" policies, CONTRACTOR shall agree to maintain coverage for two (2) years following
34 the completion of the Contract.

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

37 //

1 O. Insurance certificates should be forwarded to the agency/department address specified in the
2 Referenced Contract Provisions of this Contract.

3 P. If CONTRACTOR fails to provide the insurance certificates and endorsements within seven (7)
4 calendar days of notification by CEO/Purchasing or the agency/department purchasing division, it shall
5 constitute a breach of CONTRACTOR's obligation hereunder and ground for COUNTY to suspend or
6 terminate this Contract.

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

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

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

19 T. SUBMISSION OF INSURANCE DOCUMENTS

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

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

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

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

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

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

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

3 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any
4 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs
5 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.
6

7 **XV. INSPECTIONS AND AUDITS**

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

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

22 C. AUDIT RESPONSE

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

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

35 D. CONTRACTOR shall retain a licensed certified public accountant, who shall prepare an annual
36 Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR
37 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal

1 Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within fourteen (14)
2 calendar days of receipt.

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

7 8 **XVI. LICENSES AND LAWS**

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

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

- 20 1. ARRA of 2009.
- 21 2. Trafficking Victims Protection Act of 2000.
- 22 3. Title 22, CCR, §51009, Confidentiality of Records.
- 23 4. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.
- 24 5. Federal Medicare Cost reimbursement principles and cost reporting standards.
- 25 6. State of California-Health and Human Services Agency, Department of Health Care
26 Services, MHSD, Medi-Cal Billing Manual, October 2013.
- 27 7. Orange County Medi-Cal Mental Health Managed Care Plan.
- 28 8. Short-Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case
29 Management.
- 30 9. Short-Doyle/Medi-Cal Modifications/Revisions for the Rehabilitation Option and Targeted
31 Case Management Manual, including DMH Letter 94-14, dated July 7, 1994, DMH Letter No. 95-04,
32 dated July 27, 1995, DMH Letter 96-03, dated August 13, 1996.
- 33 10. WIC, Division 5, Community Mental Health Services.
- 34 11. WIC, Division 6, Admissions and Judicial Commitments.
- 35 12. WIC, Division 7, Mental Institutions.
- 36 13. HSC, §§1250 et seq., Health Facilities.
- 37 14. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.

- 1 15. CCR, Title 9, Rehabilitative and Developmental Services.
- 2 16. CCR, Title 17, Public Health.
- 3 17. CCR, Title 22, Social Security.
- 4 18. CFR, Title 42, Public Health.
- 5 19. CFR, Title 45, Public Welfare.
- 6 20. USC Title 42. Public Health and Welfare.
- 7 21. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
- 8 22. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
- 9 23. 42 USC §1857, et seq., Clean Air Act.
- 10 24. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
- 11 25. 31 USC 7501.70, Federal Single Audit Act of 1984.
- 12 26. Policies and procedures set forth in Mental Health Services Act.
- 13 27. Policies and procedures set forth in DHCS Letters.
- 14 28. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
- 15 29. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200,
- 16 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

17 C. CONTRACTOR shall at all times be capable and authorized by the State of California to
 18 provide treatment and bill for services provided to Medi-Cal eligible Clients while working under the
 19 terms of this Contract, if applicable.

20 D. CONTRACTOR shall make every reasonable effort to obtain appropriate licenses and/or
 21 waivers to provide Medi-Cal billable treatment services at school or other sites requested by
 22 ADMINISTRATOR, if applicable.

23 24 **XVII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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

35 C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly
 36 available social media sites) in support of the services described within this Contract, CONTRACTOR
 37 shall develop social media policies and procedures and have them available to ADMINISTRATOR

1 upon reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all forms of social media
 2 used to either directly or indirectly support the services described within this Contract. CONTRACTOR
 3 shall comply with COUNTY Social Media Use Policy and Procedures as they pertain to any social
 4 media developed in support of the services described within this Contract. CONTRACTOR shall also
 5 include any required funding statement information on social media when required by
 6 ADMINISTRATOR.

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

10 **XVIII. AMOUNT NOT TO EXCEED**

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

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

17 **XIX. MINIMUM WAGE LAWS**

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

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

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

33 **XX. NONDISCRIMINATION**

34 A. EMPLOYMENT

35 1. During the term of this Contract, CONTRACTOR and its Covered Individuals (as defined
 36 in the "Compliance" paragraph of this Contract) shall not unlawfully discriminate against any employee
 37 or applicant for employment because of his/her race, religious creed, color, national origin, ancestry,

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

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

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

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

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

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

29 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not
30 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities
31 on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental
32 disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender
33 expression, age, sexual orientation, or military and veteran status in accordance with Title IX of the
34 Education Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights
35 Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division
36 4, Chapter 6, Article 1 (§10800, et seq.) of the CCR; and Title II of the Genetic Information
37 Nondiscrimination Act of 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and

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

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

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

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

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

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

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

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

37 //

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

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

10 **XXI. NOTICES**

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

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

16 2. When faxed, transmission confirmed;

17 3. When sent by Email; or

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

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

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

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

31 **XXII. NOTIFICATION OF DEATH**

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

34 B. All Notifications of Death provided to ADMINISTRATOR by CONTRACTOR shall contain
 35 the name of the deceased, the date and time of death, the nature and circumstances of the death, and the
 36 name(s) of CONTRACTOR's officers or employees with knowledge of the incident.
 37

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

4 2. WRITTEN NOTIFICATION

5 a. NON-TERMINAL ILLNESS – CONTRACTOR shall hand deliver, fax, and/or send
6 via encrypted email to ADMINISTRATOR a written report within one (1) business day after becoming
7 aware of the death due to non-terminal illness of any person served pursuant to this Contract.

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

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

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

17
18 **XXIII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

26
27 **XXIV. PATIENT’S RIGHTS**

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

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

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

37 //

1 and implement written record management procedures.

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

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

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

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

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

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

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

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

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

27 1. Have documents readily available within forty eight (48) hour and/or two (2) full business
28 days' notice of a scheduled audit or site visit.

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

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

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

37 //

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

4 5 **XXVI. RESEARCH AND PUBLICATION**

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

9 10 **XXVII SEVERABILITY**

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

16 17 **XXVIII. SPECIAL PROVISIONS**

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

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

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

2 10. Supplanting current funding for existing services.

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

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

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

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

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

11 5. Purchasing or improving land, including constructing or permanently improving any
12 building or facility, except for tenant improvements.

13 6. Providing inpatient hospital services or purchasing major medical equipment.

14 7. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal
15 funds (matching).

16 8. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
17 CONTRACTOR's Clients.

18
19 **XXIX. STATUS OF CONTRACTOR**

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

31
32 **XXX. TERM**

33 A. The term of this Contract shall commence as specified in the Referenced Contract Provisions of
34 this Contract or the execution date, whichever is later. This Contract shall terminate as specified in the
35 Referenced Contract Provisions of this Contract unless otherwise sooner terminated as provided in this
36 Contract. CONTRACTOR shall be obligated to perform such duties as would normally extend beyond
37 //

1 this term, including but not limited to, obligations with respect to confidentiality, indemnification,
2 audits, reporting, and accounting.

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

6 **XXXI. TERMINATION**

7 A. Either Party may terminate this Contract, without cause, upon ninety (90) calendar days' and
8 no more than one hundred eighty (180) calendar days' upon review and mutual agreement of any open
9 clients with prior authorizations written notice given the other Party.

10 B. CONTRACTOR shall be responsible for meeting all programmatic and administrative
11 contracted objectives and requirements as indicated in this Contract. CONTRACTOR shall be subject
12 to the issuance of a CAP for the failure to perform to the level of contracted objectives, continuing to not
13 meet goals and expectations, and/or for non-compliance. If CAPs are not completed within timeframe
14 as determined by ADMINISTRATOR notice, payments may be reduced or withheld until CAP is
15 resolved and/or the Contract could be terminated.

16 C. COUNTY may terminate this Contract immediately, upon written notice, on the occurrence of
17 any of the following events:

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

32 **D. CONTINGENT FUNDING**

- 33 1. Any obligation of COUNTY under this Contract is contingent upon the following:
 - 34 a. The continued availability of federal, state and county funds for reimbursement of
35 COUNTY's expenditures, and
 - 36 b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s)
37 approved by the Board of Supervisors.

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

5 E. In the event this Contract is suspended or terminated prior to the completion of the term as
6 specified in the Referenced Contract Provisions of this Contract, ADMINISTRATOR may, at its sole
7 discretion, reduce the Total Amount Not To Exceed of this Contract to be consistent with the reduced
8 term of the Contract.

9 F. In the event this Contract is terminated, CONTRACTOR shall do the following:

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

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

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

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

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

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

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

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

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

35 G. COUNTY may terminate this Contract, without cause, to agreed upon termination language in
36 A above of the Termination paragraph of this contract.

37 //

1 H. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be
2 exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

3
4 **XXXII. THIRD PARTY BENEFICIARY**

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

8
9 **XXXIII. WAIVER OF DEFAULT OR BREACH**

10 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any
11 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this
12 Contract shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any
13 default or any breach by CONTRACTOR shall not be considered a modification of the terms of this
14 Contract.

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

3
4 BEACON HEALTH OPTIONS OF CALIFORNIA, INC

5
6 BY: DocuSigned by:
Daniel Risku
A4E61E3735E448E... DATED: 5/6/2021

7
8
9 TITLE: Executive Vice President & General Counsel

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15
16 COUNTY OF ORANGE

17
18
19 BY: _____ DATED: _____
20 HEALTH CARE AGENCY

21
22
23 APPROVED AS TO FORM
24 OFFICE OF THE COUNTY COUNSEL
25 ORANGE COUNTY, CALIFORNIA

26
27 BY: DocuSigned by:
Brittany McLean
9713A4061D4343D... DATED: 5/6/2021
28
29 DEPUTY

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

1 EXHIBIT A
 2 ADMINISTRATIVE SERVICES ORGANIZATION
 3 FOR SPECIALTY MENTAL HEALTH
 4 AND DRUG MEDI-CAL SUBSTANCE ABUSE SERVICES
 5

6
 7 **I. COMMON TERMS AND DEFINITIONS**

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

10 1. Acute Administrative Day means those days authorized by a designated point of
 11 authorization or utilization review committee in an acute inpatient facility when, due to the lack of a
 12 payer approved and/or county approved lower level of care placement, the Beneficiary's stay at an acute
 13 inpatient facility must be continued beyond the Beneficiary's need for acute care.

14 2. Acute Psychiatric Inpatient Hospital Services means services provided either in an acute
 15 care hospital, a freestanding psychiatric hospital or psychiatric health facility for the care and treatment
 16 of an acute episode of mental illness meeting the medical necessity criteria covered by the Medi-Cal
 17 program. Services provided in a freestanding hospital may only be reimbursed for person's age 21 or
 18 younger and 65 or older, unless a letter of agreement (LOA) or other contract permits otherwise.

19 3. Adult Mental Health Inpatient (AMHI) means the County contracted hospital(s) that
 20 provide adult mental health inpatient services for unfunded clients.

21 4. Authorizations means a unique individual's complete UM process, which includes
 22 reviewing clinical documents when clinically indicated, evaluating medical necessity and formally
 23 deciding to authorize/deny additional inpatient psychiatric services, that lasts for the duration of the
 24 inpatient stay, i.e. initial admission notification to discharge aftercare planning whichever comes first.

25 5. Beneficiary means the primary Orange County Medi-Cal eligible user of Mental Health
 26 Services.

27 6. Beneficiary-directed means services delivered in a therapeutic alliance between providers
 28 and Beneficiaries where both are partners in goal setting and treatment planning. The final decision for
 29 treatment options rests with the Beneficiary and designated family members.

30 7. Beneficiary Satisfaction Surveys means surveys to measure Beneficiaries' overall
 31 satisfaction with Mental Health Services, and with specific aspects of those services in order to identify
 32 problems and opportunities for improvement.

33 8. Beneficiary Support System/Family means immediate family members, extended family
 34 members, significant others or other supports designated by the Beneficiary.

35 9. CalWORKs means the program implemented by COUNTY's SSA after passage of AB
 36 1542 regarding welfare reform.

37 //

1 10. Care Coordination means the activities of managing services and coordinating care to
2 Beneficiaries, including assessments, referrals, service planning, linkage, consultation, discharge
3 planning and coordination. These functions shall be performed by COUNTY and COUNTY contracted
4 staff.

5 11. Clinical Documents means any clinical information, documentation or data collected from
6 the service provider for purposes of conducting concurrent review and coordinating treatment.

7 12. Concurrent Review means the review of treatment authorization requests for inpatient
8 mental health services by providers in order to approve, modify, or deny requests based on medical
9 necessity. The review of the treatment authorization requests is concurrent with the provision of
10 services and is required after the first day of admission through discharge.

11 13. Contract Monitor means a person designated by COUNTY to consult with and assist
12 CONTRACTOR in the provision of services to COUNTY Beneficiaries as specified herein. The
13 Contract Monitor shall at no time be construed as being ADMINISTRATOR.

14 14. Credentialing means a review process, including a peer review process, based upon specific
15 criteria, standards and prerequisites, to approve a provider or professional who applies to be contracted
16 to provide care in a hospital, clinic, medical group or in a health plan.

17 15. CSI means DHCS required data elements pertaining to mental health Beneficiaries and the
18 services they receive formulated in a database and reported to the State.

19 16. CYBH means the division of Behavioral Health Services responsible for the administration
20 and oversight of Mental Health Services to children and adolescents.

21 17. Diagnosis means the definition of the nature of the Beneficiary's disorder. When
22 formulating the diagnosis of the Beneficiary, CONTRACTOR shall use the diagnostic codes and axes as
23 specified in the most current edition of the DSM published by the American Psychiatric Association.
24 CONTRACTOR shall follow DSM procedures for all Beneficiaries.

