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**REFERENCED CONTRACT PROVISIONS**

**Term:** July 1, 2016 through June 30, 2018

~~Period One means the period from July 1, 2016 through June 30, 2017~~

~~Period Two means the period from July 1, 2017 through June 30, 2018~~

**Aggregate**

**Maximum Obligation:** \$503,370

~~Period One Maximum Obligation: \$ 457,194~~

~~Period Two Maximum Obligation: 457,194~~

~~TOTAL MAXIMUM OBLIGATION \$ 914,388~~

**Basis for Reimbursement:** Actual Cost

**Payment Method:** Monthly in Arrears

**CONTRACTOR DUNS Number:** 62-578-7742

**CONTRACTOR TAX ID Number:** 95-4079133

**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:** Social Model Recovery Systems, Inc.  
223 E. Rowland Street  
Covina, CA 91723  
~~Jim O'Connell, CEO~~  
~~imo~~ Bruce Boardman, Chief Executive Officer  
bruceb@socialmodel.com

//  
//

## I. ACRONYMS

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

|    |               |                      |   |
|----|---------------|----------------------|---|
| 1  |               |                      |   |
| 2  |               |                      |   |
| 3  |               |                      |   |
| 4  | A.            | <u>AA</u>            | <u>Alcoholics Anonymous</u>   |
| 5  | B.            | <u>ADAS</u>          | <u>Alcohol and Drug Abuse Services</u>  |
| 6  | <del>C.</del> | <del>B.</del>        | <del>AES</del> <u>Advanced Encryption <del>Standards</del> Standard</u>       |
| 7  | D.            | <u>AFLP</u>          | <u>Adolescent Family Life Program</u>   |
| 8  | E.            | <u>ASAM PPC</u>      | <u>American Society of Addiction Medicine Patient</u>                         |
| 9  |               | <del>C.</del>        | <del>ARRA</del>   |
| 10 | F.            | <u>Recovery ASRS</u> | <u>Alcohol and <del>Reinvestment Act</del> Drug Programs Reporting System</u> |
| 11 | <del>G.</del> | <del>D.</del>        | <del>BHS</del> <u>Behavioral Health Services</u>                              |
| 12 | H.            | <u>CalOMS</u>        | <u>California Outcomes Measurement System</u>                                 |
| 13 | I.            | <u>CAP</u>           | <u>Corrective Action Plan</u>   |
| 14 | <del>J.</del> | <del>E.</del>        | <del>CCC</del> <u>California Civil Code</u>                                   |
| 15 | K.            | <u>CCLD</u>          | <u>(California) Community Care Licensing Division</u>                         |
| 16 | <del>L.</del> | <del>F.</del>        | <del>CCR</del> <u>California Code of Regulations</u>                          |
| 17 | M.            | <u>CDCR</u>          | <u>California Department of Corrections and Rehabilitation</u>                |
| 18 | N.            | <u>CDSS</u>          | <u>California Department of Social Services</u>                               |
| 19 | O.            | <u>CESI</u>          | <u>Client Evaluation of Self at Intake</u>                                    |
| 20 | P.            | <u>CEST</u>          | <u>Client Evaluation of Self and Treatment</u>                                |
| 21 | <del>Q.</del> | <del>G.</del>        | <del>CEO</del> <u>County Executive Office</u>                                 |
| 22 | <del>H.</del> | <u>CFR</u>           | <u>Code of Federal Regulations</u>  |
| 23 | R.            | <u>CHHS</u>          | <u>California Health and Human Services Agency</u>                            |
| 24 | S.            | <del>I.</del>        | <del>CHPP</del> <u>COUNTY HIPAA Policies and Procedures</u>                   |
| 25 | T.            | <u>CHS</u>           | <u>Correctional Health Services</u>   |
| 26 | U.            | <u>CIPA</u>          | <u>California Information Practices Act</u>                                   |
| 27 | V.            | <del>J.</del>        | <del>CMPPA</del> <u>Computer Matching and Privacy Protection Act</u>          |
| 28 | <del>K.</del> | <del>W.</del>        | <del>COI</del> <u>Certificate of Insurance</u>                                |
| 29 | X.            | <u>CSI</u>           | <u>Client and Services Information</u>  |
| 30 | Y.            | <u>CSW</u>           | <u>Clinical Social Worker</u>   |
| 31 | Z.            | <u>CYBHS</u>         | <u>Children and Youth Behavioral Health Services</u>                          |
| 32 | AA.           | <u>DCR</u>           | <u>Data Collection and Reporting</u>  |
| 33 | AB.           | <u>DD</u>            | <u>Dually Diagnosed</u>   |
| 34 | AC.           | <del>L.</del>        | <del>DHCS</del> <u>California Department of Health Care Services</u>          |
| 35 | AD.           | <u>D/MC</u>          | <u>Drug/Medi-Cal</u>  |
| 36 | AE.           | <u>DRC</u>           | <u>Probation's Day Reporting Center</u>                                       |
| 37 | AF.           | <del>M.</del>        | <del>DoD</del> <u>US Department of Defense</u>                                |

|    |                |                |   |
|----|----------------|----------------|---|
| 1  | <del>N.</del>  | DRS            | Designated Record Set   |
| 2  | AG.            | <del>O.</del>  | DSH Direct Service Hour   |
| 3  | AH.            | DSM-V          | Diagnostic and Statistical Manual of Mental Disorders. 5th Edition        |
| 4  | AI.            | EBP            | Evidence-Based Practice   |
| 5  | AJ.            | EHR            | Electronic Health Records   |
| 6  | AK.            | ePHI           | Electronic Protected Health Information                                   |
| 7  | AL.            | EPSDT          | Early and Periodic Screening, Diagnosis, and Treatment                    |
| 8  | AM.            | FTE            | Full Time Equivalent  |
| 9  | AN.            | <del>P.</del>  | GAAP Generally Accepted Accounting Principles                             |
| 10 | <del>Q.</del>  | AO.            | HCA County of Orange Health Care Agency                                   |
| 11 | <del>R.</del>  | <del>HHS</del> | <del>Health and Human Services</del>                                      |
| 12 | <del>S.</del>  | AP.            | HIPAA Health Insurance Portability and Accountability Act of 1996, Public |
| 13 |                |                | -Law 104-191  |
| 14 | AQ.            | <del>T.</del>  | HITECH Act Health Information Technology for Economic and Clinical Health |
| 15 |                |                | Act, Public Law 111-005   |
| 16 | AR.            | HRSA           | Federal Health Resources and Services Administration                      |
| 17 | AS.            | HSC            | California Health and Safety Code   |
| 18 | AT.            | IBNR           | Incurred But Not Reported   |
| 19 | AU.            | ID             | Identification  |
| 20 | AV.            | IMD            | Institute for Mental Disease  |
| 21 | AW.            | IOM            | Institute of Medicine   |
| 22 | <del>AX.</del> | <del>U.</del>  | <del>IEA Information Exchange Agreement</del>                             |
| 23 | <del>V.</del>  | IRIS           | Integrated Records and Information System                                 |
| 24 | <del>W.</del>  | <del>ISO</del> | <del>Insurance</del> AY. ITC Indigent Trauma Care                         |
| 25 | AZ.            | LCSW           | Licensed Clinical Social Worker   |
| 26 | BA.            | LGBTQI         | Lesbian, Gay, Bisexual, Transgender, Questioning, and Intersex            |
| 27 | BB.            | LPS            | Lanterman/Petris/Short (Act)  |
| 28 | BC.            | LPT            | Licensed Psychiatric Technician   |
| 29 | BD.            | MAT            | Medication Assisted Treatment   |
| 30 | BE.            | MEDS           | Medi-Cal Eligibility Determination System                                 |
| 31 | BF.            | MFT            | Marriage and Family Therapist   |
| 32 | BG.            | MH             | Mental Health   |
| 33 | BH.            | MHIS           | Mental Health Inpatient Services <del>Office</del>                        |
| 34 | <del>X.</del>  | BI.            | MIHS Medical and Institutional Health Services                            |
| 35 | BJ.            | MHP            | Mental Health Plan  |
| 36 | BK.            | MHRC           | Mental Health Rehabilitation Centers                                      |
| 37 | BL.            | MHS            | Mental Health Specialist  |

|    |  |  |  |
|----|--|--|--|
| 1  | BM.  | MHSA   | Mental Health Services Act   |
| 2  | BN.  | MORS   | Milestones of Recovery Scale   |
| 3  | BO.  | MS   | Mandatory Supervision  |
| 4  | BP.  | MSN  | Medical Safety Net   |
| 5  | BQ.  | MTP  | Master Treatment Plan  |
| 6  | BR.  | NA   | Narcotics Anonymous  |
| 7  | BS.  | NIATx  | Network Improvement of Addiction Treatment   |
| 8  | BT.  | NIH  | National Institutes of Health  |
| 9  | BU.  | NIST   | National Institute of Standards and Technology                                     |
| 10 | BV.  | NOA  | Notice of Action   |
| 11 | BW.  | <del>Y.</del> NPI                            | National Provider Identifier   |
| 12 | BX.  | <del>Z.</del> NPP                            | Notice of Privacy Practices  |
| 13 | <del>AA.</del> <del>OIG</del>                | BY.  | OCJS Orange County Jail System   |
| 14 | BZ.  | OCPD   | Orange County Probation Department   |
| 15 | CA.  | OCR  | Federal Office of <del>Inspector General</del> for Civil Rights                    |
| 16 | <del>AB.</del>                               | CB.  | OCSD Orange County Sheriff's Department  |
| 17 | CC.  | OMB  | Federal Office of Management and Budget  |
| 18 | CD.  | P&P  | Policy and Procedure   |
| 19 | CE.  | PAR  | Prior Authorization Request  |
| 20 | CF.  | PBM  | Pharmaceutical Benefits <del>AC.</del> <del>OPM</del> <del>Federal Office of</del> |
| 21 | <del>Personnel</del> Management              |  |  |
| 22 | CG.  | <del>AD.</del> PC                            | <del>State of</del> California Penal Code  |
| 23 | CH.  | PCP  | Primary Care Provider  |
| 24 | CI.  | PCS  | Post-Release Community Supervision   |
| 25 | <del>CJ.</del> <del>AE.</del> <del>PEI</del> | <del>Prevention and Early Intervention</del> |  |
| 26 | <del>AF.</del>                               | PHI  | Protected Health Information   |
| 27 | CK.  | <del>AG.</del> PI                            | Personal Information   |
| 28 | CL.  | <del>AH.</del> PII                           | Personally Identifiable Information  |
| 29 | CM.  | QI   | Quality Improvement  |
| 30 | CN.  | RN   | Registered Nurse   |
| 31 | CO.  | SAPTBG                                       | Substance Abuse Prevention and Treatment Block Grant                               |
| 32 | CP.  | SD/MC  | Short-Doyle Medi-Cal   |
| 33 | CQ.  | SIR  | Self-Insured Retention   |
| 34 | CR.  | SMA  | Statewide Maximum Allowable (rate)   |
| 35 | CS.  | SSA  | County of Orange Social Services Agency  |
| 36 | CT.  | SUD  | Substance Use Disorder   |
| 37 | CU.  | TAR  | Treatment Authorization Request  |

1 CV. TAY Transitional Age Youth

2 CW. TUPP Tobacco Use Prevention Program

3 CX. UMDAP Uniform Method of Determining Ability to Pay

4 CY. UOS Units of Service

5 ~~CZ. AI. P&P Policy and Procedure~~

6 ~~AJ. PRA Public Record Act~~

7 ~~AK. SFTS Safe from the Start~~

8 ~~AL. TOT Train the Trainer~~

9 ~~AM. HITECH Act Health Information Technology for Economic and Clinical Health Act, Public~~  
 10 ~~Law 111-005~~

11 ~~AN. USC United States Code~~

12 ~~AO. VPE Violence Prevention Education~~

13 ~~AP. WIC State of~~ DA. W&IC California Welfare and Institutions  
 14 Code

## 16 **II. ALTERATION OF TERMS**

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

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

## 25 **III. ASSIGNMENT OF DEBTS**

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

## 34 **IV. COMPLIANCE**

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



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

4 2. CONTRACTOR has the option to ~~adhere to HCA's Compliance Program and Code of~~  
 5 ~~Conduct or establish~~ provide ADMINISTRATOR with proof of its own, ~~provided~~ ~~Compliance Program,~~  
 6 ~~Code of Conduct and any Compliance related policies and procedures.~~ CONTRACTOR's Compliance  
 7 Program ~~and~~ Code of Conduct ~~have been verified to~~ and any related policies and procedures shall be  
 8 verified by ADMINISTRATOR's Compliance Department to ensure they include all required elements  
 9 by ADMINISTRATOR's Compliance Officer as described in ~~subparagraphs below:~~ ~~this Paragraph IV~~  
 10 (COMPLIANCE). These elements include:

11 a. Designation of a Compliance Officer and/or compliance staff.

