

1                                   AGREEMENT FOR PROVISION OF  
2                                   INTEGRATED COMMUNITY SERVICES  
3                                   BETWEEN  
4                                   COUNTY OF ORANGE  
5                                   AND  
6                                   SOUTHLAND INTEGRATED SERVICES, INC.  
7                                   JULY 1, 2019 THROUGH JUNE 30, 2020

8  
9       THIS AGREEMENT entered into this 1st day of July 2019 (effective date), is by and between the  
10   COUNTY OF ORANGE, a political subdivision of State of California (COUNTY), and SOUTHLAND  
11   INTEGRATED SERVICES, INC., a California nonprofit corporation (CONTRACTOR). COUNTY and  
12   CONTRACTOR may sometimes be referred to herein individually as "Party" or collectively as  
13   "Parties." This Agreement shall be administered by the County of Orange Health Care Agency or an  
14   authorized designee ("ADMINISTRATOR").

15  
16                                   **W I T N E S S E T H:**

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18       WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Integrated  
19   Community Services described herein to the residents of Orange County; and

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

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

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**REFERENCED CONTRACT PROVISIONS**

**Term:** July 1, 2019 through June 30, 2020

**Maximum Obligation:** \$ 1,197,000

**Basis for Reimbursement:** Actual Cost

**Payment Method:** Monthly in Arrears

**CONTRACTOR DUNS Number:** 16-867-7235

**CONTRACTOR TAX ID Number:** 95-3403526

**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:** Southland Integrated Services, Inc.  
1618 W. First Street  
Santa Ana, CA 92703  
Contact Name: Tricia Nguyen, Chief Executive Officer  
Contact Email: [tnguyen@southlandintegrated.org](mailto:tnguyen@southlandintegrated.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 Agreement:

A. AB 109	Assembly Bill 109, 2011 Public Safety Realignment
B. AIDS	Acquired Immune Deficiency Syndrome
C. ARRA	American Recovery and Reinvestment Act of 2009
D. ASAM PPC	American Society of Addiction Medicine Patient Placement Criteria
E. ASI	Addiction Severity Index
F. ASRS	Alcohol and Drug Programs Reporting System
G. BHS	Behavioral Health Services
H. CalOMS	California Outcomes Measurement System
I. CalWORKs	California Work Opportunity and Responsibility for Kids
J. CAP	Corrective Action Plan
K. CCC	California Civil Code
L. CCR	California Code of Regulations
M. CESI	Client Evaluation of Self at Intake
N. CEST	Client Evaluation of Self and Treatment
O. CFDA	Catalog of Federal Domestic Assistance
P. CFR	Code of Federal Regulations
Q. CHPP	COUNTY HIPAA Policies and Procedures
R. CHS	Correctional Health Services
S. COI	Certificate of Insurance
T. CPA	Certified Public Accountant
U. CSW	Clinical Social Worker
V. DHCS	California Department of Health Care Services
W. D/MC	Drug/Medi-Cal
X. DPFS	Drug Program Fiscal Systems
Y. DRS	Designated Record Set
Z. EEOC	Equal Employment Opportunity Commission
AA. EHR	Electronic Health Records
AB. EOC	Equal Opportunity Clause
AC. ePHI	Electronic Protected Health Information
AD. EPSDT	Early and Periodic Screening, Diagnosis, and Treatment
AF. FFS	Fee For Service
AG. FSP	Full Service Partnership
AH. FTE	Full Time Equivalent
AI. GAAP	Generally Accepted Accounting Principles

1	AJ. HCA	County of Orange Health Care Agency
2	AK. HHS	Federal Health and Human Services Agency
3	AL. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
4		Law 104-191
5	AM. HITECH	Health Information Technology for Economic and Clinical Health
6		Act, Public Law 111-005
7	AN. HIV	Human Immunodeficiency Virus
8	AO. HSC	California Health and Safety Code
9	AP. IRIS	Integrated Records and Information System
10	AQ. ITC	Indigent Trauma Care
11	AR. LCSW	Licensed Clinical Social Worker
12	AS. MAT	Medication Assisted Treatment
13	AT. MFT	Marriage and Family Therapist
14	AU. MH	Mental Health
15	AV. MHP	Mental Health Plan
16	AW. MHS	Mental Health Specialist
17	AX. MHSA	Mental Health Services Act
18	AZ. MSN	Medical Safety Net
19	BA. NIH	National Institutes of Health
20	BB. NPI	National Provider Identifier
21	BC. NPPES	National Plan and Provider Enumeration System
22	BD. OCR	Federal Office for Civil Rights
23	BE. OIG	Federal Office of Inspector General
24	BF. OMB	Federal Office of Management and Budget
25	BG. OPM	Federal Office of Personnel Management
26	BH. P&P	Policy and Procedure
27	BI. PA DSS	Payment Application Data Security Standard
28	BJ. PATH	Projects for Assistance in Transition from Homelessness
29	BK. PC	California Penal Code
30	BL. PCI DSS	Payment Card Industry Data Security Standards
31	BM. PCS	Post-Release Community Supervision
32	BN. PHI	Protected Health Information
33	BO. PII	Personally Identifiable Information
34	BP. PRA	California Public Records Act
35	BQ. PSC	Professional Services Contract System
36	BR. SAPTBG	Substance Abuse Prevention and Treatment Block Grant
37	BS. SIR	Self-Insured Retention

1	BT. SMA	Statewide Maximum Allowable (rate)
2	BU. SOW	Scope of Work
3	BV. SUD	Substance Use Disorder
4	BW. UMDAP	Uniform Method of Determining Ability to Pay
5	BX. UOS	Units of Service
6	BY. USC	United States Code
7	BZ. WIC	Women, Infants and Children

## 8

## 9 **II. ALTERATION OF TERMS**

10 A. This Agreement, together with Exhibit(s) A, B and C attached hereto and incorporated herein,  
 11 fully expresses the complete understanding of COUNTY and CONTRACTOR with respect to the  
 12 subject matter of this Agreement.

