

1 CONTRACT FOR PROVISION OF  
2 DRUG MEDI-CAL ADOLESCENT OUTPATIENT AND  
3 INTENSIVE OUTPATIENT SERVICES  
4 BETWEEN  
5 COUNTY OF ORANGE  
6 AND  
7 PHOENIX HOUSE ORANGE COUNTY, INC.  
8 SEPTEMBER 9, 2022 THROUGH JUNE 30, 2025  
9

10 THIS CONTRACT entered into this 9th day of September 2022 (effective date), is by and between  
11 the COUNTY OF ORANGE, a political subdivision of State of California (COUNTY), and PHOENIX  
12 HOUSE ORANGE COUNTY, INC. a California non-profit (CONTRACTOR). COUNTY and  
13 CONTRACTOR may sometimes be referred to herein individually as "Party" or collectively as  
14 "Parties." This Contract shall be administered by the County of Orange Health Care Agency  
15 (ADMINISTRATOR).  
16

17 **W I T N E S S E T H:**  
18

19 WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Drug Medi-  
20 Cal Adolescent Outpatient and Intensive Outpatient Services described herein to the residents of Orange  
21 County; and

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

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

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**REFERENCED CONTRACT PROVISIONS****Term:** September 9, 2022 through June 30, 2025

Period One means the period from September 9, 2022 through June 30, 2023

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

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

**Maximum Obligation:**

Period One Aggregate Maximum Obligation: \$ 1,289,145

Period Two Aggregate Maximum Obligation: 1,546,974

Period Three Aggregate Maximum Obligation: 1,546,974

TOTAL AGGREGATE MAXIMUM OBLIGATION: \$ 4,383,093

**Basis for Reimbursement:** Negotiated Rate and Actual Cost**Payment Method:** Monthly in Arrears**CONTRACTOR UEI Number:** G5EYM14QM7D9**CONTRACTOR TAX ID Number:** 22-2268070**Notices to COUNTY and CONTRACTOR:**

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

**CONTRACTOR:** PHOENIX HOUSE ORANGE COUNTY, INC.

Alice Gleghorn  
 11600 Eldridge Avenue  
 Lake view Terrace, Ca 91342  
[agleghorn@phoenixhouseca.org](mailto:agleghorn@phoenixhouseca.org)

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## I. ACRONYMS

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

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

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

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

## 6 7 **II. ALTERATION OF TERMS**

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

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

## 15 16 **III. ASSIGNMENT OF DEBTS**

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

## 24 25 **IV. BENEFICIARIES' RIGHTS**

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

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

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

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



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

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

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

## 8 9 **V. COMPLIANCE**

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

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

16 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own  
17 compliance program, code of conduct and any compliance related policies and procedures.  
18 CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall  
19 be verified by ADMINISTRATOR's Compliance Department to ensure they include all required  
20 elements by ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to  
21 this Contract. These elements include:

- 22 a. Designation of a Compliance Officer and/or compliance staff.
- 23 b. Written standards, policies and/or procedures.
- 24 c. Compliance related training and/or education program and proof of completion.
- 25 d. Communication methods for reporting concerns to the Compliance Officer.
- 26 e. Methodology for conducting internal monitoring and auditing.
- 27 f. Methodology for detecting and correcting offenses.
- 28 g. Methodology/Procedure for enforcing disciplinary standards.

29 3. If CONTRACTOR does not provide proof of its own compliance program to  
30 ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR's Compliance  
31 Program and Code of Conduct, the CONTRACTOR shall submit to the ADMINISTRATOR within  
32 thirty (30) calendar days of execution of this Contract a signed acknowledgement that CONTRACTOR  
33 will internally comply with ADMINISTRATOR's Compliance Program and Code of Conduct.  
34 CONTRACTOR shall have as many Covered Individuals it determines necessary complete  
35 ADMINISTRATOR's annual compliance training to ensure proper compliance.

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

1 shall submit a copy of its compliance program, code of conduct and all relevant policies and procedures  
2 to ADMINISTRATOR within thirty (30) calendar days of execution of this Contract.  
3 ADMINISTRATOR's Compliance Officer, or designee, shall review said documents within a  
4 reasonable time, which shall not exceed forty-five (45) calendar days, and determine if contractor's  
5 proposed compliance program and code of conduct contain all required elements to the  
6 ADMINISTRATOR's satisfaction as consistent with the HCA's Compliance Program and Code of  
7 Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and  
8 CONTRACTOR shall revise its compliance program and code of conduct to meet  
9 ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's  
10 Compliance Officer's determination and resubmit the same for review by the ADMINISTRATOR.

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

16 B. SANCTION SCREENING – CONTRACTOR must screen all Covered Individuals employed or  
17 retained to provide services related to this Contract to ensure that they are not designated as Ineligible  
18 Persons, as pursuant to this Contract. Screening must be conducted against the Social Security  
19 Administration's Death Master File at the date of employment. Screening must be conducted monthly  
20 against the General Services Administration's Excluded Parties List System or System for Award  
21 Management, the Health and Human Services/Office of Inspector General List of Excluded  
22 Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider List, and/or any  
23 other list or system as identified by ADMINISTRATOR.

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

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

37 //

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 6. CONTRACTOR shall meet the HCA Quality Assessment and Performance Improvement  
4 Standards established by Authority and Quality Improvement Services (AQIS) and participate in the  
5 quality improvement activities developed in the implementation of the DMC-ODS Quality Management  
6 Program. CONTRACTOR shall establish an internal Quality Management program and appoint  
7 designated Quality Improvement (QI) staff consisting of at least one dedicated QI  
8 coordinator/professional to participate in QI activities with ADMINISTRATOR and to ensure service  
9 delivery and support program staff implement QI initiatives and requirements appropriately at the  
10 program site.

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

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

## 21 **VI. CONFIDENTIALITY**

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

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

33 C. CONTRACTOR shall have in effect a system to protect patient records from inappropriate  
34 disclosure in connection with activity funded under this Contract. This system shall include provisions  
35 for employee education on the confidentiality requirements, and the fact that disciplinary action may  
36 occur upon inappropriate disclosure. CONTRACTOR agrees to implement administrative, physical, and  
37



1 technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and  
2 availability of all confidential information that it creates, receives, maintains or transmits.  
3 CONTRACTOR shall provide ADMINISTRATOR with information concerning such safeguards.

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

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

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

## 11 12 **VII. CONFLICT OF INTEREST**

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

## 21 22 **VIII. COST REPORT**

23 A. CONTRACTOR shall submit an individual and/or consolidated Cost Report for each Period, or  
24 for a portion thereof to COUNTY no later than forty-five (45) calendar days following the period for  
25 which they are prepared or termination of this Contract. CONTRACTOR shall prepare the individual  
26 and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY  
27 requirements, GAAP and the Special Provisions Paragraph of this Contract. CONTRACTOR shall  
28 allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in  
29 accordance with such requirements and consistent with prudent business practice, which costs and  
30 allocations shall be supported by source documentation maintained by CONTRACTOR, and available at  
31 any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple  
32 Contracts for mental health services that are administered by HCA, consolidation of the individual Cost  
33 Reports into a single consolidated Cost Report may be required, as stipulated by ADMINISTRATOR.  
34 CONTRACTOR shall submit the consolidated Cost Report to COUNTY no later than five (5) business  
35 days following approval by ADMINSTRATOR of all individual Cost Reports to be incorporated into a  
36 consolidated Cost Report.

37 //

1 1. If CONTRACTOR fails to submit an accurate and complete Cost Report within the time  
2 period specified above, ADMINISTRATOR shall have sole discretion to impose one or both of the  
3 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 Cost Report is not  
6 submitted. Imposition of the late penalty shall be at the sole discretion of the ADMINISTRATOR. The  
7 late penalty shall be assessed separately on each outstanding Cost Report due COUNTY by  
8 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 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 Cost Report setting forth good cause for justification of the request. Approval of such requests shall be  
14 at the sole discretion of ADMINISTRATOR and shall not be unreasonably denied. In no case shall  
15 extensions be granted for more than seven (7) calendar days.

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

21 B. The individual and/or consolidated Cost Report prepared for each period shall be the final  
22 financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis  
23 for final settlement to CONTRACTOR for that period. CONTRACTOR shall document that costs are  
24 reasonable and allowable and directly or indirectly related to the services to be provided hereunder. The  
25 Cost 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 the negotiated rate as specified in the  
28 Contract. CONTRACTOR shall not claim expenditures to COUNTY which are not reimbursable  
29 pursuant to applicable federal, state and COUNTY laws, regulations and requirements. Any payment  
30 made by COUNTY to CONTRACTOR, which is subsequently determined to have been for an  
31 unreimbursable expenditure or service, shall be repaid by CONTRACTOR to COUNTY in cash, or  
32 other authorized form of payment, within thirty (30) calendar days of submission of the Cost Report or  
33 COUNTY may elect to reduce any amount owed CONTRACTOR by an amount not to exceed the  
34 reimbursement due COUNTY.

35 D. Costs of Medi-Cal services shall not exceed the negotiated rate as specified in this Contract.

36 E. If the Cost Report indicates the actual and reimbursable costs of services provided pursuant to  
37 this Contract, less applicable revenues and any late penalty, are higher than the aggregate of interim

monthly payments to CONTRACTOR, then COUNTY shall pay CONTRACTOR the difference, provided such payment does not exceed the COUNTY's Total Aggregate Maximum Obligation and separate non-Medi-Cal Aggregate Maximum Obligation and Aggregate Medi-Cal Maximum Obligation.

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

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

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

#### **IX. DEBARMENT AND SUSPENSION CERTIFICATION**

A. CONTRACTOR certifies that it and its principals:

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

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

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

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

5. Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR Part 9, Subpart 9.4), debarred,



1 suspended, declared ineligible, or voluntarily excluded from participation in such transaction unless  
2 authorized by the State of California.

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

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

9  
10 **X. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS**

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

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

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

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

34 3. If CONTRACTOR is a governmental organization, any change to another structure,  
35 including a change in more than fifty percent (50%) of the composition of its governing body (i.e. Board  
36 of Supervisors, City Council, School Board) within a two (2) month period of time, shall be deemed an

37 //

1 assignment for purposes of this paragraph. Any attempted assignment or delegation in derogation of  
2 this subparagraph shall be void.

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

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

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

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

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

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

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

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

30 D. CONTRACTOR shall notify COUNTY in writing of any change in the CONTRACTOR's  
31 status with respect to name changes that do not require an assignment of the Contract. CONTRACTOR  
32 is also obligated to notify COUNTY in writing if the CONTRACTOR becomes a party to any litigation  
33 against COUNTY, or a party to litigation that may reasonably affect the CONTRACTOR's performance  
34 under the Contract, as well as any potential conflicts of interest between CONTRACTOR and County  
35 that may arise prior to or during the period of Contract performance. While CONTRACTOR will be  
36 required to provide this information without prompting from COUNTY any time there is a change in  
37 //

CONTRACTOR's name, conflict of interest or litigation status, CONTRACTOR must also provide an update to COUNTY of its status in these areas whenever requested by COUNTY.