12 b. Written standards, policies and/or procedures.

13 c. Compliance related training and/or education program and proof of completion.

14 d. Communication methods for reporting concerns to the Compliance Officer.

15 e. Methodology for conducting internal monitoring and auditing.

16 f. Methodology for detecting and correcting offenses.

17 g. Methodology/Procedure for enforcing disciplinary standards.

18 3. ~~3.~~ If CONTRACTOR ~~elects to adhere~~ does not provide proof of its own  
 19 Compliance program to ~~HCA's ADMINISTRATOR,~~ CONTRACTOR shall acknowledge to comply  
 20 with ADMINISTRATOR's Compliance Program and Code of Conduct; the CONTRACTOR shall  
 21 submit to the ADMINISTRATOR within thirty (30) calendar days of ~~award~~ execution of this Agreement  
 22 a signed acknowledgement that CONTRACTOR shall comply with ~~HCA's ADMINISTRATOR's~~  
 23 Compliance Program and Code of Conduct.

24 4. If CONTRACTOR elects to have its own Compliance Program ~~and~~ Code of Conduct ~~then~~  
 25 ~~it shall~~ and any Compliance related policies and procedures review by ADMINISTRATOR, then  
 26 CONTRACTOR shall submit a copy of its ~~Compliance~~ compliance Program, ~~Code~~ code of Conduct and  
 27 all relevant policies and procedures to ADMINISTRATOR within thirty (30) calendar days of  
 28 ~~award~~ execution of this Agreement. ADMINISTRATOR's Compliance Officer, ~~or designee,~~ shall  
 29 review said documents within a reasonable time, which shall not exceed forty five (45) calendar days,  
 30 ~~and~~ determine if CONTRACTOR's ~~Compliance Program and Code of Conduct contains all required~~  
 31 ~~elements. CONTRACTOR shall take necessary action to meet said standards or shall be asked to~~  
 32 ~~acknowledge and agree to HCA's Compliance Program and Code of Conduct if the CONTRACTOR's~~  
 33 ~~Compliance Program and Code of Conduct does not~~ proposed compliance program and code of conduct  
 34 contain all required elements; to the ADMINISTRATOR's satisfaction as consistent with the HCA's  
 35 Compliance Program and Code of Conduct. ADMINISTRATOR shall inform CONTRACTOR of any  
 36 missing required elements and CONTRACTOR shall revise its compliance program and code of  
 37 conduct to meet ADMINISTRATOR's required elements within thirty (30) calendar days after

1 ADMINISTRATOR's Compliance Officer's determination and resubmit the same for review by the  
2 ADMINISTRATOR.

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

8 ~~6. Failure of CONTRACTOR to submit its Compliance Program, Code of Conduct and~~  
9 ~~relevant policies and procedures shall constitute a material breach of this Agreement. Failure to cure~~  
10 ~~such breach within sixty (60) calendar days of such notice from ADMINISTRATOR shall constitute~~  
11 ~~grounds for termination of this Agreement as to the non-complying party~~ compliance program, code of  
12 conduct, related policies and procedures and contact information for the ADMINISTRATOR's  
13 Compliance Program.

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

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

33 2. An Ineligible Person shall be any individual or entity who:  
34 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in  
35 federal and state health care programs; or

36 //  
37 //

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

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

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

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

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

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

31 C. GENERAL COMPLIANCE TRAINING – ADMINISTRATOR shall make General  
 32 Compliance Training ~~and Provider Compliance Training, where appropriate,~~ available to Covered  
 33 Individuals.

34 1. CONTRACTORS that have acknowledged to comply with ADMINISTRATOR's  
 35 Compliance Program ~~1. CONTRACTOR~~ shall use its best efforts to encourage completion  
 36 by all Covered Individuals; provided, however, that at a minimum CONTRACTOR shall assign at least  
 37 //

1 one (1) designated representative to complete ~~all~~ the General Compliance ~~Trainings~~ Training when  
2 offered.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 11 **V. CONFIDENTIALITY**

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

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

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

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

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

35 ~~—C. CONTRACTOR shall have in effect a system to protect patient records from inappropriate~~  
36 ~~disclosure in connection with activity funded under this Agreement. This system shall include~~  
37

~~provisions for employee education on the confidentiality requirements, and the fact that disciplinary action may occur upon inappropriate disclosure. CONTRACTOR agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of all confidential information that it creates, receives, maintains or transmits. CONTRACTOR shall provide ADMINISTRATOR with information concerning such safeguards.~~

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

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

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

## **VI. COST REPORT**

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

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

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

//

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

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

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

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

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

29 D. If the ~~individual and/or consolidated~~ Cost Report indicates the actual and reimbursable costs of  
 30 services provided pursuant to this Agreement, less applicable revenues and late penalty, are lower than  
 31 the aggregate of interim monthly payments to CONTRACTOR, CONTRACTOR shall remit the  
 32 difference to COUNTY. Such reimbursement shall be made, in cash, or other authorized form of  
 33 payment, with the submission of the ~~individual and/or consolidated~~ Cost Report. If such reimbursement  
 34 is not made by CONTRACTOR within thirty (30) calendar days after submission of the ~~individual~~  
 35 ~~and/or consolidated~~ Cost Report, COUNTY may, in addition to any other remedies, reduce any amount  
 36 owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

37 //

1 E. If the ~~individual and/or consolidated~~ Cost Report indicates the actual and reimbursable costs of  
2 services provided pursuant to this Agreement, less applicable revenues and late penalty, are higher than  
3 the aggregate of interim monthly payments to CONTRACTOR, COUNTY shall pay CONTRACTOR  
4 the difference, provided such payment does not exceed the Maximum Obligation of COUNTY.

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

7  
8 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and  
9 supporting documentation prepared by \_\_\_\_\_ for the cost report period  
10 beginning \_\_\_\_\_ and ending \_\_\_\_\_ and that, to the best of my  
11 knowledge and belief, costs reimbursed through this Agreement are reasonable and  
12 allowable and directly or indirectly related to the services provided and that this Cost  
13 Report is a true, correct, and complete statement from the books and records of  
14 (provider name) in accordance with applicable instructions, except as noted. I also  
15 hereby certify that I have the authority to execute the accompanying Cost Report.

16  
17 Signed \_\_\_\_\_  
18 Name \_\_\_\_\_  
19 Title \_\_\_\_\_  
20 Date \_\_\_\_\_"

21  
22 ~~VII. DEBARMENT~~ VII. DEBARMENT AND SUSPENSION CERTIFICATION

23 A. CONTRACTOR certifies that it and its principals:

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

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

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

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

37 //





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

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

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

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

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

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

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

24  
25 **IX. EMPLOYEE ELIGIBILITY VERIFICATION**

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

35 //  
36 //  
37 //

## X. EQUIPMENT

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

13 B. CONTRACTOR shall obtain ADMINISTRATOR’s prior written approval to purchase any  
14 Equipment with funds paid pursuant to this Agreement. Upon delivery of Equipment, CONTRACTOR  
15 shall forward to ADMINISTRATOR, copies of the purchase order, receipt, and other supporting  
16 documentation, which includes delivery date, unit price, tax, shipping and serial numbers.  
17 CONTRACTOR shall request an applicable asset tag for said Equipment and shall include each  
18 purchased asset in an Equipment inventory.

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

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

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

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

35 G. Unless this Agreement is followed without interruption by another agreement between the  
36 parties for substantially the same type and scope of services, at the termination of this Agreement for  
37 //

1 any cause, CONTRACTOR shall return to COUNTY all Equipment purchased with funds paid through  
2 this Agreement.

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

### 5 **XI. FACILITIES, PAYMENTS AND SERVICES**

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

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

### 17 **XII. INDEMNIFICATION AND INSURANCE**

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

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

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

10 D. All SIRs and deductibles shall be clearly stated on the COI. If no SIRs or deductibles apply,  
11 indicate this on the COI with a zero (0) by the appropriate line of coverage. Any SIR or deductible in an  
12 amount in excess of \$2550,000 (\$5,000 for automobile liability), shall specifically be approved by the  
13 CEO/Office of Risk Management upon review of CONTRACTOR's current audited financial report

14 ~~E. If CONTRACTOR's SIR is approved, CONTRACTOR fails, in addition to maintain insurance~~  
15 ~~acceptable to COUNTY for the full term, and without limitation of, any other indemnity provision(s) in~~  
16 ~~this Agreement, COUNTY may terminate this Agreement.~~ agrees to all of the following:

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

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

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

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

30 F. QUALIFIED INSURER

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

36 //  
37 //

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

H. REQUIRED COVERAGE FORMS

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

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

I. REQUIRED ENDORSEMENTS

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

a. An Additional Insured endorsement using ISO form CG ~~2010 or CG 2033~~ 20 26 04 13 or a form at least as broad naming the County of Orange, its elected and appointed officials, officers,

//

1 employees, and agents as Additional Insureds, or provide blanket coverage, which will state AS  
 2 REQUIRED BY WRITTEN AGREEMENT.

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

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

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

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

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

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

21 L. CONTRACTOR shall notify COUNTY in writing within thirty (30) days of any policy  
 22 cancellation and within ten (10) days for non-payment of premium and provide a copy of the  
 23 cancellation notice to COUNTY. Failure to provide written notice of cancellation may shall constitute a  
 24 ~~material~~ breach of ~~the Agreement, upon which the~~ CONTRACTOR's obligation hereunder and ground  
 25 for COUNTY ~~may suspend or~~ terminate this Agreement.

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

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

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

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

1 constitute a breach of CONTRACTOR's obligation hereunder and ground for termination of this  
2 Agreement ~~may be in breach without further notice to CONTRACTOR, and by~~ COUNTY ~~shall be~~  
3 entitled to all legal remedies.

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

7 R. SUBMISSION OF INSURANCE DOCUMENTS

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

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

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

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

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

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

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

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

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

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

31  
32 **XIII. INSPECTIONS AND AUDITS**

33 A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative  
34 of the State of California, the Secretary of the United States Department of Health and Human Services,  
35 the Comptroller General of the United States, or any other of their authorized representatives, shall have  
36 access to any books, documents, and records, including but not limited to, financial statements, general  
37 ledgers, relevant accounting systems, medical and Client participant records, of CONTRACTOR that are



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

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

#### 10 C. AUDIT RESPONSE

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

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

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

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

### 32 **XIV. LICENSES AND LAWS**

34 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout  
 35 the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates,  
 36 accreditations, waivers, and exemptions necessary for the provision of the services hereunder and  
 37 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~~ CONTRACTOR, his/her name, date of birth, social security number, and residence address;

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

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

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

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

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

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

~~1. ARRA of 2009.~~

~~2. WIC, Division 5, Community Mental Health Services.~~

~~3. WIC, Division 6, Admissions and Judicial Commitments.~~

- ~~1. WIC, Division 7, Mental Institutions.~~
- ~~2. HSC, §§1250 et seq., Health Facilities.~~
- ~~3. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.~~
- ~~4. CCR, Title 9, Rehabilitative and Developmental Services.~~
- ~~5. CCR, Title 17, Public Health.~~
- ~~6. CCR, Title 22, Social Security.~~
- ~~7. CFR, Title 42, Public Health.~~
- ~~8. CFR, Title 45, Public Welfare.~~
- ~~9. USC Title 42, Public Health and Welfare.~~
- ~~10. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.~~
- ~~11. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.~~
- ~~12. 42 USC §1857, et seq., Clean Air Act.~~
- ~~13. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.~~
- ~~14. 31 USC 7501.70, Federal Single Audit Act of 1984.~~
- ~~15. Policies and procedures set forth in Mental Health Services Act.~~
- ~~16. Policies and procedures set forth in DHCS Letters.~~
- ~~17. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.~~
- ~~18. 31 USC 7501-7507, as well as its implementing regulations under 2 CFR Part 200,~~
- ~~19. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for~~
- ~~20. Federal Awards.~~

21 —D. CONTRACTOR shall at all times be capable and authorized by the State of California to  
 22 provide treatment and bill for services provided to Medi-Cal eligible ~~Clients~~clients while working under  
 23 the terms of this Agreement.

