

1 AGREEMENT FOR PROVISION OF
2 RECOVERY EDUCATION INSTITUTE SERVICES
3 BETWEEN
4 COUNTY OF ORANGE
5 AND
6 PACIFIC CLINICS
7 JULY 1, 2016 THROUGH JUNE 30, 2018

8
9 ~~THIS AGREEMENT entered into this 1st day of July 2016, which date is enumerated for purposes~~
10 ~~of reference only, is by and between the COUNTY OF ORANGE (COUNTY) and PACIFIC CLINICS,~~
11 ~~a California (nonprofit corporation) (CONTRACTOR). This Agreement shall be administered by the~~
12 ~~County of Orange Health Care Agency (ADMINISTRATOR).~~

13
14 **W I T N E S S E T H:**

15
16 ~~WHEREAS, COUNTY wishes to contract with CONTRACTOR for the provision of Recovery~~
17 ~~Education Institute services described herein to the residents of Orange County; and~~

18 ~~WHEREAS, CONTRACTOR is agreeable to the rendering of such services on the terms and~~
19 ~~conditions hereinafter set forth:~~

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

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AMENDMENT NO. 1
TO
CONTRACT NO. MA-042-19010238
FOR
Recovery Education Institute Services

This Amendment (“Amendment No. 1”) to Contract No. MA-042-19010238 for Recovery Education Institute Services is made and entered into on July 1, 2020 (“Effective Date”) between Pacific Clinics (“Contractor”), with a place of business at 401 S. Tustin Street, Bldg. A & B, Orange, CA 92866, and the County of Orange, a political subdivision of the State of California (“County”), through its Health Care Agency, with a place of business at 405 W. 5th St., Ste. 600, Santa Ana, CA 92701. Contractor and County may sometimes be referred to individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, the Parties executed Contract No. MA-042-19010238 (“Contract”) for Recovery Education Institute Services, effective July 1, 2016 through June 30, 2018, in an amount not to exceed \$1,653,422, renewable for three additional one-year terms; and

WHEREAS, the Parties executed Contract No. MA-042-19010238 for Recovery Education Institute Services, effective July 1, 2018 through June 30, 2019, in an amount not to exceed \$826,711, renewable for two additional one-year terms; and

WHEREAS, the Parties executed Contract No. MA-042-19010238 for Recovery Education Institute Services, effective July 1, 2019 through June 30, 2020, in an amount not to exceed \$826,711, renewable for one additional one-year term; and

WHEREAS, the Parties now desire to enter into this Amendment No. 1 to amend Paragraph IV. of the Contract, to amend Exhibit A of the Contract, and to renew the Contract for one year for County to continue receiving and Contractor to continue providing the services set forth in the Contract.

NOW THEREFORE, Contractor and County agree to amend the Contract as follows:

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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~~

~~Maximum Obligation:—~~

~~Period One Maximum Obligation: \$ 826,711~~

~~Period Two Maximum Obligation: \$ 826,711~~

~~TOTAL MAXIMUM OBLIGATION: \$ 1,653,422~~

Basis for Reimbursement: Actual Cost

Payment Method: Monthly in Arrears

CONTRACTOR DUNS Number: 025-500125

CONTRACTOR TAX ID Number: 95-1644034

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: Pacific Clinics
800 South Santa Anita Avenue
Arcadia, CA 91006
Contact Name: Sue Shearer, Senior Vice President
Contact E-mail: Sshearer@pacificclinics.org

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I. ACRONYMS

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

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4	A. AA.	Alcoholics Anonymous
5	B. AB 109	Assembly Bill 109, 2011 Public Safety Realignment
6	C. ABC	Allied Behavioral Care
7	D. ACH	Acute Care Hospital
8	E. ADAS	Alcohol and Drug Abuse Services
9	F. ADL	Activities of Daily Living
10	G. ADP	Alcohol and Drug Program
11	H. AES	Advanced Encryption Standard
12	I. AFLP	Adolescent Family Life Program
13	J. AIDS	Acquired Immune Deficiency Syndrome
14	K. AIM	Access for Infants and Mothers
15	L. AMHS	Adult Mental Health Services
16	M. ARRA	American Recovery and Reinvestment Act of 2009
17	N. ASAM PPC	American Society of Addiction Medicine Patient Placement Criteria
18	O. ASI	Addiction Severity Index
19	P. ASIST	Applied Suicide Intervention Skills Training
20	Q. ASO	Administrative Services Organization
21	R. ASRS	Alcohol and Drug Programs Reporting System
22	S. BBS	Board of Behavioral Sciences
23	T. BCP	Business Continuity Plan
24	U. BH	Base Hospital
25	V. BHS	Behavioral Health Services
26	W. CalOMS	California Outcomes Measurement System
27	X. CalWORKs	California Work Opportunity and Responsibility for Kids
28	Y. CAP	Corrective Action Plan
29	Z. CAT	Centralized Assessment Team
30	AA. CCC	California Civil Code
31	AB. CCLD	(California) Community Care Licensing Division
32	AC. CCR	California Code of Regulations
33	AD. CDCR	California Department of Corrections and Rehabilitation
34	AE. CDSS	California Department of Social Services
35	AF. CERC	Children's Emergency Receiving Center
36	AG. CESI	Client Evaluation of Self at Intake
37	AH. CEST	Client Evaluation of Self and Treatment

1	AI.	CFDA	Catalog of Federal Domestic Assistance
2	AJ.	CFR	Code of Federal Regulations
3	AK.	CHDP	Child Health and Disability Prevention
4	AL.	CHHS	California Health and Human Services Agency
5	AM.	CHPP	COUNTY HIPAA Policies and Procedures
6	AN.	CHS	Correctional Health Services
7	AO.	CIPA	California Information Practices Act
8	AP.	CMPPA	Computer Matching and Privacy Protection Act
9	AQ.	COI	Certificate of Insurance
10	AR.	CPA	Certified Public Accountant
11	AS.	CSI	Client and Services Information
12	AT.	CSW	Clinical Social Worker
13	AU.	CYBHS	Children and Youth Behavioral Health Services
14	AV.	DATAR	Drug Abuse Treatment Access Report
15	AW.	DCR	Data Collection and Reporting
16	AX.	DD	Dually Diagnosed
17	AY.	DEA	Drug Enforcement Agency
18	AZ.	DHCS	California Department of Health Care Services
19	BA.	D/MC	Drug/Medi-Cal
20	BB.	DMV	California Department of Motor Vehicles
21	BC.	DoD	US Department of Defense
22	BD.	DPFS	Drug Program Fiscal Systems
23	BE.	DRC	Probation's Day Reporting Center
24	BF.	DRP	Disaster Recovery Plan
25	BG.	DRS	Designated Record Set
26	BH.	DSM	Diagnostic and Statistical Manual of Mental Disorders
27	BI.	DSM-IV	Diagnostic and Statistical Manual of Mental Disorders. 4th Edition
28	BJ.	DSM-V	Diagnostic and Statistical Manual of Mental Disorders. 5th Edition
29	BK.	EBP	Evidence-Based Practice
30	BL.	EDN	Electronic Disease Notification System
31	BM.	EEOC	Equal Employment Opportunity Commission
32	BN.	EHR	Electronic Health Records
33	BO.	ePHI	Electronic Protected Health Information
34	BP.	EPSDT	Early and Periodic Screening, Diagnosis, and Treatment
35	BQ.	ERC	Emergency Receiving Center
36	BR.	FFS	Fee For service
37	BS.	FIPS	Federal Information Processing Standards