#### **XI. DISPUTE RESOLUTION**

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

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

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

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

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

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

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

CONTRACTOR attests that it shall fully comply with all federal and state statutes and regulations regarding the employment of aliens and others and to ensure that employees, subcontractors, and consultants performing work under this Contract meet the citizenship or alien status requirements set

1 forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees,  
2 subcontractors, and consultants performing work hereunder, all verification and other documentation of  
3 employment eligibility status required by federal or state statutes and regulations including, but not  
4 limited to, the Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as they currently  
5 exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all  
6 covered employees, subcontractors, and consultants for the period prescribed by the law.

### 7 8 **XIII. EQUIPMENT**

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

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

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

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

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

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

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

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

#### 11 12 **XIV. FACILITIES, PAYMENTS AND SERVICES**

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

#### 18 19 **XV. INDEMNIFICATION AND INSURANCE**

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

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

37 //



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

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

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

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

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

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

26 F. QUALIFIED INSURER

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

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

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

37 //

**Coverage****Minimum Limits**

Commercial General Liability

\$1,000,000 per occurrence

\$2,000,000 aggregate

Automobile Liability including coverage  
for owned, non-owned, and hired vehicles  
(4 passengers or less)

\$1,000,000 per occurrence

Workers' Compensation

Statutory

Employers' Liability Insurance

\$1,000,000 per occurrence

Network Security &amp; Privacy Liability

\$1,000,000 per claims -made

Professional Liability Insurance

\$1,000,000 per claims -made

\$1,000,000 aggregate

Sexual Misconduct Liability

\$1,000,000 per occurrence

**H. REQUIRED COVERAGE FORMS**

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

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

**I. REQUIRED ENDORSEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

27 P. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If  
28 CONTRACTOR does not deposit copies of acceptable COI and endorsements with COUNTY  
29 incorporating such changes within thirty (30) calendar days of receipt of such notice, this Contract may  
30 be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal  
31 remedies.

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

35 R. SUBMISSION OF INSURANCE DOCUMENTS

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

37 a. Prior to the start date of this Contract.



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

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

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

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

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

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

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

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

## **XVI. INSPECTIONS AND AUDITS**

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

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

1 C. AUDIT RESPONSE

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

7 2. If the audit reveals that money is payable from one Party to the other, that is,  
8 reimbursement by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to  
9 CONTRACTOR, said funds shall be due and payable from one Party to the other within sixty (60)  
10 calendar days of receipt of the audit results. If reimbursement is due from CONTRACTOR to  
11 COUNTY, and such reimbursement is not received within said sixty (60) calendar days, COUNTY may,  
12 in addition to any other remedies provided by law, reduce any amount owed CONTRACTOR by an  
13 amount not to exceed the reimbursement due COUNTY.

14 D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare an  
15 annual Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under  
16 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for  
17 Federal Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within  
18 fourteen (14) calendar days of receipt.

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

21 1. Beneficiary grievance, appeal, and fair hearing procedures and timeframes as specified in  
22 42 C.F.R. 438.400 through 42 C.F.R. 438.424.

23 2. The beneficiary's right to file grievances and appeals and the requirements and timeframes  
24 for filing.

25 3. The availability of assistance to the beneficiary with filing grievances and appeals.

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

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

32 F. CONTRACTOR shall make all of its premises, physical facilities, equipment, books, records,  
33 documents, contracts, computers, or other electronic systems pertaining to Medi-Cal/Drug Medi-Cal  
34 enrollees, Medi-Cal/Drug Medi-Cal-related activities, services and activities furnished under the terms  
35 of the Contract or determinations of amounts payable available at any time for inspection, examination  
36 of copying by the State, CMS, HHS Inspector General, the United States Comptroller General, their  
37 designees, and other authorized federal and state agencies. (42 CFR §438.3(h)) This audit right will

1 exist for ten (10) years from the final date of the contract period or from the date of completion of any  
2 audit, whichever is later. (42 CFR §438.230(c)(3)(iii).) The State, CMS, or the HHS Inspector General  
3 may inspect, evaluate, and audit the CONTRACTOR at any time if there is a reasonable possibility of  
4 fraud or similar risk, then. (42 CFR §438.230(c)(3)(iv).)

## 6 **XVII. LICENSES AND LAWS**

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

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. CCC §§56 through 56.37, Confidentiality of Medical Information.
- 23 4. CCC §§1798.80 through 1798.84, Customer Records.
- 24 5. CCC §1798.85, Confidentiality of Social Security Numbers.
- 25 6. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social  
26 Security.
- 27 7. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse  
28 Master Plans.
- 29 8. HSC, §§123110 through 123149.5, Patient Access to Health Records.
- 30 9. Code of Federal Regulations, Title 42, Public Health.
- 31 10. 2 CFR 230, Cost Principles for Nonprofit Organizations.
- 32 11. 2 CFR 376, Nonprocurement, Debarment and Suspension.
- 33 12. 41 CFR 50, Public Contracts and Property Management.
- 34 13. 42 CFR Part 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
- 35 14. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse  
36 prevention and treatment block grants and/or projects for assistance in transition from homelessness  
37 grants.

15. 45 CFR 93, New Restrictions on Lobbying.
16. 45 CFR 96.127, Requirements regarding Tuberculosis.
17. 45 CFR 96.132, Additional Contracts.
18. 45 CFR 96.135, Restrictions on Expenditure of Grant.
19. 45 CFR 160, General Administrative Requirements.
20. 45 CFR 162, Administrative Requirements.
21. 45 CFR 164, Security and Privacy.
22. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
23. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.
24. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions.
25. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism.
26. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services Administration.
27. 42 USC §290dd-2, Confidentiality of Records.
28. 42 USC §1320(a), Uniform reporting systems for health services facilities and organizations.
29. 42 USC §§1320d through 1320d-9, Administrative Simplification.
30. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
31. 42 USC §6101 et seq., Age Discrimination Act of 1975.
32. 42 USC §2000d, Civil Rights Act of 1964.
33. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
34. U.S. Department of Health and Human Services, National Institutes of Health (NIH), Grants Policy Statement (10/13).
35. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for Co-Occurring Disorders, Mental Health Services Oversight and Accountability Commission, 1/17/08.
36. State of California, Department of Health Care Services (DHCS), Alcohol and/or Other Drug Program Certification Standards, December 2020.
37. CCR Title 22, §§70751(c), 71551(c), 73543(a), 74731(d), 75055(a), 75343(a), and 77143(a).
38. State of California, Department of Health Care Services ASRS Manual.
39. State of California, Department of Health Care Services DPFS Manual.
40. HSC §123145.
41. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).
42. 5 USC §7321 – §7326, Political Activities (Hatch Act)
43. DMC Certification Title 22, California Code of Regulations (CCR).

44. DMC Billing Manual April 2019.
45. Federal Medicare Cost reimbursement principles and cost reporting standards.
46. Orange County Drug Medi-Cal Organized Delivery System Managed Care Plan
47. California Bridge to Health Reform DMC-ODS Waiver, Standard Terms and Conditions, August 2015, and subsequent versions.
48. Title 21, CFR Part 1300, et seq., Title 42, CFR, Part 8.
49. California Code of Regulations (CCR), Title 22, Section 51341.1; 51490.1; 51516.1 and the Drug Medi-Cal Certification Standards for Substance Abuse Clinics.
50. Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1.
51. Standards for Drug Treatment Programs (October 21, 1981).
52. Title 9, CCR, Division 4, Chapter 5, Subchapter 1, Sections 10000, et seq.
53. Title 22, CCR, Division 3, Chapter 3, sections 51000 et. seq.
54. Title 9, CCR, Section 1810.435.
55. Title 9, CCR, Section 1840.105.
56. Title 22, CCR, §51009, Confidentiality of Records.
57. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.

#### **XVIII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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

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

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

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

#### 6 7 **XIX. MAXIMUM OBLIGATION**

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

12 B. ADMINISTRATOR may amend the Aggregate Maximum Obligation by an amount not to  
13 exceed ten percent (10%) of Period One funding for this Contract.

#### 14 15 **XX. MINIMUM WAGE LAWS**

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

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

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

#### 30 31 **XXI. NONDISCRIMINATION**

##### 32 **A. EMPLOYMENT**

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

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

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

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

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

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

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

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

paragraph, discrimination includes, but is not limited to the following based on one or more of the factors identified above:

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

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

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

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

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

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

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

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

## 6 **XXII. NOTICES**

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

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

12 2. When faxed, transmission confirmed;

13 3. When sent by Email; or

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

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

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

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

## 27 **XXIII. NOTIFICATION OF DEATH**

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

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

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

36 2. WRITTEN NOTIFICATION

37 //

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

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

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

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

13 D. All death reports must be verified by the coroner's office. The information should include date  
14 of the death as well as the cause of death.

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

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

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

#### 25 **XXV. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 | //

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

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

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

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

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

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

L. CONTRACTOR shall obtain an NPI for each site identified as a location for providing contractual services. Provider's site NPIs must be submitted to the ADMINISTRATOR prior to rendering services to Clients. Contractors providing direct or indirect services for State reporting must also submit rendering (individual) provider NPIs to ADMINISTRATOR for each staff member providing Medi-Cal billable services. Contractor reimbursement will not be processed unless NPIs are on file with ADMINISTRATOR in advance of providing services to Clients. It is the responsibility of each contract provider site and individual staff member that bills Medi-Cal to obtain an NPI from the NPPES. Each contract site, as well as every staff member that provides billable services, is responsible for notifying the NPPES within 30 calendar days of any updates to personal information, which may include, but is not limited to, worksite address, name changes, taxonomy code changes, etc.

## **XXVI. RESEARCH AND PUBLICATION**

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

## **XXVII. REVENUE**

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

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

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

## 11 **XXVIII. SEVERABILITY**

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

## 17 **XXIX. 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, or members of the Board of Directors or governing body.
- 27 5. Reimbursement of CONTRACTOR's members of the Board of Directors or governing  
28 body for expenses or services.
- 29 6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants,  
30 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized  
31 agent, or making salary advances or giving bonuses to CONTRACTOR's staff.
- 32 7. Paying an individual salary or compensation for services at a rate in excess of the current  
33 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary  
34 Schedule may be found at [www.opm.gov](http://www.opm.gov).
- 35 8. Severance pay for separating employees.



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

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

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

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

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

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

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

16. Assisting, promoting, or deterring union organizing.

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

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

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

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

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

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

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

C. Neither Party shall be responsible for delays or failures in performance resulting from acts beyond the control of the affected Party. Such acts shall include, but not be limited to, acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight, embargo, public related utility, or governmental statutes or regulations imposed after the fact.

### **XXX. STATUS OF CONTRACTOR**

CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Contract. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and consultants employed by CONTRACTOR. This Contract shall not be construed as creating the relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR or any of CONTRACTOR's employees, agents, consultants, or subcontractors. CONTRACTOR

1 assumes exclusively the responsibility for the acts of its employees, agents, consultants, or  
2 subcontractors as they relate to the services to be provided during the course and scope of their  
3 employment. CONTRACTOR, its agents, employees, consultants, or subcontractors, shall not be  
4 entitled to any rights or privileges of COUNTY's employees and shall not be considered in any manner  
5 to be COUNTY's employees.