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

## 27 **XV. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

34 B. Any advertisement through radio, television broadcast, or the Internet, for educational or  
 35 promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this  
 36 Agreement must be approved in advance at least thirty (30) days and in writing by ADMINISTRATOR.  
 37

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

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

12  
13 **XVI. MAXIMUM OBLIGATION**

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

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

20  
21 **XVII. MINIMUM WAGE LAWS**

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

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

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

36 //  
37 //

## **XVIII. NONDISCRIMINATION**

### **A. EMPLOYMENT**

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

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

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

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

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

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

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

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

10 1. Denying a Client participant or potential Client participant any service, benefit, or  
 11 accommodation.

12 2. Providing any service or benefit to a Client participant which is different or is provided in a  
 13 different manner or at a different time from that provided to other Clients participants.

14 3. Restricting a Client participant in any way in the enjoyment of any advantage or privilege  
 15 enjoyed by others receiving any service or benefit.

16 4. Treating a Client participant differently from others in satisfying any admission requirement  
 17 or condition, or eligibility requirement or condition, which individuals must meet in order to be  
 18 provided any service or benefit.

19 5. Assignment of times or places for the provision of services.

20 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all  
 21 Clients participants through a written statement that CONTRACTOR’s and/or subcontractor’s  
 22 Clients participants may file all complaints alleging discrimination in the delivery of services with  
 23 CONTRACTOR, subcontractor, and ADMINISTRATOR or COUNTY’s Patient Rights Office.

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

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

30 b. Throughout the problem resolution and grievance process, Client participant rights shall  
 31 be maintained, including access to the Patients’ Rights Office at any point in the process. Clients shall  
 32 be informed of their right to access the Patients’ Rights Office at any time.

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

35 D. PERSONS WITH DISABILITIES – CONTRACTOR and/or subcontractor agree to comply  
 36 with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as  
 37 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.

**XIX. 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 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 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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**XX. NOTIFICATION OF DEATH**

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

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

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

2. WRITTEN NOTIFICATION

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

#

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

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

**XXI. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

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1 **XXII. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

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

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

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

- 22 1. The medical records and billing records about individuals maintained by or for a covered  
23 health care provider;
- 24 2. The enrollment, payment, claims adjudication, and case or medical management record  
25 systems maintained by or for a health plan; or
- 26 3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

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

- 31 1. Have documents readily available within forty-eight (48) hour notice of a scheduled audit  
32 or site visit.
- 33 2. Provide auditor or other authorized individuals access to documents via a computer  
34 terminal.
- 35 3. Provide auditor or other authorized individuals a hardcopy printout of documents, if  
36 requested.

37 //

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

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

7 ~~H.~~

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

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

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

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

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

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

26 #

### 27 **XXIII. RESEARCH AND PUBLICATION**

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

### 32 **XXIV. REVENUE**

33 ~~A.~~ CLIENT FEES: CONTRACTOR shall charge, unless waived by ADMINISTRATOR, a fee to  
 34 clients to whom billable services, other than those amounts reimbursed by Medicare, Medi-Cal or other  
 35 third party health plans, are provided pursuant to this Agreement, their estates and responsible relatives,  
 36 according to their ability to pay as determined by the State Department of Health Care Services'  
 37 "Uniform Method of Determining Ability to Pay" (UMDAP) procedure or by any other payment

~~procedure as approved in advance, and in writing by ADMINISTRATOR; and in accordance with Title 9 of the California Code of Regulations. Such fee shall not exceed the actual cost of services provided. No client shall be denied services because of an inability to pay.~~

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

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

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

~~**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.

**XXV. SPECIAL PROVISIONS**

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

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

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1 6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants,  
2 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized  
3 agent, or making salary advances or giving bonuses to CONTRACTOR's staff.

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

7 8. Severance pay for separating employees.

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

10 10. Supplanting current funding for existing services.

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

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

14 2. Making phone calls outside of the local area unless documented to be directly for the  
15 purpose of ~~Client~~ participant care.

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

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

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

21 ~~6. Purchase of gifts, meals, entertainment, awards, or other personal expenses for~~  
22 ~~CONTRACTOR's Clients.~~

23 ~~7. [REDACTED] 6. Providing inpatient hospital services or purchasing major medical equipment.~~

24 ~~8. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal~~  
25 ~~funds (matching).~~

26 ~~8. Purchase of gifts, meals, entertainment, awards, or other personal expenses for~~  
27 ~~CONTRACTOR's participants.~~

## 28 **XXVI. STATUS OF CONTRACTOR**

29  
30 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be  
31 wholly responsible for the manner in which it performs the services required of it by the terms of this  
32 Agreement. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and  
33 consultants employed by CONTRACTOR. This Agreement shall not be construed as creating the  
34 relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR  
35 or any of CONTRACTOR's employees, agents, consultants, or subcontractors. CONTRACTOR  
36 assumes exclusively the responsibility for the acts of its employees, agents, consultants, or  
37 subcontractors as they relate to the services to be provided during the course and scope of their

1 employment. CONTRACTOR, its agents, employees, consultants, or subcontractors, shall not be  
 2 entitled to any rights or privileges of COUNTY's employees and shall not be considered in any manner  
 3 to be COUNTY's employees.

#### 5 **XXVII. TERM**

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

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

#### 15 **XXVIII. TERMINATION**

16 A. Either party may terminate this Agreement, without cause, upon ninety (90) calendar days'  
 17 written notice given ~~to~~ the other party.

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

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

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

1 D. CONTINGENT FUNDING

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

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

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

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

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

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

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

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

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

23 4. If Client's participants are to be transferred to another facility for services, furnish  
24 ADMINISTRATOR, upon request, all Client participant information and records deemed necessary by  
25 ADMINISTRATOR to effect an orderly transfer.

26 5. Assist ADMINISTRATOR in effecting the transfer of Client's participants in a manner  
27 consistent with Client's participant's best interests.

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

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

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

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

5 G. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be  
6 exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.  
7

8 **XXIX. THIRD PARTY BENEFICIARY**

9 Neither party hereto intends that this Agreement shall create rights hereunder in third parties  
10 including, but not limited to, any subcontractors or any ~~Clients~~participants provided services pursuant to  
11 this Agreement.  
12

13 **XXX. WAIVER OF DEFAULT OR BREACH**

14 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any  
15 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this  
16 Agreement shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any  
17 default or any breach by CONTRACTOR shall not be considered a modification of the terms of this  
18 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 SOCIAL MODEL RECOVERY SYSTEMS, INC.

5  
6 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

7  
8  
9 TITLE: \_\_\_\_\_

10  
11  
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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  
29 BY: \_\_\_\_\_ DATED: \_\_\_\_\_

30 DEPUTY

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  
 OUTPATIENT SERVICES FOR CHILDREN AND TRANSITIONAL AGE YOUTH WITH CO-  
OCCURRING MENTAL HEALTH AND SUBSTANCE ABUSE DISORDERS  
 BETWEEN  
COUNTY OF ORANGE  
 AND  
SOCIAL MODEL RECOVERY SYSTEMS, INC.

~~WITH CO-OCCURRING MENTAL HEALTH AND SUBSTANCE ABUSE DISORDERS~~  
~~BETWEEN~~  
~~COUNTY OF ORANGE~~  
~~AND~~  
~~SOCIAL MODEL RECOVERY SYSTEMS, INC.~~  
 JULY 1, ~~2016~~2018 THROUGH JUNE 30, ~~2018~~2019

**I. COMMON TERMS AND DEFINITIONS & DEFINITIONS**

A. The following standard definitions are for reference purposes only and may or may not apply in their entirety throughout the Agreement. 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.

A. 1. Active and Ongoing Case Load means documentation, by CONTRACTOR, for completion of entry and evaluation services provided to Clients into COUNTY's IRIS. Documentation also includes level, frequency, and duration of services received by Clients, and these services must be consistent with Clients' level of impairments as well as treatment goals. In addition, services are to be individualized and solution-focused, using evidenced-based practices.

B. 2. Administrative Support means individual(s) who is/are responsible for providing a broad range of office support to program and management staff that includes: answering and directing phone calls, writing correspondences, entering data in spreadsheets, preparing invoices for payment, maintaining tracking reports and files, and working on special projects, as assigned.

C. 3. Admission means documentation, by CONTRACTOR, for completion of entry and evaluation services provided to Clients into IRIS.

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

5. ASAM-Designated Levels of Care means a designation that is issued by DHCS to a residential program based on the services provided at the facility. For the purposes of this Agreement,

1 CONTRACTOR shall provide services in accordance with one of the following ASAM-Designated  
 2 Levels of Care:

3 a. 3.1 - Clinically Managed Low-Intensity Residential Services means a twenty-four (24)  
 4 hour structure with available trained personnel; at least five (5) hours of clinical service/week and  
 5 preparation for outpatient treatment.

6 b. ~~D~~ 3.3 - Clinically Managed Population-Specific High-Intensity Residential Services  
 7 means a twenty-four (24) hour structured living environment in combination with high-intensity clinical  
 8 services for Clients with significant cognitive impairment.

9 c. 3.5 - Clinically Managed High-Intensity Residential Services means a twenty-four (24)  
 10 hour residential care for Clients who require a twenty-four (24) hour supportive treatment environment  
 11 in order to develop sufficient recovery skills to avoid relapse or continued AOD use.

12 6. Assessment means a service activity, which may include a clinical analysis of the history  
 13 and current status of a Client's mental, emotional, behavioral disorder, and relevant cultural issues.  
 14 The Assessment also needs to include history of services being provided, Diagnosis, and use of  
 15 testing procedures.

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

19 8. Care Coordinator means an individual with a Bachelor's degree in human services or  
 20 related field who will be responsible for developing and leading the Family Team and guiding the  
 21 evolution of a POC for a Client.

22 9. Case Management means services which include, but are not limited to, referral and linkage  
 23 to ancillary services not provided by the Contractor such as contacting outside agencies and making  
 24 referrals for services, including academic education, vocational training, medical and dental treatment,  
 25 pre-and-post counseling and testing for infectious diseases, legal assistance, job search assistance,  
 26 financial assistance, childcare, and self-help programs such as 12-step programs. Additionally, Case  
 27 Management includes helping Clients build support in the community and helping Clients deal with  
 28 impairments in life skills due to their substance use problems. Case management service include  
 29 periodic reassessment of the Client's need for continued case management services and assistance to  
 30 successfully transition to lower or higher levels of care, as determined by review of the treatment plans.

31 10. ~~E. Client~~ CEST-I (CESI) means the Client Evaluation of Self and Treatment  
 32 completed at intake is a motivational scale that represents stage of readiness including Problem  
 33 Recognition, Desire for Help and Treatment Readiness.

34 11. CEST-T (CEST) means the Client Evaluation of Self and Treatment at termination of  
 35 treatment is a motivational scale that represents perceived progress made while in Treatment.

36 12. Client/Participant means any individual, referred or enrolled, for services under the  
 37 Agreement who is living with mental, emotional, or behavioral disorders.

1 ~~F~~ 13. Collateral means significant support individual(s) in a Client's life and is/are used  
 2 to define services provided to the Client with the intent of improving or maintaining the mental  
 3 health status of the Client. The Client may or may not be present for this service activity.

4 14. Co-Occurring means when a person has both a substance use disorder and a mental  
 5 health disorder at the same time.

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

10 G 16. Diagnosis means identifying the nature of a Client's disorder. When formulating the  
 11 diagnosis of Client, CONTRACTOR shall use the diagnostic codes and axes as specified in the  
 12 most current edition of the Diagnostic and DSM published by the American Psychiatric Association or  
 13 the international Classification of Diseases (ICD) as directed by the Administrator. Diagnoses will  
 14 be recorded on all IRIS documents, as appropriate. #

15 ~~international Classification of Diseases (ICD) as directed by the Administrator.~~ 17. Direct  
 16 Service Hours (DSH) ~~Diagnoses will be recorded on all IRIS documents, as appropriate.~~

17 H. DSH means the time, measured in hours and portions of hours, that a clinician spends providing  
 18 services to Clients or others on behalf of Clients. DSH credit, both billable and non-billable minutes, is  
 19 obtained by providing mental health, case management, medication support, and crisis intervention  
 20 services to Clients open in IRIS.

21 I 18. Drug and Alcohol Treatment Access Report (DATAR) is the State Department of  
 22 Health Care Services (DHCS) system to collect data on Substance Use Disorder (SUD) treatment  
 23 capacity and waiting lists.