25 18. EPSDT means the Early and Periodic Screening, Diagnosis and Treatment program
26 permitting a state to cover, under Medicaid law, services necessary to correct or ameliorate a mental
27 illness even if the service is not otherwise included in the state's Medicaid Plan. EPSDT covers persons
28 under twenty-one (21) years of age who have full-scope Medi-Cal.

29 19. Family Member means any traditional or non-traditional support system, significant other
30 or natural support designated by the Beneficiary.

31 20. FFS Provider means a Medi-Cal outpatient FFS provider serving Beneficiaries in his or her
32 own independent practice or in a group practice.

33 21. IRIS means a collection of applications and databases that serve the needs of programs and
34 include functionality such as registration and scheduling, laboratory information system, billing and
35 reporting capabilities, compliance with regulatory requirements, electronic medical records and other
36 relevant applications.

37 //

1 22. MEDS means the information systems maintained by DHCS for all Medi-Cal recipient
2 eligibility information.

3 23. Medical Necessity means criteria set forth by Title 9, California Code of Regulations,
4 Chapter 11, Medi-Cal Specialty Mental Health Services for MHP reimbursement of Specialty Mental
5 Health Services.

6 24. Medication Services means face-to-face or telephone services provided by a licensed
7 physician, licensed psychiatric nurse practitioner, or other qualified medical staff. This service shall
8 include documentation of the clinical justification for use of the medication, dosage, side effects,
9 compliance, and response to medication.

10 25. MHP means COUNTY as the MHP Manager with COUNTY clinics as well as COUNTY
11 contracted clinics, including CONTRACTOR, being providers in the Plan.

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

15 a. Assessment/Mental Health Evaluation means services designed to provide formal,
16 documented evaluation or analysis of the cause or nature of a Beneficiary's mental, emotional, or
17 behavioral disorders. The Parties understand that such services shall be primarily limited to initial
18 telephone intake examinations to triage and refer the Beneficiary to a Network Provider who shall
19 develop the treatment/service plan. Cultural issues should be addressed where appropriate.
20 Additionally, this evaluation should include an appraisal of the individual's community functioning in
21 several areas including living situation, daily activities, social support systems and health status.

22 b. Collateral Therapy means face-to-face or telephone contact(s) with significant others in
23 the life of the Beneficiary necessary to meet the mental health needs of the Beneficiary. Family therapy
24 provided on behalf of the individual Beneficiary is also considered collateral.

25 c. Individual Therapy means a goal directed face-to-face therapeutic intervention with the
26 Beneficiary which focuses on the mental health needs of the Beneficiary.

27 d. Group Therapy means a goal directed face-to-face therapeutic intervention with a group
28 of no less than two (2) and no more than eight (8) Beneficiaries receiving services at the same time.
29 Such intervention shall be consistent with the Beneficiaries' goals and focus primarily on symptom
30 reduction as a means to improve functional impairments.

31 27. MMEF means Monthly MEDS Extract file. This file contains data of current month and
32 previous fifteen (15) months which provides eligibility data for all Orange County residents.

33 28. NPI means the standard unique health identifier that was adopted by the Secretary of HHS
34 under HIPAA of 1996 for health care providers. All HIPAA covered healthcare providers, individuals
35 and organizations must obtain an NPI for use to identify themselves in HIPAA standard transactions.
36 The NPI is assigned to individuals for life.

37 //

1 29. Network Provider means mental health service providers credentialed and under contract
2 with CONTRACTOR. Such providers may be individual practitioners, provider groups, or clinics.

3 30. NPP means a document that notifies individuals of uses and disclosures of PHI that may be
4 made by or on behalf of the health plan or health care provided as set forth in HIPAA.

5 31. Patients' Rights Advocacy means group responsible for providing outreach and educational
6 materials to inform Beneficiaries about their rights and remedies in receiving mental health treatment;
7 representing Beneficiaries' interests in fair hearings, grievances and other legal proceedings related to
8 the provision of services; and monitoring mental health programs for compliance with patients' rights
9 legal standards as the designee of the Local Mental Health Director.

10 32. Out-of-County means any California county other than COUNTY or Border Community.

11 33. Primary Source Verification means procedures for the review and direct verification of
12 credentialing information submitted by care providers, including, but not limited to, confirmation of
13 references, appointments, and licensure.

14 34. QI means the use of interdisciplinary teams to review performance measures to identify
15 opportunities for improvement. The teams use participatory processes to analyze and confirm causes for
16 poor performance, design interventions to address causes, implement interventions, and measure
17 improvement. Successful improvements are then implemented wherever appropriate. Where
18 interventions are unsuccessful, the team again addresses the causes and designs new interventions until
19 improvements are achieved.

20 35. Referral means providing effective linkage of a Beneficiary to another service, when
21 indicated; with follow-up to be provided to assure that the Beneficiary has made contact with the
22 referred service.

23 36. Retrospective Review means determination of the appropriateness or necessity of services
24 after they have been delivered, generally through the review of the medical or treatment record.

25 37. RSA Token means the security device which allows an individual user to access IRIS.

26 38. Service Authorization means the determination of appropriateness of services prior to the
27 services being rendered, based upon medical or service necessity criteria. This includes the
28 authorization of outpatient services authorized by CONTRACTOR.

29 39. Share of Cost means a monthly amount that the Beneficiary is to pay to receive Medi-Cal
30 services.

31 40. SSA means COUNTY department responsible for child welfare services and Medi-Cal
32 eligibility determination.

33 41. Utilization Management Program means the infrastructure required to carry out the
34 concurrent review services according to this Contract including, but not limited to, policies and
35 procedures, request staffing and information systems.

36 42. Warm Transfer means the referring party stays on the telephone call until the transfer and
37 exchange of relevant information to the receiving party is complete.

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

3 **II. BENEFICIARY RIGHTS**

4 **A. ADVISEMENT NOTICES**

5 1. CONTRACTOR shall ensure that all Beneficiaries, upon request or access into the
6 program, shall be given a member handbook, developed by COUNTY.

7 2. CONTRACTOR shall also assure that Beneficiaries are aware of their rights at all times by:
8 a. Publishing the Beneficiary Rights in provider manuals, which shall be available to all
9 providers.

10 b. Including a copy of the Beneficiary Rights as an attachment to all written
11 correspondence related to complaints, grievances, and reductions or denials of treatment.

12 3. CONTRACTOR shall use NOABD forms to notify Beneficiaries and Network Providers
13 when services are denied, reduced, or terminated pursuant to Services Paragraph of this Exhibit A to the
14 Contract.

15 4. CONTRACTOR shall ensure that each Network Provider has posted in a conspicuous area
16 a notice advising Beneficiaries of their rights as well as CONTRACTOR's toll-free telephone number
17 and Patients' Rights Contractor availability to initiate a complaint or grievance.

18 5. All Network Providers' mental health facilities and programs shall have in place a
19 mechanism for Beneficiaries to file grievances regarding quality of treatment services issues.

20 6. COUNTY shall provide its MHP, NPP to CONTRACTOR. CONTRACTOR shall provide
21 the NPP for COUNTY, as the MHP, at the time of the first service provided under the Contract to
22 individuals who are covered by Medi-Cal and have not previously received services at a COUNTY
23 operated clinic. CONTRACTOR shall also provide, upon request, the NPP for COUNTY, as the MHP,
24 to any individual who received services under the Contract.

25 **B. INTERNAL BENEFICIARY PROBLEM RESOLUTION**

26 1. Whenever possible, problems shall be resolved informally and at the point of service.
27 CONTRACTOR shall establish a formal grievance process, in the event informal processes do not yield
28 a resolution.

29 2. CONTRACTOR's Internal Beneficiary Problem Resolution process shall include the
30 designation of an Ombudsman from COUNTY who shall be the person responsible to assist
31 Beneficiaries with CONTRACTOR's grievance process.

32 3. Throughout the grievance process, Beneficiary rights shall be maintained, including access
33 to the Patients' Rights Advocates at any point in the process. Beneficiaries shall be informed of their
34 right to access the Patients' Rights Advocates at any time.

35 4. CONTRACTOR shall not penalize or discriminate against Beneficiaries for filing a
36 grievance.

37 5. Complaints regarding the quality of treatment services issues shall initially go to the direct

1 care provider, therapist, facility staff, or other persons involved in the issue at hand. Problems not
2 resolved to Beneficiary’s satisfaction shall, upon the request of the Beneficiary or Network Provider, be
3 reviewed for resolution by CONTRACTOR’s Ombudsman. All Network Providers shall be required to
4 have grievance forms available to Beneficiaries; provided, however, CONTRACTOR shall also allow
5 Beneficiaries to initiate a grievance directly with CONTRACTOR either orally or in writing.

6 a. CONTRACTOR’s Ombudsman shall respond within sixty (60) calendar days from
7 receipt of the grievance.

8 b. Within confidentiality parameters, CONTRACTOR’s Ombudsman shall consider all
9 relevant information and resources, and shall involve other persons to resolve the grievance.

10 c. Beneficiaries shall also be informed of their right to speak to Patients’ Rights
11 Advocates at any time.

12 6. If CONTRACTOR’s Ombudsman is not able to achieve resolution to the satisfaction of the
13 Beneficiary, either the Beneficiary or CONTRACTOR’s Ombudsman may request an appeal. An
14 appeal shall be resolved by referring the grievance to Director level clinical staff not involved in the
15 decision-making process of the grievance.

16 7. CONTRACTOR shall maintain a Grievance Log for documentation of dispositions and
17 outcomes of Beneficiary grievances.

18 a. Such log shall be available upon request and be submitted to ADMINISTRATOR
19 quarterly.

20 b. CONTRACTOR shall submit quarterly a list of grievances, by issue, to
21 ADMINISTRATOR.

22 c. Should CONTRACTOR not complete the grievance process for a Beneficiary within
23 the timelines required by State Medi-Cal, CONTRACTOR shall send a NOABD Denial to the
24 Beneficiary.

25 8. CONTRACTOR shall ensure the Beneficiary’s care is continued during any formal appeals,
26 in accordance with the guidelines specified in WIC.

27 C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
28 Beneficiary Right’s Paragraph of this Exhibit A to the Contract.

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37 **III. BUDGET**

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

	PERIOD	PERIOD		
	<u>ONE</u>	<u>TWO</u>	<u>TOTAL</u>	
4				
5				
6	ADMINISTRATIVE COST			
7	Salaries	\$ 38,094	\$ 39,237	\$ 76,331
8	Benefits	8,952	9,221	18,173
9	Services and Supplies	4,793	4,818	9,611
10	Indirect Costs	<u>675,532</u>	<u>689,042</u>	<u>1,364,574</u>
11	SUBTOTAL	727,371	\$742,318	\$1,469,689
12	ADMINISTRATIVE COST			
13				
14	PROGRAM COST			
15	Salaries	\$3,031,444	\$3,122,388	\$6,153,832
16	Benefits	712,389	733,761	1,446,150
17	Services and Supplies	<u>1,084,229</u>	<u>1,100,070</u>	<u>2,184,299</u>
18	SUBTOTAL	\$4,828,063	\$4,956,219	\$9,784,282
19	PROGRAM COST			
20				
21	Mental Health Claims	<u>\$1,300,000</u>	<u>\$1,300,000</u>	<u>\$2,600,000</u>
22	Implementation Costs	429,672	0.00	\$429,672
23	TOTAL GROSS COST	\$7,285,105	\$6,998,538	\$14,283,643
24				
25	REVENUE			
26	Fed Grant (DMC)	\$ 437,106	\$419,912	\$ 857,019
27	FFP/Other	2,986,893	2,869,400	5,856,294
28	State (MH Realignment	3,788,255	3,639,240	7,427,494
29	Managed Care)			
30	Discretionary (NCC)	<u>72,851</u>	<u>69,985</u>	<u>142,836</u>
31	TOTAL REVENUE	\$7,285,105	\$6,998,538	\$14,283,643
32				
33	TOTAL AMOUNT NOT	\$7,285,105	\$6,998,538	\$14,283,643
34	TO EXCEED			

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37 B. BUDGET/STAFFING MODIFICATIONS - CONTRACTOR may request to shift funds

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

11 1. Administrative Costs – General administrative costs to include MIS/IT functions.

12 2. Program Costs – Program Costs specified above are subject to reimbursement as specified
13 in the Cost Report Paragraph of the Contract.

14 a. Mental Health Program Direct Costs.

15 1) Staff who shall provide initial brief screening, case management, and other services
16 identified in the Services Paragraph of this Exhibit A to the Contract.

17 2) General Program Operating Costs.

18 3. Mental Health Claims – Claims paid to both Network Providers and Out-of-County
19 Providers, and professional fees paid to Inpatient Providers. Mental Health claims shall be paid at rates
20 set by CONTRACTOR with mutual agreement by ADMINISTRATOR, for all services, as referenced in
21 the Services Paragraph of this Exhibit A to the Contract.

22 C. CONTRACTOR shall make its best efforts to manage the services under the Contract within the
23 Amount Not to Exceed. Through appropriate program oversight and monitoring, monthly cost
24 projections, and regular and routine communications with ADMINISTRATOR, if it is indicated that the
25 Amount Not to Exceed may be exceeded prior to the end of the term of the Contract, then COUNTY
26 agrees to adjust the Amount Not to Exceed via Amendment to the Contract, prior to exhausting funds
27 allocated to the Contract, and in order to avoid any disruption of services.

28 D. Unless otherwise authorized by ADMINISTRATOR, CONTRACTOR agrees that the amount
29 of State Medi-Cal is dependent upon, and shall at no time be greater than, the amount of Federal Medi-
30 Cal actually generated by CONTRACTOR.

31 E. CONTRACTOR agrees that fees received from private resources on behalf of Medi-Cal
32 Beneficiaries shall not be eligible for retention by CONTRACTOR. It is understood by the Parties that
33 such fees shall not include Share of Cost.