1	BT. FQHC	Federally Qualified Health Center
2	BU. FSP	Full Service Partnership
3	BV. FTE	Full Time Equivalent
4	BW. GAAP	Generally Accepted Accounting Principles
5	BX. HAB	Federal HIV/AIDS Bureau
6	BY. HCA	County of Orange Health Care Agency
7	BZ. HHS	Federal Health and Human Services Agency
8	CA. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
9		Law 104-191
10	CB. HITECH ACT	Health Information Technology for Economic and Clinical Health
11		Act, Public Law 111-005
12	CC. HIV	Human Immunodeficiency Virus
13	CD. HRSA	Federal Health Resources and Services Administration
14	CE. HSC	California Health and Safety Code
15	CF. IBNR	Incurred But Not Reported
16	CG. ID	Identification
17	CH. IEA	Information Exchange Agreement
18	CI. IMD	Institute for Mental Disease
19	CJ. IOM	Institute of Medicine
20	CK. IRIS	Integrated Records and Information System
21	CL. ISO	Insurance Services Office
22	CM. ITC	Indigent Trauma Care
23	CN. LCSW	Licensed Clinical Social Worker
24	CO. LGBTQI	Lesbian, Gay, Bisexual, Transgender, Questioning, and Intersex
25	CP. LPS	Lanterman/Petris/Short (Act)
26	CQ. LPT	Licensed Psychiatric Technician
27	CR. MAT	Medication Assisted Treatment
28	CS. MEDS	Medi-Cal Eligibility Determination System
29	CT. MFT	Marriage and Family Therapist
30	CU. MH	Mental Health
31	CV. MHIS	Mental Health Inpatient Services
32	CW. MIHS	Medical and Institutional Health Services
33	CX. MHP	Mental Health Plan
34	CY. MHRC	Mental Health Rehabilitation Centers
35	CZ. MHS	Mental Health Specialist
36	DA. MHSA	Mental Health Services Act
37	DB. MORS	Milestones of Recovery Scale

1	DC. MS	Mandatory Supervision
2	DD. MSN	Medical Safety Net
3	DE. MTP	Master Treatment Plan
4	DF. NA	Narcotics Anonymous
5	DG. NIATx	Network Improvement of Addiction Treatment
6	DH. NIH	National Institutes of Health
7	DI. NIST	National Institute of Standards and Technology
8	DJ. NOA	Notice of Action
9	DK. NP	Nurse Practitioner
10	DL. NPDB	National Provider Data Bank
11	DM. NPI	National Provider Identifier
12	DN. NPP	Notice of Privacy Practices
13	DO. OCEMS	Orange County Emergency Medical Services
14	DP. OCJS	Orange County Jail System
15	DQ. OC-MEDS	Orange County Medical Emergency Data System
16	DR. OCPD	Orange County Probation Department
17	DS. OCR	Federal Office for Civil Rights
18	DT. OCSD	Orange County Sheriff's Department
19	DU. OIG	Federal Office of Inspector General
20	DV. OMB	Federal Office of Management and Budget
21	DW. OPM	Federal Office of Personnel Management
22	DX. ORR	Federal Office of Refugee Resettlement
23	DY. P&P	Policy and Procedure
24	DZ. PA DSS	Payment Application Data Security Standard
25	EA. PAF	Partnership Assessment Form
26	EB. PAR	Prior Authorization Request
27	EC. PBM	Pharmaceutical Benefits Management
28	ED. PC	California Penal Code
29	EE. PCI DSS	Payment Card Industry Data Security Standard
30	EF. PCP	Primary Care Provider
31	EG. PCS	Post-Release Community Supervision
32	EH. PHI	Protected Health Information
33	EI. PI	Personal Information
34	EJ. PII	Personally Identifiable Information
35	EK. PRA	California Public Records Act
36	EL. PSAI/ACT	Perinatal Substance Abuse Services Initiative/Assessment and
37		Coordination Team

1	EM. PSC	Professional Services Contract
2	EN. PTRC	Paramedic Trauma Receiving Center
3	EO. QI	Quality Improvement
4	EP. QIC	Quality Improvement Committee
5	EQ. RHAP	Refugee Health Assessment Program
6	ER. RHEIS	Refugee Health Electronic Information System
7	ES. RN	Registered Nurse
8	ET. RSA	Remote Site Access
9	EU. SAPTBG	Substance Abuse Prevention and Treatment Block Grant
10	EV. SD/MC	Short-Doyle Medi-Cal
11	EW. SIR	Self-Insured Retention
12	EX. SMA	Statewide Maximum Allowable (rate)
13	EY. SNF	Skilled Nursing Facility
14	EZ. SR	Supervised Release
15	FA. SRP	Supervised Release Participant
16	FB. SSA	County of Orange Social Services Agency
17	FC. SSI	Supplemental Security Income
18	FD. STP	Special Treatment Program
19	FE. SUD	Substance Use Disorder
20	FF. TAR	Treatment Authorization Request
21	FG. TAY	Transitional Age Youth
22	FH. TB	Tuberculosis
23	FI. TBS	Therapeutic Behavioral Services
24	FJ. TRC	Therapeutic Residential Center
25	FK. TTY	Teletypewriter
26	FL. TUPP	Tobacco Use Prevention Program
27	FM. UMDAP	Uniform Method of Determining Ability to Pay
28	FN. UOS	Units of Service
29	FO. USC	United States Code
30	FP. VOLAGs	Volunteer Agencies
31	FQ. W&IC	California Welfare and Institutions Code
32	FR. WIC	Women, Infants and Children
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II. ALTERATION OF TERMS

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

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

III. ASSIGNMENT OF DEBTS

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

IV. COMPLIANCE

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

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

2. CONTRACTOR has the option to adhere to HCA's Compliance Program and Code of Conduct or establish its own, provided CONTRACTOR's Compliance Program and Code of Conduct have been verified to include all required elements by ADMINISTRATOR's Compliance Officer as described in subparagraphs below.

3. If CONTRACTOR elects to adhere to HCA's Compliance Program and Code of Conduct; the CONTRACTOR shall submit to the ADMINISTRATOR within thirty (30) calendar days of award of this Agreement a signed acknowledgement that CONTRACTOR shall comply with HCA's Compliance Program and Code of Conduct.