### 6 7 **XXXI. TERM**

8 A. This specific Contract with CONTRACTOR is only one of several Contracts to which the term  
9 of this Contract applies. This specific Contract shall commence as specified in the Reference Contract  
10 Provisions of this Contract or the execution date, whichever is later. This specific Contract shall  
11 terminate as specified in the Referenced Contract Provisions of this Contract, unless otherwise sooner  
12 terminated as provided in this Contract; provided, however, CONTRACTOR shall be obligated to  
13 perform such duties as would normally extend beyond this term, including but not limited to, obligations  
14 with respect to confidentiality, indemnification, audits, reporting and accounting.

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

### 17 18 **XXXII. TERMINATION**

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

22 B. CONTRACTOR may terminate this Contract, without cause, upon ninety (90) calendar days'  
23 written notice.

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

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

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

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

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

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

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

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

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

#### F. CONTINGENT FUNDING

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

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

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

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

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

H. In the event this Contract is terminated by either Party pursuant to Subparagraphs B., C., or D. above, CONTRACTOR shall do the following:

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

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

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

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



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

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

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

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

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

#### **XXXIII. THIRD-PARTY BENEFICIARY**

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

#### **XXXIV. WAIVER OF DEFAULT OR BREACH**

Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this Contract shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any default or any breach by CONTRACTOR shall not be considered a modification of the terms of this 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 PHOENIX HOUSE ORANGE COUNTY, INC.

5 DocuSigned by:  
6 BY: Alice Gleghorn DATED: 7/6/2022  
7 E036800A6FBE428...

8 TITLE: President and CEO  
9

10  
11 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
12

13 TITLE: \_\_\_\_\_  
14  
15

16  
17 COUNTY OF ORANGE  
18

19  
20 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
21

22 HEALTH CARE AGENCY  
23  
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36 If the contracting Party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President;  
37 and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. If the contract is signed by one (1) authorized individual only, a copy of the corporate resolution or by-laws whereby the Board of Directors has empowered said authorized individual to act on its behalf by his or her signature alone is required by ADMINISTRATOR.

EXHIBIT A  
TO CONTRACT FOR PROVISION OF  
DRUG MEDI-CAL ADOLESCENT OUTPATIENT AND  
INTENSIVE OUTPATIENT SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
PHOENIX HOUSE ORANGE COUNTY, INC.  
SEPTEMBER 9, 2022 THROUGH-JUNE 30, 2025

**I. COMMON TERMS AND DEFINITIONS**

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

1. Access Log means entering each person's initial contact date, intake date and date of first service, level of care and any other information requested by County into the Access Log as an IRIS component.

2. American Society of Addiction Medicine (ASAM) Criteria is a comprehensive set of guidelines for placement, continued stay and transfer/discharge of Clients with addiction and co-occurring conditions.

3. California Outcomes Measurement System (CalOMS) is a statewide Client-based data collection and outcomes measurement system as required by the State to effectively manage and improve the provision of substance use disorder services at the State, County, and provider levels.

4. Care Coordination consists of activities to provide coordination of SUD care, mental health care, and medical care, and to support the Client with linkages to services and supports designed to restore the Client to their best possible functional level.

5. Client means an adolescent twelve (12) through seventeen (17) years of age with a substance use disorder, or who is at-risk for the development of a substance use disorder, for whom a COUNTY-approved intake and admission for an outpatient level of care has been completed pursuant to this Contract.

6. Collateral Services means sessions with the significant persons in the Client's life, focusing on their treatment needs to support the achievement of the Client's treatment goals. Significant persons are individuals that have a personal, not official or professional, relationship with the Client. The Client may or may not be present during the session.

7. Completion – Satisfactory completion is defined as clients who have attended sessions as prescribed and are discharged from treatment after making significant positive progress on their treatment plan goals. Unsatisfactory completion is defined as clients who have not attended sessions and are discharged without making progress on their treatment plan goals.

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1 8. Co-Occurring is when a person has at least one substance use disorder and one mental  
2 health disorder that can be diagnosed independently of each other.

3 9. DHCS Designated Levels of Care means a designation that is issued by State Department of  
4 Health Care Services (DHCS) to an outpatient program based on the services provided at the facility.  
5 For the purposes of this Contract, CONTRACTOR shall provide services in accordance with one of the  
6 following ASAM-Designated Levels of Care:

7 a. Outpatient Services: ASAM Level 1.0 means outpatient drug free services (ODF)  
8 which are provided to adolescents who meet medical necessity for this level of care, as determined by an  
9 LPHA or Medical Director's diagnosis and ASAM criteria. Services shall be less than six (6) hour per  
10 week for adolescents.

11 b. Intensive Outpatient Services (IOT): ASAM Level 2.1 means services are provided a  
12 minimum of six (6) hours with a maximum of nineteen (19) hours per week for adolescents when  
13 determined by a LPHA or Medical Director to be medically necessary. Services may exceed the  
14 maximum based on individual medical necessity.

15 10. Diagnosis means the definition of the nature of the Client's substance use disorder. When  
16 formulating the diagnosis of Client, CONTRACTOR shall use the diagnosis codes as specified in the  
17 most current edition of the DSM published by the American Psychiatric Association. DSM diagnosis  
18 shall be recorded on all IRIS documents, as appropriate. It shall also be recorded on the Medical  
19 Necessity form and Treatment Plans.

20 11. DMC 2nd Service documentation means that under DMC-ODS a provider may submit  
21 claims for the same Client receiving more than one service on the same date by various providers or at a  
22 single provider (e.g., IOT case management and group on the same day). There remains an exception  
23 with regard to claiming two (2) groups on the same calendar day for DMC covered Clients.

24 12. Drug and Alcohol Treatment Access Report (DATAR) is the Department of Health Care  
25 Services (DHCS) system to collect data on Substance Use Disorder (SUD) treatment capacity and  
26 waiting lists.

27 13. Drug Medi-Cal is the organized delivery of health care services for Medicaid eligible  
28 individuals with substance use disorders (SUD).

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

34 15. Intake is the initial meeting between a Client and CONTRACTOR staff in which specific  
35 information about the Client is gathered and standard admission forms completed pursuant to this  
36 Contract. Individuals needing a higher level of care shall be provided the appropriate services until  
37 linkage to a higher level of care is made.

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

5 17. Level of Care Assessment is a comprehensive set of guidelines for placement, continued  
6 stay, and transfer/discharge of Clients with addiction and co-occurring conditions developed by HCA  
7 based on ASAM criteria.

8 18. Licensed Practitioner of the Healing Art (LPHA) means any Physician, Nurse Practitioners,  
9 Physician Assistants, Registered Nurses, Registered Pharmacists, Licensed Clinical Psychologists,  
10 Licensed Clinical Social Worker, Licensed Professional Clinical Counselor, Licensed Marriage and  
11 Family Therapists, or Licensed Eligible Practitioners working under the supervision of Licensed  
12 Clinicians, working within their scope of practice.

13 19. Linkage means connecting Clients to ancillary services such as outpatient and/or residential  
14 treatment and supportive services which may include self-help groups, social services, rehabilitation  
15 services, vocational services, job training services, or other appropriate services.

16 20. MAT Services means the use of Federal Drug Administration-approved medications in  
17 combination with behavioral therapies to provide a whole person approach to treating substance use  
18 disorders.

19 21. Medical Necessity is a set of criteria used to determine whether a Client meets criteria to be  
20 treated in the DMC-ODS.

21 22. Notice of Adverse Benefit Determination (NOABD) means a formal communication to the  
22 Medi-Cal beneficiary of any action regarding their Drug Medi-Cal services and their right to appeal,  
23 consistent with 42 CFR 438.404 and 438.10.

24 23. Perinatal means the condition of being pregnant or up to sixty (60) days Postpartum.

25 24. Recovery Services are designed to support recovery and prevent relapse with the objective  
26 of restoring the Client to their best possible functional level. Recovery Services emphasize the Client's  
27 central role in managing their health, use effective self-management support strategies, and organize  
28 internal and community resources to provide ongoing self-management support to Clients.

29 25. Self Help Meeting means a non-professional, peer participatory meeting formed by people  
30 with a common problem or situation offering mutual support to each other towards a goal of healing or  
31 recovery.

32 26. Substance Use Disorder (SUD) means a condition in which the use of one or more  
33 substances leads to a clinically significant impairment or distress as specified in the most current edition  
34 of the DSM published by the American Psychiatric Association.

35 27. Telehealth between provider and Client means office or outpatient visits via interactive  
36 audio and video telecommunication systems. Telehealth between providers means communication  
37

1 between two providers for purpose of consultation, performed via interactive audio and video  
2 telecommunication systems.

3 28. Token means the security device which allows an individual user to access  
4 ADMINISTRATOR's computer-based IRIS.

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

## 7 8 **II. PAYMENTS**

9 A. BASIS FOR REIMBURSEMENT – As compensation to CONTRACTOR for services provided  
10 pursuant to the Contract, COUNTY shall pay CONTRACTOR monthly in arrears at the following rates  
11 of reimbursement; provided, however, the total of all such payments to CONTRACTOR and all other  
12 COUNTY CONTRACTORS for all substance use disorder treatment services for substance users shall  
13 not exceed COUNTY's Aggregate Maximum Obligation as set forth in the Referenced Contract  
14 Provisions of the Contract; and provided further, that CONTRACTOR's costs are allowable pursuant to  
15 applicable COUNTY, federal, and state regulations. Furthermore, if CONTRACTOR is ineligible to  
16 provide services due to non-compliance with licensure and/or certification standards of the state,  
17 COUNTY or OCPD, ADMINISTRATOR may elect to reduce COUNTY'S aggregate maximum  
18 obligation proportionate to the length of time that CONTRACTOR is ineligible to provide services.  
19 CONTRACTOR shall ensure compliance with all DMC billing and documentation requirements when  
20 entering Units of Service into COUNTY IRIS system. ADMINISTRATOR may reduce, withhold or  
21 delay any payment associated with non-compliant billing practices. If Corrective Action Plans (CAP)  
22 are not completed within timeframes as determined by ADMINISTRATOR, payments may be reduced  
23 accordingly.

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

27 2. Proper DMC certification and enrollment with the Provider Enrollment Division (PED) of  
28 DHCS, through the Provider Application and Validation for Enrollment (PAVE) system is required.  
29 CONTRACTOR shall submit proof of enrollment for each new rendering provider as required by  
30 regulations. Failure to demonstrate provider enrollment within six (6) months of services being rendered  
31 shall result in disallowance of those services by pending providers.

32 3. CONTRACTOR shall submit appropriate Medi-Cal billing to ADMINISTRATOR on a  
33 monthly basis. The monthly invoice(s) shall match what CONTRACTOR enters into IRIS. It is  
34 CONTRACTOR'S responsibility to ensure invoice UOS match what was sent up to the State.  
35 ADMINISTRATOR shall review billing and remit to Accounting for submission to the State Medi-Cal  
36 unit.

37 //



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

b. If, at any time, CONTRACTOR's Expenditure and Revenue Reports, including IRIS UOS, do not agree with UOS billed on monthly invoices, ADMINISTRATOR, after review with CONTRACTOR, may reduce COUNTY payment by an amount not to exceed the difference between billed amount and UOS reported in IRIS. Or ADMINISTRATOR may request CONTRACTOR adjust its next invoice.