34 F. FINANCIAL RECORDS – CONTRACTOR shall prepare and maintain accurate and complete
35 financial records of its cost and operating expenses. Such records shall reflect the actual cost of the type
36 of service for which payment is claimed. Any apportionment of or distribution of costs, including
37 indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and

1 shall be made in accordance with GAAP.

2 G. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
3 Budget Paragraph of this Exhibit A to the Contract.

4
5 **EXHA IV. ISSUE RESOLUTION**

6 A. For resolution of issues between CONTRACTOR and COUNTY with respect to the
7 implementation and operation of the Contract or ADMINISTRATOR’s policies and procedures
8 regarding services described herein, the following sequential steps shall apply:

9 1. CONTRACTOR shall routinely utilize all informal communication processes and methods
10 with ADMINISTRATOR including, but not limited to, telephone contact, facsimile machine (FAX), e-
11 mail, written correspondence and meetings, to resolve any issues or problems regarding the
12 implementation and operation of the Contract or ADMINISTRATOR’s policies and procedures
13 regarding services described herein.

14 2. If the Parties are unable to resolve an issue(s), CONTRACTOR shall give written notice to
15 ADMINISTRATOR setting forth in specific terms the existence and nature of any unresolved matter or
16 concern related to the obligations under the Contract. ADMINISTRATOR shall have fifteen (15)
17 calendar days following such notice to resolve of any issue(s) identified in this manner. However, by
18 mutual consent, this period of time may be extended to thirty (30) calendar days.

19 3. If the Parties are unable to resolve the issue, they shall submit a joint written statement
20 describing the facts of the issue, within thirty (30) calendar days after the written notice described
21 above, to COUNTY’s Director of Behavioral Health Services for final resolution.

22 4. The rights and remedies provided by this paragraph are in addition to those provided by law
23 to either Party.

24 B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Issue
25 Resolution Paragraph of this Exhibit A to the Contract.

26
27 **IV. PAYMENTS**

28 A. COUNTY shall pay CONTRACTOR monthly, in arrears, at the negotiated amount of \$56,295,
29 per month for Indirect Costs and the provisional amount of \$550,798, per month for Implementation,
30 Administrative, Program Direct Costs, and Mental health Claims Costs, for Period One, and at the
31 negotiated amount of \$57,420, per month for Indirect Costs and the provisional amount of \$525,791, per
32 month for Administrative, Program Direct Costs, and Mental health Claims Costs, for Period Two. All
33 payments are interim payments only, and subject to Final Settlement in accordance with the Cost Report
34 Paragraph of the Contract for which CONTRACTOR shall be reimbursed for the actual cost of
35 providing the services hereunder; provided, however, the total of such payments does not exceed
36 COUNTY’s Total Amount Not to Exceed as specified in the Referenced Contract Provisions of the
37 Contract and, provided further, CONTRACTOR’s costs are reimbursable pursuant to COUNTY, state,

1 and federal regulations. ADMINISTRATOR may, at its discretion, pay supplemental invoices for any
2 month for which the provisional amount specified above has not been fully paid.

3 1. Payments of claims to providers shall be at rates set by CONTRACTOR, with mutual
4 agreement by ADMINISTRATOR, for all services.

5 2. In support of the monthly invoice, CONTRACTOR shall submit an Expenditure and
6 Revenue Report as specified in the Reports Paragraph of this Exhibit A to the Contract.
7 ADMINISTRATOR shall use the Expenditure and Revenue Report to determine payment to
8 CONTRACTOR as specified in Subparagraphs A.3. and A.4., below.

9 3. If, at any time, CONTRACTOR’s Expenditure and Revenue Reports indicate that the
10 provisional amount payments exceed the actual cost of providing services, ADMINISTRATOR may
11 reduce payments to CONTRACTOR by an amount not to exceed the difference between the
12 year-to-date provisional amount payments to CONTRACTOR and the year-to-date actual cost incurred
13 by CONTRACTOR.

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

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

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

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

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

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

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37 **VI. QUALITY IMPROVEMENT**

1 A. QI Program

2 1. CONTRACTOR shall participate with ADMINISTRATOR in the planning, design, and
3 execution of the QI Program along with Beneficiaries and Family Members. CONTRACTOR shall
4 participate in quarterly QI meetings with ADMINISTRATOR to develop and implement the QI
5 Program.

6 2. CONTRACTOR shall operate a comprehensive QI Program designed to monitor all aspects
7 of the services provided by CONTRACTOR and the care provided by Network Providers. This program
8 shall be reviewed annually by CONTRACTOR's QI Committee and results of review provided to
9 ADMINISTRATOR in writing within sixty (60) calendar days of CONTRACTOR'S QI Committee
10 annual review.

11 3. CONTRACTOR shall implement the QI Program for its Network Providers and require
12 their participation and cooperation in the QI Program.

13 4. CONTRACTOR shall report results of QI activities to ADMINISTRATOR on an annual
14 basis pursuant to the Reports Paragraph of this Exhibit A to the Contract. These reports, including an
15 analysis by CONTRACTOR of the findings, together with recommendations for QI and corrective
16 actions plans, shall be provided to CONTRACTOR's Behavioral Health AQIS for their action and
17 presented in quarterly meetings to ADMINISTRATOR.

18 B. Satisfaction Surveys – CONTRACTOR shall monitor Beneficiary satisfaction.

19 1. CONTRACTOR shall survey a sample of the Beneficiaries to assess satisfaction with the
20 process through which the Beneficiary received a referral, within ninety (90) calendar days of service
21 and report to ADMINISTRATOR quarterly.

22 2. CONTRACTOR shall survey a sample of the Beneficiaries to assess satisfaction with the
23 services received from the Network Provider, and report to ADMINISTRATOR annually.

24 C. Performance Outcome Measures

25 1. CONTRACTOR shall maintain an ongoing performance outcomes monitoring program
26 using information in its provider database, Beneficiary satisfaction surveys, and documentation
27 completed by providers, including but not limited to monitoring of claims utilization patterns,
28 assessment and screening tools, direct peer review and medical record audits. CONTRACTOR shall
29 include in the outcomes monitoring program items required or recommended by the DHCS, as
30 communicated by ADMINISTRATOR, and specified in the Reports Paragraph of this Exhibit A to the
31 Contract.

32 a. Objective 1: CONTRACTOR shall achieve, track and evaluate timeliness of access for
33 Beneficiaries and Network Providers calling the Access Line. Timeliness measurements should include,
34 but are not limited to, percentage and number of abandoned member calls to be no more than five
35 percent (5%) of total monthly member calls, percentage and number of member calls answered within
36 thirty (30) seconds to be no less than eighty-five percent (85%) and track call volume, service
37 verification, and timeframe for routine calls from point of authorization to provider appointment.

1 Clients, together with a record of all billings rendered and revenues received from any source, on behalf
2 of Clients treated pursuant to the Contract, must be reflected in CONTRACTOR's financial records.

3 C. RECORDS LOCATION - All CONTRACTOR's books of accounts and records related to the
4 costs of services, Client fees, charges, billings, and revenues received shall be made available at one (1)
5 location within the limits of Orange County or other local location approved, in writing, by
6 ADMINISTRATOR.

7 **VII. REPORTS**

8 A. CONTRACTOR shall maintain records, create and analyze statistical reports as required by
9 ADMINISTRATOR and DHCS in a format approved by ADMINISTRATOR. CONTRACTOR shall
10 provide ADMINISTRATOR with the following:

11 1. FISCAL

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

20 b. CONTRACTOR shall provide a check register and remittance summary by provider, as
21 well as a turnaround summary, for services provided by Network Providers, to ADMINISTRATOR
22 upon request.

23 c. CONTRACTOR shall track and provide IBNR information on a monthly basis.
24 Monthly IBNR shall be calculated and compared with the record of uncashed checks and stop-payment
25 checks, as well as to the undeliverable check report and the donated checks report. CONTRACTOR
26 shall prepare and submit to ADMINISTRATOR a monthly report showing total IBNR liability and
27 revenue received based upon the provisional payments received from COUNTY.

28 d. CONTRACTOR shall submit Year-End Projection Reports to ADMINISTRATOR.
29 These reports shall be on a form acceptable to, or provided by, ADMINISTRATOR and shall report
30 anticipated year-end actual costs and revenues for CONTRACTOR's program described in the Services
31 Paragraph of this Exhibit A to the Contract. Such reports shall include actual monthly costs and revenue
32 to date and anticipated monthly costs and revenue to the end of the fiscal year, and shall include a
33 projection narrative justifying the year-end projections. Year-End Projection Reports shall be submitted
34 in conjunction with the Monthly Expenditure and Revenue Reports.

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36 2. STAFFING REPORT – CONTRACTOR shall submit monthly Staffing Reports to
37 ADMINISTRATOR. CONTRACTOR's reports shall contain required information, and be on a form

1 acceptable to, or provided by ADMINISTRATOR. CONTRACTOR shall submit these reports no later
2 than twenty (20) calendar days following the end of the month being reported.

3 3. PROGRAMMATIC REPORTS – CONTRACTOR shall submit monthly Programmatic
4 reports to ADMINISTRATOR. These reports shall be in a format approved by ADMINISTRATOR and
5 shall include but not limited to, descriptions of any performance objectives, outcomes, and or interim
6 findings as directed by ADMINISTRATOR. CONTRACTOR shall be prepared to present and discuss
7 the programmatic reports at the monthly and quarterly meetings with ADMINISTRATOR, to include an
8 analysis of data and findings, and whether or not CONTRACTOR is progressing satisfactorily and if
9 not, specify what steps are being taken to achieve satisfactory progress.

10 B. CONTRACTOR shall provide records and program reports, as listed below, which shall be
11 received by ADMINISTRATOR no later than twenty (20) calendar days following the end of the month
12 being reported or as requested by ADMINISTRATOR.

13
14 1. MONTHLY

- 15 a. Access Log
- 16 b. Telephone Access Summary: Performance Targets
- 17 c. Lower Level of Care Transitions
- 18 d. Requested 837 UOS Reports by fiscal year
- 19 e. UM Reports will be mutually agreed upon implementation of services
- 20 f. Credentialing Reports

21
22 2. QUARTERLY

- 23 a. QI – Beneficiary Satisfaction Survey, ASO’s Access Line
- 24 b. QI – Grievance Report
- 25 c. QI – Provider Claims Appeals
- 26 d. QI – NOA and Second Opinion Log
- 27 e. High Utilizer by Provider
- 28 f. Timeliness of Utilization Management Decision Making
- 29 g. Authorizations and Access to Services
- 30 h. Requested UOS Reports (837, ASO UOS, Cost Report UOS)
- 31 i. Cost of Service Reports will be mutually agreed upon implementation of
32 revised Mental Health Claims processing

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36 Period of Quarterly Reports
37 July 1 through September 30

1 for accuracy and conformance to operating procedures.

2 d. CONTRACTOR shall input all required data regarding services provided to
3 Beneficiaries who are deemed, by the appropriate state or federal authorities, to be COUNTY's
4 responsibility.

5 e. CONTRACTOR shall correct all input data resulting in CSI and 837 Medi-Cal claim
6 denials and rejections. These errors will be communicated to CONTRACTOR immediately upon
7 discovery and must be corrected in a timely manner.

8 f. CONTRACTOR shall ensure the confidentiality of all administrative and clinical data.
9 This shall include both the electronic system as well as printed public reports. No identifying
10 information or data on the system shall be exchanged with any external entity or other business, or
11 among providers without prior written approval of the Beneficiary or ADMINISTRATOR.
12 Confidentiality procedures shall meet all local, state, and federal requirements.

13 g. CONTRACTOR shall ensure that information is safeguarded in the event of a disaster
14 and that appropriate service authorization and data collection continues.

15 C. CONTRACTOR shall respond to any requests that are needed with an immediate response time
16 due to any requests from entities that could include but not be limited to DHCS, internal and/or external
17 audits.

18 D. CONTRACTOR shall provide ADMINISTRATOR with a report key, established by
19 CONTRACTOR, and as agreed upon by ADMINISTRATOR, that describes each report, its purpose
20 and usefulness. CONTRACTOR shall update the report key when reports are added or deleted and
21 provide updated report key to ADMINISTRATOR within thirty (30) calendar days.

22 E. CONTRACTOR shall upon ADMINISTRATOR's request revise and make changes to all
23 reports as needed.

24 F. ADMINISTRATOR and CONTRACTOR may mutually agree, in writing, to modify the
25 frequency of the reports. Each report shall include an unduplicated client count and a fiscal year-to-date
26 summary and, unless otherwise specified, shall be reported in aggregate.

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

31 H. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
32 Reports Paragraph of this Exhibit A to the Contract.

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36 **VIIIX. SERVICES**

37 A. FACILITIES: CONTRACTOR shall maintain appropriate facility(ies) for the provision of

1 services described herein at the following location(s), or any other location approved, in advance, in
2 writing, by ADMINISTRATOR. The facility shall include space to support the services identified
3 within the Contract.

4 Beacon Health Options of California
5 12898 Towne Center Drive
6 Cerritos, California 90730
7

8 B. ADMINISTRATIVE STAFF SCHEDULE: CONTRACTOR shall provide administrative
9 coverage, Monday through Friday 8:00 a.m. – 5:00 p.m. PST.

10 C. PROVIDER NETWORK

11 1. DEVELOPMENT AND MANAGEMENT

12 a. CONTRACTOR shall maintain a limited Provider Network, as approved by
13 ADMINISTRATOR and CONTRACTOR, to provide Specialty Mental Health Services at provider's
14 individual offices or facilities, based upon County assessment needs, including, but not limited to,
15 addressing geographic accessibility and cultural competency, which includes service availability in
16 threshold languages that include English, Spanish, Farsi, Korean, Arabic, and Vietnamese. Additional
17 languages required may be added should DHCS designate additional languages as meeting the threshold
18 for language requirements.