4. If CONTRACTOR elects to have its own Compliance Program and Code of Conduct then it shall submit a copy of its Compliance Program, Code of Conduct and relevant policies and procedures to ADMINISTRATOR within thirty (30) calendar days of award of this Agreement. ADMINISTRATOR's Compliance Officer shall determine if CONTRACTOR's Compliance Program and Code of Conduct contains all required elements. CONTRACTOR shall take necessary action to

1 meet said standards or shall be asked to acknowledge and agree to HCA's Compliance Program and
 2 Code of Conduct if the CONTRACTOR's Compliance Program and Code of Conduct does not contain
 3 all required elements.

4 5. Upon written confirmation from ADMINISTRATOR's Compliance Officer that the
 5 CONTRACTOR's Compliance Program and Code of Conduct contains 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.

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

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

27 1. Covered Individuals includes all contractors, subcontractors, agents, and other persons
 28 who provide health care items or services or who perform billing or coding functions on behalf of
 29 ADMINISTRATOR. Notwithstanding the above, this term does not include part-time or per-diem
 30 employees, contractors, subcontractors, agents, and other persons who are not reasonably expected to
 31 work more than one hundred sixty (160) hours per year; except that any such individuals shall become
 32 Covered Individuals at the point when they work more than one hundred sixty (160) hours during the
 33 calendar year. CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are
 34 made aware of ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and
 35 procedures.

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

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

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

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

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

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

34 C. COMPLIANCE TRAINING – ADMINISTRATOR shall make General Compliance Training
 35 and Provider Compliance Training, where appropriate, available to Covered Individuals.

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1 1. CONTRACTOR shall use its best efforts to encourage completion by Covered Individuals;
2 provided, however, that at a minimum CONTRACTOR shall assign at least one (1) designated
3 representative to complete all Compliance Trainings when offered.

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

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

7 4. Each Covered Individual attending training shall certify, in writing, attendance at
8 compliance training. CONTRACTOR shall retain the certifications. Upon written request by
9 ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

10
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 of the Orange County Mental Health services system, and therefore it may be
17 necessary for authorized staff of ADMINISTRATOR to audit client files, or to exchange information
18 regarding specific clients with COUNTY or other providers of related services contracting with
19 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
25 providers, CONTRACTOR acknowledges and agrees that it is responsible for obtaining releases of
26 information, from the collaborative agency, for clients 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.

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VI. COST REPORT

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

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

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

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

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

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

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

34 C. Final settlement shall be based upon the actual and reimbursable costs for services hereunder,
35 less applicable revenues and any late penalty, not to exceed COUNTY's Maximum Obligation as set
36 forth in the Referenced Contract Provisions of this Agreement. CONTRACTOR shall not claim
37 expenditures to COUNTY which are not reimbursable pursuant to applicable federal, state and

COUNTY laws, regulations and requirements. Any payment made by COUNTY to CONTRACTOR, which is subsequently determined to have been for an unreimbursable expenditure or service, shall be repaid by CONTRACTOR to COUNTY in cash, or other authorized form of payment, within thirty (30) calendar days of submission of the Cost Report or COUNTY may elect to reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due COUNTY.

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

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

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

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

Signed _____
Name _____
Title _____
Date _____"

VII. DELEGATION, ASSIGNMENT AND SUBCONTRACTS

A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part, without prior written consent of COUNTY. CONTRACTOR shall provide written notification of CONTRACTOR's intent to delegate the obligations hereunder, either in whole or part, to

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1 ADMINISTRATOR not less than sixty (60) calendar days prior to the effective date of the delegation.
 2 Any attempted assignment or delegation in derogation of this paragraph shall be void.

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

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

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

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

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

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

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

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

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

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

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

8 9 **VIII. EMPLOYEE ELIGIBILITY VERIFICATION**

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

20 21 **IX. EQUIPMENT**

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

33 B. CONTRACTOR shall obtain ADMINISTRATOR's prior written approval to purchase any
34 Equipment with funds paid pursuant to this Agreement. Upon delivery of Equipment, CONTRACTOR
35 shall forward to ADMINISTRATOR, copies of the purchase order, receipt, and other supporting
36 documentation, which includes delivery date, unit price, tax, shipping and serial numbers.

37 //

1 CONTRACTOR shall request an applicable asset tag for said Equipment and shall include each
2 purchased asset in an Equipment inventory.

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

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

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

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

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

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

25 26 **X. EXPENDITURE AND REVENUE REPORT**

27 A. No later than sixty (60) calendar days following termination of this Agreement,
28 CONTRACTOR shall submit to ADMINISTRATOR, for informational purposes only, an Expenditure
29 Report for the preceding fiscal year, or portion thereof. Such report shall be prepared in accordance
30 with the procedure that is provided by ADMINISTRATOR and GAAP.

31 B. CONTRACTOR may be required to submit periodic Expenditure Reports throughout the term
32 of this Agreement.

33 34 **XI. FACILITIES, PAYMENTS AND SERVICES**

35 A. CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance
36 with this Agreement. COUNTY shall compensate, and authorize, when applicable, said services.
37 CONTRACTOR shall operate continuously throughout the term of this Agreement with at least the

1 minimum number and type of staff which meet applicable federal and state requirements, and which
2 are necessary for the provision of the services hereunder

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

7 8 **XII. INDEMNIFICATION AND INSURANCE**

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

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

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

35 D. All SIRs and deductibles shall be clearly stated on the COI. If no SIRs or deductibles apply,
36 indicate this on the COI with a zero (0) by the appropriate line of coverage. Any SIR or deductible in
37 //

1 an amount in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by the
2 CEO/Office of Risk Management upon review of CONTRACTOR's current audited financial report.

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

5 F. QUALIFIED INSURER

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

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

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

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

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37 //

1 H. REQUIRED COVERAGE FORMS

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

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

6 I. REQUIRED ENDORSEMENTS

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

9 a. An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at
10 least as broad naming the County of Orange, its elected and appointed officials, officers, employees,
11 and agents as Additional Insureds.

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

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

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

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

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

25 K. The Workers' Compensation policy shall contain a waiver of subrogation endorsement
26 waiving all rights of subrogation against the County of Orange, and members of the Board of
27 Supervisors, its elected and appointed officials, officers, agents and employees.

28 L. CONTRACTOR shall notify COUNTY in writing within thirty (30) days of any policy
29 cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation
30 notice to COUNTY. Failure to provide written notice of cancellation may constitute a material breach
31 of the Agreement, upon which the COUNTY may suspend or terminate this Agreement.

32 M. If CONTRACTOR's Professional Liability policy is a "claims made" policy, CONTRACTOR
33 shall agree to maintain Professional Liability coverage for two (2) years following completion of
34 Agreement.

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

37 //

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

5 P. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If
 6 CONTRACTOR does not deposit copies of acceptable COIs and endorsements with COUNTY
 7 incorporating such changes within thirty (30) calendar days of receipt of such notice, this Agreement
 8 may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal
 9 remedies.

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

13 R. SUBMISSION OF INSURANCE DOCUMENTS

14 1. The COI and endorsements shall be provided to COUNTY as follows:
 15 a. Prior to the start date of this Agreement.
 16 b. No later than the expiration date for each policy.
 17 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding
 18 changes to any of the insurance types as set forth in Subparagraph G. of this Agreement.