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

<u>Modes of Service</u>	<u>Reimbursement Rate</u>
ODF Individual Counseling	<u>\$31.96 /15 minute increment</u>
ODF Group Counseling	<u>\$31.96 /15 minute increment</u>
ODF Care Coordination	<u>\$31.96/15 minute increment</u>
IOT Individual Counseling	<u>\$31.96 /15 minute increment</u>
IOT Group Counseling	<u>\$31.96/15 minute increment</u>
IOT Care Coordination	<u>\$31.96/15 minute increment</u>
Clinician Consultation	<u>\$89.30/15 minute increment</u>
MAT	<u>\$75.41 /15 minute increment</u>
Recovery Services – Individual Counseling	<u>\$31.96/15 minute increment</u>
Recovery Services – Group Counseling	<u>\$31.96/15 minute increment</u>
Recovery Services – Care Coordination	<u>\$31.96/15 minute increment</u>

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B. PAYMENT METHOD – COUNTY shall pay CONTRACTOR monthly in arrears, however, that the total of such payments shall not exceed the COUNTY's Aggregate Maximum Obligation. CONTRACTOR's invoices shall be on a form approved or provided by ADMINISTRATOR and shall provide such information as is required by ADMINISTRATOR.

1 Invoices are due by the tenth (10th) calendar day of each month, and payments to CONTRACTOR  
2 should be released by COUNTY no later than thirty (30) calendar days after receipt of the correctly  
3 completed invoice form.

4 C. Monthly payments are interim payments only, and subject to Final Settlement in accordance  
5 with the Cost Report Paragraph of this Contract. Invoices received after the due date may not be paid in  
6 accordance with Subparagraph II.B of this Exhibit A to the Contract.

7 D. All invoices to COUNTY shall be supported, at CONTRACTOR's facility, by source  
8 documentation including, but not limited to, ledgers, books, vouchers, journals, time sheets, payrolls,  
9 appointment schedules, schedules for allocating costs, invoices, bank statements, canceled checks,  
10 receipts, receiving records, and records of services provided.

11 E. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply  
12 with any provision of this Contract.

13 F. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration  
14 and/or termination of this Contract.

15 G. In conjunction with Subparagraph II.A above, CONTRACTOR shall not enter Units of Service  
16 into the COUNTY IRIS system for services not rendered. If such information has been entered,  
17 CONTRACTOR shall make corrections within ten (10) calendar days from notification by  
18 ADMINISTRATOR. Additionally, to assist in the protection of data integrity, CONTRACTOR shall  
19 create a procedure to ensure separation of duties between the individual performing direct services  
20 (LPHA, clinicians, counselors, etc.), and the clerical staff who enter information into the IRIS system.  
21 Clerical staff shall enter data into IRIS using the chart information provided by the direct service staff.

22 H. CONTRACTOR shall ensure compliance with all DMC billing and documentation  
23 requirements when entering Units of Service into COUNTY IRIS system. ADMINISTRATOR shall  
24 withhold payment for non-compliant Units of Service, and may reduce, withhold or delay any payment  
25 associated with non-compliant billing practices.

26 I. CONTRACTOR may be required to have an audit conducted in accordance with federal OMB  
27 Circular A-133. CONTRACTOR shall be responsible for complying with any federal audit  
28 requirements within the reporting period specified by OMB Circular A-133.

29 J. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
30 Payments Paragraph of this Exhibit A to the Contract.

### 31 **III. RECORDS**

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

36 1. Any apportionment of or distribution of costs, including indirect costs, to or between  
37 programs or cost centers of CONTRACTOR shall be documented, and shall be made in accordance with

1 generally accepted accounting principles.

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

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

9 B. CLIENT RECORDS – CONTRACTOR shall maintain adequate records in accordance with the  
10 DHCS, Adolescent Substance Use Disorder Best Practices Guide and as they may be amended or  
11 superseded at a later time during the course of this Contract, the COUNTY Guidelines, California Code  
12 of Regulations (CCR), Title 22, and ADMINISTRATOR's requirements on each individual Client in  
13 sufficient detail to permit an evaluation of services, which shall include documentation of all activities,  
14 services, sessions, and assessment, including but not limited to:

15 1. Documentation that outpatient treatment for substance use disorders is appropriate for the  
16 Client. This shall include the Medical Director or LPHA's initial medical necessity determination for the  
17 DMC-ODS benefit. Additionally, if the initial assessment is completed by a counselor, this includes a  
18 progress note documenting the face-to-face, telehealth, or telephone review between the Medical  
19 Director or LPHA and the counselor to establish a beneficiary meets medical necessity criteria.  
20 Additionally, the ASAM Criteria assessment will be applied to determine placement into the level of  
21 assessed services and documented in the Client record;

22 2. Intake and admission data, including, if applicable, a physical examination;

23 3. Treatment plans;

24 4. Reassessments of client functioning based on ASAM criteria;

25 5. Progress notes;

26 6. Continuing services justifications;

27 7. Laboratory test orders and results;

28 8. Referrals;

29 9. Human Trafficking – each Client's chart shall contain the results of screening for victims of  
30 human trafficking (TVPA 2000).

31 10. California Outcomes Measurement System (CalOMS)

32 11. Outcome measures and screening tools as determined by ADMINISTRATOR.

33 12. Discharge plan;

34 13. Discharge summary;

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

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

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

Records Paragraph of this Exhibit A to the Contract.

#### **IV. REPORTS**

##### **A. MONTHLY PROGRAMMATIC**

1. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR, including information required and on a form approved or provided by ADMINISTRATOR. These monthly programmatic reports should be submitted to ADMINISTRATOR no later than the twentieth (20th) calendar day of the month following the report month.

2. CONTRACTOR shall be responsible for including in the monthly programmatic report any problems in implementing the provisions of this Contract, pertinent facts or interim findings, staff changes, status of license(s) and/or certification(s), changes in population served, and reasons for any changes. Additionally, a statement that the CONTRACTOR is or is not progressing satisfactorily in achieving all the terms of the Contract shall be included.

3. FOLLOW-UPS – CONTRACTOR shall conduct follow-ups with Clients after discharge at intervals designated by ADMINISTRATOR. ADMINISTRATOR shall provide information/questions to CONTRACTOR for follow up. CONTRACTOR shall track data on Client functioning which at minimum shall include current substance use.

##### **B. FISCAL**

1. In support of the monthly invoice, CONTRACTOR shall submit monthly Expenditure and Revenue Reports and UOS to ADMINISTRATOR. These reports shall be on forms acceptable to, or provided by ADMINISTRATOR and shall report actual costs, UOS and revenues for each of the CONTRACTOR's program(s) or cost center(s) described in the Services Paragraph of Exhibit A to the Contract. CONTRACTOR shall submit these reports by no later than twenty (20) calendar days following the end of the month reported. CONTRACTOR must request in writing any extensions to the due date of the monthly required reports.

2. CONTRACTOR shall submit Year-End Projection Reports to ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by, ADMINISTRATOR and shall report anticipated year-end actual costs and revenues for CONTRACTOR's program(s) or cost center(s) described in the Services Paragraph of Exhibit A to the Contract. Such reports shall include actual monthly costs and revenue to date and anticipated monthly costs and revenue to the end of the fiscal year. Year-End Projection Reports shall be submitted at the same time as the monthly Expenditure and Revenue Reports

C. MONTHLY IRIS – CONTRACTOR shall input all Units of Service provided in COUNTY's IRIS database for the preceding month no later than the tenth (10th) calendar day of the month following the report month. Services entered into IRIS must match the monthly billing documents prior to funds being released. CONTRACTOR shall utilize monitoring reports available in IRIS to ensure the accuracy of Units of Service and other forms that are entered by CONTRACTOR into IRIS.

1 D. CalOMS – CONTRACTOR shall be responsible for entering an error-free CalOMS admission  
2 record within twenty-one (21) calendar days of the start of services, entering an error-free CalOMS  
3 annual record up to sixty (60) days prior to each admission anniversary, and an error-free CalOMS  
4 discharge record within twenty-one (21) days after the last face-to-face service. CONTRACTOR shall  
5 utilize the CalOMS Error Detail Report (CEDR) to ensure that any CalOMS entry errors are corrected  
6 within two (2) business days of the entry. CONTRACTOR shall utilize other available CalOMS  
7 monitoring reports to ensure correct and timely submission. CONTRACTOR shall ensure that a  
8 minimum of ninety-six percent (96%) of their CalOMS are completed on time monthly. Any individual  
9 provider of services must have an NPI number and be listed in IRIS as the provider of the service  
10 conducted prior to performing any clinical services.

11 E. MONTHLY DATAR – CONTRACTOR shall provide reports under the DATAR and/or any  
12 other State Department of Alcohol and Drug Programs Reporting System no later than the fifth (5th)  
13 business day of the month following the report month.

14 F. ACCESS LOG – CONTRACTOR shall track and enter information on requests for services  
15 into IRIS.

16 G. LEVEL OF CARE SUMMARY – CONTRACTOR shall enter level of care summary record in  
17 IRIS within five (5) calendar days of the initial assessment or re-assessment being completed. Level of  
18 care summaries are to be completed and entered into IRIS at intake, whenever there is a change in level  
19 of care, and at planned discharge.

20 H. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports as required by  
21 ADMINISTRATOR concerning CONTRACTOR's activities as they affect the services hereunder.  
22 ADMINISTRATOR will be specific as to the nature of information requested and the timeframe the  
23 information is needed.

24 I. CONTRACTOR agrees to enter psychometrics into COUNTY's EHR system as requested by  
25 ADMINISTRATOR. Said psychometrics are for the COUNTY's analytical uses only, and shall not be  
26 relied upon by CONTRACTOR to make clinical decisions. CONTRACTOR agrees to hold COUNTY  
27 harmless, and indemnify pursuant to Section XV, from any claims that arise from non-COUNTY use of  
28 said psychometrics.

29 J. CONTRACTOR shall submit reports as required by the ADMINISTRATOR and/or the State  
30 and shall make all collected data available to ADMINISTRATOR upon request.

31 K. CONTRACTOR shall ensure that data submitted is accurate and complete by verifying the  
32 accuracy and timeliness of reported data, screening the data for completeness, logic and consistency,  
33 submitting data in standardized formats as determined appropriate by ADMINISTRATOR.

34 L. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
35 Reports Paragraph of this Exhibit A to the Contract.

36  
37 **V. SERVICES**



1 A. COUNTY reserves the right to amend the scope of services as written in this Exhibit A in order  
2 to meet State mandated California Advancing and Innovating Medi-Cal (CalAIM) requirements once  
3 published.

4 B. FACILITY – CONTRACTOR shall provide Substance Use Disorder Outpatient Services in  
5 accordance with the standards established by the COUNTY, the State DHCS, and Adolescent Substance  
6 Use Disorder Best Practices Guide and as they may be amended or superseded at a later time during the  
7 course of this contract within the specifications stated below, unless otherwise authorized by the  
8 ADMINISTRATOR. CONTRACTOR shall provide services within a DMC certified facility that has  
9 been designated by DHCS as capable of delivering care consistent with ASAM adolescent treatment  
10 criteria. The environment shall be healthy and safe and the facility shall be clean and in good repair.  
11 Services shall be provided at the following location, or at any other Certified DMC facility approved in  
12 advance, in writing, by ADMINISTRATOR.