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

## 17

## 18 **III. ASSIGNMENT OF DEBTS**

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

## 26

## 27 **IV. COMPLIANCE**

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

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

34 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own  
 35 compliance program, code of conduct and any compliance related policies and procedures.  
 36 CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall  
 37 be verified by ADMINISTRATOR's Compliance Department to ensure they include all required

elements by ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to this Agreement. These elements include:

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

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

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

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

B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or retained to provide services related to this Agreement monthly to ensure that they are not designated as Ineligible Persons, as pursuant to this Agreement. Screening shall be conducted against the General



Services Administration's Excluded Parties List System or System for Award Management, the Health and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider List, the Social Security Administration's Death Master File, and/or any other list or system as identified by ADMINISTRATOR.

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

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

- a. is currently excluded, suspended, debarred or otherwise ineligible to participate in federal and state health care programs; or
- b. has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the federal and state health care programs after a period of exclusion, suspension, debarment, or ineligibility.

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

4. CONTRACTOR shall screen all current Covered Individuals and subcontractors 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 Agreement becomes debarred, excluded or otherwise becomes an Ineligible Person.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 6. CONTRACTOR shall meet the HCA MHP Quality Management Program Standards and  
19 participate in the quality improvement activities developed in the implementation of the Quality  
20 Management Program.

21 7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural  
22 Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural  
23 Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9,  
24 §1810.410.subds.(c)-(d).

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

31  
32 **V. CONFIDENTIALITY**

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

36 B. Prior to providing any services pursuant to this Agreement, all members of the Board of  
37 Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and

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

## **VI. CONFLICT OF INTEREST**

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

## **VII. COST REPORT**

A. CONTRACTOR shall submit a Cost Report to COUNTY no later than [sixty (60)] [forty-five (45)] calendar days following termination of this Agreement. CONTRACTOR shall prepare the Cost Report in accordance with all applicable federal, state and COUNTY requirements, GAAP and the Special Provisions Paragraph of this Agreement. CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in accordance with such requirements and consistent with prudent business practice, which costs and allocations shall be supported by source documentation maintained by CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice.

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

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

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

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

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

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

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

23           D. Unless approved by ADMINISTRATOR, costs that exceed the SMA rates per Medi-Cal Unit of  
24 Services, as determined by the DHCS, shall be unreimbursable to CONTRACTOR.

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

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

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

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

### **VIII. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS**

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

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

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

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

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

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

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

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

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

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

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

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

37 //

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

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

#### **IX. 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 Agreement 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 Agreement, 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 Agreement, 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 Agreement adjustment for which CONTRACTOR believes COUNTY is liable.

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

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.

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

#### 8 9 **X. EMPLOYEE ELIGIBILITY VERIFICATION**

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

#### 19 20 **XI. EQUIPMENT**

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

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

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

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

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

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

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

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

## 23 24 **XII. FACILITIES, PAYMENTS AND SERVICES**

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

30 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or  
31 supplies as required, ADMINISTRATOR may, at its sole discretion, reduce the Maximum Obligation  
32 shall be in an amount proportionate to the number of days in which CONTRACTOR was determined to  
33 be unable to provide services, staffing, facilities or supplies.

## 34 35 **XIII. INDEMNIFICATION AND INSURANCE**

36 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,  
37 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special

districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by CONTRACTOR pursuant to this Agreement. If judgment is entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment.

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

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

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

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

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

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

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

F. QUALIFIED INSURER

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

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

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

<u>Coverage</u>	<u>Minimum Limits</u>
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 & Privacy Liability	\$1,000,000 per claims made
Technology Errors & Omissions	\$1,000,000 per claims made \$1,000,000 aggregate
Professional Liability Insurance	\$1,000,000 per claims made \$1,000,000 aggregate
Sexual Misconduct Liability	\$1,000,000 per occurrence

1 H. REQUIRED COVERAGE FORMS

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

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

6 I. REQUIRED ENDORSEMENTS

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

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

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

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

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

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

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

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

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

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



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

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

6 P. Insurance certificates should be forwarded to the agency/department address listed on the  
7 solicitation.

8 Q. If the Contractor fails to provide the insurance certificates and endorsements within seven (7)  
9 days of notification by CEO/Purchasing or the agency/department purchasing division, award may be  
10 made to the next qualified vendor.

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

15 S. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If  
16 CONTRACTOR does not deposit copies of acceptable Certificate of Insurance and endorsements with  
17 COUNTY incorporating such changes within thirty (30) calendar days of receipt of such notice,  
18 this Agreement may be in breach without further notice to CONTRACTOR, and COUNTY shall be  
19 entitled to all legal remedies.

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

#### 23 U. SUBMISSION OF INSURANCE DOCUMENTS

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

- 25 a. Prior to the start date of this Agreement.  
26 b. No later than the expiration date for each policy.  
27 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding  
28 changes to any of the insurance requirements as set forth in the Coverage Subparagraph above.

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

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

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

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

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

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

#### **XIV. 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 Agreement, for the purpose of responding to a beneficiary complaint or conducting an audit, review, evaluation, or examination, or making transcripts during the periods of retention set forth in the Records Management and Maintenance Paragraph of this Agreement. Such persons may at all reasonable times inspect or otherwise evaluate the services provided pursuant to this Agreement, and the premises in which they are provided.

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

#### **C. AUDIT RESPONSE**

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

2. If the audit reveals that money is payable from one Party to the other, that is, reimbursement by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to CONTRACTOR, said funds shall be due and payable from one Party to the other within sixty (60) calendar days of receipt of the audit results. If reimbursement is due from CONTRACTOR to COUNTY, and such reimbursement is not received within said sixty (60) calendar days, COUNTY may,

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in addition to any other remedies provided by law, reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare and file with ADMINISTRATOR, an annual, independent, organization-wide audit of related expenditures as may be required during the term of this Agreement.

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

## **XV. LICENSES AND LAWS**

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

### **B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS**

1. CONTRACTOR certifies it is in full compliance with all applicable federal and State reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of the Agreement with the County of Orange. Failure to comply shall constitute a material breach of the Agreement and failure to cure such breach within sixty (60) calendar days of notice from the COUNTY shall constitute grounds for termination of the Agreement.