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

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

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

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

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

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

XIII. INSPECTIONS AND AUDITS

1
2 A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized
3 representative of the State of California, the Secretary of the United States Department of Health and
4 Human Services, the Comptroller General of the United States, or any other of their authorized
5 representatives, shall have access to any books, documents, and records, including but not limited to,
6 financial statements, general ledgers, relevant accounting systems, medical and client records, of
7 CONTRACTOR that are directly pertinent to this Agreement, for the purpose of responding to a
8 beneficiary complaint or conducting an audit, review, evaluation, or examination, or making transcripts
9 during the periods of retention set forth in the Records Management and Maintenance Paragraph of this
10 Agreement. Such persons may at all reasonable times inspect or otherwise evaluate the services
11 provided pursuant to this Agreement, and the premises in which they are provided.

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

C. AUDIT RESPONSE

16
17 1. Following an audit report, in the event of non-compliance with applicable laws and
18 regulations governing funds provided through this Agreement, COUNTY may terminate this
19 Agreement as provided for in the Termination Paragraph or direct CONTRACTOR to immediately
20 implement appropriate corrective action. A plan of corrective action shall be submitted to
21 ADMINISTRATOR in writing within thirty (30) calendar days after receiving notice from
22 ADMINISTRATOR.

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

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

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

37

XIV. LICENSES AND LAWS

1
2 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall,
3 throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates,
4 accreditations, waivers, and exemptions necessary for the provision of the services hereunder and
5 required by the laws, regulations and requirements of the United States, the State of California,
6 COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify
7 ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of
8 the pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations,
9 waivers and exemptions. Said inability shall be cause for termination of this Agreement.

10 B. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS

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

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

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

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

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

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

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

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

- 34 1. ARRA of 2009.
35 2. WIC, Division 5, Community Mental Health Services.
36 3. WIC, Division 6, Admissions and Judicial Commitments.
37 4. WIC, Division 7, Mental Institutions.

- 1 5. HSC, §§1250 et seq., Health Facilities.
- 2 6. PC, §§11164-11174.3, Child Abuse and Neglect Reporting Act.
- 3 7. CCR, Title 9, Rehabilitative and Developmental Services.
- 4 8. CCR, Title 17, Public Health.
- 5 9. CCR, Title 22, Social Security.
- 6 10. CFR, Title 42, Public Health.
- 7 11. CFR, Title 45, Public Welfare.
- 8 12. USC Title 42. Public Health and Welfare.
- 9 13. Federal Social Security Act, Title XVIII and Title XIX Medicare and Medicaid.
- 10 14. 42 USC §12101 et seq., Americans with Disabilities Act of 1990.
- 11 15. 42 USC §1857, et seq., Clean Air Act.
- 12 16. 33 USC 84, §308 and §§1251 et seq., the Federal Water Pollution Control Act.
- 13 17. 31 USC 7501.70, Federal Single Audit Act of 1984.
- 14 18. Policies and procedures set forth in Mental Health Services Act.
- 15 19. Policies and procedures set forth in DHCS Letters.
- 16 20. HIPAA privacy rule, as it may exist now, or be hereafter amended, and if applicable.
- 17 21. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform.
- 18 22. Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

19 **XV. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

20
21 A. Any written information or literature, including educational or promotional materials,
22 distributed by CONTRACTOR to any person or organization for purposes directly or indirectly related
23 to this Agreement must be approved at least thirty (30) days in advance and in writing by
24 ADMINISTRATOR before distribution. For the purposes of this Agreement, distribution of written
25 materials shall include, but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads,
26 and electronic media such as the Internet.

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

31 C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly
32 available social media sites) in support of the services described within this Agreement,
33 CONTRACTOR shall develop social media policies and procedures and have them available to
34 ADMINISTRATOR upon reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all
35 forms of social media used to either directly or indirectly support the services described within this
36 Agreement. CONTRACTOR shall comply with COUNTY Social Media Use Policy and Procedures as
37 they pertain to any social media developed in support of the services described within this Agreement.

1 CONTRACTOR shall also include any required funding statement information on social media when
2 required by ADMINISTRATOR.

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

6 **XVI. MAXIMUM OBLIGATION**

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

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

14 **XVII. MINIMUM WAGE LAWS**

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

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

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

30 **XVIII. NONDISCRIMINATION**

31 **A. EMPLOYMENT**

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

1 not unlawfully discriminate against any employee or applicant for employment because of his/her race,
 2 religious creed, color, national origin, ancestry, physical disability, mental disability, medical
 3 condition, genetic information, marital status, sex, gender, gender identity, gender expression, age,
 4 sexual orientation, or military and veteran status.

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

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

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

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

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

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

37 //

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

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

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

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

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

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

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

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

35 E. RETALIATION – Neither CONTRACTOR nor subcontractor, nor its employees or agents
36 shall intimidate, coerce or take adverse action against any person for the purpose of interfering with
37 rights secured by federal or state laws, or because such person has filed a complaint, certified, assisted

1 or otherwise participated in an investigation, proceeding, hearing or any other activity undertaken to
2 enforce rights secured by federal or state law.

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

7 8 **XIX. NOTICES**

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

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

14 2. When faxed, transmission confirmed;

15 3. When sent by Email; or

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

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

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

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

28 29 **XX. NOTIFICATION OF DEATH**

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

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

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

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

3 | 2. WRITTEN NOTIFICATION

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

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

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

15 |
16 | **XXI. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

24 |
25 | **XXII. RECORDS MANAGEMENT AND MAINTENANCE**

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

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

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

37 | //

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

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

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

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

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

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

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

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

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

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

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

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

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

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XXIII. RESEARCH AND PUBLICATION

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

XXIV. 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.
- 6. Making personal loans to CONTRACTOR’s staff, volunteers, interns, consultants, subcontractors, and members of the Board of Directors or governing body, or its designee or authorized agent, or making salary advances or giving bonuses to CONTRACTOR’s staff.
- 7. Paying an individual salary or compensation for services at a rate in excess of the current Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary Schedule may be found at www.opm.gov.
- 8. Severance pay for separating employees.
- 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building codes and obtaining all necessary building permits for any associated construction.
- 10. Supplanting current funding for existing services.

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

- 4 1. Funding travel or training (excluding mileage or parking).
- 5 2. Making phone calls outside of the local area unless documented to be directly for the
 6 purpose of client care.
- 7 3. Payment for grant writing, consultants, certified public accounting, or legal services.
- 8 4. Purchase of artwork or other items that are for decorative purposes and do not directly
 9 contribute to the quality of services to be provided pursuant to this Agreement.
- 10 5. Purchasing or improving land, including constructing or permanently improving any
 11 building or facility, except for tenant improvements.
- 12 6. Providing inpatient hospital services or purchasing major medical equipment.
- 13 7. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal
 14 funds (matching).
- 15 8. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
 16 CONTRACTOR's clients.