13  
14 1207 East Fruit Street  
15 Santa Ana, CA 92701  
16

17 1. CONTRACTOR's facility for Outpatient services shall operate, at least, Monday through  
18 Friday, with the provision for early morning and evening hours (before 9:00 a.m. and after 5:00 p.m.) or  
19 weekends, when necessary to accommodate Clients, and their parents/caregivers or other family/support  
20 persons who are participating in the Client's treatment, that are unable to participate during regular  
21 daytime hours. Treatment program shall be accessible to people with disabilities in accordance with  
22 Title 45, Code of Federal Regulations (herein referred to as CFR), Part 84 and the American with  
23 Disabilities Act.

24 2. CONTRACTOR's holiday schedule shall be consistent with COUNTY's holiday schedule,  
25 unless otherwise authorized, in writing, by ADMINISTRATOR.

26 3. CONTRACTOR shall provide at a minimum, on site or by referral, outpatient prenatal and  
27 postpartum medical care, pediatric care, vocational/educational services to pregnant or parenting  
28 Clients.

29 4. CONTRACTOR shall be DMC Certified to provide DMC Outpatient Drug Free and  
30 Intensive Outpatient services to DMC beneficiaries prior to initiating this Contract. CONTRACTOR  
31 will be expected to provide DMC treatment services and bill per Outpatient Drug Free or Intensive  
32 Outpatient Treatment. Therefore, CONTRACTOR must be:

- 33 a. DMC certified and with a billing system established before services commence.  
34 b. Diligent and maintain active DMC certification throughout the period of the contract.  
35 c. In close proximity to public transportation for easy access for Clients and their  
36 parents/caregivers or other family/support persons who are participating in the Client's treatment.  
37 d. A safe, drug-free, and welcoming environment and staff.



1 e. Able to provide private rooms for individual counseling, separate administrative area  
2 for operations, billing and file storage.

3 f. Located in Orange County.

4 g. Certain to include DMC administrative costs of ten percent (10%) of the annual DMC  
5 budget allocation for purposes of quality assurance to be provided by the COUNTY.

6 h. Hour of operation may be adjusted with prior approval from ADMINISTRATOR.

7 C. PERSONS TO BE SERVED – CONTRACTOR shall serve adolescents twelve (12) through  
8 seventeen (17) years of age. Child Welfare dependents and Probation youth are eligible for these  
9 services if they meet all other eligibility requirements under this Contract. A pregnant youth is eligible  
10 for these services if they meet all other eligibility requirements under this Contract. When a pregnant  
11 youth is admitted to treatment, the DHCS Perinatal Practice Guidelines are to be followed. In order to  
12 receive services through the DMC-ODS, the Client must be enrolled in Medi-Cal, reside in Orange  
13 County, and meet medical necessity criteria, as outlined below. As COUNTY resources allow and as  
14 approved by the ADMINISTRATOR, CONTRACTOR may serve Clients that are in the process of  
15 applying for Medi-Cal or those Clients that are in the process of having Medi-Cal reinstated as long as  
16 Clients reside in Orange County and meet medical necessity criteria, as outlined below.

17 D. MEDI-CAL ELIGIBILITY - MEDICAL NECESSITY

18 1. CONTRACTOR must verify the Medicaid eligibility determination of potential Clients.  
19 The verification shall be reviewed and approved by the ADMINISTRATOR prior to payment for  
20 services, unless the individual is eligible to receive services from tribal health programs operating under  
21 the Indian Self Determination and Education Assistance Act (ISDEAA – Pub.L 93-638, as amended). If  
22 the individual is eligible to receive services from tribal health programs operating under the ISDEAA,  
23 then the determination shall be conducted as set forth in the Tribal Delivery System – Attachment BB to  
24 the STCs. CONTRACTOR may accept uninsured persons with proof of Medi-Cal application.

25 2. The initial medical necessity determination for an individual to receive a DMC-ODS benefit  
26 must be performed face-to-face, through telehealth, or by telephone by an LPHA or registered or  
27 certified counselor and may be done in the community or the home. If the assessment is completed by a  
28 registered or certified counselor, then the LPHA shall evaluate that assessment with the counselor and  
29 the LPHA shall make the initial diagnosis. The consultation between the LPHA and the registered or  
30 certified counselor can be conducted in person, through telehealth, or by telephone. After establishing a  
31 diagnosis, the ASAM Criteria shall be applied by the diagnosing individual to determine placement into  
32 the level of assessed services. The initial assessment period is up to sixty (60) days for Medi-Cal  
33 beneficiaries under the age of twenty-one (21).

34 3. All Medi-Cal beneficiaries under the age of twenty-one (21) are eligible to receive  
35 Medicaid services pursuant to the Early Periodic Screening, Diagnostic and Treatment (EPSDT)  
36 mandate. Under the EPSDT mandate, beneficiaries under the age of twenty-one (21) are eligible to  
37 receive all appropriate and medically necessary services need to correct and ameliorate health conditions

1 that are coverable under section 1905(a) Medicaid authority, even if they do not meet criteria for a  
2 substance use disorder (SUD) diagnosis. This includes treatment for risky substance use and early  
3 engagement services. Nothing in the DMC-ODS overrides any EPSDT requirements. CONTRACTOR  
4 is responsible for the provision of services pursuant to the EPSDT mandate. Beneficiaries under age  
5 twenty-one (21) are eligible for DMC-ODS services without a diagnosis from the DSM for Substance-  
6 Related and Addictive Disorders.

7 4. CONTRACTOR shall ensure Clients are reassessed for continued medical necessity and  
8 appropriate level of care placement, at a minimum between the fifth and sixth month of admission,  
9 unless there is a change in the Client's condition or medical necessity warrants more frequent  
10 assessments as documented in the individualized treatment plan.

#### 11 E. ADMISSIONS

12 1. CONTRACTOR shall accept any person who is physically and mentally able to comply  
13 with the program's rules and regulations and is Medi-Cal eligible. Persons with co-occurring disorders  
14 and/or chronic conditions who require prescribed medication shall not be precluded from acceptance or  
15 admission solely based on their licit use of prescribed medication(s).

16 2. Beneficiaries may contact CONTRACTOR directly to request services. Beneficiaries may  
17 also be referred to CONTRACTOR by the 24/7 Beneficiary Access Line, network providers, and other  
18 access points determined by ADMINISTRATOR. CONTRACTOR shall enter data regarding requests  
19 for service into an access log established by ADMINISTRATOR.

20 3. CONTRACTOR shall have policies and procedures in place to screen for emergency  
21 medical conditions and immediately refer beneficiaries to emergency medical care.

22 4. CONTRACTOR shall have a policy that requires Clients who show signs of any  
23 communicable disease, or through medical disclosure during the intake process admitting to a health  
24 related problem that would put others at risk, to be cleared medically before services are provided by the  
25 program.

26 5. CONTRACTOR shall initiate services within reasonable promptness and shall have a  
27 documented system for monitoring and evaluating the quality, appropriateness and accessibility of care,  
28 including a system for addressing problems that develop regarding admission wait times.

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31 6. ADMISSION POLICY – CONTRACTOR shall establish and make available to the public  
32 a written Admission Policy. CONTRACTOR's Admission Policy shall reflect all applicable federal,  
33 state and county regulations.

34 F. INFORMING MATERIALS – CONTRACTOR is responsible to distribute informing materials  
35 and provider lists that meet the content requirements of 42 CRF 438.100 to beneficiaries when they first  
36 access SUD services through the DMC-ODS and on request. Informing materials will be provided by  
37 ADMINISTRATOR.

1 G. INTERIM SERVICES – Any DMC Client participating in Outpatient or Intensive Outpatient  
2 treatment not admitted within ten (10) calendar days due to lack of capacity shall be provided interim  
3 services. Interim services shall consist of: Voluntary testing, referral for medical evaluation, if  
4 appropriate; and HIV education, HIV risk assessment and disclosure counseling and voluntary  
5 confidential HIV antibody testing. For pregnant women, interim services shall also include counseling  
6 on the effects of alcohol and drugs on the developing fetus and referral to prenatal medical care services.  
7 Interim services may be provided directly or by referral to ADMINISTRATOR or another appropriate  
8 provider and given to prospective Clients within 48 hours. Provision of interim services for DMC  
9 covered Client with alcohol and/or other drug problems, who could otherwise be admitted into  
10 substance use disorder outpatient treatment, shall be documented in IRIS and reported monthly by the  
11 fifth (5th) business day or as determined by ADMINISTRATOR.

12 H. SUBSTANCE USE DISORDER OUTPATIENT SERVICES include: assessment, care  
13 coordination, individual counseling, group counseling, family therapy, medication services, MAT for  
14 Opioid Use Disorder (OUD), MAT for Alcohol Use Disorder (AUD) and other non-opioid SUDs,  
15 patient education, recovery services, and SUD crisis intervention services. Services may be provided in  
16 person, by telehealth, or by telephone. Outpatient Services (ODF; ASAM Level 1.0) are provided when  
17 medically necessary for less than six (6) hour per week for adolescents. Intensive Outpatient Services  
18 (IOT; ASAM Level 2.1) are provided when medically necessary for a minimum of six (6) hours with a  
19 maximum of nineteen (19) hours per week for adolescents. IOT services may exceed the maximum  
20 based on individual medical necessity. All services and documentation shall meet DMC standards.  
21 Components of Outpatient Services are:

22 a. Assessment – CONTRACTOR shall assess the Client utilizing an ASAM-based  
23 Assessment tool approved by ADMINISTRATOR to provide a standardized, comprehensive risk and  
24 needs assessment. Assessment of each Client shall include at a minimum: substance use history, medical  
25 history, family history, psychiatric/psychological history, social/recreational history, financial  
26 status/history, educational history, employment history, criminal history, legal status, and previous SUD  
27 treatment history. For adolescents, developmental and cognitive levels, social skills, emotional skills,  
28 self-help/independent living skills, risk of suicide, current/history of physical and/or sexual abuse, or  
29 perpetration or physical and/or sexual abuse on others are to be included in the assessment. Individuals  
30 assessed to need a higher level of care shall be provided the appropriate services until linkage to a higher  
31 level of care is made. If the assessment indicates there is no medical necessity for any SUD treatment  
32 levels, a Notice of Action Benefit Determination (NOABD) will be provided to the Client after the  
33 assessment, or mailed to the Client no later than three (3) business days after the decision to deny SUD  
34 services has been made.