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

26 20. Engagement means the process where a trusting relationship between CONTRACTOR's  
 27 staff and Client is developed over a short period of time, so CONTRACTOR and Client can develop a  
 28 plan to link the Client to appropriate services within the community. Engagement of the Client is the  
 29 objective of a successful outreach.

30 J 21. Face-to-Face Contact means, ~~as it pertains to a FSP,~~ a direct encounter between  
 31 CONTRACTOR's staff and Client(s)/parent(s)/guardian(s). This does not include contact by phone,  
 32 email, etc. For the purpose of completing an Encounter Document, Face-to-Face Contact means a direct  
 33 encounter between staff and Client(s), regardless if another individual(s) is/are present or not.

34 K 22. Family Team means a group formed to meet the needs of a FSP an eligible Client  
 35 through whatever means possible, and this team includes a program staff, the eligible Client, the  
 36 Client's family members, and other support individual(s) the family agrees to include on the team.

37 //

1 ~~L. FSP~~ 23. Full Service Partnership (FSP) means a program model described in COUNTY's  
 2 MHA plan that has been approved by the state. The MHA plan describes how COUNTY will utilize  
 3 MHA funds to develop and implement treatment plans for mental health Clients through FSPs. A FSP  
 4 is an evidence-based and strength-based model with the focus on the individual rather than the disease.

5 ~~M~~ 24. Group Home ~~is~~ means a facility for housing youth and is licensed by Community Care  
 6 Licensing under the provisions of CCR, Title 22, Division 6, et seq.

7 ~~N~~ 25. Head of Service means an individual ultimately responsible for overseeing the program  
 8 and is required to be licensed as a mental health professional.

9 ~~O~~ 26. Intensive Care Coordination (ICC) means assessment and plan development  
 10 services, to children and youth that qualify under the Katie A. Subclass, that must address the  
 11 child/youth's mental health need(s) through the coordination of care with providers not primarily  
 12 associated with mental health services such as the Social Services Agency, Probation Department, and  
 13 schools (although the Client, collateral and mental health providers may also be present).

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

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

23 29. IRIS means the ADMINISTRATOR's database system that collects Clients' information  
 24 such as registration, scheduled appointments, laboratory information system, invoice and reporting  
 25 capabilities, compliance with regulatory requirements, electronic medical records, and other relevant  
 26 applications.

27 ~~Q. LCSW~~ 30. Licensed Clinical Social Worker (LCSW) means a licensed individual,  
 28 pursuant to the provisions of Chapter 14 of the California Business and Professions Code, who can  
 29 provide clinical services to Clients. The license must be current and in force, and has not been  
 30 suspended or revoked. Also, it is preferred that the individual has at least one (1) year of experience  
 31 treating children and TAY.

32 ~~R~~ 31. Licensed Marriage and Family Counselor (MFT) means a licensed individual, pursuant to  
 33 the provisions of Chapter 13 of the California Business and Professions Code, pursuant to the  
 34 provisions of Chapter 14 of the California Business and Professions Code, who can provide clinical  
 35 services to Clients. The license must be current and in force, and has not been suspended or revoked.  
 36 Also, it is preferred that the individual has at least one (1) year of experience treating children and TAY.

37 //

1 ~~S. LPCC~~ 32. Licensed Professional Clinical Counselor (LPCC) means a licensed  
 2 individual, pursuant to the provisions of Chapter 13 of the California Business and Professions Code,  
 3 pursuant to the provisions of Chapter 16 of the California Business and Professions Code, who can  
 4 provide clinical service to Clients. The license must be current and in force, and has not been suspended  
 5 or revoked. Also, it is preferred that the individual has at least one (1) year of experience treating  
 6 children and TAY.

7 ~~T. LPT~~ 33. Licensed Psychiatric Technician (LPT) means a licensed individual, pursuant  
 8 to the provisions of Chapter 10 of the California Business and Professions Code, who can provide  
 9 clinical services to Clients. The license must be current and in force, and has not been suspended or  
 10 revoked. Also, it is preferred that the individual has at least one (1) year of experience treating children  
 11 and TAY.

12 ~~U//~~  
 13 34. Licensed Psychologist means a licensed individual, pursuant to the provisions of Chapter  
 14 6.6 of the California Business and Professions Code, who can provide clinical services to Clients. The  
 15 license must be current and in force, and has not been suspended or revoked. Also, it is preferred  
 16 that the individual has at least one (1) year of experience treating children and TAY.

17 ~~V. LVN~~ 35. Linkage means connecting Clients to ancillary services such as outpatient  
 18 and/or residential treatment and supportive services which may include self-help groups, social  
 19 services, rehabilitation services, vocational services, job training services, or other appropriate services.

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

24 ~~W~~ 37. Medi-Cal means the State of California's implementation of the federal Medicaid health  
 25 care program which pays for a variety of medical services for children and adults who meet eligibility  
 26 criteria.

27 ~~X~~ 38. Medical Necessity means Diagnosis, impairment, and intervention related criteria as  
 28 defined in the COUNTY's MHP under Medical Necessity for Medi-Cal reimbursed Specialty  
 29 Mental Health Services.

30 ~~Y~~ 39. Medication Support Services means services provided by licensed physicians,  
 31 registered nurses, or other qualified medical staff, which include: prescribing, administering, dispensing  
 32 and monitoring of psychiatric medications or biologicals that are necessary to alleviate symptoms of  
 33 mental illness. These services also include evaluation and documentation of the clinical justification  
 34 and effectiveness of medication, dosage, side effects, compliance, and response to medication. In  
 35 addition, the licensed physicians, registered nurses, or other qualified medical staff must obtain  
 36 informed consent from Clients prior to providing medication education and plan development related to  
 37 the delivery of these services and/or Assessment to Clients.

1 40. Mental Health Services means an individual or a group therapy and intervention being  
 2 provided to Clients that is designed to reduce mental disability and restores or improves daily  
 3 functioning. These Mental Health Services must be consistent with goals of learning and  
 4 development, as well as independent living and enhanced self-sufficiency. In addition, these services  
 5 cannot be provided as a component of adult residential services, crisis residential treatment services,  
 6 Crisis Intervention, crisis stabilization, day rehabilitation, or day treatment intensive. Service activities  
 7 may include, but are not limited to: Assessment, plan development, rehabilitation, and collateral.  
 8 Also, Mental Health Services may be either Face-to-Face Contact, or by telephone with Clients or  
 9 significant support individuals, and services may be provided anywhere in the community.

10 41. Mental Health Services Act (MHSA) means the State of California law that  
 11 provides funding for expanded community Mental Health Services. It is also known as “Proposition  
 12 63.”

13 //

14 42. Mental Health Worker means an individual who has obtained a Bachelor's degree in a  
 15 mental health field or has a high school diploma along with two (2) years of experience delivering  
 16 services in a mental health field.

17 43. Mentoring Services means a service that provides support to Clients by building a  
 18 structured and trusting relationship over a prolonged period of time between a Client and a mentor. The  
 19 mentor is a peer or older individual who provides one-to-one contact and support in the following  
 20 areas to assist Client(s)/parent(s)/guardian(s): consistent support, guidance, and coaching in life skills;  
 21 concrete help and/or other relationship-building activities to the Client(s)/parent(s)/  
 22 guardian(s); and linking the Client(s)/parent(s)/guardian(s) to other services within the COUNTY and  
 23 contract operated programs.

24 44. Network Adequacy Certification Tool (NACT) means a staffing report that is required by  
 25 the State of California to collect information about a provider site and all of the rendering service  
 26 providers who work at the site.

27 45. National Provider Identifier (NPI) means the standard unique health identifier that was  
 28 adopted by the Secretary of HHS Services under HIPAA for health care providers. All HIPAA  
 29 covered healthcare providers, individuals, and organizations must obtain an NPI for use to identify  
 30 themselves in HIPAA standard transactions. The NPI is assigned for life.

31 46. Notice of Action (NOA-A) means a Medi-Cal requirement that informs the beneficiary that  
 32 she/he is not entitled to any specialty mental health service. The COUNTY has expanded the  
 33 requirement for an NOA-A to all beneficiaries requesting an Assessment for services and found not to  
 34 meet the Medical Necessity criteria for specialty Mental Health Services.

35 47. Notice of Privacy Practices (NPP) means a document that notifies Clients of uses and  
 36 disclosures of PHI. The NPP may be made by, or on behalf of, the health plan or health care provider  
 37 as set forth in the of 1996 HIPAA.

1 48. Nurse Practitioner (NP) means a medical professional with an advanced degree in  
2 nursing that performs a variety of duties in care settings focused around a nursing model.

3 49. Outreach means linking potential Clients to appropriate Mental Health Services within  
4 the community. Outreach activities will include educating the community about the services offered  
5 and requirements for participation in the various mental health programs within the community. Such  
6 activities may result in the CONTRACTOR developing Referral sources for Clients from programs  
7 being offered within the community.

8 50. Pharmacy Benefit Manager (PBM) Company means a company contracted by the  
9 COUNTY that manages the medication benefits for Clients that are qualified for medication benefits.

10 51. Pre-Licensed Psychologist means an individual who has a Ph.D. or Psy.D. in Clinical  
11 Psychology and is registered with the Board of Psychology as a Registered Psychologist or  
12 Psychological Assistant, while acquiring hours for licensing and providing services under a waiver in  
13 accordance with WIC section 575.2. The waiver may not exceed five (5) years.

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

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

22 54. Protected health information (PHI) means individually identifiable health information  
23 usually transmitted through electronic media. PHI can be maintained in any medium as defined in the  
24 regulations, or for an entity such as a health plan, transmitted or maintained in any other medium. It is  
25 created or received by a covered entity and is related to the past, present, or future physical or  
26 mental health or condition of an individual, provision of health care to an individual, or the past,  
27 present, or future payment for health care provided to an individual.

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

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

35 57. Recovery Services means billable services available after the client has completed a course  
36 of treatment. Recovery services emphasize the client's central role in managing their health, use  
37 effective self-management support strategies, and organize internal and community resources to provide

1 ongoing self-management support to patients.

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

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

9 ~~60. Assessment means a service activity, which may include a clinical analysis of the history~~  
 10 ~~and current status of a Client's mental, emotional, behavioral disorder, and relevant cultural issues.~~  
 11 ~~The Assessment also needs to include history of services being provided, Diagnosis, and use of~~  
 12 ~~testing procedures.~~

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

16 ~~———— 3. Co-Occurring can refer dual diagnoses of different conditions occurring within the same~~  
 17 ~~individuals. In this case, it refers to clients who have substance use disorders as well as mental health~~  
 18 ~~disorders.~~

19 ~~———— 4. ICC Service means assessment and plan development services, to children and youth~~  
 20 ~~that qualify under the Katie A. Subclass, that must address the child/youth's mental health need(s)~~  
 21 ~~through the coordination of care with providers not primarily associated with mental health services~~  
 22 ~~such as the Social Services Agency, Probation Department, and schools (although the Client, collateral~~  
 23 ~~and mental health providers may also be present).~~

24 ~~———— 5. IHBS Service means intensive, individualized and strength-based interventions, with~~  
 25 ~~children and youth that qualify under the Katie A. Subclass, to assist the child/youth and his/her~~  
 26 ~~significant support persons to develop skills to achieve the goals and objectives of the child/youth's~~  
 27 ~~treatment plan. IHBS only includes Individual Rehabilitation and Collateral services. Mental Health~~  
 28 ~~Services other than Individual Rehabilitation and Collateral will be claimed separately from IHBS.~~

29 ~~———— 6. Medication Support Services means services provided by licensed physicians, registered~~  
 30 ~~nurses, or other qualified medical staff, which include: prescribing, administering, dispensing and~~  
 31 ~~monitoring of psychiatric medications or biologicals that are necessary to alleviate symptoms of mental~~  
 32 ~~illness. These services also include evaluation and documentation of the clinical justification and~~  
 33 ~~effectiveness of medication, dosage, side effects, compliance, and response to medication. In~~  
 34 ~~addition, the licensed physicians, registered nurses, or other qualified medical staff must obtain~~  
 35 ~~informed \_\_\_\_\_ consent~~  
 36 ~~from Clients prior to providing medication education and plan development related to the delivery of~~  
 37 ~~these services and/or Assessment to Clients.~~



~~7. Rehabilitation Service means an activity which includes assistance to 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.~~

~~8//~~

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

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

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

~~9. TBS~~ 64. Therapeutic Behavioral Services (TBS) means one-on-one behavioral interventions with a Client, which is designed to reduce or eliminate targeted behaviors as identified in the Client's treatment plan. Collateral services are also provided to parent(s)/guardian(s) as part of TBS. Clients must be Medi-Cal eligible and meet TBS class membership and service need requirements. Documentation in the medical record must support Medical Necessity for these intensive services. Cases in which Clients are receiving more than twenty (20) hours per week of TBS or those who are expected to receive more than four months (120 days) of TBS must be approved by ADMINISTRATOR. ADMINISTRATOR has to approve individuals that are delivering these intervention services to ensure they are qualified to deliver these services.