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

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

b. In the case of a CONTRACTOR doing business in a form other than as an individual, the name, date of birth, social security number, and residence address of each individual who owns an interest of ten percent (10%) or more in the contracting entity;

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

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

1. ARRA of 2009.
2. Trafficking Victims Protection Act of 2000.
3. WIC, Division 5, Community Mental Health Services.
4. WIC, Division 6, Admissions and Judicial Commitments.
5. WIC, Division 7, Mental Institutions.
6. HSC, §§1250 et seq., Health Facilities.
7. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.
8. CCR, Title 9, Rehabilitative and Developmental Services.
9. CCR, Title 17, Public Health.
10. CCR, Title 22, Social Security.
11. CFR, Title 42, Public Health.
12. CFR, Title 45, Public Welfare.
13. USC Title 42. Public Health and Welfare.
14. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
15. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
16. 42 USC §1857, et seq., Clean Air Act.
17. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
18. 31 USC 7501.70, Federal Single Audit Act of 1984.
19. Policies and procedures set forth in Mental Health Services Act.
20. Policies and procedures set forth in DHCS Letters.
21. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
22. 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.

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

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

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

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

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

#### **XVII. MAXIMUM OBLIGATION**

A. The Maximum Obligation of COUNTY for services provided in accordance with this Agreement is as specified in the Referenced Contract Provisions of this Agreement, except as allowed for in Subparagraph B. below.

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

#### **XVIII. MINIMUM WAGE LAWS**

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

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

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

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## **XIX. NONDISCRIMINATION**

### **A. EMPLOYMENT**

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

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

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

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

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

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

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

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

1. Denying a Client or potential Client any service, benefit, or accommodation.
2. Providing any service or benefit to a Client which is different or is provided in a different manner or at a different time from that provided to other Clients.
3. Restricting a Client in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service 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.

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

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

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

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

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

## **XX. NOTICES**

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

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

2. When faxed, transmission confirmed;

3. When sent by Email; or

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

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

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

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

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## **XXI. NOTIFICATION OF DEATH**

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

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

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

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

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

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

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

D. CONTRACTOR shall retain all financial records for a minimum of seven (7) years from the termination of the contract, unless a longer period is required due to legal proceedings such as litigations and/or settlement of claims.

E. CONTRACTOR shall retain all client and/or patient medical records for seven (7) years following discharge of the participant, client and/or patient.

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

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

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

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

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

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

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

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

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

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

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

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

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

## 31 32 **XXII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

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

### 4 **XXIII. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

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

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

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

30 D. CONTRACTOR shall retain all financial records for a minimum of seven (7) years from the  
31 termination of the contract, unless a longer period is required due to legal proceedings such as litigations  
32 and/or settlement of claims.

33 E. CONTRACTOR shall retain all client and/or patient medical records for seven (7) years  
34 following discharge of the participant, client and/or patient.

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



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

3 G. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out  
4 of, this Agreement, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR  
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6 H. CONTRACTOR shall ensure all HIPAA DRS requirements are met. HIPAA requires that  
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9 maintained by or for a covered entity that is:

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

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

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

15 I. CONTRACTOR may retain client, and/or patient documentation electronically in accordance  
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19 or site visit.

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

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

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

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

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

#### 33 34 **XXIV. RESEARCH AND PUBLICATION**

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

**XXV. SEVERABILITY**

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

**XXVI. SPECIAL PROVISIONS**

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

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

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

1. Funding travel or training (excluding mileage or parking).
2. Making phone calls outside of the local area unless documented to be directly for the purpose of Client care.
3. Payment for grant writing, consultants, certified public accounting, or legal services.

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

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

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

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

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

## **XXVII. STATUS OF CONTRACTOR**

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

## **XXVIII. TERM**

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

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

## **XXIX. TERMINATION**

A. Either Party may terminate this Agreement, without cause, upon ninety (90) calendar days' written notice given the other Party.

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

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

11 D. COUNTY may terminate this Agreement immediately, upon written notice, on the occurrence  
 12 of any of the following events:

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

27 E. CONTINGENT FUNDING

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

37 //

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

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

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

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

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

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

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

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

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

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

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

### 32 **XXX. THIRD PARTY BENEFICIARY**

34 Neither party hereto intends that this Agreement shall create rights hereunder in third parties  
35 including, but not limited to, any subcontractors or any Clients provided services pursuant to this  
36 Agreement.

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**XXXI. WAIVER OF DEFAULT OR BREACH**

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

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

3  
4 SOUTHLAND INTEGRATED SERVICES, INC.

5  
6 BY:  DocuSigned by:  
7 0576B1ED8B35496... DATED: 3/21/2019  
8  
9 TITLE: Chief Executive Officer

10  
11  
12  
13  
14  
15 COUNTY OF ORANGE

16  
17  
18 BY: DATED:  
19 HEALTH CARE AGENCY

20  
21  
22  
23  
24 APPROVED AS TO FORM  
25 OFFICE OF THE COUNTY COUNSEL  
26 ORANGE COUNTY, CALIFORNIA

27  
28 BY:  DocuSigned by:  
29 79055CA571A94F8... DATED: 3/21/2019  
30

31  
32  
33  
34 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the  
35 President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer  
36 or any Assistant Treasurer. If the contract is signed by one (1) authorized individual only, a copy of the corporate resolution  
37 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 AGREEMENT FOR PROVISION OF  
INTEGRATED COMMUNITY SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
SOUTHLAND INTEGRATED SERVICES, INC.  
JULY 1, 2019 THROUGH JUNE 30, 2020

**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 Agreement.

1. Admission means documentation, by CONTRACTOR, of completion of the entry and Evaluation documents into the ADMINISTRATOR's IRIS.

2. Case Management means a process of identification, Assessment of need, planning, coordination and linking, monitoring and continuous Evaluation of Clients and of available resources and advocacy through a process of casework activities in order to achieve the best possible resolution to individual needs in the most effective way possible. This includes supportive assistance to the Client in the Assessment, determination of need and securing of adequate and appropriate living arrangements.

3. Clinical Social Worker means an individual who meets the minimum professional and licensure requirements set forth in Title 9, CCR, Section 625, and has two (2) years of post-master's clinical experience in a mental health setting.

4. Collaboration means a process of participation through which groups, agencies, coalitions, and/or task forces work together in a beneficial and well-defined relationship towards the service goals.

5. Crisis Stabilization Unit (CSU) means a psychiatric crisis stabilization program that operates 24 hours a day that serves Orange County residents, aged 18 and older, who are experiencing a psychiatric crisis and need immediate evaluation. Clients receive a thorough psychiatric evaluation, crisis stabilization treatment, and referral to the appropriate level of continuing care. As a designated outpatient facility, the CSU may evaluate and treat clients for no longer than 23 hours.