19 b. CONTRACTOR shall provide a range of Network Providers capable of delivering
20 services as set forth by this Contract which may include but is not limited to: psychiatrists; licensed
21 psychiatric nurse practitioners, Licensed Professional of the Healing Arts (LPHA) as determined by
22 DHCS; and other providers as approved by ADMINISTRATOR.

23 c. CONTRACTOR shall identify and recruit those Network Providers who are serving a
24 specialty population, such as ECT or culturally specific, or who are in geographic location(s) that would
25 maximize Beneficiary. Such providers shall be pursued to participate in the Provider Network, and their
26 credentialing process shall be expedited in order to maintain limited Provider Network.

27 d. CONTRACTOR shall work ADMINISTRATOR on credentialing specified in the
28 Services Paragraph of this Exhibit A to the Contract. Individual, group and organizational providers
29 must meet the following criteria to be a CONTRACTOR Network Provider:

30 1) Comply with all applicable Federal Medicaid (Medi-Cal) laws, regulations, and
31 guidelines, and all applicable state statutes and regulations;

32 2) Provide Specialty Mental Health Services, within scope of licensure, to all
33 Beneficiaries who are referred by CONTRACTOR. To assist in referrals, providers shall, as a part of
34 their application, indicate their specialties, which CONTRACTOR shall verify to the extent possible;

35 3) Appropriately refer Beneficiaries for other services when necessary;

36 4) Not refuse to provide services solely on the basis of age, sex, race, religion,
37 physical or mental disability, or national origin;

- 1 5) Maintain a safe facility;
- 2 6) If applicable, store and dispense medications according to state and federal
- 3 standards;
- 4 7) Maintain client records that meet state and federal standards; including but not
- 5 limited to individualized treatment plans separate case notes. These shall be developed with Client and
- 6 signed by Client.
- 7 8) Provide services at the rates established by CONTRACTOR, as agreed by
- 8 ADMINISTRATOR;
- 9 9) Demonstrate positive outcomes as defined by CONTRACTOR;
- 10 10) Address the needs of Beneficiaries based on factors including age, language,
- 11 culture, physical disability, psychiatric disability, and specified clinical interventions;
- 12 11) Meet QI, authorization, clinical, and administrative requirements of COUNTY and
- 13 CONTRACTOR;
- 14 12) Work with Beneficiaries, their families, and other providers in a collaborative and
- 15 supportive manner; and
- 16 13) Provide services in a managed care environment.

17 e. CONTRACTOR shall maintain a complete list of all Network Providers including
 18 name, license number, provider number(s), number of open clients, NPI number, specialty or specialties,
 19 language capabilities other than English, and geographic location and ethnicity. Any changes to the
 20 Network Provider list shall be submitted to ADMINISTRATOR on a monthly basis or as requested.

21 2. PROVIDER SELECTION AND CREDENTIALING – CONTRACTOR shall comply with
 22 Title 9, CCR, Section 1810.435 in the selection of providers and shall review its providers for continued
 23 compliance with standards at least once every three years, except as otherwise provided in the Contract.

24 a. CONTRACTOR shall include in its written provider selection P&P, a copy of which
 25 shall be provided to ADMINISTRATOR upon request, a provision that practitioners shall not be
 26 excluded solely because of the practitioner’s type of license or certification.

27 b. CONTRACTOR shall give practitioners, or groups of practitioners, who apply to be
 28 MHP Network Providers, and with whom the MHP decides not to contract with, written notice for the
 29 reason for a decision not to contract.

30 c. CONTRACTOR shall not discriminate against particular providers that serve high-risk
 31 populations or specialize in conditions that require costly treatment.

32 3. NETWORK PROVIDER CREDENTIALING

33 a. CONTRACTOR and ADMINISTRATOR shall work together on credentialing
 34 Network Providers in accordance with State guidelines which include, but are not limited to, verifying
 35 the following information. Unless otherwise specified, primary source verification of information shall
 36 be required. Primary source verification means confirmation and evidence from the issuing source or
 37 designated monitoring entity of the requested information.

- 1) A current valid license to practice as an independent mental health practitioner;
 - 2) A valid DEA certificate for physicians (primary source not required);
 - 3) Graduation from an accredited professional school and/or highest training program applicable to the academic degree, discipline, and licensure of the mental health practitioner which is verified through license verification;
 - 4) Board certification if the practitioner states that he/she is board certified on the application;
 - 5) Work history (primary source not required);
 - 6) Current, adequate malpractice insurance in accordance with the Indemnification and Insurance Paragraph of the Contract;
 - 7) History of professional liability claims; and
 - 8) Information from recognized monitoring organizations regarding the applicant's sanctions or limitations of licensure from:
 - a) State Board of Licensure or Certification and/or the National Practitioner Data Bank;
 - b) State Board of Medical Examiners, the Federation of State Medical Boards, or appropriate agency; and
 - c) OIG.
- b. CONTRACTOR shall make every effort to ensure that the credentialing process does not exceed one hundred eighty (180) calendar days for any provider applying to become a Network Provider as evidenced by CONTRACTOR's receipt of a completed application, with the expectation that the average time for credentialing shall not exceed one hundred twenty (120) calendar days.
- c. CONTRACTOR shall provide to COUNTY the names of providers denied participation in CONTRACTOR's Provider Network upon request.

4. OUT-OF-COUNTY PROVIDERS

- a. CONTRACTOR may accept claims for services provided to a COUNTY Beneficiary by any out-of-county provider that has met the foundation criteria for the county in which services are provided.
- b. CONTRACTOR shall provide names of its credentialed providers to other counties upon request.

5. RE-CREDENTIALING

- a. CONTRACTOR shall update, verify and review all pertinent provider credentialing information and qualifications, and assess the provider's performance over the previous three (3) years.
- b. CONTRACTOR shall identify and evaluate any changes in the provider's licensure, clinical privileges, training, experience, current competence, or health status that may affect the provider's ability to perform the services he or she is providing to members.
- c. In order to determine whether to re-approve the provider's participation in

1 CONTRACTOR's network, CONTRACTOR shall, in addition to updating credentialing information,
2 examine the provider's clinical competence, examine QI, review patient complaints, and conduct site
3 visits when appropriate, in accordance with CONTRACTOR's site audit policy, a copy of which shall
4 be provided to ADMINISTRATOR upon request.

5 d. CONTRACTOR shall provide to COUNTY the names of providers denied
6 participation in CONTRACTOR's Provider Network and the reason for the denial upon request.

7 6. PROVIDER APPLICATION REVIEW PROCESS

8 a. All credentialing and re-credentialing applications shall be reviewed by
9 CONTRACTOR. Providers with identified adverse issues shall be asked to provide a written
10 explanation prior to CONTRACTOR review. In addition, CONTRACTOR shall maintain P&Ps for
11 altering the conditions of the practitioner's participation in the network based on issues of the quality of
12 care and service that may arise after completing the credentialing process. Such P&Ps shall be provided
13 to ADMINISTRATOR, upon request. Decisions to alter or terminate a provider's participation in the
14 network shall be made by CONTRACTOR. Providers with identified quality of care or service
15 concerns shall be presented to the Peer Review Committee established by CONTRACTOR. Providers
16 shall be advised in advance of the identified problems and shall be invited to respond in writing to the
17 issues to go before the Peer Review Committee. The provider's response, along with any additional
18 documentation supplied by CONTRACTOR, shall be reviewed by the Peer Review Committee. The
19 Peer Review Committee may recommend that no action be taken, that the provider be issued a
20 Corrective Action Plan, or that the provider be terminated from the network.

21 b. CONTRACTOR shall provide notice and a fair hearing to CONTRACTOR's Network
22 Providers, as required under applicable state and federal law, or at the discretion of CONTRACTOR's
23 Medical Director, in any case in which action is proposed to be taken by CONTRACTOR to restrict,
24 suspend or terminate the Network Provider's ability to provide health care services to Beneficiaries for
25 reasons relating to deficiencies in quality of care, professional competence, or professional conduct
26 which affects or could adversely affect the health, safety or welfare of any Beneficiaries and/or is
27 reasonably likely to be detrimental to the delivery of quality care. If CONTRACTOR takes adverse
28 action against a provider based on a quality of care issue, CONTRACTOR shall report as required by
29 state and federal agencies and as required by the NPDB.

30 c. ADMINISTRATOR shall be notified of any providers required to submit a Corrective
31 Action Plan, or terminated as the result of a quality of care issue, within fourteen (14) calendar days of
32 such action. The quality of care issue shall also be summarized and included with the notification.

33 7. PROVIDER TRAINING

34 a. CONTRACTOR, in consultation with ADMINISTRATOR shall train individual
35 Network Providers to the model and delivery of Specialty Mental Health Services requested by
36 COUNTY. Documentation, appropriate referral resource, and service linkage protocols shall be
37 emphasized.

1 b. All Network Providers shall have access to a Provider Manual, developed by
2 CONTRACTOR, at the commencement of their contract with CONTRACTOR. The Provider Manual
3 shall be provided to ADMINISTRATOR, upon request.

4 c. CONTRACTOR shall publish provider newsletters, which shall serve to update
5 providers on operational and clinical requirements and to provide clarification on contractual issues. A
6 copy of such newsletters shall be sent to ADMINISTRATOR.

7 d. CONTRACTOR shall conduct and/or sponsor in-service training for all of its Network
8 Providers and any non-network providers as requested by ADMINISTRATOR. These trainings shall
9 address both operational and clinical standards. For the purpose of coordinating trainings,
10 CONTRACTOR shall provide a list of its scheduled trainings to ADMINISTRATOR.

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

18 a. CONTRACTOR shall recruit and retain culturally competent staff reflective of the
19 populations receiving services including bilingual/bicultural professional staff. These staff shall have
20 passed a proficiency exam that was approved by ADMINISTRATOR. CONTRACTOR shall utilize a
21 language translation or interpreter or other service acceptable to ADMINISTRATOR.

22 b. CONTRACTOR shall actively solicit providers for its network to ensure that
23 Beneficiary requests to use culture-specific providers are met. CONTRACTOR is not required to solicit
24 only Medi-Cal providers for its network. Regular analysis of the Provider Network, including reports of
25 Beneficiary satisfaction, shall be conducted in order to identify any network needs that might arise. In
26 cases where a Beneficiary’s request for a culture-specific provider cannot be met, CONTRACTOR shall
27 conduct an immediate provider search to meet the Beneficiary’s need and shall begin an expedited
28 credentialing process in order to add the identified provider to the network. Qualified interpreters shall
29 not be used to replace bilingual professionals, but may be utilized when no alternative is immediately
30 available. A qualified interpreter shall be defined as a person not trained in mental health services that
31 has completed an appropriate course which covers terms and concepts associated with mental illness,
32 psychotropic medications, and cultural beliefs and practices which may influence the Client’s mental
33 health.

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36 D. CLAIMS PROCESSING AND ADJUDICATION – NETWORK PROVIDERS

37 1. CONTRACTOR shall maintain a rules-based and date-sensitive claims system to meet the

1 needs of all standard Medi-Cal beneficiary claims.

2 2. CONTRACTOR shall establish a claims adjudication process which shall accept either
3 paper or electronic claims including, but not limited to, verification that if the Beneficiary has a Share of
4 Cost that the Share of Cost has been met.

5 3. CONTRACTOR shall maintain timelines in the claims process as follows:

6 a. Clean claims for services shall be requested to be submitted to CONTRACTOR by the
7 Network Providers within thirty (30) calendar days of the date of services but in no case shall
8 CONTRACTOR process any claim that is initially submitted more than ninety (90) calendar days from
9 the date of service, except as required otherwise by law, rules, or regulation as described in the Licenses
10 and Laws Paragraph of this Contract.

11 b. CONTRACTOR shall maintain a thirty (30) calendar day or less turnaround on clean
12 claims. Clean claims shall be those that require no additional information (such as provider
13 identification, diagnosis and/or CPT codes) and which can be processed completely upon initial entry.

14 c. When pending a claim for missing data, the Network Provider shall receive notification
15 from CONTRACTOR within fourteen (14) calendar days from the date of receipt. This notification
16 shall include what is needed to continue processing the claim.

17 d. CONTRACTOR shall request that the information be returned within fourteen (14)
18 calendar days.

19 4. CONTRACTOR shall:

20 a. Provide adequately trained claims processing and clerical staff, and suitable equipment.

21 b. Review each completed claim to determine that the services rendered are within the
22 Medi-Cal scope of service, and that applicable prior approvals have been obtained.

23 c. Share of Cost – CONTRACTOR shall require that all Network Providers attempt to
24 collect the Share of Cost from Beneficiaries and that reimbursement of claims shall be reduced by the
25 Beneficiaries' Share of Cost.

26 d. CONTRACTOR shall have access to the Medi-Cal Eligibility Website to determine
27 client eligibility and any Share of Cost remaining for the date of service. ADMINISTRATOR will
28 provide technical assistance and support as needed to identify client fall-out from eligibility file as it
29 relates to claims payment

30 e. CONTRACTOR shall have access to the twice weekly inpatient and monthly IMD lists
31 as they relate to paying inpatient and IMD claims. These lists will be provided by ADMINISTRATOR.

32 f. CONTRACTOR shall ensure that the Network Providers notify the Beneficiary of
33 his/her Share of Cost obligation. The Beneficiary shall be made to understand that when the Share of
34 Cost obligation is met, Medi-Cal will cover the remainder of the unit cost.

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36 g. For Beneficiaries with a Share of Cost who have the ability to meet their Share of Cost
37 obligation, CONTRACTOR shall maintain authorization procedures that include ongoing review of a

1 Beneficiary's Share of Cost status. CONTRACTOR shall make all reasonable efforts to ensure that all
2 authorized services are eligible for Medi-Cal reimbursement.

3 h. CONTRACTOR shall ensure that a Beneficiary with a Share of Cost was eligible for
4 Medi-Cal on the date of service during the adjudication process of the Network Provider's claim.