~~10~~ 65. Therapy means a therapeutic intervention that focuses primarily on symptom reduction as a means to improve functional impairments. Therapy may be delivered to a Client or a group of Clients, which may include family Therapy with Client being present.

~~Z. MHSA 66 means the State of California law that provides funding for expanded community Mental Health Services. It is also known as "Proposition 63."~~

//

1 ~~— AA. Mental Health Worker means an individual who has obtained a Bachelor's degree in a~~  
 2 ~~mental health field or has a high school diploma along with two (2) years of experience delivering~~  
 3 ~~services in a mental health field.~~

4 ~~— AB. Mentoring Services means a service that provides support to Clients by building a structured~~  
 5 ~~and trusting relationship over a prolonged period of time between a Client and a mentor. The mentor is~~  
 6 ~~a peer or older individual who provides one-to-one contact and support in the following areas to assist~~  
 7 ~~Client(s)/parent(s)/guardian(s): consistent support, guidance, and coaching in life skills; concrete help~~  
 8 ~~and/or other relationship building activities to the Client(s)/parent(s)/guardian(s); and linking the~~  
 9 ~~Client(s)/parent(s)/guardian(s) to other services within the COUNTY and contract operated programs.~~

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

14 ~~— AD. NOA A means a Medi-Cal requirement that informs the beneficiary that she/he is not~~  
 15 ~~entitled to any specialty mental health service. The COUNTY has expanded the requirement for an~~  
 16 ~~NOA A to all beneficiaries requesting an Assessment for services and found not to meet the Medical~~  
 17 ~~Necessity criteria for specialty Mental Health Services.~~

18 ~~— AE. NPP means a document that notifies Clients of uses and disclosures of PHI. The NPP may be~~  
 19 ~~made by, or on behalf of, the health plan or health care provider as set forth in the of 1996 HIPAA.~~

20 ~~— AF. Nurse Practitioner means a medical professional with an advanced degree in nursing that~~  
 21 ~~performs a variety of duties in care settings focused around a nursing model.~~

22 ~~— AG. Outreach means linking potential Clients to appropriate Mental Health Services within the~~  
 23 ~~community. Outreach activities will include educating the community about the services offered and~~  
 24 ~~requirements for participation in the various mental health programs within the community. Such~~  
 25 ~~activities may result in the CONTRACTOR developing Referral sources for Clients from programs~~  
 26 ~~being offered within the community.~~

27 ~~— AH. PBM Company means a company contracted by the COUNTY that manages the medication~~  
 28 ~~benefits for Clients that are qualified for medication benefits.~~

29 ~~— AI. Pre-Licensed Psychologist means an individual who has a Ph.D. or Psy.D. in Clinical~~  
 30 ~~Psychology and is registered with the Board of Psychology as a Registered Psychologist or~~  
 31 ~~Psychological Assistant, while acquiring hours for licensing and providing services under a waiver in~~  
 32 ~~accordance with WIC section 575.2. The waiver may not exceed five (5) years.~~

33 ~~— AJ. Pre Licensed Therapist means an individual who has a Master's Degree in social work or MFT,~~  
 34 ~~PCC and is registered with the BBS as an associate clinical social worker, PCC intern, or MFT intern,~~  
 35 ~~while acquiring hours for licensing. Registration is subject to regulations adopted by BBS.~~

36 ~~— AK. Program Director means an individual who is responsible for all aspects of administration and~~  
 37 ~~clinical operations of the mental health program, including development and adherence to the annual~~

1 budget. This individual will also be responsible for the following: hiring, development and  
 2 performance management of professional and support staff, and ensuring mental health treatment  
 3 services are provided in concert with COUNTY and state rules and regulations.

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

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

13 —AN. Psychology Student or Psychology Intern means an individual who is in school pursuing a  
 14 Ph.D. or Psy.D. in Clinical Psychology, and may or may not meet the criteria for a DHCS Waiver in  
 15 order to provide services in accordance with DHCS Information Letter No. 10-03. The waiver may not  
 16 exceed (5) years.

17 —AO. QIC means a committee that meets quarterly to review one percent (1%) of all “high-  
 18 risk” Medi-Cal Clients in order to monitor and evaluate the quality and appropriateness of services  
 19 provided. At a minimum, the committee is comprised of one (1) ADMINISTRATOR, one (1) clinician,  
 20 and one (1) physician who are not involved in the clinical care of the cases.

21 —AP. RCL/Rate Classification Level Group Home means a Group Home reviewed by the State  
 22 Department of Social Services, Foster Care Rates Bureau, that meets the requirements for a RCL of 1 to  
 23 14, to provide eligible minors room and board and supervision.

24 —AQ. Referral means effectively linking Clients to other services within the community and  
 25 documenting follow up provided within five (5) business days to assure that Clients have made contact  
 26 with the referred service(s).

27 —AR. RN means a licensed individual, pursuant to the provisions of Chapter 6 of the California  
 28 Business and Professions Code, who can provide clinical services to Clients. The license must be  
 29 current and in force, and has not been suspended or revoked. Also, it is preferred that the individual has  
 30 at least one (1) year of experience treating children and TAY.

31 —AS. Student Intern means student(s) currently enrolled in an accredited graduate or undergraduate  
 32 program and is/are accumulating supervised work experience hours as part of field work, internship, or  
 33 practicum requirements. Acceptable programs include all programs that assist students in meeting the  
 34 educational requirements to be a Licensed MFT, a LCSW, a Licensed Clinical Psychologist, a Licensed  
 35 PCC, or to obtain a Bachelor’s degree. Individuals with graduate degrees and have two (2) years of full-  
 36 time experience in a mental health setting, either post-degree or as part of the program leading to the  
 37 graduate degree, are not considered as students.

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

~~AU. Token means the security device which allows an end-user to access ADMINISTRATOR's computer based IRIS.~~

~~AV 67. UMDAP means the method used for determining the annual Client liability for mental health services received from the COUNTY's mental health system and is set by the State of California.~~

~~AW~~  
 68. Wraparound Orange County means the wraparound program administered by COUNTY's SSA and is available to children and TAY who are returning from or being considered for placement in group homes.

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

**II. ~~BUDGET~~BUDGET**

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

|                            | <u>PERIOD ONE</u> | <u>PERIOD TWO</u> | <u>TOTAL</u> |
|----------------------------|-------------------|-------------------|--------------|
| <b>ADMINISTRATIVE COST</b> |                   |                   |              |
| Indirect Costs             | \$ 59,634         | \$ 59,634         | \$ 119,268   |
| <b>SUBTOTAL</b>            |                   |                   |              |
| <b>ADMINISTRATIVE COST</b> | \$ 59,634         | \$ 59,634         | \$ 119,268   |
| <b>PROGRAM COST</b>        |                   |                   |              |
| — Salaries                 | \$263,528         | \$263,528         | \$527,056    |
| — Benefits                 | 79,058            | 79,058            | —158,116     |
| — Services and Supplies    | —34,974           | —34,974           | —69,948      |
| — Subcontractor            | —20,000           | —20,000           | —40,000      |
| <b>SUBTOTAL</b>            |                   |                   |              |
| <b>PROGRAM COST</b>        | \$397,560         | \$397,560         | \$795,120    |
| <b>TOTAL GROSS COST</b>    | \$457,194         | \$457,194         | \$914,388    |
| <b>REVENUE</b>             |                   |                   |              |

|    |                                      |                 |                  |                 |
|----|--------------------------------------|-----------------|------------------|-----------------|
| 1  | Federal Medi-Cal                     | \$182,194       | \$182,194        | \$364,388       |
| 2  | MHSA                                 | <u>-275,000</u> | <u>-275,000</u>  | <u>-550,000</u> |
| 3  | TOTAL REVENUE                        | \$457,194       | \$457,194        | \$914,388       |
| 4  |                                      |                 |                  |                 |
| 5  | MAXIMUM OBLIGATION                   | \$457,194       | \$457,194        | \$914,388       |
| 6  |                                      |                 |                  |                 |
| 7  | <u>ADMINISTRATIVE COSTS</u>          |                 |                  |                 |
| 8  | <u>Indirect Costs</u>                |                 | \$ 65,657        |                 |
| 9  | <u>SUBTOTAL ADMINISTRATIVE COSTS</u> |                 | <u>\$ 65,657</u> |                 |
| 10 |                                      |                 |                  |                 |
| 11 | <u>PROGRAM COSTS</u>                 |                 |                  |                 |
| 12 | <u>Salaries</u>                      |                 | \$270,331        |                 |
| 13 | <u>Benefits</u>                      |                 | 67,583           |                 |
| 14 | <u>Services and Supplies</u>         |                 | 99,799           |                 |
| 15 | <u>SUBTOTAL</u>                      |                 | <u>\$437,713</u> |                 |
| 16 | <u>PROGRAM COSTS</u>                 |                 |                  |                 |
| 17 |                                      |                 |                  |                 |
| 18 | <u>TOTAL GROSS COSTS</u>             |                 | <u>\$503,370</u> |                 |
| 19 |                                      |                 |                  |                 |
| 20 | <u>REVENUE</u>                       |                 |                  |                 |
| 21 | <u>FEDERAL MEDI-CAL</u>              |                 | \$200,664        |                 |
| 22 | <u>MHSA</u>                          |                 | \$302,706        |                 |
| 23 | <u>TOTAL REVENUE</u>                 |                 | <u>\$503,370</u> |                 |
| 24 |                                      |                 |                  |                 |
| 25 | <u>TOTAL MAXIMUM OBLIGATION</u>      |                 | <u>\$503,370</u> |                 |

~~— B. CONTRACTOR agrees that the amount of the State match is dependent upon, and shall at no time be greater than, the amount of Federal Medi-Cal actually generated by CONTRACTOR, unless authorized by ADMINISTRATOR.~~

~~— C~~

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 members, 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 shall 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

1 periods. CONTRACTOR shall obtain written approval of any Budget/Staffing Modification Request(s)  
 2 from ADMINISTRATOR prior to implementation by CONTRACTOR. Failure of CONTRACTOR to  
 3 obtain written approval from ADMINISTRATOR for any proposed Budget/Staffing Modification  
 4 Request(s) may result in disallowance of those costs.

5 C. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete  
 6 financial records of its cost and operating expenses. Such records will reflect the actual cost of the type  
 7 of service for which payment is claimed. Any apportionment of or distribution of costs, including  
 8 indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and will  
 9 be made in accordance with GAAP, and Medicare regulations. The Client eligibility determination and  
 10 fee charged to and collected from Clients, together with a record of all billings rendered and revenues  
 11 received from any source, on behalf of Clients treated pursuant to the Agreement, must be reflected in  
 12 CONTRACTOR's financial records.

13 D. The total cost of services provided for in the Agreement are based upon projected revenue  
 14 generation and shall be reimbursed by federal Medi-Cal and state revenues. CONTRACTOR agrees  
 15 that if actual federal Medi-Cal reimbursement, based upon the completed Cost Report, as specified in  
 16 the Cost Report Paragraph of the Agreement, for each Fiscal Year is less than budgeted, the Maximum  
 17 Obligation may, at ADMINISTRATOR's sole discretion, be adjusted down by the amount of under  
 18 generated federal Medi-Cal and/or State revenue.

19 DE. In the event CONTRACTOR collects fees and insurance, including Medicare, for services  
 20 provided pursuant to the Agreement, CONTRACTOR may make written application to  
 21 ADMINISTRATOR to retain such revenues; provided, however, the application must specify that the  
 22 fees and insurance shall be utilized exclusively to provide Mental Health Services. ADMINISTRATOR  
 23 may, at its sole discretion, approve any such retention of revenues. Approval by ADMINISTRATOR  
 24 shall be in writing to CONTRACTOR and shall specify the amount of said revenues to be retained and  
 25 the quantity of services to be provided by CONTRACTOR.