6. Diagnosis means the definition of the nature of the Client's disorder. When formulating the Diagnosis of Client, CONTRACTOR shall use the diagnostic codes and axes as specified in the most current edition of the DSM published by the American Psychiatric Association. DSM diagnoses shall be recorded on all IRIS documents, as appropriate.

7. Engagement means the process by which a trusting relationship between worker and Client(s) is established with the goal to link the individual(s) to the appropriate services. Engagement of Client(s) is the objective of a successful Outreach.

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8. Evaluation means systematic collection, analysis, and use of program information for monitoring, improving programs, assessing Outcomes, planning, and policy-making in relation to this Agreement.

9. Family Member means immediate family members (mother, father, brother, sister, son or daughter) of Clients.

10. IRIS means Integrated Records Information System and refers to a collection of applications and databases that serve the needs of programs within the COUNTY and includes functionality such as registration and scheduling, laboratory information system, billing and reporting capabilities, compliance with regulatory requirements, electronic medical records and other relevant applications.

11. Medical Care Coordinator (MCC) means an individual who provides medical care coordination to Clients in the public mental health system and mental health support such as Engagement, advocacy, and mentoring services either in individual or group setting.

12. Mental Health Field means a business or service providing mental health Outreach, Assessment or treatment services to mental health Clients, or providing housing, educational, counseling, employment, recreational or social services to mental health Clients.

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

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

b. Collateral means a significant support person in a beneficiary's life and is used to define services provided to them with the intent of improving or maintaining the mental health status of the Client. The beneficiary may or may not be present for this service activity.

c. Crisis Intervention means a service, lasting less than twenty-four (24) hours, to or on behalf of a Client for a condition which requires more timely response than a regularly scheduled visit. Service activities may include, but are not limited to, Assessment, Collateral and Therapy.

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

e. Rehabilitation Service means an activity which includes assistance in improving, maintaining, or restoring a Client's or group of Clients' functional skills, daily living skills, social and

leisure skill, grooming and personal hygiene skills, meal preparation skills, support resources and/or medication education.

f. Case Management means services that assist a beneficiary to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services. The service activities may include, but are not limited to, communication, coordination and Referral; monitoring service delivery to ensure beneficiary access to service and the service delivery system; monitoring of the beneficiary's progress; and plan development.

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

14. MHSA means the law that provides funding for expanded community Mental Health Services. It is also known as "Proposition 63."

15. Mental Health Worker (MHW) means an individual that assists in planning, developing and evaluating mental health services for Clients; provides liaison between Clients and service providers; and has obtained a Bachelor's degree in a Mental Health Field or has a high school diploma and two (2) years of experience delivering services in a Mental Health Field.

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

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

18. Outcome means measurable change that occurs as a result of a project's overall performance in implementing its services. Outcomes are often separated out as to their expected effect along a time continuum, as immediate, intermediate and long-term Outcomes.

19. Outreach means the Outreach to potential Clients to link them to appropriate Mental Health Services and may include activities that involve educating the community about the services offered and requirements for participation in the programs. Such activities should result in the CONTRACTOR developing their own Client Referral sources for the programs they offer.

20. Participant means an individual, referred by ADMINSTRATOR or enrolled in CONTRACTOR's program for services under this Agreement, who meets Title 9, CCR criteria for Mental Health Services.

a. Client or Consumer means individual, referred by COUNTY or enrolled in CONTRACTOR's program for services under the Agreement, who experiences chronic mental illness.

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1           21. Paraprofessional means a title given to persons, in various occupational fields, such as  
2 education, healthcare, or Mental Health Field under this Agreement, who are trained to assist other  
3 clinicians/professional but are not licensed or in the licensing process at a professional level.

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

9           23. Referral means providing the effective linkage of a Client to another service, when indicated;  
10 with follow-up to be provided within five (5) working days to assure that the Client has made contact  
11 with the referred service.

12           24. Registry means a database that serves the needs of the program within HCA and includes  
13 information related to Client measures such as registration, laboratory information, assessment measures,  
14 core medical measures, referrals and linkages and other relevant applications.

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

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## II. BUDGET

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

### ADMINISTRATIVE COST

Indirect Costs	\$ 107,615
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SUBTOTAL ADMINISTRATIVE COST	\$ 107,615
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### PROGRAM COST

Salaries	\$ 621,920
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Benefits	118,165
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Services and Supplies	189,300
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Subcontractor	160,000
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SUBTOTAL PROGRAM COST	\$1,089,385
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TOTAL GROSS COST	\$1,197,000
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### REVENUE

MHSA	1,197,000
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TOTAL REVENUE	\$1,197,000
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TOTAL MAXIMUM OBLIGATION	\$1,197,000
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B. BUDGET/STAFFING MODIFICATIONS - CONTRACTOR may request to shift funds between budgeted line items, for the purpose of meeting specific program needs or for providing continuity of care to its Clients, by utilizing a Budget/Staffing Modification Request form provided by ADMINISTRATOR. CONTRACTOR shall submit a properly completed Budget/Staffing Modification Request to ADMINISTRATOR for consideration, in advance, which will include a justification narrative specifying the purpose of the request, the amount of said funds to be shifted, and the sustaining annual impact of the shift as may be applicable to the current contract period and/or future contract periods. CONTRACTOR shall obtain written approval of any Budget/Staffing Modification Request(s) from ADMINISTRATOR prior to implementation by CONTRACTOR. Failure of CONTRACTOR to obtain written approval from ADMINISTRATOR for any proposed Budget/Staffing Modification Request(s) may result in disallowance of those costs.

C. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete financial records of its cost and operating expenses. Such records will reflect the actual cost of the type of service for which payment is claimed. Any apportionment of or distribution of costs, including

indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and will be made in accordance with GAAP and Medicare regulations. The Clients' eligibility determination and fee charged to and collected from Clients, together with a record of all invoices rendered and revenues received from any source, on behalf of Clients treated pursuant to the Agreement, must be reflected in CONTRACTOR's financial records.