5 i. The spend-down of Share of Cost is the amount remaining for the month of the date of
6 service, or the amount of the service, whichever is less.

7 j. CONTRACTOR shall maintain procedures regarding the referral of Beneficiaries who:
8 1.) Are unable to pay their Share of Cost and for whom the denial of mental health
9 services based on inability to pay Share of Cost would result in a significant functional impairment, or
10 2.) CONTRACTOR is unable to determine if they have met their Share of Cost for
11 other Medi-Cal services received and for whom the denial of Mental Health Services based on inability
12 to pay Share of Cost would result in a significant functional impairment.

13 k. The Network Provider shall send in a claim form, reflecting the gross amount, Share of
14 Cost amount (if applicable) and the balance due after the Share of Cost has been met.

15 l. If the Network Provider's claim is sent with a balance due, CONTRACTOR shall
16 verify Share of Cost remaining to avoid double payment, as well as verify if payment is correct due to
17 Share of Cost reporting lag.

18 5. Other Health Coverage – CONTRACTOR shall direct Beneficiaries with Other Health
19 Coverage that includes behavioral health coverage to seek services through Network Providers who take
20 the Other Health Coverage in which they are enrolled.

21 a. CONTRACTOR shall direct Beneficiaries who obtain Other Health Coverage that
22 includes behavioral health coverage, and who have been receiving services by an ASO Network
23 Provider to seek services as soon as possible through other Providers who take Other Health Coverage
24 in which they have become enrolled.

25 b. CONTRACTOR shall direct Beneficiaries with Other Health Coverage that does not
26 include behavioral health coverage to seek services through COUNTY for a level of care assessment
27 and further treatment if medically necessary.

28 c. CONTRACTOR shall direct Beneficiaries who obtain Other Health Coverage that does
29 not include behavioral health coverage after they have been seeing an ASO Network Provider to seek
30 services as soon as possible through COUNTY for a level of care assessment and further treatment if
31 medically necessary.

32 d. This is subject to change if the DHCS rules change regarding accepting claims for
33 Other Health Coverage that does not include behavioral health coverage.

34 e. CONTRACTOR shall direct inpatient providers who submit claims for Beneficiaries
35 with Medicare to bill fee-for-service Medi-Cal directly as described in the Medi-Cal manual.

36 f. CONTRACTOR shall direct inpatient providers who submit claims for Beneficiaries
37 with Other Health Coverage other than Medicare to also send proof of denial or partial payment with the

1 CMS1500 to CONTRACTOR who shall pay remainder up to what would have been paid if only Medi-
2 Cal eligible.

3 6. Payment/Claim Resolution

4 a. CONTRACTOR shall facilitate the resolution of problems concerning payment and any
5 billing documentation (if necessary) with Network Providers.

6 b. In the event a payment dispute arises between CONTRACTOR and a Network
7 Provider, CONTRACTOR shall make every attempt to resolve such disputes up to and including the use
8 of a formal provider appeal process. All CONTRACTOR actions shall be undertaken while keeping the
9 rights of the Beneficiary the foremost priority.

10 c. If a Network Provider disputes the denial of a submitted claim or the amount of
11 payment, he/she may contact CONTRACTOR’s Claims Department. The Claims Department shall be
12 able to review the adjudication process with the Network Provider and give a more detailed explanation
13 of a denied encounter unit or a reduced payment. If, in the course of such contact, CONTRACTOR is
14 able to determine that an error was made on the part of CONTRACTOR, a re-adjudication of the claim
15 shall be made so that the proper payment amount may be remitted.

16 d. If, for any reason, CONTRACTOR is unable to resolve the problem to the full
17 satisfaction of the Network Provider, CONTRACTOR shall offer to facilitate the formal second level
18 PDR review. CONTRACTOR’s appeal process shall include review by CONTRACTOR’s Account
19 Executive, CONTRACTOR’s AVP of Operations, and CONTRACTOR’s VP of Operations. If, after
20 the third level appeal, the provider still is not satisfied, he/she will be referred to COUNTY or State
21 Medi-Cal appeals process.

22 e. All appeals processes shall be communicated to Network Providers via the distribution
23 of CONTRACTOR’s provider manual at the time of contracting.

24 f. CONTRACTOR shall be responsible to all Network Providers for funds paid, in any
25 form, for non-reimbursable services, for services to persons who are not Medi-Cal Beneficiaries, or for
26 payment to any provider or other entity not entitled to such payment. CONTRACTOR shall reimburse
27 the ASO Account for any such payments. CONTRACTOR may pursue reimbursement from affected
28 providers, as appropriate.

29 E. MEDI-CAL CLAIMS PROCESSING AND REVIEW - CONTRACTOR shall provide
30 COUNTY, at a minimum, a monthly Medi-Cal 837 claiming file:

31 1. With the exception of claims for IMD, this file shall contain a matching Medi-Cal claim for
32 each Medi-Cal claim that was adjudicated by CONTRACTOR to the Network Provider.

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36 2. CONTRACTOR shall also:

37 a. Ensure that all billing activity is maintained, controlled and exchanged as necessary in

1 compliance with all current Federal requirements, as well as State regulatory requirements as set forth
2 by DHCS;

3 b. Ensure that billing staff has a thorough knowledge and understanding of SDMC billing
4 on an ongoing basis. It is the responsibility of CONTRACTOR to maintain this knowledge and train
5 staff when changes in staffing and/or regulations occur. ADMINISTRATOR is available to be a
6 consultant on fine points or details; but will not train CONTRACTOR's new staff.

7 c. Ensure compliance on an ongoing basis with emerging and future Federal and State
8 regulatory requirements within established deadlines;

9 d. Work cooperatively with ADMINISTRATOR during any system/application changes
10 or enhancements to ensure continuity of compliant operations;

11 e. Ensure Federal HIPAA compliance;

12 f. Have ability to compile and electronically transmit Medi-Cal 837 claim files to
13 ADMINISTRATOR for submission to and adjudication by the State of California;

14 g. Have ability to receive electronic transmissions of Medi-Cal 835 adjudicated claims
15 files back from ADMINISTRATOR, if necessary, as received by the State of California;

16 h. Resolve any issues with errors in claim submissions within the established timeframes,
17 and perform re-submissions as necessary;

18 i. Review all claims to see that the claims are billed within the twelve (12) months from
19 DOS requirement. Any stale dated claims (those over twelve (12) months) shall be the responsibility of
20 CONTRACTOR and not billed to ADMINISTRATOR. Any stale dated claims that may have been
21 previously reported to and paid by ADMINISTRATOR shall be reimbursed to ADMINISTRATOR as
22 indicated in the Services Paragraph of this Exhibit A to the Contract.

23 j. Report all stale dated costs to ADMINISTRATOR. These costs shall be reported on
24 the monthly Expenditure and Revenue Report; as requested by ADMINISTRATOR.

25 k. Conduct reviews and audits to see that claims submissions by Network Providers and
26 payments for approved claims are accurate. If the review/audit reveals that money is payable from one
27 Party to the other, that is, reimbursement by CONTRACTOR to COUNTY, or payment of sums due
28 from COUNTY to CONTRACTOR, said funds shall be due and payable from one Party to the other
29 within sixty (60) calendar days of receipt of the review/audit results.

30 1) If claims to be reimbursed are within the current fiscal period, the claims shall be
31 settled through the monthly Expense and Revenue Report and payment process.

32 2) If claims to be reimbursed are not within the current fiscal period, CONTRACTOR
33 shall reimburse COUNTY.

34 3) If reimbursement is due from CONTRACTOR to COUNTY, and such
35 reimbursement is not received within said sixty (60) calendar days, COUNTY may, in addition to any
36 other remedies provided by law, reduce any amount owed CONTRACTOR by an amount not to exceed
37 the reimbursement due COUNTY.

1 3. CONTRACTOR shall establish an ongoing primary technical contact or project manager
2 with whom issues can be discussed and resolved.

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

8 5. CONTRACTOR shall provide effective Administrative management of the budget,
9 staffing, recording, and reporting portion of the Contract with COUNTY. If administrative
10 responsibilities are delegated to subcontractors, CONTRACTOR must ensure that any subcontractor(s)
11 possesses the qualifications and capacity to perform all delegated responsibilities, including but not
12 limited to the following.

13 a. Designate the responsible position(s) in your organization for managing the funds
14 allocated to this program;

15 b. Maximize the use of the allocated funds;

16 c. Ensure timely and accurate reporting of monthly expenditures;

17 d. Maintain appropriate staffing levels;

18 e. Request budget and/or staffing modifications to the Contract;

19 f. Effectively communicate and monitor the program for its success;

20 g. Track and report expenditures electronically;

21 h. Maintain electronic and telephone communication between key staff and the Contract
22 and Program Administrators; and

23 i. Act quickly to identify and solve problems.

24 F. ACCESS LINE

25 1. CONTRACTOR shall staff and operate a twenty-four (24) hour-seven (7) days a week toll
26 free Access Line which is a primary portal of entry for providers and Orange County Medi-Cal
27 Beneficiaries and their families. This line may not be a taped recording and must have a live operator at
28 all times.

29 2. CONTRACTOR shall utilize a script developed by ADMINISTRATOR for answering
30 Access Line requests for services.

31 3. CONTRACTOR's Access Line -shall ensure that service are available in all threshold
32 languages. For enrollees who may require language translation, CONTRACTOR shall utilize a
33 language interpreter service or other service acceptable to ADMINISTRATOR. The California Relay
34 Service may be used for hearing-impaired members.

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36 G. MENTAL HEALTH SERVICES

37 1. SCREENING

1 a. CONTRACTOR shall provide the Beneficiary with a very brief screening to first
2 determine if the Beneficiary is seeking mental health services followed by verification of Medi-Cal
3 eligibility.

4 b. If the caller is not verified to be a Medi-Cal Beneficiary, CONTRACTOR shall
5 complete brief screening and refer the individual to the local COUNTY Medi-Cal Office for potential
6 enrollment and provide community resources for treatment.

7 c. At no time, shall a caller be offered a call back to conduct screening and complete
8 linkage to services unless stated in Telephone Access Log as a caller's request.

9 d. CONTRACTOR shall screen Beneficiaries who are requesting services not provided by
10 CONTRACTOR and identify and provide resources.

11 2. CASE MANAGEMENT SERVICES - Whenever clinically necessary, CONTRACTOR's
12 case managers shall assist and support Beneficiaries as part of care coordination services. Clinicians
13 shall link Beneficiaries with complex or co-morbid conditions to appropriate care, focus on the
14 integration of mental health and primary care, and help Beneficiaries connect to their PCPs or
15 collaborate with their health plan to assure timely services are received.

16 3. TIMELY ACCESS TO SERVICES – When a call is received through the Access Line,
17 CONTRACTOR shall determine and document in Access Log if the request for services is emergent,
18 urgent, or routine.

19 a. If the caller's needs are indicated as requiring emergent or urgent care,
20 CONTRACTOR shall make a referral to COUNTY's CAT or COUNTY Mental Health Outpatient
21 Clinic without delay to prevent further decompensation or compromise of the member's condition.
22 CONTRACTOR shall at no time refer callers to inpatient care and must follow COUNTY criteria for
23 inpatient assessment.

24 1) Emergent services shall be indicated when the Beneficiary has a psychiatric
25 condition that meets COUNTY's criteria for acute psychiatric hospitalization and cannot be treated at a
26 lower level of care. These criteria include the Beneficiary being a danger to himself/herself or others or
27 an immediate inability of the Beneficiary to provide for, or utilize food, shelter or clothing as a result of
28 a mental disorder. These calls must be linked within two (2) hours.

29 2) Urgent services shall be indicated when a situation experienced by a Beneficiary
30 that, without timely intervention, is highly likely to result in an immediate emergency psychiatric
31 condition. Beneficiaries in need of urgent services shall receive timely mental health intervention that
32 shall be appropriate to the severity of the condition. Linkage for these services must be within twenty-
33 four (24) hours.

34 3) CONTRACTOR must obtain confirmation that any caller assessed as requiring
35 emergent or urgent care has been appropriately connected to COUNTY or police. If the Beneficiary did
36 not show up to the appointed session/evaluation, CONTRACTOR shall contact the Beneficiary to
37 further facilitate services.

1 4) Appointment standards regarding emergent and urgent care shall be communicated
2 to Network Providers as part of the Network Provider handbook and shall be incorporated in their
3 Network Provider contractual agreement with CONTRACTOR.

4 b. If the caller's needs are indicated as requiring routine care, CONTRACTOR shall make
5 a referral to COUNTY for an appointment to be offered within ten (10) business days of the referral.
6 Routine services shall be indicated when a Beneficiary's mental health needs are not urgent, but for
7 whom mental health services of some type can improve functioning and/or reduce symptoms, or for
8 whom mental health services are necessary to maintain his or her highest level of functioning.

9 c. CONTRACTOR's Access Line clinicians shall be available to briefly screen and triage
10 all of the Beneficiary's mental health needs. All of CONTRACTOR's Access Line clinicians providing
11 brief screening services shall be licensed by the State of California, Board of Behavioral Sciences.
12 Access Line clinicians shall be trained to identify signs of distress in callers.

13 d. Beneficiaries requesting mental health services shall not be denied services solely
14 based upon a telephone clinical screening. Should it not be possible to determine a Beneficiary's needs,
15 during the brief telephone clinical screening, CONTRACTOR shall take further steps to ensure
16 Beneficiaries are referred to the most appropriate level of care by referring the Beneficiary for a face-to-
17 face assessment by COUNTY provider.

18 1) A referral for a face-to-face assessment shall be culturally appropriate.

19 a) CONTRACTOR shall require that testing be provided only by licensed clinical
20 psychologists.

21 b) Network Providers requesting psychological testing related to treatment
22 decisions must submit a request, to CONTRACTOR, which shall be reviewed by CONTRACTOR.