26 ~~F E. BUDGET/STAFFING MODIFICATIONS - CONTRACTOR may request to shift funds~~  
 27 ~~between budgeted line items for the purpose of meeting specific program needs or for providing~~  
 28 ~~continuity of care to its members, by utilizing a Budget/Staffing Modification Request form provided by~~  
 29 ~~ADMINISTRATOR. CONTRACTOR shall submit a properly completed Budget/Staffing Modification~~  
 30 ~~Request to ADMINISTRATOR for consideration, in advance, which shall include a justification~~  
 31 ~~narrative specifying the purpose of the request, the amount of said funds to be shifted, and the sustaining~~  
 32 ~~impact of the shift as may be applicable to the current contract period and/or future contract periods.~~  
 33 ~~CONTRACTOR shall obtain written approval of any Budget/Staffing Modification Request(s) from~~  
 34 ~~ADMINISTRATOR prior to implementation by CONTRACTOR. Failure of CONTRACTOR to obtain~~  
 35 ~~written approval from ADMINISTRATOR for any proposed Budget/Staffing Modification Request(s)~~  
 36 ~~may result in disallowance of those costs.~~

37 //

1 ~~F. FINANCIAL RECORDS~~ CONTRACTOR shall prepare and maintain accurate and complete  
 2 financial records of its cost and operating expenses. Such records will reflect the actual cost of the type  
 3 of service for which payment is claimed. Any apportionment of or distribution of costs, including  
 4 indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and will  
 5 be made in accordance with GAAP.

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

### 8 9 **III. PAYMENTS**

10 A. COUNTY shall pay CONTRACTOR monthly, in arrears, the provisional amount of  
 11 ~~\$38,100~~ \$41,948 per month, as specified in the Referenced Contract Provisions of the Agreement. All  
 12 payments are interim payments only, and subject to Final Settlement in accordance with the Cost Report  
 13 Paragraph of the Agreement for which CONTRACTOR shall be reimbursed for the actual cost of  
 14 providing the services hereunder; provided, however, the total of such payments ~~does~~ do not exceed  
 15 COUNTY's the Maximum Obligation as specified in the Referenced Contract Provisions of the  
 16 Agreement, and; provided further, CONTRACTOR's costs are reimbursable pursuant to COUNTY,  
 17 state, and federal regulations. ADMINISTRATOR may, at its discretion, pay supplemental invoices for  
 18 any month for which the provisional amount specified above has not been fully paid.

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

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

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

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

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

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

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

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

#### 11 **IV. REPORTS**

##### 12 **A. FISCAL**

13 1. CONTRACTOR shall submit monthly Expenditure and Revenue Reports to  
14 ADMINISTRATOR. These reports ~~shall~~ will be on a form acceptable to, or provided by,  
15 ADMINISTRATOR and ~~shall~~ will report actual costs and revenues for CONTRACTOR's program  
16 described in the Services Paragraph of this Exhibit A to the Agreement. ~~Any changes, modifications, or~~  
17 ~~deviations to any approved budget line item must be approved in advance and in writing.~~ Such reports  
18 will also include actual productivity as defined by ADMINISTRATOR and annotated on the monthly  
19 Expenditure and Revenue Report, or said cost deviations may be subject to disallowance. Such. The  
20 reports ~~reports~~ shall be ~~received by~~ submitted to ADMINISTRATOR no later than ~~twenty (20) calendar~~  
21 ~~days~~ the twentieth (20th) day following the end of the month being reported. CONTRACTOR must  
22 request in writing any extensions to the due date of the monthly required reports. If an extension is  
23 approved by ADMINISTRATOR, the total extension will not exceed more than five (5) calendar days.

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

32 B. STAFFING ~~REPORT~~ — CONTRACTOR shall submit monthly Staffing Reports to  
33 ADMINISTRATOR. ~~CONTRACTOR's~~ These reports shall contain required information, and be on a  
34 form acceptable to, or provided by, ADMINISTRATOR. ~~CONTRACTOR shall submit these reports no~~  
35 ~~later than twenty (20) calendar days following the end of the month being reported.~~ CONTRACTOR  
36 //



1 must request in writing any extensions to the due date of the monthly required reports. If an extension is  
2 approved by ADMINISTRATOR, the total extension will not exceed more than five (5) calendar days.

3 C. PROGRAMMATIC – CONTRACTOR shall submit monthly programmatic reports to  
4 ADMINISTRATOR, including a program narrative and Performance Outcome report, on a form  
5 acceptable to or provided by ADMINISTRATOR, which will be submitted to ADMINISTRATOR no  
6 later than twenty (20) calendar days following the end of the month being reported, unless otherwise  
7 specified. Programmatic reports ~~to ADMINISTRATOR. These reports shall be in a format approved~~  
8 ~~by ADMINISTRATOR and shall~~ will include, but not be limited to, ~~descriptions of~~ the following:

9 1. Training provided to staff; and

10 2. A description of CONTRACTOR's progress in implementing the provisions of the  
11 Agreement, any ~~performance objectives, outcomes, and~~ pertinent facts or interim findings ~~as directed by~~  
12 ~~ADMINISTRATOR.~~ staff changes, status of licenses and/or certifications, changes in population  
13 served and reasons for any such changes. CONTRACTOR shall state whether it is or is not progressing  
14 satisfactorily in achieving all the terms of the Agreement, and if not, shall specify what steps will be  
15 taken to achieve satisfactory progress.

16 3. CONTRACTOR shall be prepared to present and discuss ~~the~~ their programmatic reports at  
17 ~~the~~ their monthly scheduled meetings with ADMINISTRATOR, ~~to include whether or not~~  
18 ~~CONTRACTOR is progressing satisfactorily and if not, specify what steps are being taken to achieve~~  
19 ~~satisfactory progress. Such reports~~ and shall be received by state whether it is or is not progressing  
20 satisfactorily in achieving all the terms of this Agreement, and if not, shall specify what steps will be  
21 taken to achieve satisfactory progress.

22 4. CONTRACTOR shall advise ADMINISTRATOR ~~no later than twentieth (20th) calendar~~  
23 ~~day following the end of the month being reported~~ of any special incidents, conditions, or issues that  
24 adversely affect the quality or accessibility of Client-related services provided by, or under contract  
25 with, the COUNTY as identified in the HCA P&Ps.

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

30 E. CONTRACTOR agrees to enter psychometrics into COUNTY's EHR system as requested by  
31 ADMINISTRATOR. Said psychometrics are for the COUNTY's analytical uses only, and shall not be  
32 relied upon by CONTRACTOR to make clinical decisions. CONTRACTOR agrees to hold COUNTY  
33 harmless, and indemnify pursuant to Section XI, from any claims that arise from non-COUNTY use of  
34 said psychometrics.

35 F. CONTRACTOR shall submit reports as required by the ADMINISTRATOR and/or the State  
36 and shall make all collected data available to ADMINISTRATOR upon request by CMS.

37 //

1 G. CONTRACTOR shall collect data on beneficiary characteristics as specified by the  
2 ADMINISTRATOR, and on all services through an encounter data system or other method as specified  
3 by ADMINISTRATOR.

4 H. ~~E~~ CONTRACTOR shall ensure that data submitted is accurate and complete by verifying  
5 the accuracy and timeliness of reported data, screening the data for completeness, logic and consistency,  
6 submitting data in standardized formats as determined appropriate by ADMINISTRATOR.

7 I. CONTRACTOR shall document all adverse incidents affecting the physical and/or emotional  
8 welfare of Clients including, but not limited to, serious physical harm to self or others, serious  
9 destruction of property, developments, etc., and which may raise liability issues with COUNTY.  
10 CONTRACTOR shall notify COUNTY within twenty-four (24) hours of becoming aware of any such  
11 serious adverse incident, and complete a Special Incident Report in accordance with established P&Ps.

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

14  
15 V. ~~SERVICES~~ SERVICES

16 A. FACILITIES

17 1. ~~CONTRACTOR~~, CONTRACTOR shall maintain the capability to provide outpatient  
18 services to children and transitional age youth with co-occurring mental health and substance abuse  
19 disorders in conjunction with the following residential facility(ies), which ~~meets~~ meet(s) the minimum  
20 requirements for Medi-Cal eligibility, or any other location approved by ADMINISTRATOR as  
21 specified below:

22  
23 ~~Touchstones~~

24 525 N. Parker St.  
25 Orange, CA 92867

26  
27 2. CONTRACTOR shall also make an effort to provide services in community-based facilities  
28 such as school sites when appropriate for more effective provision of services to the client.

29 ~~3. CONTRACTOR shall maintain regularly scheduled service hours, five days a week~~  
30 ~~throughout the year and maintain the capability to provide services during after school hours on~~  
31 ~~weekdays until 8:00 p.m., and on weekends, if necessary, in order to accommodate clients unable to~~  
32 ~~participate during regular business hours.~~

33 ~~a. CONTRACTOR's administrative staff~~ 3. CONTRACTOR shall  
34 maintain regularly scheduled service hours throughout the year and maintain the capability to provide  
35 services during after-school hours, on weekdays until 8:30 p.m., and on weekends in order to  
36 accommodate clients unable to participate during traditional business hours.

37 //

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

3 ~~5 b. CONTRACTOR shall provide twenty four (24) hour crisis intervention  
4 services and provide a plan for twenty four (24) hour psychiatric emergency services to minors which  
5 includes informing clients and their families whom to contact for emergency services when the  
6 CONTRACTOR's facility is closed.~~

7 ~~4.~~ Upon ADMINISTRATOR's certification of the provider's existing site(s), the  
8 CONTRACTOR shall be responsible for making any necessary changes to meet and maintain Medi-Cal  
9 site standards.

#### 10 B. MENTAL HEALTH OUTPATIENT SERVICES

11 1. CONTRACTOR shall provide outpatient mental health services primarily to COUNTY  
12 Medi-Cal eligible clients up to the age of twenty-one (21) years old.

13 2. CONTRACTOR shall conduct outreach to develop and maintain CONTRACTOR's own  
14 referral sources to ensure sufficient caseloads to meet contractual obligations.

15 3. CONTRACTOR shall provide medically necessary services to Medi-Cal eligible, special  
16 population clients that may include, but not be limited to, ~~preschool children,~~ wards and dependents of  
17 the courts, dually diagnosed children, group home and foster children, and TAY. Services shall be  
18 provided at a level and frequency and duration that is consistent with each client's level of dysfunction  
19 and treatment goals, and consistent with individualized, solution-focused, evidenced-based practices.  
20 The population to whom services are to be provided shall include, but may not be limited to:

21 a. Children who are acutely or chronically and seriously mentally ill, and for whom  
22 hospitalization or other out-of-home placement is imminent without immediate intervention.

23 b. Children who are severely emotionally ill but not in an emergency situation who,  
24 without appropriate treatment, will deteriorate and later require more intensive and costly treatment, and  
25 possibly face removal from their homes.

26 c. Families whose children can be diverted from the regular mental health care system  
27 through parent education and consultation services.

28 d. Children at risk for psychiatric hospitalization especially those whose mental health  
29 issues are complicated by substance use.

30 e. Children who are having difficulty in school, or are at risk of being placed in special  
31 education.

32 f. Children who are in special education.           

33 ~~g. Minors of all ages who are in group home placement and who meet the COUNTY's~~  
34 ~~admission criteria under the Medi-Cal Outpatient Consolidation Plan.~~

35 ~~h. Foster children of all ages and underserved clients whose mental health problems are~~  
36 ~~causing them impaired functioning in different life domains.~~

37 //

~~i~~ g. Similar children who may be referred by a CalOPTIMA primary care provider.