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

### **III. PAYMENTS**

A. COUNTY shall pay CONTRACTOR monthly, in arrears, at the provisional amount of \$99,750 per month. All payments are interim payments only, and subject to final settlement in accordance with the Cost Report Paragraph of the Agreement for which CONTRACTOR shall be reimbursed for the actual cost of providing the services, which may include Indirect Administrative Costs, as identified in the Budget Paragraph of this Exhibit A to the Agreement; provided, however, the total of such payments does not exceed the Maximum Obligation as stated in the Referenced Contract Provisions of the Agreement and provided further, CONTRACTOR's costs are reimbursable pursuant to COUNTY, state, and/or federal regulations. ADMINISTRATOR may, at its discretion, pay supplemental invoices for any month for which the provisional amount specified above has not been fully paid.

1. In support of the monthly invoices, CONTRACTOR shall submit an Expenditure and Revenue Report as specified in the Reports Paragraph of this Exhibit A to the Agreement. ADMINISTRATOR shall use the Expenditure and Revenue Report to determine payment to CONTRACTOR as specified in Subparagraphs III.A.2. and III.A.3., below.

2. If, at any time, CONTRACTOR's Expenditure and Revenue Reports indicate that the provisional amount payments exceed the actual cost of providing services, ADMINISTRATOR may reduce COUNTY payments to CONTRACTOR by an amount not to exceed the difference between the year-to-date provisional amount payments to CONTRACTOR's and the year-to-date actual cost incurred by CONTRACTOR.

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

B. CONTRACTOR's invoice shall be on a form approved or supplied by ADMINISTRATOR and provide such information as is required by ADMINISTRATOR. Invoices are due the tenth (10th) calendar day of the month. Invoices received after the due date may not be paid within the same month.

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1 Payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days  
2 after receipt of the correctly completed invoice.

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

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

8 E. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration  
9 and/or termination of the Agreement, except as may otherwise be provided under the Agreement, or  
10 specifically agreed upon in a subsequent Agreement.

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

#### 13 14 **IV. PATIENT'S RIGHTS**

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

19 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have an  
20 internal grievance processes approved by ADMINISTRATOR, to which the beneficiary shall have  
21 access.

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

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

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

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

36 E. CONTRACTOR AND ADMINISTRATOR may mutually agree, in writing, to modify the  
37 Patient's Rights Paragraph of this Exhibit A to the Agreement.



## **V. QUALITY IMPROVEMENT**

A. CONTRACTOR shall monitor the services provided by CONTRACTOR and the care provided by ICS staff. This includes but is not limited to satisfaction surveys, grievances and appeals, quality of care and timeliness of accessing services.

### **Performance Outcome Measures**

B. CONTRACTOR shall monitor and track in the ICS Registry both mental health and physical health markers to assess program impact. CONTRACTOR shall document and track the reduction in these measures which include but are not limited to physical health measures (weight, blood pressure (BP), body mass index (BMI), blood work to measure cholesterol and blood sugar levels. and mental health functioning for ICS Clients.

1. Objective 1: CONTRACTOR shall administer, track, evaluate all Clients using the Patient Health Questionnaire (PHQ-9) used to measure depressive symptom severity. For those Clients who initially score in the severe range fifteen to twenty-one (15-21), those Clients will report a twenty-five percent (25%) reduction in symptoms within the first year of receiving services or at discharge from the ICS program.

2. Objective 2: CONTRACTOR shall administer, track, and evaluate all Clients using the General Anxiety Disorder (GAD-7) scale used to measure anxiety symptom severity. For those Clients who initially score in the severe range fifteen to twenty-one (15-21), a twenty-five (25%) reduction in symptoms will occur at 1 year or at discharge from the ICS program.

## **VI. REPORTS**

A. CONTRACTOR shall maintain records and make statistical reports as required by ADMINISTRATOR.

### **B. FISCAL**

1. CONTRACTOR shall submit monthly Expenditure and Revenue Reports to ADMINISTRATOR. These reports will be on a form acceptable to, or provided by, ADMINISTRATOR and will report actual costs and revenues for CONTRACTOR's program described in the Services Paragraph of this Exhibit A to the Agreement. Such reports will also include actual productivity as defined by ADMINISTRATOR. The reports shall be submitted to ADMINISTRATOR no later than the twenty (20) calendar days following the end of the month being reported. CONTRACTOR must request in writing any extensions to the due date of the monthly required reports. If an extension is approved by ADMINISTRATOR, the total extension will not exceed more than five (5) calendar days.

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

Such reports will 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 will be submitted in conjunction with the Monthly Expenditure and Revenue Reports.

C. STAFFING – CONTRACTOR shall submit monthly Staffing Reports to ADMINISTRATOR. These reports shall contain required information, and be on a form acceptable to, or provided by, ADMINISTRATOR. CONTRACTOR shall submit these reports no later than twenty (20) calendar days following the end of the month being reported. CONTRACTOR must request in writing any extensions to the due date of the monthly required reports. If an extension is approved by ADMINISTRATOR, the total extension will not exceed more than five (5) calendar days.

#### D. PROGRAMMATIC

1. Throughout the term of the Agreement, CONTRACTOR shall submit monthly programmatic reports to ADMINISTRATOR, which shall be submitted to ADMINISTRATOR no later than twenty (20) calendar days following the end of the month being reported. Programmatic reports shall be in a format(s) approved by ADMINISTRATOR and shall include a description of CONTRACTOR's progress in implementing the provisions of the Agreement, and any pertinent facts or interim findings, staff changes, status of licenses and/or certifications, units of service, changes in population served and reasons for any such changes.

2. CONTRACTOR shall be prepared to present and discuss their programmatic reports at their monthly scheduled meetings with ADMINISTRATOR and shall state whether or not it is progressing satisfactorily in achieving all the terms of the Agreement, and if not, shall specify what steps are being taken to achieve satisfactory progress.

3. CONTRACTOR shall enter required Client information in the ADMINISTRATOR provided spreadsheet/database and/or Registry weekly. All required information shall be current at the end of each quarter for reporting purposes.

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

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

## VII. SERVICES

### A. FACILITY

1. CONTRACTOR shall maintain one (1) facility for the provision of services described herein at the following location, or any other location approved, in advance, in writing, by ADMINISTRATOR:

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9862 Chapman Avenue  
Garden Grove, CA 92841

2. CONTRACTOR shall maintain regularly scheduled service hours, as approved by ADMINISTRATOR, five (5) days a week throughout the year, and maintain the capability to provide services during evening hours, on weekdays, and on weekends, when necessary, in order to accommodate Clients.