35 b. Physical Examination – If a Client had a physical within the twelve (12) month period  
36 prior to admission, the physician shall review documentation of the most recent physical within thirty  
37 (30) calendar days of admission to treatment. If a CONTRACTOR is unable to obtain documentation of

the most recent physical, the CONTRACTOR shall describe the efforts made to obtain this documentation in the Client's record; or the physician, nurse practitioner or physician's assistant, may perform a physical within thirty (30) calendar days of admission. If the previous two options cannot be met, the CONTRACTOR must include on the initial and updated treatment plans the goal of obtaining a physical examination, until this goal is met. The physician or LPHA shall evaluate each Client to diagnose whether the Client has a Substance Use Disorder.

c. Individual Counseling – Contacts between a Client and a therapist or counselor. Individual counseling can include contact with family members or other collaterals if the purpose of the collateral's participation is to focus on the treatment needs of the Client by supporting the achievement of the Client's treatment goals.

d. Group Counseling – Contacts in which one or more therapists or counselors treat two (2) or more Clients, one of whom must be a Medi-Cal beneficiary, at the same time with a maximum of twelve (12) in the group. A Client that is seventeen (17) years of age or younger shall not participate in group counseling with any participants who are eighteen (18) years of age or older. However, a Client who is seventeen (17) years of age or younger may participate in group counseling with participants who are eighteen (18) years of age or older when the counseling is at a provider's certified school site.

e. Group Sign-In Sheets – Group sign-in sheets shall be completed for all group counseling sessions. Group sign-in sheets shall contain the printed and signed name of the Client, date of group, duration of group (e.g. start and end times), topic of group, number of Clients in group, and printed and signed name of the therapist/counselor(s) conducting the group.

f. Clinical Documentation – shall occur for each session attended by the Client and include treatment plan progress on each note for at least one problem area. Staff documenting for any Client's group or individual service shall understand progress notes are individualized narrative summaries and shall include the following:

1) The type and topic of the session and how the topic relates to substance disorders in the content of the progress note;

2) A description of the Client's progress on the treatment plan and/or referrals;

3) Information on attendance, including the date, start and end times of each group or individual and;

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4) Type or legibly print the name, date and signature of the counselor or therapist who conducted the session and document services within seven (7) calendar days of the session.

5) Include the appropriate CPT 10 code for the service delivered and the number of Clients in attendance.

g. Family Therapy – Including a Client's family members and loved ones in the treatment process, and providing education about factors that are important to the Client's recovery as well as to their own recovery can be conveyed.

h. Medication Assisted Treatment (MAT) – CONTRACTOR shall either directly offer or have an effective referral mechanism to MAT to Clients with SUD diagnoses that are treatable with Food and Drug Administration (FDA)-approved medications or biological products. CONTRACTOR's referral mechanism shall include a warm handoff by the CONTRACTOR to the MAT provider to ensure the client has been accepted into the MAT provider's program. The warm handoff must be done in real-time with the Client. Medically necessary MAT services directly offered by CONTRACTOR must be provided in accordance with an individualized treatment plan determined by a licensed physician or LPHA working within their scope of practice. If CONTRACTOR is directly offering MAT to Clients:

1) CONTRACTOR must ensure ability to continue MAT after discharge through linkage to appropriate prescriber. MAT shall include the assessment, treatment planning, ordering, prescribing, administering, and monitoring of all medications for SUDs.

2) CONTRACTOR must provide administration of buprenorphine, naltrexone (oral and injectable), acamprosate, disulfiram, and naloxone as clinically appropriate for this population and approved by the FDA. Other approved medications in the treatment of SUDs may also be prescribed and administered, as medically necessary and clinically appropriate.

3) CONTRACTOR must provide care coordination with treatment and ancillary service providers and facilitate transitions between levels of care. Beneficiaries may simultaneously participate in MAT services and other ASAM LOCs.

i. Collateral Services – Sessions with therapists or counselors and significant persons in the life of the Client, focused on the treatment needs of the Client in terms of supporting the achievement of their treatment goals. Significant persons are individuals that have a personal, not official or professional, relationship with the Client.

j. SUD Crisis Intervention Services – sessions between a therapist or counselor and a Client in crisis. Crisis means an actual relapse or an unforeseen event or circumstance, which presents an imminent threat of relapse. Crisis intervention services shall focus on alleviating the crisis problem and be limited to the stabilization of the beneficiary's immediate situation. These types of services are not scheduled and do not appear on the treatment plan and may be provided on the same day as a scheduled group or individual service as initiated by the Client.

k. Treatment Planning – CONTRACTOR shall develop an individualized treatment plan with each Client which shall be signed and dated by the Client and Counselor within thirty (30) calendar days of admission. The Medical Director (physician) or LPHA shall sign and date the plan within fifteen (15) calendar days of the Counselor's signature. Each treatment plan shall include identification of a drug and/or alcohol problem, identify the proposed type(s) of interventions that includes a proposed frequency and duration, consistent with the qualifying diagnosis listed on the treatment plan, a physical if so determined by the Medical Director, and include long term and short term specific quantifiable individualized goals and objectives for addressing the identified needs with action steps, target dates and dates of resolution for each. CONTRACTOR shall base problem areas from a perspective encompassing



the whole Client's needs as determined by the Assessment, Health Questionnaire and other screening tools utilized such as suicidal/homicidal screening, depression/anxiety scales, and/or trauma or human trafficking screen. CONTRACTOR shall update the treatment plan when a change in problem identification, focus of recovery or treatment occurs, or, no later than ninety (90) calendar days after signing the initial treatment plan, and no later than every ninety (90) calendar days thereafter, whichever comes first.

1. Care Coordination – Consists of activities to provide coordination of SUD care, mental health care, and medical care, and to support the Client with linkages to services and supports designed to restore the Client to their best possible functional level. Care coordination includes one or more of the following components:

1) Coordinating with medical and mental health care providers to monitor and support comorbid health conditions.

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

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

m. Evidence Based Practices (EBPs) – CONTRACTOR will implement at least two of the following EBPs. The required EBPs include:

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

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

3) Relapse Prevention: A behavioral self-control program that teaches individuals with substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention

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can be used as a stand-alone substance use treatment program or as an aftercare program to sustain gains achieved during initial substance use treatment.

4) Trauma-Informed Treatment: Services must take into account an understanding of trauma, and place priority on trauma survivors' safety, choice and control.

5) Psycho-Education: Psycho-educational groups are designed to educate Clients about substance abuse, and related behaviors and consequences. Psycho-educational groups provide information designed to have a direct application to Clients' lives; to instill self-awareness, suggest



options for growth and change, identify community resources that can assist Clients in recovery, develop an understanding of the process of recovery, and prompt people using substances to take action on their own behalf.

n. Clinician Consultation Services – Clinician Consultation consists of DMC-ODS LPHAs consulting with LPHAs, such as addiction medicine physicians, addiction psychiatrists, licensed clinicians, or clinical pharmacists, to support the provision of care. CONTRACTOR will have access to Clinician Consultation Services defined as DMC clinicians consulting with addiction medicine physicians, addiction psychiatrists, clinicians or clinical pharmacists. Clinician consultation services are designed to support DMC-ODS licensed clinicians with complex cases and may address medication selection, dosing, side effect management, adherence, drug-drug interactions, or level of care considerations. It includes consultations between clinicians designed to assist DMC clinicians with seeking expert advice on treatment needs for specific DMC-ODS beneficiaries. ADMINISTRATOR will provide one (1) or more physicians or pharmacists to provide consultation services.

o. Discharge Services – The process to prepare the Client for referral into another level or care, post treatment return or reentry into the community, and/or the linkage of the Client to essential community treatment, housing and human services. CONTRACTOR shall begin discharge planning immediately upon enrollment. CONTRACTOR shall develop written procedures regarding Client discharge. Discharge Planning may occur only once within thirty (30) calendar days prior to the date of the last face-to-face treatment with the Client.

1) Discharge Plan – CONTRACTOR shall develop a formal discharge plan within thirty (30) calendar days prior to Client's planned discharge from the program. A discharge plan is to be completed for each Client, except a Client with whom the provider loses contact. The discharge plan shall be completed and signed by the CONTRACTOR staff and the Client. A copy of the discharge plan shall be provided to the Client and retained in the Client's record. The discharge plan shall include, but not be limited to, all of the following:

- i) A description of each of the Client's relapse triggers;
- ii) A plan to assist the Client to avoid relapse when confronted with each trigger;
- iii) A support plan,

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2) Discharge Summary – The discharge summary is to be completed by the LPHA or counselor within thirty (30) calendar days of the date of the last face-to-face treatment contact with the Client. The discharge summary shall include all of the following:

- i) The duration of the Client's treatment as determined by the dates of admission to and discharge from treatment;
- ii) The reason for discharge;
- iii) A narrative of the treatment episode;

iv) The Client's prognosis

p. Recovery Services – Recovery Services are designed to support recovery and prevent relapse with the objective of restoring the Client to their best possible functional level. Recovery Services emphasize the Client's central role in managing their health, use effective self-management support strategies, and organize internal and community resources to provide ongoing self-management support to beneficiaries. Clients may receive Recovery Services based on self-assessment or provider assessment of relapse risk. Clients do not need to be diagnosed as being in remission to access Recovery Services. Clients may receive Recovery Services while receiving MAT services, including NTP services. Clients may receive Recovery Services immediately after incarceration with a prior diagnosis of SUD. Recovery Services can be delivered and claimed as a standalone service, concurrently with other levels of care, or as a service delivered as part of these levels of care. The components of Recovery Services are:

- 1) Assessment
- 2) Care Coordination
- 3) Counseling (individual and group)
- 4) Family therapy
- 5) Recovery Monitoring: Recovery coaching and monitoring designed for the maximum reduction of the Client's SUD
- 6) Relapse Prevention, which includes interventions designed to teach Clients with SUD how to anticipate and cope with the potential for relapse for the maximum reduction of the Client's SUD.

q. Health, Medical, Psychiatric, And Emergency Services – CONTRACTOR shall ensure that all persons admitted for outpatient treatment services have a health questionnaire completed using form DHCS 5103 or may develop their own form provided it contains, at a minimum, the information requested in the DHCS 5103 form.

1) The health questionnaire is a Client's self-assessment of his/her current health status and shall be completed by Client prior to admission during the screening process.

i) CONTRACTOR shall review and approve the health questionnaire form prior to Client's admission to the program. The completed health questionnaire shall be signed and dated by staff and Client.

ii) A copy of the questionnaire shall be filed in the Client's file.

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

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

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

1 3) CONTRACTOR shall provide directly or by referral: HIV education, voluntary,  
2 confidential HIV antibody testing and risk assessment and disclosure counseling.

3 4) CONTRACTOR shall have and post written procedures for obtaining medical or  
4 psychiatric evaluation and emergency services.

5 5) CONTRACTOR shall have readily available the name, address, and telephone  
6 number for the fire department, a crisis center, local law enforcement, and a paramedical unit or  
7 ambulance service.

8 6) The CONTRACTOR will obtain the medical records and record the Client's  
9 medical information in their file including all applicable authorizations to disclose information, primary  
10 care physician (PCP) name and location, medical history (including the latest physical examination),  
11 medications and significant conditions. CONTRACTOR will notify the medical home provider  
12 immediately upon intake and will request medical records within one (1) week. After review of medical  
13 records received, the Medical Director of the CONTRACTOR shall consult with the PCP at the medical  
14 home to ensure proper coordination of care within thirty (30) days. If medication is prescribed, SUD  
15 clinical staff will notify the medical home provider within one (1) week of prescribing. If no medical  
16 home is identified, the CONTRACTOR will discuss the benefits of coordinated/integrated care and  
17 identifying a medical home shall be a goal on the treatment plan. All progress towards and attempts to  
18 link Client's to a medical home will be documented in the file.