23 e. Access Line clinicians shall be evaluated at least once annually by CONTRACTOR to
24 ensure consistency and appropriateness of referrals. CONTRACTOR shall make findings available to
25 ADMINISTRATOR.

26 1) CONTRACTOR's Access Line clinicians shall be periodically evaluated by
27 CONTRACTOR through routine audits and formal reliability studies to ensure consistency in decisions
28 related to medical necessity and clinical impressions.

29 2) A randomly selected sample of member files shall be audited by CONTRACTOR
30 at least quarterly to evaluate Access Line clinician decision compliance with decision-making criteria.

31 4. SCREENING and ASSESSMENT CATEGORIES – As a result of the telephone clinical
32 brief screening, or face-to-face assessment, as appropriate, CONTRACTOR's Access Line clinicians
33 shall refer the Beneficiary for further assessment and treatment according to the following guidelines.

34 a. Severe/Complex Need for Services - Beneficiaries screened or assessed to have a
35 severe or complex need for Mental Health Services if they meet the state standards for medical necessity
36 for treatment and COUNTY's admission criteria. These Beneficiaries shall be referred to COUNTY for
37 further assessment and care coordination. CONTRACTOR shall ensure a timely and successful referral

1 for these Beneficiaries.

2 b. Medication Management Need for Services

3 1) These Beneficiaries shall meet medical necessity criteria for treatment or meet
4 COUNTY admission criteria. These Beneficiaries shall either be able to attend scheduled outpatient
5 office appointments or be in a facility such as a Board and Care. Beneficiaries in a SNF or
6 Medical/Surgical hospital or in some cases in an ER shall be eligible for psychiatric
7 consultation/treatment. Authorization and process shall be determined with ADMINISTRATOR.

8 2) Beneficiaries referred from COUNTY, no additional screening or assessment shall
9 be required by CONTRACTOR.

10 3) CONTRACTOR shall collaborate with physical health care providers to ensure the
11 most appropriate level of medication management is provided.

12 c. Episodic Need for Services - Beneficiaries referred to CONTRACTOR's Network of
13 Providers for services shall receive up to a total of twelve (12) psychiatry or a maximum of twenty-six
14 (26) routine psychotherapy treatment hours to include assessment within a period of six months. The
15 parties agree that, due to the episodic nature of illness experienced by the Specialty Mental Health
16 population, it is expected that many Beneficiaries' needs shall be met by these initial hours authorized.
17 Additional hours of service will require Continued Care Review (CCR) by CONTRACTOR.

18 d. Out of County Services - CONTRACTOR shall be responsible for processing and
19 paying claims for services provided to COUNTY Beneficiaries who meet medical necessity for
20 treatment and may require services while out of County as a result of urgent need or placement by
21 COUNTY care coordinators and/or Social Services staff.

22 1) CONTRACTOR shall comply in good faith with all Medi-Cal rules and regulations
23 applicable to the provision of Specialty Mental Health Services for Medi-Cal Beneficiaries who are
24 minors and who reside out-of-home and out of County.

25 2) COUNTY shall cooperate with CONTRACTOR in connection with providing
26 authorization for services to Beneficiaries who are deemed by the appropriate state or federal authorities
27 to be COUNTY's Medi-Cal responsibility. COUNTY may retain responsibility for providing services
28 for any minor placed out of County at COUNTY's discretion, after notification to CONTRACTOR, at
29 any point in the treatment.

30 e. Other Need for Services – Beneficiaries shall be referred to their MCP or PCP for
31 treatment, if Beneficiary's face-to-face assessment determines that the mental health need would be
32 responsive to physical health care-based treatment. Mental disorders that result from a general medical
33 condition shall be excluded from the medical necessity criteria for treatment, provided a NOABD, if
34 applicable and, beyond assessment, are not the responsibility of COUNTY or CONTRACTOR.

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36 f. Excluded Diagnosis – A Beneficiary's face-to-face assessment determines that the
37 Beneficiary has an excluded diagnosis and therefore does not meet medical necessity criteria for

1 receiving treatment from either COUNTY or CONTRACTOR, and a NOABD shall be provided, if
2 applicable. CONTRACTOR may refer these Beneficiaries to those community clinics not under
3 contract with COUNTY to provide mental health services for these Beneficiaries.

4 5. AUTHORIZATION OF SERVICES

5 a. Inpatient and IMD Attending – These Beneficiaries shall meet medical necessity for
6 treatment and COUNTY admission criteria; therefore, no additional screening shall be required by
7 CONTRACTOR. CONTRACTOR shall be responsible for reimbursing attending psychiatrists. Claims
8 for services for these Beneficiaries shall be processed in accordance with the following:

9 1) Acute Psychiatric Hospitals and IMDs – Attending psychiatrists shall be
10 reimbursed by FFS rates set by COUNTY.

11 2) CONTRACTOR must ensure that it does not reimburse for more than one (1)
12 professional service per day without prior authorization.

13 b. Out of County Treatment Authorization

14 1) CONTRACTOR may accept claims for authorized outpatient Specialty Mental
15 Health Services by any out of County provider that has completed a single case agreement with
16 CONTRACTOR.

17 2) CONTRACTOR shall monitor claims payments to non-contracted out of County
18 providers for outpatient Specialty Mental Health Services billed to CONTRACTOR. Any out of County
19 provider meeting this criterion shall be advised in writing by CONTRACTOR that the cumulative
20 claims exceeding \$1,000 shall be denied unless provider becomes a Network Provider in
21 CONTRACTOR's network. CONTRACTOR shall also advise Network Providers that they must obtain
22 authorization from CONTRACTOR for ongoing services. These services shall be authorized following
23 the in-county benefit guidelines.

24 3) Children and adolescent Beneficiaries shall be allowed up to fifteen (15) visits for
25 medication management; one (1) assessment visit, one (1) hour in duration; and fourteen (14) follow-up
26 visits, fifteen (15) minutes in duration.

27 4) Contractor shall authorize up to twenty-six (26) therapy visits over a six (6) month
28 period. The type of therapy; Individual, Group, or Family therapy; shall be at the discretion of the
29 Network Provider.

30 c. If a Beneficiary is identified through CONTRACTOR's automated UM monitoring
31 report as continuing or exceeding treatment allowed in Services Paragraph of this Exhibit A to the
32 Agreement, an Access Line clinician will conduct additional review and/or assessment via CCR to
33 determine medical necessity and level of care remain appropriate to the beneficiaries needs and the
34 planned treatment will potentially improve beneficiaries condition and level of functioning.

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36 1) The CCR involves consultation with Network Providers and shall include, at a
37 minimum, a statement of presenting problems including diagnosis, justification for extended services, a

1 brief treatment plan including the number of additional requested services to resolve the problem,
2 treatment goals, as well as information relevant to the specific diagnosis, mental status,
3 symptomatology, functional impairment, and a description of linkages to other community resources
4 and support groups. The CCR also may involve rescreening the beneficiary which, if applicable, shall
5 include, at a minimum, determination of appropriate level of care, functional limitations and treatment
6 barriers, service verification, identification of unmet resource needs and self-report measure of treatment
7 effectiveness and satisfaction.

8 2) The Access Line clinician determines the Beneficiary may require COUNTY level
9 of care and may be better served by COUNTY, the Beneficiary may be referred and linked to COUNTY
10 for further assessment. If COUNTY assessment determines COUNTY level of care is not appropriate,
11 COUNTY reserves the right to refer back to CONTRACTOR for services

12 3) With approval from ADMINISTRATOR, the utilization process can be modified
13 and/or replaced by other similar systems that authorize more hours of treatment than initially allowed to
14 a Beneficiary provided that justification includes utilizing the minimum criteria detailed in the Services
15 Paragraph of this Exhibit A to the Agreement..

16 4) Access Line clinicians shall utilize Medical Necessity criteria and as needed,
17 consultations with designated COUNTY staff to guide the screening for medical necessity and
18 appropriateness of mental health services.

19 d. Outpatient Psychiatric Medication and Adult Psychotherapy Services

20 1) Beneficiaries shall be allowed up to twelve (12) visits for psychiatry and up to
21 twenty-six (26) visits for routine psychotherapy within the initial six (6) months. Additional hours of
22 service will require CCR by CONTRACTOR with oversight by the Medical Director.

23 2) The CONTRACTOR, by CCR can allow up to twelve (12) visits for psychiatry and
24 up to twenty-six (26) visits for routine psychotherapy within the subsequent six (6) months before
25 additional review is required. CONTRACTOR shall develop appropriate service utilization criteria.”

26 6. COORDINATION WITH PHYSICAL HEALTH CARE – CONTRACTOR shall address
27 the following issues in coordinating mental health and physical health care services with the managed
28 care plan:

29 a. Timely coordination and referral.

30 b. Timely exchange of information.

31 c. Education of both Beneficiaries and Network Providers regarding system coordination.

32 d. Coordination of medications and laboratory services as they relate to the mental health
33 and physical needs of the Beneficiary.

34 1) A part of CONTRACTOR’s CCR process shall include collecting and evaluating
35 the Beneficiary’s medication regimen.

36 2) If CONTRACTOR’s Access Line clinicians discover potential coordination of
37 medication concerns, telephone calls shall be placed to the Network Provider and managed care plan to

1 ensure appropriate coordination of care.

2 e. Defining responsibility/roles of case management/care coordination services.

3 1) Whenever clinically necessary, CONTRACTOR's clinicians shall work with the
4 local managed care plan(s) case management departments and membership liaison staff to coordinate
5 necessary services.

6 2) CONTRACTOR shall also have access to IRIS to assist in identifying which
7 Beneficiaries are accessing the traditional Short-Doyle delivery system and shall coordinate client care
8 with COUNTY mental health staff at corresponding program(s) where client is receiving services.

9 3) Specialty Network Provider consultation shall be provided to the Beneficiary's
10 PCP. Upon appropriate Beneficiary consent, Network Providers shall coordinate with the PCP
11 regarding a patient concern. With proper Beneficiary consent, CONTRACTOR shall release the
12 information from the Network Provider to the PCP to facilitate care coordination.

13 4) CONTRACTOR shall require its Network Providers to follow community
14 standards of good clinical practice, provide informed consent and clarification to Beneficiaries about
15 treatments that may impact their service delivery, and to update the PCP regarding the progress of the
16 treatment.

17 7. DENIALS, REDUCTIONS, OR TERMINATION OF MENTAL HEALTH SERVICES

18 a. All reductions in benefits and/or denials of treatment authorization shall be reviewed by
19 CONTRACTOR.

20 b. In the event that CONTRACTOR reduces benefits or denies further treatment entirely,
21 both the Network Provider and Beneficiary shall be notified by CONTRACTOR in writing by sending a
22 NOABD form.

23 1) If services are denied, CONTRACTOR shall send an NOABD form.

24 2) If services, as requested by the Network Provider, are terminated, reduced, or
25 changed and authorized by CONTRACTOR, CONTRACTOR shall send a NOABD form.

26 3) Quarterly, CONTRACTOR shall submit, to COUNTY, a report listing all
27 NOABDs issued by type.

28 4) CONTRACTOR shall provide detailed information substantiating the issuance of a
29 NOABD, upon request of ADMINISTRATOR.

30 c. COUNTY shall supply CONTRACTOR with NOABD forms. All NOABD forms
31 include instructions regarding second opinion and appeals processes.

32 1) A Beneficiary may request a second opinion. CONTRACTOR is responsible for
33 second opinions for NOABDs issued by CONTRACTOR.

34 2) A Network Provider or Beneficiary may request an expedited appeal review in the
35 event that treatment is ongoing.

36 3) Should CONTRACTOR fail to respond to the appeal or expedited appeal within
37 the mandated timelines, CONTRACTOR shall send the Beneficiary a NOABD form.

1 H. UTILIZATION MANAGEMENT -CONCURRENT REVIEW OF INPATIENT HOSPITAL
2 SERVICES

3 1. In accordance with the Mental Health Plan (MHP) Agreement with the Department of
4 Health Care Services (DHCS) and federal Medicaid Managed Care and Parity Final Rule 42 CFR, Part
5 438, 440, 456, and 457 (Code of Federal Regulations), WIC 14197, 14705(a)(3), California Code of
6 Regulations (CCR), Title 9, Chapter 11, Sections 1810.216, 1810.440(b), 1820.205, 220-225, 230, 245,
7 18220.205(a), 1830.220-225, HSC 1367.01(h)(3) & 1371.4(a), CONTRACTOR agrees to render
8 psychiatric inpatient hospital Initial and Continuing Stay Concurrent Review services, also referred to as
9 utilization management (UM) services, to eligible beneficiaries/clients for Specialty Mental Health
10 Services (SMHS) as set forth in this Exhibit A of the Contract in accordance with Mental Health
11 Substance Use Disorder (MHSUDS) Information Notice (IN) 19-026. COUNTY agrees to pay
12 CONTRACTOR for such services rendered in accordance with the terms and under the express
13 conditions of this Contract.

14 a. Service Delivery

15 1) CONTRACTOR's UM services shall evaluate and authorize inpatient psychiatric
16 hospital admissions and continued stay days based on Specialty Mental Health Services (SMHS)
17 medical necessity criteria, and consistent with current clinical practice guidelines, principles and
18 process. CONTRACTOR shall authorize service appropriateness and efficiency of services provided to
19 Medi-Cal Beneficiaries, and those County residents COUNTY designates AMHI (unfunded) clients,
20 prospectively through initial and concurrent authorization procedures. CONTRACTOR may place
21 appropriate limits on a service based on medical necessity, or for the purpose of utilization management,
22 provided that the services furnished are sufficient in amount, duration, or scope to reasonably achieve
23 their purpose and that services for Beneficiaries with ongoing or chronic conditions are authorized in a
24 manner that reflects the Beneficiary's ongoing need for such services and supports.