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

B. INDIVIDUALS TO BE SERVED – CONTRACTOR shall provide services to transitional age youth, adults, and older adults who are identified as having mild to severe behavioral health disorders and are currently receiving services either in community medical settings or in ADMINISTRATOR Behavioral Health System of Care. These individuals may be uninsured or receiving Medi-Cal, Medicare, or other third-party benefits, or are eligible to receive those benefits.”

C. SERVICES TO BE PROVIDED

1. CONTRACTOR shall train consumers/partners to provide medical care coordination to Clients in the Behavioral Health System of Care and provide supports such as, engagement, advocacy, and mentoring services to Clients with mental illness in the primary care setting.

2. CONTRACTOR shall provide a flexible model to support the goal of Client integration into the community with the aim of increasing access and use of both medical services and behavioral health services to unserved and underserved Clients.

3. CONTRACTOR shall provide services to transitional age youth (ages eighteen [18] to twenty-five [25]), adults (ages twenty-six [26] to fifty-nine [59]), and older adults (ages over sixty [60+]).

4. CONTRACTOR shall provide integrated physical and behavioral health services for up to six hundred (600) Clients per year.

5. CONTRACTOR shall ensure that the ADMINISTRATOR mental health team has every opportunity to be fully integrated in the existing primary care team in the community clinics which will include, but is not limited to, one-on-one consultations, clinic treatment team meetings, Client case planning, and other services and as needed.

6. CONTRACTOR shall provide a mental health team that consists of trained Mental Health Workers/Paraprofessionals to engage individuals who are identified as having mild to severe mental health illnesses into care, and also provide mentorship to these individuals and their families.

7. CONTRACTOR shall provide existing primary medical care/community clinic sites staff with the training on basic behavioral health interviewing and screening tools used to assess prospective Clients for a broad range of disorders, treatment programs and appropriate referrals.

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1 8. CONTRACTOR shall provide psychoeducational support groups and/or on one on one  
2 health education on topics such as nutrition, diet, chronic diseases, depression, anxiety, exercise and  
3 other physical and mental health care subjects for up to one hundred (100) Clients per year.

4 9. CONTRACTOR shall provide existing primary medical care/community clinic sites' staff  
5 (and its subcontract staff) with the training on basic behavioral health interviewing and screening tools  
6 used to assess prospective Clients for a broad range of disorders, treatment programs and appropriate  
7 Referrals.

8 D. CONTRACTOR shall provide services pursuant to the Agreement in a manner that is culturally  
9 and linguistically appropriate for the population(s) served.

10 E. CONTRACTOR shall maintain documentation of such efforts which may include, but not be  
11 limited to: records of participation in COUNTY sponsored or other applicable training; recruitment and  
12 hiring P&Ps; copies of literature in multiple languages and formats, as appropriate; and descriptions of  
13 measures taken to enhance accessibility for, and sensitivity to, persons who are physically challenged.

14 F. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of all  
15 P&Ps as they pertain to the services provided in the Agreement. CONTRACTOR shall provide  
16 signature confirmation of the P&P training for each staff member and place in their personnel files.

17 G. CONTRACTOR shall attend monthly ADMINISTRATOR staff meetings to discuss contractual  
18 issues that include, but are not limited to compliance with P&Ps, statistics and trainings.

19 H. CONTRACTOR shall be prepared to present and discuss the programmatic metrics at the  
20 monthly meetings with ADMINISTRATOR to include an analysis of data and findings and whether or  
21 not CONTRACTOR is progressing satisfactorily and if not, what steps are being taken to achieve  
22 satisfactory progress.

23 I. CONTRACTOR shall submit, to ADMINISTRATOR, all forms to be entered into IRIS  
24 including, but not limited to, encounter documents, Client information forms, and discharge forms to  
25 ADMINISTRATOR within one week of completion of the service.

26 J. ADMINISTRATOR may conduct periodic reviews of CONTRACTOR to evaluate performance  
27 in meeting the terms of the Agreement. ADMINISTRATOR shall notify CONTRACTOR in writing of  
28 any issue(s) or concern(s) related to the provision of services pursuant to the Agreement, and request a  
29 plan of corrective action, which may include, but are not be limited to, adjusting the CONTRACTOR's  
30 Performance Outcomes. CONTRACTOR shall submit a written plan of corrective action for approval  
31 within thirty (30) calendar days of request by ADMINISTRATOR, or as directed by  
32 ADMINISTRATOR.

33 K. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources,  
34 with respect to any person who has been referred to CONTRACTOR by ADMINISTRATOR under the  
35 terms of the Agreement. Further, CONTRACTOR agrees that the funds provided hereunder shall not be  
36 used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian  
37 institution, or religious belief.

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

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

9 N. TOKENS – ADMINISTRATOR shall provide CONTRACTOR the necessary number of  
10 Tokens for appropriate individual staff to access ADMINISTRATOR’S network at no cost to the  
11 CONTRACTOR.

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

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

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

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

- 20 a. Token of each staff member who no longer supports the Agreement;  
21 b. Token of each staff member who no longer requires access to ADMINISTRATOR’S  
22 NETWORK;  
23 c. Token of each staff member who leaves employment of CONTRACTOR; or  
24 d. Token is malfunctioning.

25 5. ADMINISTRATOR shall issue Tokens for CONTRACTOR’s staff members who require  
26 access to ADMINISTRATOR’S NETWORK upon initial training or as a replacement for  
27 malfunctioning Tokens.

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

30 O. CONTRACTOR shall provide effective administrative management of the budget, staffing,  
31 recording, and reporting portion of the Agreement. If administrative responsibilities are delegated to  
32 subcontractors, CONTRACTOR must ensure that any subcontractor(s) possess the qualifications and  
33 capacity to perform all delegated responsibilities. These responsibilities include, but are not limited to,  
34 the following:

- 35 1. Designate the responsible position(s) in your organization for managing the funds allocated  
36 to this program;  
37 2. Maximize the use of the allocated funds;



3. Ensure timely and accurate reporting of monthly expenditures;
4. Maintain appropriate staffing levels;
5. Request budget and/or staffing modifications to the Agreement;
6. Effectively communicate and monitor the program for its success;
7. Track and report expenditures electronically;
8. Maintain electronic and telephone communication between CONTRACTOR and ADMINISTRATOR; and
9. Act quickly to identify and solve problems.