17 **XXVI. STATUS OF CONTRACTOR**

18
 19 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be
 20 wholly responsible for the manner in which it performs the services required of it by the terms of this
 21 Agreement. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and
 22 consultants employed by CONTRACTOR. This Agreement shall not be construed as creating the
 23 relationship of employer and employee, or principal and agent, between COUNTY and
 24 CONTRACTOR or any of CONTRACTOR's employees, agents, consultants, or subcontractors.
 25 CONTRACTOR assumes exclusively the responsibility for the acts of its employees, agents,
 26 consultants, or subcontractors as they relate to the services to be provided during the course and scope
 27 of their employment. CONTRACTOR, its agents, employees, consultants, or subcontractors, shall not
 28 be entitled to any rights or privileges of COUNTY's employees and shall not be considered in any
 29 manner to be COUNTY's employees.

30 **XXVII. TERM**

31
 32 A. The term of this Agreement shall commence as specified in the Referenced Contract
 33 Provisions of this Agreement or the execution date, whichever is later. This Agreement shall terminate
 34 as specified in the Referenced Contract Provisions of this Agreement unless otherwise sooner
 35 terminated as provided in this Agreement; provided, however, CONTRACTOR shall be obligated to
 36 perform such duties as would normally extend beyond this term, including but not limited to,
 37 obligations with respect to confidentiality, indemnification, audits, reporting and accounting.

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

4 **XXVIII. TERMINATION**

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

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

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

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

27 **D. CONTINGENT FUNDING**

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

37 //

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

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

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

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

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

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

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

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

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

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

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

31
32 **XXIX. THIRD PARTY BENEFICIARY**

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

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XXX. WAIVER OF DEFAULT OR BREACH

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

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

3
4 PACIFIC CLINICS

5
6
7 BY: _____ DATED: _____

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9 TITLE: _____

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19 COUNTY OF ORANGE

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22 BY: _____ DATED: _____

23 HEALTH CARE AGENCY

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25
26 APPROVED AS TO FORM
27 OFFICE OF THE COUNTY COUNSEL
28 ORANGE COUNTY, CALIFORNIA

29
30
31 BY: _____ DATED: _____

32 DEPUTY

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.

1 EXHIBIT A
 2 TO AGREEMENT FOR PROVISION OF
 3 RECOVERY EDUCATION INSTITUTE SERVICES
 4 BETWEEN
 5 COUNTY OF ORANGE
 6 AND
 7 PACIFIC CLINICS
 8 JULY 1, 2016 THROUGH JUNE 30, 2018
 9

10 **I. COMMON TERMS AND DEFINITIONS**

11 A. The following standard definitions are for reference purposes only and may or may not apply in
 12 their entirety throughout the Agreement. The parties agree to the following terms and definitions, and to
 13 those terms and definitions which, for convenience, are set forth elsewhere in the Agreement.

14 1. Active means Consumer/family members who has participated in one or more courses from
 15 any component in the current academic year.

16 2. Classroom Training means classroom training provided to Consumers/Family Members that
 17 should impact information, skills, and competencies required for the performance of a particular job,
 18 project, or task. Classroom Training should be a skill-building activity that teaches Consumers/Family
 19 Members and carries the expectation that the Consumers/Family Members will take direct, purposeful
 20 action by applying the skills developed.

21 3. Classroom Training Site means the physical location of the provided Classroom Training in
 22 relation to the Agreement.

23 4. College Credit Course means a college credit course leading to either employment or
 24 educational advancement toward a degree offered by a regionally accredited post-secondary educational
 25 institution.

26 5. Consumer means a person, eighteen (18) years of age or older, who is a currently receiving
 27 services from ADMINTRATOR’s behavioral health system of care.

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

30 7. Extended Education Course means a credit/no credit course leading to either employment or
 31 educational advancement toward a degree by a regionally accredited post-secondary educational
 32 institution.

33 ~~8. Evaluation means systematic collection, analysis, and use of program information for~~
 34 ~~monitoring, improving programs, assessing Outcomes, planning, and policy making.~~

35 “8. Employment Specialist means an individual whose expertise is in matching people to
 36 specific jobs and facilitating courses for the Peer Support Specialist program.

37 //

1 9. Family Member means Family Member of a mental health Consumer.

2 10. Mental Health Field means a business or service providing mental health outreach,
3 assessment or treatment services to mental health Consumers, or providing housing, educational,
4 counseling, employment, recreational or social services to mental health Consumers.

5 11. Mental Health Services Act (MHSA) means the law that provides funding for expanded
6 community mental health services. It is also known as "Proposition 63."

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

10 13. Pre-Vocational Course means a credit/no credit course, which may include but not be
11 limited to topics such as interviewing and resume writing; study skills; developing computer literacy;
12 recovery coaching; communication skills in counseling; English language training for multicultural
13 Consumers/Family Members with limited English proficiency; and introduction to employee support.

14 14. Retention means enrollment in a college credit class for one or more semesters each
15 academic year (i.e., Fall, Spring, Summer).

16 15. Workshop Course means an credit/no credit course which may include, but not be limited
17 to, topics such as illness management; medication knowledge and management; personal financial
18 management; household management; and discovering your interests.

19 16. Peer Support Specialist means an individual with lived behavioral health experience who
20 has been trained and certified to help their peers gain hope and move forward in their own recovery.

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

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II. BUDGET

A. COUNTY shall pay CONTRACTOR in accordance with the Payments paragraph of this Exhibit A to the Agreement and the following budget, which is set forth for informational purposes.

	<u>Period</u> <u>One</u>	<u>Period</u> <u>Two</u>	<u>Total</u>
ADMINISTRATIVE COST			
Indirect Costs	<u>\$107,832</u>	<u>\$107,832</u>	<u>\$215,664</u>
TOTAL ADMINISTRATIVE COST	<u>\$107,832</u>	<u>\$107,832</u>	<u>\$215,664</u>
PROGRAM COSTS			
Salaries	\$442,890	\$442,890	\$885,780
Benefits	\$123,440	\$123,440	\$246,880
Services and Supplies	\$41,399	\$41,399	\$82,798
Subcontractors	<u>\$111,150</u>	<u>\$111,150</u>	<u>\$222,300</u>
TOTAL PROGRAM COST	<u>\$718,879</u>	<u>\$718,879</u>	<u>\$1,437,758</u>
TOTAL GROSS COSTS	<u>\$826,711</u>	<u>\$826,711</u>	<u>\$1,653,422</u>
REVENUE			
MHSA	<u>\$826,711</u>	<u>\$826,711</u>	<u>\$1,653,422</u>
TOTAL REVENUE	<u>\$826,711</u>	<u>\$826,711</u>	<u>\$1,653,422</u>
TOTAL MAXIMUM OBLIGATION	<u>\$826,711</u>	<u>\$826,711</u>	<u>\$1,653,422</u>

A. COUNTY shall pay CONTRACTOR in accordance with the Payments Paragraph in this 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>BUDGET</u>
<u>ADMINISTRATIVE COST</u>	
<u>Indirect Costs</u>	<u>\$123,442</u>
<u>TOTAL ADMINISTRATIVE COST</u>	<u>\$123,442</u>
<u>PROGRAM COSTS</u>	
<u>Salaries</u>	<u>\$ 470,533</u>
<u>Benefits</u>	<u>\$ 131,749</u>
<u>Services and Supplies</u>	<u>\$ 57,383</u>
<u>Subcontractors</u>	<u>\$ 163,277</u>