25 2) CONTRACTOR shall maintain telephonic and electronic methods for providers to
26 submit notification of admission 24/7, so that inpatient hospital providers to make admission
27 notifications and request authorization for inpatient acute psychiatric hospital services.

28 3) CONTRACTOR may not arbitrarily deny or reduce the amount, duration, or scope
29 of the required service solely because of diagnosis, type of illness or condition of the Beneficiary (CCR
30 Title 9, 1810; 42 Code of Federal Regulations (CFR) 438.210, 438.330, 438.608; 438.910).

31 //

32 4) CONTRACTOR shall provide written notification to COUNTY regarding
33 authorization decisions in accordance with the established timeframes based on medical necessity via
34 Daily Census Report and weekly Authorization List.

35 5) CONTRACTOR hereby represents and warrants that it operates a utilization
36 management program based on the National Committee for Quality Assurance (NCQA) and Centers for
37 Medicare and Medicaid Services' (CMS) standards for Medicaid/Medi-Cal; provided, however, that it

1 makes no representation or warranty that it is accredited by NCQA. CONTRACTOR's UM program
2 shall set quality standards based on the Healthcare Effectiveness Data and Information Set (HEDIS) and
3 other related performance measures.

4 b. Utilization Management Service Implementation

5 1) COUNTY does not require prior authorization for an emergency admission for
6 psychiatric inpatient hospital services or to a psychiatric health facility, whether the admission is
7 voluntary or involuntary, and the Beneficiary, due to a mental disorder, is a current danger to self or
8 others, or immediately unable to provide for, or utilize, food, shelter, or clothing. (CCR Title 9, 1820,
9 1830 sections).

10 2) After the date of admission, CONTRACTOR shall review requests from hospitals
11 for authorization of continued stay services for the Beneficiary subject to concurrent review by
12 CONTRACTOR in accordance with MHSUDS IN 19-026 and regulations listed above.

13 3) CONTRACTOR shall implement UM services and begin performing reviews
14 within ninety (90) business days of effective date of Contract or mutually agreed upon extended date..
15 CONTRACTOR shall schedule and facilitate an implementation plan with COUNTY and agreed-upon
16 activities shall be managed by CONTRACTOR implementation team in collaboration with
17 CONTRACTOR.

18 4) Key CONTRACTOR implementation activities include, but are not limited to:

19 a) Establish Information Technology (IT) system configuration that includes - list
20 of Medi-Cal covered diagnoses for inpatient mental health services; secure protocol for electronic
21 communication between CONTRACTOR and COUNTY, covered county responsible and Medi-Cal
22 client eligibility, authorization, and inpatient acute mental health provider information.

23 b) Establish and maintain Phone system and encrypted email inbox set up with
24 dedicated telephone number and phone tree for provider calls for County.

25 c) Develop UM Service Design Document that reflects tasks and responsibilities
26 set for in this Exhibit A.

27 d) Provide mutually agreed upon reports as defined in this Exhibit A. However,
28 CONTRACTOR shall provide to COUNTY any additional reports COUNTY requires to comply with
29 applicable law or government agency instruction. COUNTY shall cooperate with collecting and
30 providing any data needed to perform the services and supply reports required under this section.

31 //

32 e) Develop UM Program including but not limited to, creating workflows, written
33 guidelines for the application of medical necessity for inpatient mental health services, development of
34 forms to facilitate communication and implementation of continuous services, census forms, and
35 communication points of contact.

36 f) Develop eligibility verification process for Orange County responsible Clients,
37 including Medi-Cal and uninsured / AMHI Orange County residents.

1 g) Develop and share policies and procedures in compliance with the Final rule and
2 DHCS regulatory and MHP agreement requirements to address the following areas including, but not
3 limited to:

4 i. Medical necessity criteria, as defined in CCR Title 9, section 1820.205 for
5 initial and continued stay services and 1820.220 for administrative day services;

6 ii. Clinical coverage and access to utilization management staff 24-hour access
7 to utilization review staff;

8 iii. Timeliness of authorization decisions and notification;

9 iv. Discharge planning;

10 v. Clinical documentation;

11 vi. Evaluation of utilization management services, including but not limited to,
12 interrater reliability and objectivity in clinical decision making;

13 vii. Notification requirements and content of authorization and need for
14 adverse benefit determination notices (COUNTY conduct NOABD);

15 viii. Required UM staffing and scope of practice, including licensed mental
16 health professional licensure, verified credentialing, sanction/exclusion monitoring and certification of
17 clinical staff; and

18 ix. UM staffing compensation is not structured so as to provide incentives for
19 the individual or entity to deny, limit, or discontinue medically necessary services to a Client.

20 h) Purchase equipment and set up new information technology equipment for new
21 staff.

22 i) Train UM staff on new workflows, medical necessity criteria and new required
23 system.

24 j) Monitor Concurrent Review activities performed by UM staff to ensure
25 compliance to the established workflows and documentation requirements preapproved by COUNTY
26 and set forth in this Exhibit A.

27 k) Member/facility notification development.

28 c. Utilization Management Program Scope and Design

29 1) CONTRACTOR'S Clinical UM Program shall assign a designated point of contact
30 with COUNTY. This individual shall be responsible for the performance of the joint CONTRACTOR
31 team designated for COUNTY account and shall be located in CONTRACTOR's Service Center. The
32 UM team shall include designated licensed practitioners of the healing arts, UM clinicians, including
33 UM physicians, intake coordinators and shared reporting and oversight resources, to support the
34 Contract.

35 2) CONTRACTOR team shall be responsible for the following:

36 a) COUNTY specific admission notification phone number and secure electronic
37 submission process available to providers and COUNTY 24-hours, 7-days a week for initial and

1 continuing stay authorization requests. COUNTY will access CONTRACTOR's notification services
2 upon receiving direct contact from a facility regarding notification and authorization request.

3 b) Daily intake of an admissions census showing current admissions at designated
4 facilities for mental health. CONTRACTOR shall update COUNTY of all completed admissions
5 through a COUNTY pre-approved authorization extract via daily email delivery to COUNTY email
6 address determined by COUNTY.

7 c) Beneficiary eligibility verification by utilizing via an eligibility file and/or face
8 sheet provided by COUNTY. Eligibility verification shall include adult and children who have County
9 30 Medi-Cal or County Responsible benefits.

10 d) Timely review and approval, denial or modification of requests for authorization
11 of inpatient mental health services. CONTRACTOR shall not deny authorization of emergency
12 placements.

13 e) Use written Concurrent Review decision-making criteria, pre-approved by
14 COUNTY, that are objective and based on inpatient acute psychiatric hospital/PHF medical necessity as
15 defined in CCR Title 9 Section 1820.205 for initial and continuing stay services and 1820.220 for
16 administrative day services.

17 f) Review clinical documentation, when necessary, sufficient to determine that
18 medical necessity criteria are met for acute days and administrative day criteria are met for
19 administrative day authorized by CONTRACTOR.

20 g) Formal and informal case collaboration with COUNTY or Inpatient Setting
21 staff, including physician peer review for resolving disputed requests for authorization.

22 h) Provide peer to peer consultation from board certified physicians to facilities as
23 clinically appropriate for each Client.

24 i) Ensure that medical necessity adverse benefit decisions, based on medical
25 necessity criteria are reviewed and approved by a physician as set forth in CCR Title 9 section
26 1820.220, prior to providing COUNTY with written reasons for generating a Notice of Adverse Benefit
27 Determination (NOABD) letter.

28 j) Coordination and discharge planning with facility and COUNTY staff as
29 appropriate, including but not limited to:

30 i. CONTRACTOR to notify COUNTY designated contacts via email of
31 Client's planned discharge date from inpatient unit no less than twenty-four (24) hours prior to
32 discharge/final day authorized, or the next business day if notified outside of the work week, or as soon
33 as CONTRACTOR is made aware of a discharge if not informed sooner than twenty-four (24) hours.

34 ii. CONTRACTOR to obtain and document discharge plan, including aftercare
35 appointment information, during Concurrent Review process, for non-Orange County SMHS discharges
36 or Out-of-County aftercare services.

37 iii. CONTRACTOR to notify inpatient hospital unit social worker staff/UM

1 representative that they are to contact COUNTY ACCESS clinical staff to coordinate discharge plan for
2 SMHS by calling number provided by ADMINISTRATOR prior to discharge.

3 k) Routine Activity Report deliveries, including but not limited to facility type,
4 average length of stay, recidivism, and Beneficiary demographic information.

5 i. COUNTY will continue to manage all facility and provider contracts. The
6 above activities will be completed for acute mental health inpatient care and any UM review services
7 mutually agreed upon by CONTRACTOR and ADMINISTRATOR.

8 ii. COUNTY will assign a designated point of contact with CONTRACTOR.

9 iii. CONTRACTOR shall respond to up to two (2) clinical audits from
10 COUNTY per calendar year and shall participate in clinical audits of COUNTY by state or federal
11 authorities as needed. Notwithstanding audits initiated by state or federal authorities, COUNTY shall
12 give CONTRACTOR no less than thirty (30) business days' notice to respond to a clinical audit request.
13 If CONTRACTOR successfully passes two audits in a row, this will be reduced to one year.

14
15 d. Workflow Overview

16 1) CONTRACTOR shall implement effective workflows for clinical review based on
17 established policies and practices.

18 2) Initial Admission Authorizations:

19 a) Assignment CONTRACTOR shall verify COUNTY eligibility upon an
20 individual admission. COUNTY support staff will ensure any questions are addressed to determine
21 eligibility status. CONTRACTOR shall acknowledge received hospital admission notifications via the
22 daily census.

23 b) For eligible admissions, CONTRACTOR support staff shall set up a member file
24 in CONTRACTOR care management system that includes member demographics, eligibility, and other
25 pertinent details. CONTRACTOR support staff shall conduct screening and enter notes into
26 CONTRACTOR care management system. Any case requiring clinical review by a clinician shall be
27 transferred to an UM Coordinator.

28 3) UM Reviews: Provide Concurrent Review services for Clients placed in inpatient
29 psychiatric facilities as directed by COUNTY, including but not limited to, the following:

30 a) Provide timely review and approval, denial or modification of requests for
31 authorization of inpatient mental health services.

32 b) Use Concurrent Review decision-making criteria, pre-approved by COUNTY,
33 that are objective and based on medical necessity as defined in CCR Title 9 Section 1820.205 for initial
34 and continuing stay services and 1820.220 for administrative day services.

35 c) Inform Clients in writing how they can obtain the Concurrent Review criteria
36 and make the criteria available to Clients upon request.

37 d) Once daily, on business days, send census to COUNTY Utilization Review team

1 email. To be determined by COUNTY, at minimum, the following information for all Clients currently
2 in inpatient psychiatric placement shall be provided:

- 3 i. Client name Date of Birth, and Alternate ID;
- 4 ii. Primary diagnosis;
- 5 iii. Placement facility name, address and contact number;
- 6 iv. Admission date;
- 7 v. Last authorized date; and
- 8 vi. Total number of days authorized (Days).

9 4) Concurrent Reviews:

10 a) Inpatient acute psychiatric level of care reviews shall be conducted
11 telephonically, or as required per MHP-DHCS Agreement requirements and as defined by CCR Title 9
12 section 1810.100 and 1810.110, at intervals appropriate to the intensity of care.

13 b) Additional reviews shall be conducted as needed or upon request from
14 CONTRACTOR's Medical Director, and urgent reviews may be conducted when circumstances
15 warrant. Lengthy stays may require consultations with CONTRACTOR's Medical Director.

16 c) All concurrent reviews, or peer-to-peer reviews shall be documented in
17 CONTRACTOR care management system.

18 5) Review with Stay Denials:

19 a) CONTRACTOR shall offer a peer-to-peer review prior to issuing a clinical
20 denial based on not meeting medical necessity for either acute or administrative stay; CONTRACTOR
21 shall not pend authorizations while waiting for the review to occur. Once the peer-to-peer is offered,
22 CONTRACTOR shall issue the denial if the attending Medical Doctor does not call for the review.
23 Determination regarding authorization or denial shall be completed within twenty-four (24) hours from
24 the time of a completed request.

25 b) All clinical denials are reviewed by CONTRACTOR's Medical Director or
26 Physician Reviewer. Once a final determination has been made, verbal and written notifications shall be
27 sent via agreed upon means to the facility and COUNTY.

28 6) Retroactive Authorizations: Retroactive authorization reviews for facility post
29 service payment will be conducted by COUNTY.

30 I. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
31 Services Paragraph of this Exhibit A to the Contract.

32 **X. STAFFING**

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

	ADMINISTRATION	<u>FTEs</u>
1		
2	Accounting Manager	0.01
3	Telecom Analyst	0.15
4	Desktop Support	0.10
5	Security Specialist	<u>0.17</u>
6	SUBTOTAL ADMINISTRATION	0.43
7		
8	PROGRAM	
9	<u>Implementation Program Staff (2021-22)</u>	2.51
10	<u>ASO DMC Staffing</u>	
11	Program Director	0.35
12	Operation Director	0.30
13	Regional Operation Analyst	0.35
14	Quality Department Management (Pooled)	0.17
15	Quality Improvement Coordinator/Grievance and	0.90
16	Complaints (Pooled)	
17	Utilization Review Clinician – Screener (Pooled)	6.00
18	Clinical Manager	1.00
19	Clinical Supervisor (Pooled)	1.00
20	After Hours Supervisor (Pooled Staff)	0.11
21	After Hours Clinician & DMC Clinician (Pooled Staff)	1.75
22	Membership Service Supervisor (Pooled)	1.00
23	Membership Service Representative (Pooled)	7.00
24	Care Coordinator II (Pooled)	4.00
25	Credentialing Specialist (Pooled)	0.20
26	Network Development Manager	0.20
27	Provider Relations/Dispute Resolution	0.30
28	Claims Processor (Pooled)	0.50
29	Claims Analyst (Pooled)	0.10
30	Claims Supervisor (Pooled Staff)	0.05
31	Finance - Sr. Accountant	0.10
32	Database Administrator	0.30
33	Database Developer	<u>0.15</u>
34	<u>ASO DMC SUBTOTAL PROGRAM</u>	<u>25.83</u>
35	<u>Utilization Management Staffing</u>	
36	Quality Analyst (Pooled)	0.34
37	Quality Specialist (Pooled)	0.57

1	Manager of Provider Quality (Pooled)	1.00
2	Supervisor of Utilization Management	1.00
3	Utilization Management Clinician (Pooled)	8.00
4	Utilization Management Denials/Correspondence	0.20
5	Utilization Management Intake Coordinator (Pooled)	2.00
6	Medical Director	0.80
7	Peer Advisor Scheduler (Pooled)	1.00
8	Claims Appeals Management	0.15
9	Appeals Review & Support	<u>1.00</u>
10		
11	SUBTOTAL UM PROGRAM	<u>16.06</u>
12	SUBTOTAL PROGRAM	<u>41.89</u>
13	TOTAL FTEs	42.32

15 B. CONTRACTOR shall provide sufficient administrative and program staffing to ensure its
 16 delivery of all services specified in this Exhibit A to the Contract.