P. LOANED EQUIPMENT

1. COUNTY has loaned CONTRACTOR Equipment ("Loaned Equipment"). Title to these items remains vested in COUNTY. Such Loaned Equipment shall be properly maintained by CONTRACTOR.

2. CONTRACTOR shall cooperate with ADMINISTRATOR in conducting periodic physical inventories of Loaned Equipment. EQUIPMENT shall be tagged with a COUNTY issued tag. Upon demand by ADMINISTRATOR, CONTRACTOR shall return any or all Loaned Equipment to COUNTY.

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

4. CONTRACTOR agrees to implement, support, and maintain security controls on Loaned Equipment to ensure compliance with Title 45, CFR Parts 160, 162, and 164 of the HIPAA Privacy and Security Rules.

5. Unless this Agreement is followed without interruption by another agreement between the parties for substantially the same type and scope of services, at the termination of this Agreement for any cause, CONTRACTOR shall return to COUNTY all Loaned Equipment purchased with funds paid through this Agreement, or provided by COUNTY.

Q. DATA COLLECTION AND REPORTING

1. CONTRACTOR shall provide support to the Adult and Older Adult Performance Outcome Department (APOD) to complete the required Outcome reports as requested by Administrator. Outcomes such as number of Clients identified as needing Mental Health Services/physical health services; number of Clients referred and connected to mental health team/physical health team; number of Clients referred by CONTRACTOR to ADMINISTRATOR's Behavioral Health System of Care if criteria is met.

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

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**VIII. STAFFING**

A. CONTRACTOR shall, at minimum, provide the following staffing, expressed in FTEs, continuously throughout the term of the Agreement. One (1) FTE shall be equal to an average of forty (40) hours per week:

PROGRAM	<u>FTE</u>
Program Manager	1.00
Medical Care Coordinator	4.00
Mental Health Worker	3.00
Primary Care Physician	1.00
Registered Nurse	1.00
Outreach Specialist	1.00
Data Specialist	<u>1.50</u>
SUBTOTAL PROGRAM FTEs	12.50
SUBCONTRACTORS	
Mental Health Worker	1.00
Registered Nurse	<u>1.00</u>
SUBTOTAL SUBCONTRACTOR FTEs	2.00
TOTAL FTEs	14.50

B. CONTRACTOR shall provide a primary care team that consists of, but not limited to, a California licensed Primary Care Physician, Registered Nurses, and MCCs.

1. CONTRACTOR shall employ a California licensed Primary Care Physician to provide basic health care to Clients enrolled at selected ADMINISTRATOR BHS outpatient clinics.

2. CONTRACTOR shall employ Registered Nurses to provide nursing assessment and care to Clients enrolled at selected ADMINISTRATOR BHS outpatient clinics.

3. CONTRACTOR shall employ consumer MHWs as MCCs, including but not limited to, those who have successfully graduated from the MHSA funded consumer Paraprofessional certificate training program. These MCCs will be providing medical care coordination to Clients in the public mental health system and mental health support services such as Engagement, advocacy, and mentoring either in individual or group setting at selected ADMINISTRATOR BHS outpatient clinics.

4. CONTRACTOR shall provide a mental health team that consists of trained MHW to engage individuals who are identified as having mild to severe mental health illnesses into care, and also provide mentorship to these individuals and their families.

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1           5. CONTRACTOR shall provide behavioral health care at primary medical care community  
2 clinics and employ trained MHW who are supervised by licensed mental health staff.

3           6. CONTRACTOR shall employ consumer MHWs with a preference towards those who have  
4 successfully graduated from a consumer Paraprofessional certificate training program.

5           7. CONTRACTOR may augment the above paid staff with volunteers or student interns upon  
6 written approval of ADMINISTRATOR. CONTRACTOR shall meet minimum requirements for  
7 supervision of each student intern as required by the state licensing board and/or school program  
8 descriptions or work contracts.

9           8. CONTRACTOR shall maintain personnel files for each staff person, which shall include,  
10 but not be limited to, an application for employment, qualifications for the position, results of  
11 background checks, applicable licenses, waivers, registrations, documentation of bicultural/bilingual  
12 capabilities, status as a Client, former Client or Family Member, pay rate, training, and evaluations  
13 justifying pay increases.

14           9. CONTRACTOR shall recruit and hire culturally and linguistically appropriate staff to meet  
15 the needs of threshold languages as determined by ADMINISTRATOR. Bilingual/bicultural staff will  
16 be retained.

17           10. Salary savings resulting from vacant positions may not be used to cover costs other than  
18 salaries and employee benefits unless otherwise authorized in writing, in advance, by  
19 ADMINISTRATOR.

20           11. CONTRACTOR shall recruit, hire, train and maintain staff providing services pursuant to  
21 the Agreement who are qualified for the position(s) sought. These individuals shall not be currently  
22 receiving services directly from CONTRACTOR. CONTRACTOR shall maintain documentation  
23 which shall include, but not be limited to, the following: records attesting to efforts made in recruitment  
24 and hiring practices, and identification of measures taken to enhance accessibility for potential staff in  
25 these categories.

26           12. All positions are required to maintain a log delineating hours worked and allocated to each  
27 program of CONTRACTOR.

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

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EXHIBIT B  
TO AGREEMENT FOR PROVISION OF  
INTEGRATED COMMUNITY SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
SOUTHLAND INTEGRATED SERVICES, INC.  
JULY 1, 2019 THROUGH JUNE 30, 2020

**I. BUSINESS ASSOCIATE CONTRACT**

**A. GENERAL PROVISIONS AND RECITALS**

1. The parties agree that the terms used, but not otherwise defined in the Common Terms and Definitions Paragraph of Exhibit A to the Agreement or in Subparagraph B. below, shall have the same meaning given to such terms under HIPAA, the HITECH Act, and their implementing regulations at 45 CFR Parts 160 and 164 ("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 Agreement that are described in the definition of "Business Associate" in 45 CFR § 160.103.

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

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

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

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

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

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 Subparagraph 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  
36 45 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 electronic PHI at 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

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

16. “Technical safeguards” means the technology and the policy and procedures for its use that protect electronic PHI and control access to it.