1	<u>TOTAL PROGRAM COST</u>	<u>\$ 822,942</u>
2	<u>TOTAL GROSS COSTS</u>	<u>\$ 946,384</u>
3		
4	<u>REVENUE</u>	
5	<u>MHSA</u>	<u>\$ 946,384</u>
6	<u>TOTAL REVENUE</u>	<u>\$ 946,384</u>
7		
8	<u>TOTAL MAXIMUM OBLIGATION</u>	<u>\$ 946,384</u>
9		

10 B. BUDGET/STAFFING MODIFICATIONS - CONTRACTOR may request to shift funds
11 between budgeted line items within a program, for the purpose of meeting specific program needs or for
12 providing continuity of care to its Consumers, by utilizing a Budget/Staffing Modification Request form
13 provided by ADMINISTRATOR. CONTRACTOR shall submit a properly completed Budget/Staffing
14 Modification Request to ADMINISTRATOR for consideration, in advance, which will include a
15 justification narrative specifying the purpose of the request, the amount of said funds to be shifted, and
16 the sustaining annual impact of the shift as may be applicable to the current contract period and/or future
17 contract periods. CONTRACTOR shall obtain written approval of any Budget/Staffing Modification
18 Request(s) from ADMINISTRATOR prior to implementation by CONTRACTOR. Failure of
19 CONTRACTOR to obtain written approval from ADMINISTRATOR for any proposed Budget/Staffing
20 Modification Request(s) may result in disallowance of those costs.

21 C. FINANCIAL RECORDS - CONTRACTOR shall prepare and maintain accurate and complete
22 financial records of its cost and operating expenses. Such records will reflect the actual cost of the type
23 of service for which payment is claimed. Any apportionment of or distribution of costs, including
24 indirect costs, to or between programs or cost centers of CONTRACTOR shall be documented, and will
25 be made in accordance with GAAP, and Medicare regulations. The Consumer eligibility determination
26 and fee charged to and collected from Consumers, together with a record of all billings rendered and
27 revenues received from any source, on behalf of Consumers treated pursuant to the Agreement, must be
28 reflected in CONTRACTOR's financial records.

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

31 **III. PAYMENTS**

32
33 ~~— A. COUNTY shall pay CONTRACTOR monthly, in arrears, at the provisional amount of \$68,892~~
34 ~~per month. All payments are interim payments only, and subject to Final Settlement in accordance with~~
35 ~~the Cost Report Paragraph of the Agreement for which CONTRACTOR shall be reimbursed for the~~
36 ~~actual cost of providing the services hereunder; provided, however, the total of such payments does not~~
37 ~~exceed Maximum Obligation, as specified in the Referenced Contract Provisions of the Agreement, and~~

~~provided further, CONTRACTOR's costs are reimbursable pursuant to federal, state and COUNTY regulations. ADMINISTRATOR may, at its discretion, pay supplemental billings for any month for which the provisional amount specified above has not been fully paid.~~

A. COUNTY shall pay CONTRACTOR monthly, in arrears, at the provisional amount of \$78,865 per month. All payments are interim payments only, and subject to Final Settlement in accordance with the Cost Report Paragraph of the Contract for which CONTRACTOR shall be reimbursed for the actual cost of providing the services hereunder; provided, however, the total of such payments does not exceed Maximum Obligation, as specified in the Referenced Contract Provisions of the Contract, and provided further, CONTRACTOR's costs are reimbursable pursuant to federal, state and COUNTY regulations. ADMINISTRATOR may, at its discretion, pay supplemental billings for any month for which the provisional amount specified above has not been fully paid.

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

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

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

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

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

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

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1 E. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration
2 and/or termination of the Agreement, except as may otherwise be provided under the Agreement, such
3 as summer school courses, or specifically agreed upon in a subsequent Agreement.

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

6 7 **IV. REPORTS**

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

10 **B. FISCAL**

11 1. CONTRACTOR shall submit monthly Expenditure and Revenue Reports to
12 ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by,
13 ADMINISTRATOR and shall report actual costs and revenues for CONTRACTOR's program(s) or cost
14 center(s) described in the Services Paragraph of this Exhibit A to the Agreement. Such reports shall
15 include number of Consumers by program. The reports shall be received by ADMINISTRATOR no
16 later than twenty (20) calendar days following the end of the month reported.

17 2. CONTRACTOR shall submit monthly Year-End Expenditure and Revenue Projection
18 Reports to ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by,
19 ADMINISTRATOR and shall report anticipated year-end actual costs and revenues for
20 CONTRACTOR's program(s) or cost center(s) described in the Services Paragraph of this Exhibit A to
21 the Agreement. Such reports shall include actual monthly costs and revenue to date and anticipated
22 monthly costs and revenue to the end of the fiscal year. Year-End Projection Reports shall be submitted
23 in conjunction with the monthly Expenditure and Revenue Reports and shall include summer session
24 expenditures.

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

31 D. PROGRAMMATIC – CONTRACTOR shall submit monthly programmatic reports to
32 ADMINISTRATOR, which shall be received by ADMINISTRATOR no later than twenty (20) calendar
33 days following the end of the month being reported. Programmatic reports shall include a description of
34 CONTRACTOR's progress in implementing the provisions of the Agreement. CONTRACTOR shall
35 state whether it is or is not progressing satisfactorily in achieving all the terms of the Agreement.

36 E. ADDITIONAL REPORTS – Upon ADMINISTRATOR's request, CONTRACTOR shall make
37 such additional reports as required by ADMINISTRATOR concerning CONTRACTOR's activities as

1 they affect the services hereunder. ADMINISTRATOR will be specific as to the nature of information
2 requested and allow thirty (30) calendar days for CONTRACTOR to respond.

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

5
6 **V. SERVICES**

7 **A. FACILITIES**

8 1. CONTRACTOR shall maintain one (1) facility at the following location or any other
9 location approved, in advanced and in writing, by ADMINISTRATOR:

10
11 401 S. Tustin Street, Bldg. A & B
12 Orange, CA 92866
13

14 2. CONTRACTOR shall maintain regularly scheduled service hours, five (5) days a week
15 throughout the year, and maintain the capability to provide services during evening hours on weekdays,
16 and on weekends, when necessary, in order to accommodate students.

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

19 b. CONTRACTOR shall ensure that the all college credit courses are offered by a regionally
20 accredited post-secondary educational institution.

21 B. INDIVIDUALS TO BE SERVED – CONTRACTOR shall provide services to adult Consumers
22 who are currently receiving services with ADMINISTRATOR's behavioral health system of care and
23 their Family Members eighteen (18) years of age and older.

24 **C. SERVICES TO BE PROVIDED**

25 1. CONTRACTOR shall develop course curriculums that are mutually agreed upon and
26 approved by ADMINISTRATOR.