19 I. SUBSTANCE USE SCREENING

20 1. CONTRACTOR shall have a written policy and procedure statement regarding alcohol and  
21 drug screening that includes unannounced drug and/or alcohol testing upon admission to the program  
22 and at a minimum of once a month and more often in situations where there is suspicion of use. The  
23 urine specimen collection shall be observed by sex-congruent staff. This policy shall be approved by  
24 ADMINISTRATOR. A Client shall not be denied admittance to treatment for a positive alcohol and/or  
25 drug screen at admission if they meet all other criteria for admission. For those situations where drug  
26 screening is deemed appropriate and necessary, CONTRACTOR shall:

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

29 b. All urine specimen collection shall be observed by sex-congruent staff;

30 c. Document results of the drug screening in the Client's record; and

31 d. A copy of on-site testing results shall be placed in the Client's record indicating the  
32 outcome and include the signature and date of the Client and staff conducting the testing.

33 2. Drug and/or alcohol test results should be used to assist in diagnosis, confirm clinical  
34 impressions, help modify the treatment plan, and determine the extent of the Client's reduction in  
35 substance use. Clinical decisions should not be based solely on these results.

36 3. In the event CONTRACTOR wishes to utilize the COUNTY-contracted laboratory for drug  
37 screening purposes, CONTRACTOR shall collect and label samples from Clients.

1 4. Drug and/or Alcohol testing is not a DMC reimbursable service and is not to be conducted  
2 during an Individual or Group session.

3 J. PERFORMANCE OBJECTIVES – CONTRACTOR shall achieve performance objectives for  
4 each Period, tracking and reporting Performance Outcome Objective statistics in monthly programmatic  
5 reports, as appropriate. ADMINISTRATOR recognizes that alterations may be necessary to the  
6 following services to meet the objectives, and, therefore, revisions to objectives and services may be  
7 implemented by mutual agreement between CONTRACTOR and ADMINISTRATOR.

8 1. Objective 1: CONTRACTOR shall provide effective outpatient services to Clients as  
9 measured by Retention and Completion Rates:

10 a. Retention is defined as a Client being engaged in services for a period of thirty (30)  
11 calendar days. Fifty percent (50%) of Clients will be retained.

12 2. Objective 2: CONTRACTOR shall provide effective outpatient services to Clients, as  
13 measured by satisfactory treatment progress at discharge:

14 a. Fifty percent (50%) of Clients discharged will have made satisfactory progress in  
15 treatment as per the CalOMS discharge disposition.

16 b. Fifty percent (50%) of Clients will have shown improvement in their pre- and post-  
17 administration scores on the Substance and Choices (SACS B).

18 3. Objective 3: Ninety percent (90%) of Clients who complete a satisfaction survey will agree  
19 or strongly agree that they are “overall satisfied with the services received” and ninety percent (90%) of  
20 Clients will agree or strongly that they would recommend the program to someone they know.

21 K. MEETINGS – CONTRACTOR’s Executive Director and Chief Financial Officer or designees  
22 shall participate in monthly meetings facilitated by ADMINISTRATOR related to the provision of  
23 services pursuant to this Contract.

24 1. Active participation in regular SUD Quality Improvement (QI) Coordinator’s meetings  
25 organized by the Authority and Quality Improvement Services (AQIS) Quality Management program is  
26 required for at least one dedicated program QI coordinator/professional.

27 L. CULTURAL COMPETENCY – CONTRACTOR shall provide culturally competent services.  
28 CONTRACTOR shall make its best effort to provide services pursuant to the Contract in a manner that  
29 is culturally and linguistically appropriate for the population(s) served. CONTRACTOR must ensure  
30 that their policies, procedures, and practices are consistent with the principles outlined and are  
31 embedded in the organizational structure, as well as being upheld in day-to-day operations.  
32 CONTRACTOR shall maintain documentation of such efforts which may include, but not be limited to:  
33 records of participation in COUNTY-sponsored or other applicable training; recruitment and hiring  
34 policies and procedures; copies of literature in multiple languages and formats, as appropriate; and  
35 descriptions of measures taken to enhance accessibility for, and sensitivity to, individuals who are  
36 physically challenged. CONTRACTOR shall refer to Culturally and Linguistically Appropriate Services  
37 (CLAS) adapted by DHCS to develop culturally informed services.

1 M. CONTRACTOR shall include bilingual/bicultural services to meet the needs of threshold  
2 languages as determined by COUNTY. Language translation services must be available for beneficiaries  
3 and their involved family members, as needed. Whenever possible, bilingual/bicultural staff should be  
4 retained. Any clinical vacancies occurring at a time when bilingual and bicultural composition of the  
5 clinical staffing does not meet the above requirement must be filled with bilingual and bicultural staff  
6 unless ADMINISTRATOR consents, in advance and in writing, to the filling of those positions with  
7 non-bilingual staff. Salary savings resulting from such vacant positions may not be  
8 used to cover costs other than salaries and employees benefits unless otherwise authorized, in advance  
9 and in writing, by ADMINISTRATOR.

10 N. POSTINGS – CONTRACTOR shall post the following in a prominent place within the facility:  
11 1. State Licensure and Certification  
12 2. Business License  
13 3. Conditional Use Permit (if applicable)  
14 4. Fire clearance  
15 5. Client rights  
16 6. Grievance procedure  
17 7. Availability of translation services at no cost  
18 8. Employee Code of Conduct  
19 9. Evacuation floor plan  
20 10. Equal Employment Opportunity notices  
21 11. Name, address, telephone number for fire department, crisis program, local law  
22 enforcement, and ambulance service.  
23 12. List of resources within Orange County which shall include medical, dental, mental health,  
24 public health, social services and where to apply for determination of eligibility for Federal, State, or  
25 County entitlement programs.  
26 13. Information on self-help meetings. AA, NA, and non-12 step meetings shall be included.

27 O. Program shall utilize protocols developed and supported by the Medical Director. These  
28 protocols shall provide procedures should a client's condition deteriorate and appear to need medical  
29 intervention.

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31 P. NO PROSELYTIZING POLICY – CONTRACTOR shall not conduct any proselytizing  
32 activities, regardless of funding sources, with respect to any person who has been referred to  
33 CONTRACTOR by COUNTY under the terms of this Contract. Further, CONTRACTOR agrees that  
34 the funds provided hereunder shall not be used to promote, directly or indirectly, any religion, religious  
35 creed or cult, denomination or sectarian institution, or religious belief.

36 Q. AUTHORITY – CONTRACTOR shall recognize the authority of Orange County Probation  
37 Department (OCPD) as officers of the court and shall extend cooperation to OCPD within the



1 constraints of CONTRACTOR's program.

2 R. NON-SMOKING POLICY – CONTRACTOR shall establish a written non-smoking policy,  
3 which shall be reviewed and approved by ADMINISTRATOR. At a minimum, the non-smoking policy  
4 shall specify the facilities are "smoke free" and Clients are prohibited from smoking at all times. The  
5 policy shall also specify that vaping is prohibited at all times.

6 S. OPIOID OVERDOSE EMERGENCY TREATMENT – CONTRACTOR shall have available  
7 at minimum two (2) unexpired Naloxone doses for the treatment of known or suspected opioid  
8 overdose. At least one (1) staff per shift shall be trained in administering the Naloxone. Naloxone is  
9 not a substitute for emergency medical care. CONTRACTOR shall always seek emergency medical  
10 assistance in the event of a suspected, potentially life-threatening opioid emergency.

11 T. TOKENS – ADMINISTRATOR will provide CONTRACTOR the necessary number of Tokens  
12 for appropriate individual staff to access IRIS at no cost to the CONTRACTOR.

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

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

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

19 4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following  
20 conditions:

- 21 a. Token of each staff member who no longer supports the Contract.
- 22 b. Token of each staff member who no longer requires access IRIS.
- 23 c. Token of each staff member who leaves employment of CONTRACTOR.
- 24 d. Tokens malfunctioning.
- 25 e. Termination of this Contract.

26 5. ADMINISTRATOR will issue tokens for CONTRACTOR's staff members who require  
27 access to the IRIS upon initial training or as a replacement for malfunctioning Tokens.

28 6. CONTRACTOR shall reimburse the COUNTY for tokens lost, stolen, or damaged through  
29 acts of negligence.

30 //

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

34 U. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of  
35 CONTRACTOR's administrative and program P&Ps. CONTRACTOR shall provide signature  
36 confirmation of its P&P training for each staff member and place in their personnel files.

37 V. CONTRACTOR shall ensure that all staff responsible for input into IRIS are to complete IRIS



1 New User Training.

2 W. CONTRACTOR shall conduct Supervisory Review of Client records at minimum upon  
3 admission, at thirty (30) calendar day intervals, and upon discharge in accordance with procedures  
4 developed by ADMINISTRATOR. CONTRACTOR shall ensure that all chart documentation complies  
5 with all federal, state, and local guidelines and standards.

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

11 1. Designate the responsible position(s) in your organization for managing the funds allocated  
12 to the program;

13 2. Maximize the use of the allocated funds;

14 3. Ensure timely and accurate reporting of monthly expenditures;

15 4. Maintain appropriate staffing levels;

16 5. Request budget and/or staffing modifications to the Contract;

17 6. Effectively communicate and monitor the program for its success;

18 7. Track and report expenditures electronically;

19 8. Maintain electronic and telephone communication between CONTRACTOR and  
20 ADMINISTRATOR; and,

21 9. Act quickly to identify and solve problems.

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

26 Z. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR'S Implementation  
27 Plan as approved by DHCS.

28 AA. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours, of  
29 any significant program changes.

30 //

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

## 33 34 **VI. STAFFING**

35 A. CONTRACTOR shall ensure that all clinical staffing, including those providing direct Client  
36 services, meet the requirements of Title 22, Title 9 of the CCR and CalAIM DMC-ODS program  
37 updates as they exist now or may hereafter be amended or changed and all standards of the Department

1 of Health Care Services.

2 B. CONTRACTOR shall ensure that administrative staffing is sufficient to support the  
3 performance of services pursuant to the Contract.

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

7 D. Professional staff shall undergo the HCA credentialing process by the AQIS Managed Care  
8 Support Team (MCST) prior to rendering any Medi-Cal covered services.

9 1. CONTRACTOR shall comply with the requirements of the State's established, uniform  
10 credentialing and re-credentialing policy that addresses behavioral and substance use disorders, outlined  
11 in DHCS Information Notice 18-019.

12 2. CONTRACTOR shall follow the County's process for credentialing and re-credentialing or  
13 network providers and shall ensure that all registered, licensed, or certified staff who deliver Medi-Cal  
14 covered services are properly credentialled by the County before delivering any Medi-Cal covered  
15 services.

16 E. Non-professional staff shall receive appropriate onsite orientation and training prior to  
17 performing assigned duties. Non-professional staff shall be supervised by professional and/or  
18 administrative staff.

19 F. Professional and Non-professional staff are required to have appropriate experience and any  
20 necessary training at the time of hiring.

21 G. Registered and certified SUD counselors shall adhere to all requirements in the CCR, Title 9,  
22 Division 4, Chapter 8.

23 H. Substance Use Disorder Staffing levels and qualifications shall meet the requirements of the  
24 State Department of Health Care Services (DHCS) Counselor Certification Standards for California for  
25 Outpatient Services and CCR, Title 9, Chapter 8. All staff providing treatment services shall be licensed  
26 and/or certified in accordance with state requirements, and professional guidelines, as applicable. At  
27 least thirty percent (30%) of staff providing counseling (group, individual, case management, and  
28 intake) services in all AOD programs shall be licensed or certified pursuant to the requirements of Title  
29 9, Division 4, Chapter 8. All other counseling staff shall be registered pursuant to Section 13035(f).