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

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

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

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

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

3. CONTRACTOR agrees to comply with the HIPAA Security Rule at Subpart C of 45 CFR Part 164 with respect to ePHI 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 Agreement, 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 Agreement, if  
14 CONTRACTOR is found guilty of a criminal violation in connection with HIPAA. COUNTY may  
15 terminate the Agreement, 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 Agreement.

20 15. CONTRACTOR shall make itself and any subcontractors, employees or agents assisting  
21 CONTRACTOR in the performance of its obligations under the Agreement, available to COUNTY at  
22 no 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 Agreement upon thirty (30) days written notice in the  
36 event:

37 //

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

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

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

#### 9 D. SECURITY RULE

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

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

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

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

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

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

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

37 //

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

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

#### E. DATA SECURITY REQUIREMENTS

##### 1. Personal Controls

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

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

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

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

##### 2. Technical Security Controls

a. Workstation/Laptop encryption. All workstations and laptops that store PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY either directly or temporarily must be encrypted using a FIPS 140-2 certified algorithm which

1 is 128bit or higher, such as AES. The encryption solution must be full disk unless approved by the  
2 COUNTY.

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

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

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

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

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

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

37 //

1 Passwords must be composed of characters from at least three (3) of the following four (4) groups from  
2 the standard keyboard:

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

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

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

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

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

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

31 m. Transmission encryption. All data transmissions of PHI COUNTY discloses to  
32 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY  
33 outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is  
34 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files  
35 containing PHI can be encrypted. This requirement pertains to any type of PHI in motion such as  
36 website access, file transfer, and E-Mail.

37 //



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

### 3. Audit Controls

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

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

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

### 4. Business Continuity/Disaster Recovery Control

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

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

### 5. Paper Document Controls

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

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1 in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in  
2 baggage on commercial airplanes.

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

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

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

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

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

#### 24 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

37 //

1           3. CONTRACTOR's notification shall include, to the extent possible:  
2           a. The identification of each Individual whose Unsecured PHI has been, or is reasonably  
3 believed by CONTRACTOR to have been, accessed, acquired, used, or disclosed during the Breach;  
4           b. Any other information that COUNTY is required to include in the notification to  
5 Individual under 45 CFR §164.404 (c) at the time CONTRACTOR is required to notify COUNTY or  
6 promptly thereafter as this information becomes available, even after the regulatory sixty (60) day  
7 period set forth in 45 CFR § 164.410 (b) has elapsed, including:  
8           1) A brief description of what happened, including the date of the Breach and the date  
9 of the discovery of the Breach, if known;  
10           2) A description of the types of Unsecured PHI that were involved in the Breach (such  
11 as whether full name, social security number, date of birth, home address, account number, diagnosis,  
12 disability code, or other types of information were involved);  
13           3) Any steps Individuals should take to protect themselves from potential harm  
14 resulting from the Breach;  
15           4) A brief description of what CONTRACTOR is doing to investigate the Breach, to  
16 mitigate harm to Individuals, and to protect against any future Breaches; and  
17           5) Contact procedures for Individuals to ask questions or learn additional information,  
18 which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.  
19           4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in  
20 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the  
21 COUNTY.  
22           5. In the event that CONTRACTOR is responsible for a Breach of Unsecured PHI in violation  
23 of the HIPAA Privacy Rule, CONTRACTOR shall have the burden of demonstrating that  
24 CONTRACTOR made all notifications to COUNTY consistent with this Subparagraph F. and as  
25 required by the Breach notification regulations, or, in the alternative, that the acquisition, access, use, or  
26 disclosure of PHI did not constitute a Breach.  
27           6. CONTRACTOR shall maintain documentation of all required notifications of a Breach or  
28 its risk assessment under 45 CFR § 164.402 to demonstrate that a Breach did not occur.  
29           7. CONTRACTOR shall provide to COUNTY all specific and pertinent information about the  
30 Breach, including the information listed in Section E.3.b.(1)-(5) above, if not yet provided, to permit  
31 COUNTY to meet its notification obligations under Subpart D of 45 CFR Part 164 as soon as  
32 practicable, but in no event later than fifteen (15) calendar days after CONTRACTOR's initial report of  
33 the Breach to COUNTY pursuant to Subparagraph F.2. above.  
34           8. CONTRACTOR shall continue to provide all additional pertinent information about the  
35 Breach to COUNTY as it may become available, in reporting increments of five (5) business days after  
36 the last report to COUNTY. CONTRACTOR shall also respond in good faith to any reasonable  
37 //

1 requests for further information, or follow-up information after report to COUNTY, when such request  
2 is made by COUNTY.

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

7 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

17 1) The Disclosure is required by law; or

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

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

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

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

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

32 H. PROHIBITED USES AND DISCLOSURES

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

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

I. OBLIGATIONS OF COUNTY

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

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

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

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

J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

b. CONTRACTOR shall retain no copies of the PHI.

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

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Agreement.

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EXHIBIT C  
TO AGREEMENT FOR PROVISION OF  
INTEGRATED COMMUNITY SERVICES  
BETWEEN  
COUNTY OF ORANGE  
AND  
SOUTHLAND INTEGRATED SERVICES, INC.  
JULY 1, 2019 THROUGH JUNE 30, 2020

**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 Agreement" means the CMPPA Agreement between SSA and CHHS.

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

5. "IEA" shall mean the IEA currently in effect between 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

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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 Agreement; or  
5 interference with system operations in an information system that processes, maintains or stores PI.

6 B. TERMS OF AGREEMENT

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  
10 Agreement 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  
26 data 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 B to the Agreement; 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 OMB in OMB Circular No. A-130, Appendix III-Security of  
32 Federal Automated Information Systems, which sets forth guidelines for automated information systems  
33 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 Agreement between SSA and CHHS and in the Agreement between SSA and DHCS, known as  
37 the IEA. The specific sections of the IEA with substantive privacy and security requirements to be

1 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 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  
8 effect that is known to CONTRACTOR of a use or disclosure of DHCS PI or PII by CONTRACTOR or  
9 its 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 Agreement 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  
21 the 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 Agreement, 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 Breach of unsecured DHCS PI  
28 and PII or security incident in accordance with Subparagraph F. of the Business Associate Contract,  
29 Exhibit B to the Agreement.

30 i. Designation of Individual Responsible for Security. CONTRACTOR shall designate  
31 an 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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