~~4. In the situation where a Medi-Cal client no longer meets Medi-Cal eligibility as verified by the State Medi-Cal website, CONTRACTOR, upon reasonable discovery of this situation, shall discharge the client from IRIS and refer the client to appropriate services in the community. If necessary, CONTRACTOR can request, in writing, approval from ADMINISTRATOR to continue to provide services for a specified amount of time/sessions as determined appropriate by ADMINISTRATOR while linking the client to other appropriate services.~~

~~5~~ 4. CONTRACTOR shall offer clinical intervention within five (5) business days of client's referral for services. A sufficient amount of treatment services shall be provided during evening hours in order to accommodate clients and their parents not able to participate during regular day-time hours. Treatment services shall include, but may not be limited to:

a. Performing clinical and psycho-diagnostic assessment using use the diagnostic codes as specified in the most current International Classification of Diseases – Clinical Modification (ICD-CM) and further defined in the current Diagnostic and Statistical Manual of Mental Disorders (DSM-IV Five Axis diagnosis,) published by the American Psychiatric Association or updated classification as directed by ADMINISTRATOR, ~~to~~. This formulation shall include clinical consideration of each fundamental need: physical, psychological, maturational, developmental, familial, educational, social, environmental and recreational. Additional examinations, tests and evaluations may be conducted as clinically indicated. Findings of the examinations and evaluations shall be documented in the client record and signed by CONTRACTOR's appropriate and responsible staff.

b. Obtaining valid consents from parents or courts for treatment.

c. Developing a written treatment plan for each client that shall be based on the assessment and diagnosis of that client. The treatment plan shall delineate and justify all specific treatment modes and therapeutic modalities to be used, and shall be developed in accordance with ADMINISTRATOR standards, and utilize a full range of appropriate psychiatric and psychological treatment modes and modalities. All An interim treatment plan shall be created for each participant at time of entry into the program with the formal treatment/service plans, coordination plans, and assessment documents ~~shall be~~ developed within ~~sixty (60)~~ fourteen (14) calendar days from the first planned face-to-face contact with an individual client and/or significant support person(s). Such plans shall identify specific treatment modes, milestones for the individual client, obstacles/symptoms, and efforts of significant support person(s) and program staff on behalf of the client. All treatment/service plans shall include observable and measurable client milestones.

d. Use of individual therapy, brief intensive services, and short and long-term group therapy modalities including psycho-educational, cognitive behavioral and child management therapy techniques. CONTRACTOR shall develop and implement group therapy modalities for conditions that, according to established research, would particularly show improvement when treated in this manner.

1 e. Collateral services, including individual therapy to a client's adult caregivers to help  
 2 them in their parenting role. Services shall be provided to adult caregivers when it is determined that it  
 3 is in the best interest in treating the minor client, and CONTRACTOR shall promote active participation  
 4 of client's family. CONTRACTOR shall refer the adult caregiver(s) to an appropriate adult mental  
 5 health provider for medication and/or mental health services to address the adult caregiver's DSM-V  
 6 mental disorder.

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

10 ~~g. Medication support services, including a system of medication quality review, which  
 11 shall be provided by well-trained, experienced psychiatrists knowledgeable in the use of medication to  
 12 improve the functioning and enhance the self-esteem of children. Medication used solely for psychiatric  
 13 purposes, and no other purposes, shall be prescribed for all clients for whom it is clinically indicated.  
 14 CONTRACTOR shall ensure that the following are adhered to:~~

15 ~~1) Established plan for maximizing use of physician time.~~

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

17 ~~3) Prescriptions may be filled at any pharmacy with which the COUNTY's Pharmacy  
 18 Benefits Manager has a contract; provided that CONTRACTOR shall be responsible for noting the  
 19 Medi-Cal number on prescriptions for Medi-Cal clients.~~

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

24 ~~5) CONTRACTOR shall order such laboratory tests as are necessary and appropriate  
 25 to monitor psychotropic medications and shall be responsible for the cost of such tests.~~

26 ~~h. [REDACTED].~~ In coordination and integration with the COUNTY, provide or cause to be  
 27 provided, all necessary substance abuse treatment services for clients who are dually diagnosed with a  
 28 concurrent substance abuse problem in addition to their mental illness, when appropriate.

29 ~~ih.~~ Providing advocacy services on behalf of the clients including intervening for the  
 30 clients with social services, probation and health departments, justice system, etc., as well as attending  
 31 Individual Education Program meetings when requested by COUNTY.

32 ~~ji.~~ Providing additional services, through a wide range of service options, which may  
 33 include, but not be limited to, in-classroom consultation and visits to other facilities, including, but not  
 34 limited to, Juvenile Hall, schools, Orangewood Children and Family Center, contractor clinics, and  
 35 COUNTY operated clinics to provide treatment, assessment, and consultation.

36 6. CONTRACTOR shall accept referrals from and make referrals to the various MHSA  
 37 programs, as appropriate. CONTRACTOR shall coordinate referrals with other existing mental health

1 services and wraparound services, to ensure that clients and their families are given access to the most  
 2 appropriate level and type of service. Other services may include Wraparound Orange County; MHSA  
 3 FSP programs ~~for children~~, Crisis Residential Programs, ~~TAY~~, and other COUNTY mental health  
 4 services.

5 7. CONTRACTOR shall participate in any clinical case review and implement any  
 6 recommendations made by COUNTY to improve client care.

7 8. CONTRACTOR shall conduct Supervisory Review at sixty (60) calendar day and six (6)  
 8 month intervals, in accordance with procedures developed by ADMINISTRATOR. CONTRACTOR  
 9 shall conduct thirty (30)-day review of open cases, or previously opened with another provider.  
 10 CONTRACTOR shall ensure that all chart documentation complies with all federal, state, and local  
 11 guidelines and standards.

### 12 C. CONTRACTOR RESPONSIBILITIES

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

16 2. CONTRACTOR shall ensure that all staff complete the COUNTY's Annual Provider  
 17 Training, and those designated staff responsible for input into IRIS complete IRIS New User Training.

18 3. CONTRACTOR shall ensure that Annual Compliance Training is completed as set forth in  
 19 Subparagraph C. of the Compliance Paragraph of the Agreement.

20 4. CONTRACTOR shall agree to adopt and comply with the documentation standards as per  
 21 ADMINISTRATOR's Standards of Care practices; P&P's, Annual Provider Training; DHCS State  
 22 Contract; Title IX; the State EPSDT Documentation Manual; the State EPSDT TBS Documentation  
 23 Manual; and the EPSDT TBS Coordination of Care Best Practices Manual as provided by  
 24 ADMINISTRATOR, which describe, but are not limited to, the requirements for Medi-Cal and  
 25 ADMINISTRATOR charting standards; and any state regulatory requirements.—

26 5. CONTRACTOR shall regularly review their charting, IRIS data input, and invoice systems  
 27 to ensure compliance with COUNTY and State P&Ps and establish mechanisms to prevent inaccurate  
 28 claim submissions.

29 6. CONTRACTOR shall maintain on file at the facility minutes and records of all quality  
 30 improvement meetings and processes. Such records and minutes shall also be subject to regular review  
 31 by ADMINISTRATOR in the manner specified in the Quality Improvement Implementation Plan and  
 32 ADMINISTRATOR's P&Ps.

33 7. CONTRACTOR shall attend:

34 a. Case conferences, as requested by ADMINISTRATOR to address any aspect of clinical  
 35 care.

36 b. Monthly meetings with ADMINISTRATOR to discuss contractual and other issues  
 37 related to, but not limited to compliance with P&Ps, statistics and clinical services.

1 c. Clinical staff training for individuals by ADMINISTRATOR. Such training shall be  
2 conducted by CONTRACTOR and/or ADMINISTRATOR.

3 d. Quarterly QIC meetings.

4 8. CONTRACTOR shall allow ADMINISTRATOR to attend, and if necessary conduct, QIC  
5 and medication monitoring meetings.

6 D. PERFORMANCE OUTCOMES

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

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

15 3. CONTRACTOR shall cooperate in data collection in order to develop baseline figures for  
16 future evaluation and report performance in terms of Client satisfaction, length of stay, and duration of  
17 services.

18 4. CONTRACTOR shall complete CalOMS in a manner that meets standards as set forth by  
19 ADMINISTRATOR with a monthly error rate not to exceed five percent (5%).

20 E. TOKENS – ADMINISTRATOR shall provide CONTRACTOR the necessary number of  
21 Tokens for appropriate individual staff to access IRIS at no cost to the CONTRACTOR.

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

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

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

28 4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following  
29 conditions:

- 30 a. Token of each staff member who no longer supports the Agreement;
- 31 b. Token of each staff member who no longer requires access to IRIS;
- 32 c. Token of each staff member who leaves employment of CONTRACTOR; or
- 33 d. Token is malfunctioning;
- 34 e. Termination of the Agreement.

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

37 //

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

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

6 F. CONTRACTOR shall obtain a NPI.

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

9 2. CONTRACTOR, including each employee that provides services under the Agreement,  
10 will obtain a NPI upon commencement of the Agreement or prior to providing services under the  
11 Agreement. CONTRACTOR shall report to ADMINISTRATOR, on a form approved or supplied by  
12 ADMINISTRATOR, all NPI numbers as soon as they are available.

13 G. CONTRACTOR shall provide the NPP for the COUNTY, as the MHP, at the time of the first  
14 service provided under the Agreement to individuals who are covered by Medi-Cal and have not  
15 previously received services at a COUNTY operated clinic. CONTRACTOR shall also provide, upon  
16 request, the NPP for the COUNTY, as the MHP, to any individual who received services under the  
17 Agreement.

18 H. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources,  
19 with respect to any individual(s) who have been referred to CONTRACTOR by COUNTY under the  
20 terms of the Agreement. Further, CONTRACTOR agrees that the funds provided hereunder will not be  
21 used to promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian  
22 institution, or religious belief.

23 I. CONTRACTOR shall not engage in, or permit any of its employees or subcontractors, to  
24 conduct research activity on COUNTY Clients without obtaining prior written authorization from  
25 ADMINISTRATOR.

26 J. CONTRACTOR shall provide effective Administrative management of the budget, staffing,  
27 recording, and reporting portion of the Agreement with the COUNTY. If administrative responsibilities  
28 are delegated to subcontractors, CONTRACTOR must ensure that any subcontractor(s) possess the  
29 qualifications and capacity to perform all delegated responsibilities. These responsibilities include, but  
30 are not limited, to the following:

- 31 1. Designate the responsible position(s) in your organization for managing the funds allocated  
32 to the program;
- 33 2. Maximize the use of the allocated funds;
- 34 3. Ensure timely and accurate reporting of monthly expenditures;
- 35 4. Maintain appropriate staffing levels;
- 36 5. Request budget and/or staffing modifications to the Agreement;
- 37 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.

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

L. CONTRACTOR shall advise ADMINISTRATOR of any special incidents, conditions, or issues that adversely affect the quality or accessibility of Client-related services provided by, or under contract with, the COUNTY as identified in the ADMINISTRATOR’s P&Ps.

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

**VI. ~~STAFFING~~ STAFFING**

A. CONTRACTOR shall, at a minimum, provide the following staffing pattern expressed in Full-Time Equivalents (~~FTE~~ FTEs) continuously throughout the term of the Agreement. One (1) FTE ~~shall~~ will be equal to an average of forty (40) hours work per week ~~to provide mental health outpatient services for children and youth:~~

|   | <u>FTEs</u>           |
|---|-----------------------|
| <u>DIRECT NON-DSH PROGRAM</u>               |                       |
| <u>Administrative Assistant</u>             | <u>1.00</u>           |
| <u>DIRECT NON-DSH PROGRAM SUBTOTAL</u>      | <u>1.00</u>           |
| <br>  |                       |
| <u>DIRECT DSH PROGRAM</u>                   |                       |
| <u>Program Director</u>                     | <u>0.10</u>           |
| <u>Program Coordinator</u> <del>MFT</del>   | <u>1.00</u>           |
| <del>Administrative Assistant/Billing</del> | <del>1.00</del>       |
| <u>Counselor MFT</u>                        | <u>3.00</u>           |
| <u>DIRECT DSH PROGRAM SUBTOTAL</u>          | <u>4.10</u>           |
| <del>Subcontractor</del>                    | <del>0.06</del>       |
| <b>TOTAL FTEs</b>                           | <b>5.16</b> <u>10</u> |

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

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

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

17 E. CONTRACTOR shall make its best effort to provide services pursuant to the Agreement in a  
 18 manner that is culturally and linguistically appropriate for the population(s) served. CONTRACTOR  
 19 shall maintain documents of such efforts which may include; but not be limited to: records of  
 20 participation in COUNTY-sponsored or other applicable ~~Training~~ training; recruitment and hiring  
 21 ~~policy~~ policies and procedures; ~~(P&Ps)~~; copies of literature in multiple languages and formats, as  
 22 appropriate; and descriptions of measures taken to enhance accessibility for, and sensitivity to,  
 23 individuals who are physically challenged.

24 F. CONTRACTOR shall develop a policy governing supervision of staff that will be approved by  
 25 the ADMINISTRATOR. That policy will address the training needs of all staff and ensure that direct  
 26 service staff are trained in: suicide assessment and crisis intervention, developing safety plans,  
 27 maintaining healthy boundaries, reporting child abuse, dealing with difficult Clients, and medication,  
 28 confidentiality, identification of strengths, promoting life skills, meeting facilitation and such other  
 29 topics identified by the ADMINISTRATOR.