30 //

31 I. CONTRACTOR must have a Medical Director who, prior to the delivery of services under this  
32 CONTRACT with COUNTY has enrolled with DHCS under applicable state regulations, has been  
33 screened in accordance with 42 CFR 455.450(a) as a "limited" categorical risk within a year prior to  
34 serving as a Medical Director under this CONTRACT.

35 1. The Medical Director's responsibilities shall, at a minimum include all of the following:

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

- 1                   b. Ensure that physicians do not delegate their duties to non-physician personnel;  
2                   c. Develop and implement medical policies and standards for the provider;  
3                   d. Ensure that physicians, registered nurse practitioners, and physician assistants follow  
4 the provider's medical policies and standards;  
5                   e. Ensure that the medical decisions made by physicians are not influenced by fiscal  
6 considerations;  
7                   f. Ensure that provider's physicians and LPHAs are adequately trained to perform  
8 diagnosis of substance use disorders for beneficiaries, determine the medical necessity of treatment for  
9 beneficiaries;  
10                  g. Ensure that provider's physicians are adequately trained to perform other physician  
11 duties, as outlined in this section.

12                  2. The substance use disorder Medical Director may delegate his/her responsibilities to a  
13 physician consistent with the provider's medical policies and standards; however, the substance use  
14 disorder Medical Director shall remain responsible for ensuring all delegated duties are properly  
15 performed.

16                  3. Written roles and responsibilities and a code of conduct for the Medical Director shall be  
17 clearly documented, signed and dated by a provider representative and the physician.

18                  J. Quality Assurance staff to track data outcomes and report on ability to meet performance  
19 objectives and ensure file compliance with this Contract and the DMC-ODS Implementation Plan.

20                  K. CONTRACTOR's certification to participate in the DMC program shall automatically  
21 terminate in the event that the CONTRACTOR or its owners, officers or directors are convicted of Medi-  
22 Cal fraud, abuse or malfeasance. For purposes of this section, a conviction shall include a plea of guilty  
23 or nolo contendere.

24                  L. VOLUNTEERS/INTERNS – CONTRACTOR may augment the above paid staff with  
25 volunteers or part-time student interns. Unless waived by ADMINISTRATOR, prior to providing  
26 services pursuant to this Contract, interns shall be Master's Candidates in Counseling or Social Work or  
27 have a Bachelor's Degree in a related field or be participating in any state recognized counselor  
28 certification program. Additionally, volunteers or student interns must be AOD registered or  
29 certified. CONTRACTOR shall provide supervision of work by interns or consistent with school or  
30 licensing Board requirements. CONTRACTOR shall provide supervision to volunteers as specified in  
31 the respective job descriptions or work contracts. Volunteer or student intern services may not comprise  
32 more than twenty percent (20%) of the services provided, unless approved in advance by  
33 ADMINISTRATOR. If utilizing the services of volunteers or student interns, CONTRACTOR shall  
34 implement procedures which address the following: recruitment; screening; selection; training and  
35 orientation; duties and assignments; scope of practice; supervision; evaluation; and Client  
36 confidentiality.

37                  M. CONTRACTOR shall develop a policy governing supervision of staff that will be approved by

1 the ADMINISTRATOR. That policy will address the training needs and requirements of all staff.

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

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

16 P. STAFF/VOLUNTEER/INTERN SCREENING – CONTRACTOR shall provide pre-  
17 employment "live scan" screening of any staff person providing services pursuant to this Contract. All  
18 new staff, volunteers, and interns shall pass a one-time "live scan" finger printing background check  
19 prior to employment. All staff shall be subject to sanction screening as referenced in the Compliance  
20 paragraph. All staff shall also be screened by Megan's Law, OC Courts and OC Sheriff's Department  
21 on an annual basis. The results of the fingerprint checks will be sent directly from the Department of  
22 Justice to CONTRACTOR. Results must remain in staff file.

23 1. All staff/volunteers/interns, prior to starting services, shall meet the following requirements:

24 a. No person shall have been convicted of a sex offense for which the person is required  
25 to register as a sex offender under PC section 290;

26 b. No person shall have been convicted of an arson offense – Violation of PC sections  
27 451, 451.1, 451.5, 452, 45231, 453, 454, or 455;

28 c. No person shall have been convicted of any violent felony as defined in PC section  
29 667.5, which involves doing bodily harm to another person, for which the staff member was convicted  
30 within five (5) years prior to employment;

31 d. No person shall be on parole or probation.

32 e. No person shall participate in the criminal activities of a criminal street gang and/or  
33 prison gang; and

34 f. No person shall have prior employment history of improper conduct, including but not  
35 limited to, forging or falsifying documents or drug tests, sexual assault or sexual harassment, or  
36 inappropriate behavior with staff or residents at another treatment Facility.

37 Q. STAFF TRAINING – CONTRACTOR shall develop a written plan for staff training. All Staff

1 training shall be documented and maintained as part of the training plan and shall adhere to  
2 requirements set forth by HCA Authority and Quality Improvement Services Policies and Procedures.

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

6 a. General knowledge of alcohol and/or drug abuse and alcoholism and the principles of  
7 recovery;

8 b. Housekeeping and sanitation principles;

9 c. Principles of communicable disease prevention and control;

10 d. Recognition of early signs of illness and the need for professional assistance;

11 e. Availability of community services and resources;

12 f. Recognition of individuals under the influence of alcohol and/or drugs;

13 2. CONTRACTOR shall ensure that within thirty (30) days of hire and on an annual basis, all  
14 program staff including administrator, volunteers and interns having direct contact with Clients shall  
15 have:

16 a. Annual County Compliance Training;

17 b. A minimum of one (1) hour training in cultural competence annually;

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

20 a. Professional staff (Licensed Professionals of the Healing Arts), including Medical  
21 Directors, shall receive a minimum of five (5) hours of continuing education related to addiction  
22 medicine annually.

23 b. All providers, including volunteers and interns, providing DMC-ODS services are  
24 required to be trained and complete at least once prior to providing services, the following two (2)  
25 training modules:

26 i. American Society of Addiction Medicine (ASAM) Multidimensional Assessment  
27 (sometimes referred to as ASAM-A or ASAM I).

28 ii. Assessment to Service Planning and Level of Care (sometimes referred to as ASAM-  
29 A or ASAM I).

30 iii. This requirement applies to all physicians and Medical Directors regardless of their  
31 role in the program and may only be waived for physicians/Medical Directors who are Board Certified  
32 with an Addiction sub-specialty.

33 c. All providers and administrators must receive training on DMC-ODS requirements at  
34 least annually. These requirements will be contained in the County-developed Annual Provider  
35 Training.

36 d. DMC-ODS/SUD documentation training within 90 days of hire is mandatory for all  
37 clinical staff, all on-site Quality Management staff, and all supervisors; however, compliant



1 documentation is required from the onset of services;

2 e. Annual training in the two minimum evidence-based practices (EBP) utilized at the  
3 program.

4 f. Motivational Interviewing must be taken at least once and will count as one EBP for  
5 the year; Contractor may choose other EBP courses after;

6 f Naloxone Administration Training;

7 g. CPR / first aid Training; and

8 h. Additional trainings as required by ADMINISTRATOR.

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

- 13 1. Application for employment and/or resume;
- 14 2. Signed employment confirmation statement/duty statement;
- 15 3. Job description;
- 16 4. Salary schedule and salary adjustment information;
- 17 5. Performance evaluations;
- 18 6. Health records/status as required by the provider, AOD Certification or Title 9;
- 19 7. Other personnel actions (e.g. commendations, discipline, status change, employment  
20 incidents and/or injuries);
- 21 8. Training documentation relevant to substance use disorders and treatment;
- 22 9. Current registration, certification, intern status, or licensure;
- 23 10. Proof of continuing education required by licensing or certifying agency and program; and
- 24 11. CONTRACTOR's Code of Conduct and for registered, certified, and licensed staff, a copy  
25 of the certifying/licensing body's code of conduct as well.

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

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

30 //



EXHIBIT B  
TO CONTRACT FOR PROVISION OF  
DRUG MEDI-CAL ADOLESCENT OUTPATIENT AND  
INTENSIVE OUTPATIENT SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
PHOENIX HOUSE ORANGE COUNTY, INC.  
SEPTEMBER 9, 2022 THROUGH JUNE 30, 2025

**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 B 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 the CONTRACTOR and COUNTY arises to the extent that CONTRACTOR performs, or delegates to subcontractors to perform, functions or activities on behalf of COUNTY pursuant to, and as set forth in, the 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 the CONTRACTOR in the same manner as they apply to the covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the terms of this Business Associate Contract as it exists now or be hereafter updated with notice to CONTRACTOR, and the applicable standards, implementation specifications, and requirements of the

1 Privacy and the Security rules, as they may exist now or be hereafter amended, with respect to PHI and  
2 electronic PHI created, received, maintained, transmitted, used, or disclosed pursuant to the Contract.

3 B. DEFINITIONS

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

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

10 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

37 //

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 a. CONTRACTOR does not promptly enter into negotiations to amend this Business  
37 Associate Contract when requested by COUNTY pursuant to this Subparagraph F; or



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

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

7 D. SECURITY RULE

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

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

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

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

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

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

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

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



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

#### E. DATA SECURITY REQUIREMENTS

##### 1. Personal Controls

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

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

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

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

##### 2. Technical Security Controls

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

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

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

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

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

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

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

36           1) Upper case letters (A-Z)

37           2) Lower case letters (a-z)

3) Arabic numerals (0–9)

4) Non-alphanumeric characters (punctuation symbols)

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

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

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

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

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

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

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

### 3. Audit Controls

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

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

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

#### 14 4. Business Continuity/Disaster Recovery Control

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

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

#### 27 5. Paper Document Controls

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

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

37 //

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

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

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

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

#### 19 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

1 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

11 1) The Disclosure is required by law; or

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

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

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

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

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

26 H. PROHIBITED USES AND DISCLOSURES

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

32 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI  
33 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on  
34 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by  
35 42 USC § 17935(d)(2).

36 I. OBLIGATIONS OF COUNTY

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

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

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

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

#### J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

b. CONTRACTOR shall retain no copies of the PHI.

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

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

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EXHIBIT C  
TO CONTRACT FOR PROVISION OF  
DRUG MEDI-CAL ADOLESCENT OUTPATIENT AND  
INTENSIVE OUTPATIENT SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
PHOENIX HOUSE ORANGE COUNTY, INC.  
SEPTEMBER 9, 2022 THROUGH-JUNE 30, 2025

**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 Personal Information, as defined below, accessed in a database maintained by the COUNTY or DHCS, received by CONTRACTOR from the COUNTY or DHCS or acquired or created by CONTRACTOR in connection with performing the functions, activities and services specified in the 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

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

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

6 B. TERMS OF CONTRACT

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

11 2. Responsibilities of CONTRACTOR  
12 CONTRACTOR agrees:

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

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

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

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

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

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



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

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

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

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

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

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

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

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