17 C. CONTRACTOR shall, at its own expense, provide and maintain licensed practitioners of the
 18 healing arts and supportive personnel to provide all necessary and appropriate psychiatric inpatient
 19 hospital utilization management (UM) services.

20 D. CONTRACTOR agrees Access Line team shall be located in Orange County, California and
 21 shall be available to COUNTY Monday through Friday, from 8:00 a.m. through 6:00 p.m. Pacific Time.
 22 CONTRACTOR shall staff an after-hours Access Line team, which shall be available from 6:00 p.m.
 23 through 8:00 a.m. Pacific Time.

24 E. CONTRACTOR shall attempt in good faith to recruit and retain bilingual, culturally competent
 25 staff to meet the diverse needs of the community threshold languages as determined by COUNTY.
 26 CONTRACTOR shall also ensure recruitment and retention of staff that have experience in working
 27 with diverse populations with specialty needs, including but not limited to, children/adolescents and
 28 older adults. When staffing vacancies occur; CONTRACTOR shall attempt to fill with bilingual and
 29 bicultural staff If CONTRACTOR’s available candidates require filling those positions with non-
 30 bilingual and bicultural staff ADMINISTRATOR will be notified in writing, at least 7 days in advance
 31 of hiring.

32 F. CONTRACTOR shall use an interpreter service when a caller speaks a language not spoken by
 33 staff, as well as the California Relay Service for hearing impaired members.

34 G. CONTRACTOR shall maintain personnel files for each staff member, both administrative and
 35 programmatic, both direct and indirect, which shall include, but not be limited to, an application for
 36 employment, qualifications for the position, documentation of bicultural/bilingual capabilities (if
 37 applicable), valid licensure verification, if applicable, and pay rate and evaluations justifying pay

1 | increases.

2 | H. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours of
3 | any non-pooled staffing vacancies that occur during the term of the Contract. CONTRACTOR's
4 | notification shall include at a minimum the following information: employee name(s), position title(s),
5 | date(s) of resignation, date(s) of hire, and a description of recruitment activity.

6 | I. CONTRACTOR shall notify ADMINISTRATOR, in writing, at least seven (7) calendar days in
7 | advance, of any new non-pooled staffing changes; including promotions, temporary FTE changes and
8 | internal or external temporary staffing assignment requests that occur during the term of the Contract.

9 | J. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of all
10 | P&Ps. CONTRACTOR shall provide signature confirmation of the P&P training for each staff member
11 | and place it in their personnel files.

12 | K. CONTRACTOR shall ensure that all staff, albeit paid or unpaid, complete necessary training
13 | prior to discharging duties associated with their titles and any other training necessary to assist
14 | CONTRACTOR and COUNTY to be in compliance with prevailing standards of practice as well as
15 | State and Federal regulatory requirements.

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

21 | M. CONTRACTOR shall ensure that designated staff completes COUNTY's Annual Provider
22 | Training and Annual Compliance and Cultural Competency Training.

23 | N. TOKENS – ADMINISTRATOR shall provide CONTRACTOR the necessary number of
24 | Tokens for appropriate individual staff to access ADMINISTRATOR designated reporting system at no
25 | cost to CONTRACTOR.

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

28 | 2. CONTRACTOR shall ensure information obtained by the use of a Token is used for the
29 | sole purpose of this Contract and shall not be shared with any other lines of business without the
30 | expressed or written consent of the Beneficiary.

31 | 3. CONTRACTOR shall request and return tokens pursuant to COUNTY Standard Operating
32 | Procedure (SOP) for Processing Token Requests for Administrative Services Organization (ASO).

33 | 4. CONTRACTOR shall maintain an inventory of the Tokens, by serial number, date
34 | issued/returned and the staff member to whom each is assigned.

35 | //

36 | 5. CONTRACTOR shall indicate in the monthly staffing report, the serial number of the
37 | Token for any staff member assigned a Token.

1 6. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following
2 conditions:

- 3 a. Token of any staff member who no longer supports the Contract;
- 4 b. Token of any staff member who no longer requires access to ADMINISTRATOR
5 designated reporting system;
- 6 c. Token of any staff member who leaves employment of CONTRACTOR;
- 7 d. Token is malfunctioning; or
- 8 e. Termination of Contract.

9 7. CONTRACTOR shall reimburse COUNTY for Tokens lost, stolen, or damaged through
10 acts of negligence.

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

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EXHIBIT B
 ADMINISTRATIVE SERVICES ORGANIZATION
 FOR SPECIALTY MENTAL HEALTH
 AND DRUG MEDICAL SUBSTANCE ABUSE SERVICES

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 to the Contract 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 (“the 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 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 Contract 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 Contract, 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 Contract.

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 Contract 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 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, as it exists now or be hereafter updated with notice to CONTRACTOR, 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 Contract.

B. DEFINITIONS

1. “Administrative Safeguards” are administrative actions, and P&Ps, to manage the selection,

1 development, implementation, and maintenance of security measures to protect ePHI and to manage the
2 conduct of CONTRACTOR's workforce in relation to the protection of that information.

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

5 a. Breach excludes:

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

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

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

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

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

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

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

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

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

28 4. "DRS" shall have the meaning given to such term under the HIPAA Privacy Rule in
29 45 CFR § 164.501.

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

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

34 7. "Individual" shall have the meaning given to such term under the HIPAA Privacy Rule in
35 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance
36 with 45 CFR § 164.502(g).

37 8. "Physical Safeguards" are physical measures, policies, and procedures to protect

1 CONTRACTOR's electronic information systems and related buildings and equipment, from natural
2 and environmental hazards, and unauthorized intrusion.

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

5 10. "PHI" shall have the meaning given to such term under the HIPAA regulations in
6 45 CFR § 160.103.

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

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

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

15 14. "The HIPAA Security Rule" shall mean the Security Standards for the Protection of ePHI at
16 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

17 15. "Subcontractor" shall have the meaning given to such term under the HIPAA regulations in
18 45 CFR § 160.103.

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

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

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

26 C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE

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

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

34 3. CONTRACTOR agrees to comply with the HIPAA Security Rule at Subpart C of
35 45 CFR Part 164 with respect to ePHI COUNTY discloses to CONTRACTOR or CONTRACTOR
36 creates, receives, maintains, or transmits on behalf of COUNTY.

37 4. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is

1 known to CONTRACTOR of a Use or Disclosure of PHI by CONTRACTOR in violation of the
2 requirements of this Business Associate Contract.

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

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

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

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

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

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

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

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

36 13. If CONTRACTOR receives Social Security data from COUNTY provided to COUNTY by
37 a state agency, upon request by COUNTY, CONTRACTOR shall provide COUNTY with a list of all

1 employees, subcontractors, and agents who have access to the Social Security data, including
2 employees, agents, subcontractors, and agents of its subcontractors.

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

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

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

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

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

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

35 D. SECURITY RULE

36 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish
37 and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with

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

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

10 3. CONTRACTOR shall ensure the continuous security of all computerized data systems
11 containing ePHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,
12 maintains, or transmits on behalf of COUNTY. CONTRACTOR shall protect paper documents
13 containing PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,
14 maintains, or transmits on behalf of COUNTY. These steps shall include, at a minimum:

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

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

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

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

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

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

32 E. DATA SECURITY REQUIREMENTS

33 1. Personal Controls

34 a. Employee Training. All workforce members who assist in the performance of
35 functions or activities on behalf of COUNTY in connection with Contract, or access or disclose PHI
36 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
37 behalf of COUNTY, must complete information privacy and security training, at least annually, at

1 CONTRACTOR's expense. Each workforce member who receives information privacy and security
2 training must sign a certification, indicating the member's name and the date on which the training was
3 completed. These certifications must be retained for a period of six (6) years following the termination
4 of Contract.

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

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

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

22 2. Technical Security Controls

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

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

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

35 d. Removable media devices. All electronic files that contain PHI COUNTY discloses to
36 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
37 must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives,

1 floppies, CD/DVD, Blackberry, backup tapes etc.). Encryption must be a FIPS 140-2 certified
2 algorithm which is 128bit or higher, such as AES. Such PHI shall not be considered “removed from the
3 premises” if it is only being transported from one of CONTRACTOR’s locations to another of
4 CONTRACTOR’s locations.

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

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

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

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

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

35 i. System Timeout. The system providing access to PHI COUNTY discloses to
36 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
37 must provide an automatic timeout, requiring re-authentication of the user session after no more than

1 | twenty (20) minutes of inactivity.

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

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

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

17 | m. Transmission encryption. All data transmissions of PHI COUNTY discloses to
18 | CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
19 | outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is
20 | 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files
21 | containing PHI can be encrypted. This requirement pertains to any type of PHI in motion such as
22 | website access, file transfer, and E-Mail.

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

27 | 3. Audit Controls

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

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

37 | c. Change Control. All systems processing and/or storing PHI COUNTY discloses to

1 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
2 must have a documented change control procedure that ensures separation of duties and protects the
3 confidentiality, integrity and availability of data.

4 4. Business Continuity/Disaster Recovery Control

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

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

17 5. Paper Document Controls

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

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

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

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

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

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

8 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

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

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

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

37 5) Contact procedures for Individuals to ask questions or learn additional information,

1 which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

2 4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in
3 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the
4 COUNTY.

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

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

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

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

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

26 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

36 1) The Disclosure is required by law; or

37 2) CONTRACTOR obtains reasonable assurances from the person to whom the PHI

1 is disclosed that it will be held confidentially and used or further disclosed only as required by law or for
2 the purposes for which it was disclosed to the person and the person immediately notifies
3 CONTRACTOR of any instance of which it is aware in which the confidentiality of the information has
4 been breached.

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

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

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

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

14 H. PROHIBITED USES AND DISCLOSURES

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

20 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI
21 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
22 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by 42 USC §
23 17935(d)(2).

24 I. OBLIGATIONS OF COUNTY

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

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

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

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

36 J. BUSINESS ASSOCIATE TERMINATION

37 1. Upon COUNTY's knowledge of a material Breach or violation by CONTRACTOR of the

1 requirements of this Business Associate Contract, COUNTY shall:

2 a. Provide an opportunity for CONTRACTOR to cure the material Breach or end the

3 violation within thirty (30) business days; or

4 b. Immediately terminate the Contract, if CONTRACTOR is unwilling or unable to cure

5 the material Breach or end the violation within thirty (30) days, provided termination of the Contract is

6 feasible.

7 2. Upon termination of the Contract, CONTRACTOR shall either destroy or return to

8 COUNTY all PHI CONTRACTOR received from COUNTY or CONTRACTOR created, maintained,

9 or received on behalf of COUNTY in conformity with the HIPAA Privacy Rule.

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

11 agents of CONTRACTOR.

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

13 c. In the event that CONTRACTOR determines that returning or destroying the PHI is not

14 feasible, CONTRACTOR shall provide to COUNTY notification of the conditions that make return or

15 destruction infeasible. Upon determination by COUNTY that return or destruction of PHI is infeasible,

16 CONTRACTOR shall extend the protections of this Business Associate Contract to such PHI and limit

17 further Uses and Disclosures of such PHI to those purposes that make the return or destruction

18 infeasible, for as long as CONTRACTOR maintains such PHI.

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

20 Contract.

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EXHIBIT C
ADMINISTRATIVE SERVICES ORGANIZATION
FOR SPECIALTY MENTAL HEALTH
AND DRUG MEDICAL SUBSTANCE ABUSE SERVICES

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, CCC § 1798.29(d).

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

4. "DHCS PI" shall mean PI, 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 Contract on behalf of the COUNTY.

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

6. "Notice-triggering PI" shall mean the PI identified in CCC § 1798.29(e) whose unauthorized access may trigger notification requirements under CCC § 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 CCC § 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 Contract; or

1 | interference with system operations in an information system that processes, maintains or stores PI.

2 | B. TERMS OF CONTRACT

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

7 | 2. Responsibilities of CONTRACTOR

8 | CONTRACTOR agrees:

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

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

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

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

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

30 | 3) If the data obtained by CONTRACTOR from COUNTY includes PII,
31 | CONTRACTOR shall also comply with the substantive privacy and security requirements in the
32 | CMPPA Contract between the SSA and the CHHS and in the Contract between the SSA and DHCS,
33 | known as the IEA. The specific sections of the IEA with substantive privacy and security requirements
34 | to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information
35 | Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies
36 | Exchanging Electronic Information with the SSA. CONTRACTOR also agrees to ensure that any of
37 | CONTRACTOR's agents or subcontractors, to whom CONTRACTOR provides DHCS PII agree to the

1 same requirements for privacy and security safeguards for confidential data that apply to
2 CONTRACTOR with respect to such information.

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

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

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

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

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

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

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