27 ~~2. CONTRACTOR shall provide a Recovery Education Institute Program that consists of~~
28 ~~four (4) basic components; Workshop Courses, Pre Vocational Courses, College Credit Courses,~~
29 ~~Extended Education Courses, classes within each component may vary.~~

30 2. CONTRACTOR shall provide the following eight (8) educational program components to
31 empower recovery process:

32
33 Workshop Courses

Academic Advisement

34
35 Pre-Vocational Courses

Success Coach Support

College Credit CoursesPeer Support Specialist TrainingExtended EducationEmployment Specialist SupportCourses

3. Provide a program component of Student Advisement that includes academic counseling, student code of conduct, a student grievance process, and student disciplinary procedures.

4. CONTRACTOR shall identify and assess potential Consumers identified as the target population unless written exception is granted by the ADMINISTRATOR.

5. CONTRACTOR shall provide culturally sensitive education to deaf and hard of hearing or mono-lingual students.

6. CONTRACTOR shall develop a recruitment process for recruiting students who are Consumers and/or Family Members of Consumers within the public mental health system.

7. CONTRACTOR shall provide structured educational methods within a yearly academic schedule to enable approximately five hundred (500) active Consumers and Family Members to learn how to recover, work, and build social supports.

8. CONTRACTOR shall offer a variety of certificated programs, such as computer literacy, Recovery coaching, and interviewing skills, that would be helpful in seeking work in the mental health system, as well as providing a pathway to entering an AA degree program.

9. CONTRACTOR shall establish a collaborative partnership with a community college to provide the full range of courses needed to prepare a student to enter an AA degree program.

10. CONTRACTOR shall establish policies and procedures for providing emergency evaluation and crisis intervention as well as internal incident reports.

~~11. CONTRACTOR shall maintain a student database to measure overall program effectiveness which includes but not limited to tracking student demographics and maintaining secure files with all student information.~~

11. Contractor shall review the student code of conduct, a student grievance process, and student disciplinary procedures with each student during an academic advisement session.

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

E. CONTRACTOR shall ensure that all staff are trained and have a clear understanding of all CONTRACTOR and ADMINISTRATOR's P&Ps as related to the services provided in this Exhibit A to

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1 the Agreement. CONTRACTOR shall provide signature confirmation of the P&P training for each staff
2 member and place in their personnel files.

3 F. CONTRACTOR shall ensure that all staff completes the ADMINISTRATOR's Annual
4 Provider Training.

5 G. ADMINISTRATOR shall provide, or cause to be provided, training and ongoing consultation to
6 CONTRACTOR's staff to assist CONTRACTOR in ensuring compliance with ADMINISTRATOR
7 Standards of Care practices, P&Ps, documentation standards and any state regulatory requirements.

8 H. CONTRACTOR shall provide effective administrative management of the budget, staffing,
9 recording, and reporting portion of the Agreement with the COUNTY. If administrative responsibilities
10 are delegated to subcontractors, CONTRACTOR must ensure that any subcontractor(s) possess the
11 qualifications and capacity to perform all delegated responsibilities.

12 I. CONTRACTOR shall attend monthly meetings with ADMINISTRATOR to discuss contractual
13 and other issues that include, but are not limited to compliance with P&Ps, statistics, and training
14 services.

15 J. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources,
16 with respect to any individual(s) who are served by CONTRACTOR under the terms of the Agreement.
17 Further, CONTRACTOR agrees that the funds provided hereunder will not be used to promote, directly
18 or indirectly, any religion, religious creed or cult, denomination or sectarian institution, or religious
19 belief.

20 K. CONTRACTOR shall not engage in, or permit any of its employees or subcontractors, to
21 conduct research activity on program participants without obtaining prior written authorization from
22 ADMINISTRATOR.

23 L. PERFORMANCE OUTCOMES

24 1. CONTRACTOR shall complete Performance Outcome measures as required by State
25 and/or COUNTY. The expected Outcomes are to provide a quantifiable and repeatable measure to
26 assess overall program effectiveness. The CONTRACTOR will cooperate in data collection in order to
27 develop baseline figures for future Evaluation and report performance in terms of Consumer satisfaction
28 and quality of services.

29 ~~2. COUNTY shall develop and provide CONTRACTOR with Performance Outcome measure
30 guidelines for the purpose of evaluating the impact or contribution of CONTRACTOR's services on the
31 well-being of the COUNTY residents being served under the terms of the Agreement.~~

32 2. COUNTY shall develop and provide CONTRACTOR with Performance Outcome measure
33 guidelines for the purpose of evaluating the impact or contribution of CONTRACTOR's services on the
34 well-being of the participants being served under the terms of the Agreement.

35 ~~3. CONTRACTOR shall at a minimum track and monitor:~~

36 3. CONTRACTOR shall meet the following outcome measure goals, such as satisfaction with
37 services and increases in knowledge and skill sets.

~~a. Number of classes of each type (Workshop, Pre-Vocational and College Credit) provided; as well as the percentage of students completing each Workshop, Pre-Vocational and College Credit Courses. The goal is 50% will complete entire workshops, Prevocational Courses, and college credit courses.~~

~~b. Number of students enrolled;~~

~~c. Number of students completing each type of class;~~

~~d. Number of success coach contacts;~~

~~e. Number of students receiving academic counseling.~~

~~f. Percent retention for students enrolled in college credit courses.~~

4. CONTRACTOR shall track and measure the following:

a. Number of students enrolled;

b. Number of students in each course component (i.e. workshop, pre-vocational workshop, peer certification course, college credit course, and extended education);

c. Number of courses in each component;

d. Number of academic advisor contacts;

e. Number of success coach contacts;

f. Number of employment specialist contacts;

g. Completion rate for students enrolled in each course component in workshops, pre-vocational workshops, peer specialist certificate course, and college credit courses;

h. Number of students graduating;

i. Number of students employed;

j. Number of students transitioned to higher education; and

k. Satisfactory survey rate.

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

M. UNITS OF SERVICE

CONTRACTOR shall achieve, track, and report, at a minimum, the following units of service:

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<u>NUMBER OF COURSES OFFERED PER YEAR</u>	
<u>Workshops</u>	<u>75</u>
<u>Pre-Vocational Workshops</u>	<u>43</u>
<u>Extended Education Courses</u>	<u>10</u>
<u>College Credit Courses</u>	<u>18</u>
<u>Peer Support Specialist Trainings</u>	<u>3</u>

<u>MINIMUM UNITS OF SERVICE</u>	
<u>Number of Students Enrolled</u>	<u>500</u> <u>Students</u>
<u>Academic Advisement Sessions</u>	<u>1500</u> <u>Sessions</u>
<u>Success Coach Support Contacts</u>	<u>500</u> <u>Sessions</u>
<u>Employment Specialist Support Contacts</u>	<u>150</u> <u>Sessions</u>
<u>Student enrollment in Peer Support Specialist Trainings</u>	<u>30</u> <u>Students</u>
<u>Completion Rate of Courses*</u>	<u>75 %</u>
<u>Participant Satisfaction</u>	<u>75 %</u>
<u>Increase in Student's knowledge</u>	<u>75 %</u>

*Completion Rate of Courses shall include Workshop, Pre-Vocational Workshop, Peer Support Specialist Training, and College Credit Courses.