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

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

1 ~~I.~~ H. CONTRACTOR shall establish clear policy and procedures pertaining to staff's work  
 2 location options (i.e. office vs. field/home) and equipment usage (e.g., cell phones, texting devices, and  
 3 computers). The policy and procedures shall address at the minimum the following:

- 4 1. Eligibility and selection criteria;
- 5 2. Staff's field/home on-duty conduct and responsibilities;
- 6 3. Supervision plan of staff and equipment including emergency procedure; and
- 7 4. Confidentiality and records keeping.

8 ~~J.~~ I. CONTRACTOR shall notify ADMINISTRATOR, in writing, within seventy-two (72) hours, of  
 9 any staffing vacancies that occur during the term of the Agreement. CONTRACTOR's notification  
 10 shall include at a minimum the following information: employee name(s), position title(s), date(s) of  
 11 resignation, date(s) of hire, and a description of recruitment activity.

12 ~~K.~~ J. CONTRACTOR shall notify ADMINISTRATOR, in writing, at least seven (7) days in  
 13 advance, of any new staffing changes; including promotions, temporary FTE changes and internal or  
 14 external temporary staffing assignment requests that occur during the term of the Agreement.

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

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

24 ~~N.~~ M. WORKLOAD STANDARDS - CONTRACTOR understands and agrees that at any given  
 25 time the standards referenced below are minimum standards, and shall make every effort to exceed these  
 26 minimums.

- 27 1. One (1) DSH shall be equal to sixty (60) minutes of direct Client service.
- 28 2. CONTRACTOR shall, during the term of the Agreement, provide a minimum of four  
 29 thousand ~~eight~~ three hundred and twenty (4,800 ~~320~~) DSH for Client related services, which shall include  
 30 mental health, case management, Crisis Intervention, and other support services and is inclusive of both  
 31 billable and  
 32 non-billable services.

33 3. CONTRACTOR shall provide a minimum of one hundred (100) billable DSHs per month  
 34 per FTE or one thousand two hundred (1,200) billable DSHs per year per contracted FTE clinician, of  
 35 mental health services, unless otherwise approved by ADMINSTRATOR

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1 ~~EN~~. STUDENT INTERNS

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

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

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

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

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

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EXHIBIT B  
TO AGREEMENT FOR PROVISION OF  
 OUTPATIENT SERVICES FOR CHILDREN AND TRANSITIONAL AGE YOUTH WITH CO-  
OCCURRING MENTAL HEALTH AND SUBSTANCE ABUSE DISORDERS  
~~WITH CO-OCCURRING MENTAL HEALTH AND SUBSTANCE ABUSE DISORDERS~~  
 BETWEEN  
 COUNTY OF ORANGE  
 AND  
 SOCIAL MODEL RECOVERY SYSTEMS, INC.  
BETWEEN  
COUNTY OF ORANGE  
 AND  
SOCIAL MODEL RECOVERY SYSTEMS, INC.  
 JULY 1, ~~2016~~2018 THROUGH JUNE 30, ~~2018~~2019

**I. BUSINESS ASSOCIATE CONTRACT**

A. GENERAL PROVISIONS AND RECITALS

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

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

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

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

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

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

## 11 B. DEFINITIONS

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

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

### 18 a. Breach excludes:

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

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

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

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

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

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

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

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

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

4 4. "DRS" shall have the meaning given to such term under the HIPAA Privacy Rule in  
5 45 CFR § 164.501.

6 5. "Disclosure" shall have the meaning given to such term under the HIPAA regulations in  
7 45 CFR § 160.103.

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

10 7. "Individual" shall have the meaning given to such term under the HIPAA Privacy Rule in  
11 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance  
12 with 45 CFR § 164.502(g).

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

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

18 10. "PHI" shall have the meaning given to such term under the HIPAA regulations in  
19 45 CFR § 160.103.

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

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

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

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

31 15. "Subcontractor" shall have the meaning given to such term under the HIPAA regulations in  
32 45 CFR § 160.103.

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

35 17. "Unsecured PHI" or "PHI that is unsecured" means PHI that is not rendered unusable,  
36 unreadable, or indecipherable to unauthorized individuals through the use of a technology or  
37 //

1 methodology specified by the Secretary of Health and Human Services in the guidance issued on the  
2 HHS Web site.

3 18. "Use" shall have the meaning given to such term under the HIPAA regulations in  
4 ~~45 CFR~~ 45CFR § 160.103.

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

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

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

13 3. CONTRACTOR agrees to comply with the HIPAA Security Rule at Subpart C of  
14 45 CFR Part 164 with respect to electronic PHI COUNTY discloses to CONTRACTOR or  
15 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.

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

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

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

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

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

35 9. CONTRACTOR agrees to make internal practices, books, and records, including ~~policy and~~  
36 ~~procedures~~ P&Ps, relating to the use and disclosure of PHI received from, or created or received by  
37 CONTRACTOR on behalf of, COUNTY available to COUNTY and the Secretary in a time and manner



1 as determined by COUNTY or as designated by the Secretary for purposes of the Secretary determining  
2 COUNTY's compliance with the HIPAA Privacy Rule.

3 10. CONTRACTOR agrees to document any Disclosures of PHI COUNTY discloses to  
4 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,  
5 and to make information related to such Disclosures available as would be required for COUNTY to  
6 respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with  
7 45 CFR § 164.528.

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

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

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

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

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

34 16. The Parties acknowledge that federal and state laws relating to electronic data security and  
35 privacy are rapidly evolving and that amendment of this Business Associate Contract may be required to  
36 provide for procedures to ensure compliance with such developments. The Parties specifically agree to  
37 take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH

1 Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon  
 2 COUNTY's request, CONTRACTOR agrees to promptly enter into negotiations with COUNTY  
 3 concerning an amendment to this Business Associate Contract embodying written assurances consistent  
 4 with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other  
 5 applicable laws. COUNTY may terminate the Agreement upon thirty (30) days written notice in the  
 6 event:

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

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

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

#### 15 D. SECURITY RULE

16 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish  
 17 and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with  
 18 45 CFR § 164.308, § 164.310, and § 164.312, with respect to electronic PHI COUNTY discloses to  
 19 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.  
 20 CONTRACTOR shall develop and maintain a written information privacy and security program that  
 21 includes Administrative, Physical, and Technical Safeguards appropriate to the size and complexity of  
 22 CONTRACTOR's operations and the nature and scope of its activities.

23 2. CONTRACTOR shall implement reasonable and appropriate policies and procedures to  
 24 comply with the standards, implementation specifications and other requirements of  
 25 45 CFR Part 164, Subpart C, in compliance with 45 CFR § 164.316. CONTRACTOR will provide  
 26 COUNTY with its current and updated policies upon request.

27 3. CONTRACTOR shall ensure the continuous security of all computerized data systems  
 28 containing electronic PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,  
 29 maintains, or transmits on behalf of COUNTY. CONTRACTOR shall protect paper documents  
 30 containing PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,  
 31 maintains, or transmits on behalf of COUNTY. These steps shall include, at a minimum:

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

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

36 c. Providing a level and scope of security that is at least comparable to the level and scope  
 37 of security established by the OMB in OMB Circular No. A-130, Appendix III - Security of Federal

1 Automated Information Systems, which sets forth guidelines for automated information systems in  
2 Federal agencies;

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

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

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

## 12 E. DATA SECURITY REQUIREMENTS

### 13 1. Personal Controls

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

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

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

32 d. Background Check. Before a member of the workforce may access PHI COUNTY  
33 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of  
34 COUNTY, a background screening of that worker must be conducted. The screening should be  
35 commensurate with the risk and magnitude of harm the employee could cause, with more thorough  
36 screening being done for those employees who are authorized to bypass significant technical and  
37 //

1 operational security controls. The CONTRACTOR shall retain each workforce member's background  
2 check documentation for a period of three (3) years.

3 2. Technical Security Controls

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

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

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

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

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

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

35 g. User IDs and Password Controls. All users must be issued a unique user name for  
36 accessing PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,  
37 or transmits on behalf of COUNTY. Username must be promptly disabled, deleted, or the password

1 | changed upon the transfer or termination of an employee with knowledge of the password, at maximum  
 2 | within twenty-four (24) hours. Passwords are not to be shared. Passwords must be at least eight  
 3 | characters and must be a non-dictionary word. Passwords must not be stored in readable format on the  
 4 | computer. Passwords must be changed every ninety (90) days, preferably every sixty (60) days.  
 5 | Passwords must be changed if revealed or compromised. Passwords must be composed of characters  
 6 | from at least three (3) of the following four (4) groups from the standard keyboard:

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

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

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

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

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

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

35 | m. Transmission encryption. All data transmissions of PHI COUNTY discloses to  
 36 | CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY  
 37 | outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is

1 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files  
 2 containing PHI can be encrypted. This requirement pertains to any type of PHI in motion such as  
 3 website access, file transfer, and E-Mail.

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

### 8 3. Audit Controls

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

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

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

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

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

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

### 35 5. Paper Document Controls

36 a. Supervision of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR  
 37 creates, receives, maintains, or transmits on behalf of COUNTY in paper form shall not be left

1 unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means  
2 that information is not being observed by an employee authorized to access the information. Such PHI  
3 in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in  
4 baggage on commercial airplanes.

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

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

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

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

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

26 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

36 //  
37 //

1           2. CONTRACTOR shall provide the notification of the Breach immediately to the COUNTY  
2 Privacy Officer. CONTRACTOR's notification may be oral, but shall be followed by written  
3 notification within 24 hours of the oral notification.

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

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

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

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

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

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

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

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

22  
23           4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in  
24 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the  
25 COUNTY.

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

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

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



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

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

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

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

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

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

20 1) The Disclosure is required by law; or

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

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

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

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

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

#### 35 H. PROHIBITED USES AND DISCLOSURES

36 1. CONTRACTOR shall not disclose PHI COUNTY discloses to CONTRACTOR or  
 37 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY about an individual to

1 a health plan for payment or health care operations purposes if the PHI pertains solely to a health care  
 2 item or service for which the health care provider involved has been paid out of pocket in full and the  
 3 individual requests such restriction, in accordance with 42 USC § 17935(a) and 45 CFR § 164.522(a).

4 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI  
 5 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on  
 6 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by  
 7 42 USC § 17935(d)(2).

#### 8 I. OBLIGATIONS OF COUNTY

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

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

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

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

#### 20 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

34 c. In the event that CONTRACTOR determines that returning or destroying the PHI is not  
 35 feasible, CONTRACTOR shall provide to COUNTY notification of the conditions that make return or  
 36 destruction infeasible. Upon determination by COUNTY that return or destruction of PHI is infeasible,  
 37 CONTRACTOR shall extend the protections of this Business Associate Contract to such PHI and limit



EXHIBIT C

TO AGREEMENT FOR PROVISION OF  
OUTPATIENT SERVICES FOR CHILDREN AND TRANSITIONAL AGE YOUTH  
WITH CO-OCCURRING MENTAL HEALTH AND SUBSTANCE ABUSE DISORDERS  
BETWEEN  
COUNTY OF ORANGE  
AND  
SOCIAL MODEL RECOVERY SYSTEMS, INC.  
JULY 1, ~~2016~~2018 THROUGH JUNE 30, ~~2018~~2019

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

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

A. DEFINITIONS

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

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

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

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

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

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

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

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

9. "Required by law" means a mandate contained in law that compels an entity to make a use or disclosure of PI or PII that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a

1 governmental or tribal inspector general, or an administrative body authorized to require the production  
 2 of information, and a civil or an authorized investigative demand. It also includes Medicare conditions  
 3 of participation with respect to health care providers participating in the program, and statutes or  
 4 regulations that require the production of information, including statutes or regulations that require such  
 5 information if payment is sought under a government program providing public benefits. 10.

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

## 9 B. TERMS OF AGREEMENT

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

14 2. Responsibilities of CONTRACTOR—~~CONTRACTOR agrees:~~  
 15 CONTRACTOR agrees:

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

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

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

31 1) -Complying with all of the data system security precautions listed in Subparagraph  
 32 E of the Business Associate Contract, Exhibit B to the Agreement; and

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

37 //

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

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

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

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

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

29                   h. Breaches and Security Incidents. During the term of the Agreement, CONTRACTOR  
 30 agrees to implement reasonable systems for the discovery of any Breach of unsecured DHCS PI and PII  
 31 or security incident. CONTRACTOR agrees to give notification of any beach of unsecured DHCS PI  
 32 and PII or security incident in accordance with Subparagraph F, of the Business Associate Contract,  
 33 Exhibit B to the Agreement.

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