1. CONTRACTOR shall provide a minimum of seventy-five (75) Workshop Courses.
2. CONTRACTOR shall provide a minimum of forty-three (43) Pre-Vocational Courses.
3. CONTRACTOR shall provide ten (10) Extended Education Courses by Extended Education approved Instructors.
4. CONTRACTOR shall provide a minimum of eighteen (18) College Credit Courses.
5. CONTRACTOR shall provide a minimum of three (3) Peer Support Specialist Training series per year consisting of 54 hours of coursework.
6. CONTRACTOR shall provide a minimum of one thousand five hundred (1,500) Academic Advisement Sessions per year.
7. CONTRACTOR shall provide a minimum of five hundred (500) Success Coach Support Sessions per year.

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1 8. CONTRACTOR shall provide a minimum of one hundred fifty (150) Employment
 2 Specialist Support Sessions per year.

3 N. CONTRACTOR shall maintain a student database to track student demographics for
 4 coordination and reporting purposes.

5 O. CONTRACTOR shall maintain secure files which contain all student information.

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

8 9 VI. STAFFING

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

<u>PROGRAM</u>	<u>FTEs</u>
— Division Director	— 0.06
— Data Entry Clerk	— 1.00
— Administrative Assistant	— 1.00
— Education Training Director	— 1.00
— Academic Advisor	— 3.00
— Success Coach	— 4.00
— Assistant Education Director	— 1.00
TOTAL FTEs	— 11.06

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

<u>PROGRAM</u>	<u>FTEs</u>
<u>— Associate Divisional Director</u>	<u>— 0.06</u>
<u>— Assistant Education Director</u>	<u>— 1.00</u>
<u>— Administrative Assistant</u>	<u>— 1.00</u>
<u>— Data Entry Clerk</u>	<u>— 0.50</u>
<u>— Education Training Director</u>	<u>— 1.00</u>
<u>— Academic Advisor</u>	<u>— 3.00</u>
<u>— Success Coach</u>	<u>— 2.50</u>
<u>— Employment Specialist</u>	<u>— 1.00</u>
<u>TOTAL FTEs</u>	<u>— 10.06</u>

37 //

1 B. WORKLOAD STANDARDS

2 1. CONTRACTOR shall provide a minimum of seventy-five (75) Workshop Courses.
 3 2. CONTRACTOR shall provide a minimum of fifty (50) Pre-Vocational courses.
 4 3. CONTRACTOR shall provide a minimum of fifteen (15) College Credit Courses.
 5 4. CONTRACTOR shall provide a minimum of fifteen (15) Extended Education Courses by
 6 Extended Education approved Instructors.

7 5. CONTRACTOR shall include culturally and linguistically appropriate services to meet the
 8 needs of threshold languages as determined by ADMINISTRATOR.

9 6. CONTRACTOR shall recruit, hire, train and maintain staff who are Consumers, former
 10 Consumers or Family Members and who are qualified for the position(s) sought. CONTRACTOR shall
 11 maintain documentation which shall include, but not be limited to, the following: records attesting to
 12 efforts made in recruitment and hiring practices, and identification of measures taken to enhance
 13 accessibility for potential staff in these categories.

14 7. CONTRACTOR may augment the above paid staff with volunteers or student interns upon
 15 written approval of ADMINISTRATOR. CONTRACTOR shall meet minimum requirements for
 16 supervision of each student intern as required by the state Licensing Board and/or school program
 17 descriptions or work contracts.

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

23 9. All positions are required to maintain a log delineating hours worked and allocated to each
 24 program of CONTRACTOR.

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

27 C. CONTRACTOR shall make every effort to recruit, hire, train and maintain staff with lived
 28 experiences and/or family members and who are qualified for the position(s) sought. CONTRACTOR
 29 shall maintain documentation, which shall include, but not be limited to, the following: records attesting
 30 to efforts made in recruitment and hiring practices, and identification of measures taken to enhance
 31 accessibility for potential staff in these categories.”

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EXHIBIT B
 TO AGREEMENT FOR PROVISION OF
 RECOVERY EDUCATION INSTITUTE SERVICES
 BETWEEN
 COUNTY OF ORANGE
 AND
 PACIFIC CLINICS
 JULY 1, 2016 THROUGH JUNE 30, 2018

I. BUSINESS ASSOCIATE CONTRACT

A. GENERAL PROVISIONS AND RECITALS

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

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

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

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

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

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

1 B. DEFINITIONS

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

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

8 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

33 5. "Disclosure" shall have the meaning given to such term under the HIPAA regulations in
34 45 CFR § 160.103.

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

37 //

1 7. "Individual" shall have the meaning given to such term under the HIPAA Privacy Rule in
 2 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance
 3 with 45 CFR § 164.502(g).

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

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

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

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

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

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

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

22 15. "Subcontractor" shall have the meaning given to such term under the HIPAA regulations in
 23 45 CFR § 160.103.

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

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

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

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

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

35 2. CONTRACTOR agrees to use appropriate safeguards, as provided for in this Business
 36 Associate Contract and the Agreement, to prevent use or disclosure of PHI COUNTY discloses to
 37 //

1 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
2 other than as provided for by this Business Associate Contract.

3 3. CONTRACTOR agrees to comply with the HIPAA Security Rule at Subpart C of
4 45 CFR Part 164 with respect to ePHI COUNTY discloses to CONTRACTOR or CONTRACTOR
5 creates, receives, maintains, or transmits on behalf of COUNTY.

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

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

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

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

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

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

30 10. CONTRACTOR agrees to document any Disclosures of PHI COUNTY discloses to
31 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,
32 and to make information related to such Disclosures available as would be required for COUNTY to
33 respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with
34 45 CFR § 164.528.

35 11. CONTRACTOR agrees to provide COUNTY or an Individual, as directed by COUNTY, in
36 a time and manner to be determined by COUNTY, that information collected in accordance with the

37 //

1 Agreement, in order to permit COUNTY to respond to a request by an Individual for an accounting of
2 Disclosures of PHI in accordance with 45 CFR § 164.528.

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

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

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

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

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

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

37 //

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

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

7 D. SECURITY RULE

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

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

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

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

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

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

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

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

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

4 E. DATA SECURITY REQUIREMENTS

5 1. Personal Controls

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

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

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

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

31 2. Technical Security Controls

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

37 //

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 3. Audit Controls

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

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

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

17 4. Business Continuity/Disaster Recovery Control

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

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

30 5. Paper Document Controls

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

37 //

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

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

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

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

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

22 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

16 4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in
17 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the
18 COUNTY.

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

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

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

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

36 9. If the Breach is the fault of CONTRACTOR, CONTRACTOR shall bear all expense or
37 other costs associated with the Breach and shall reimburse COUNTY for all expenses COUNTY incurs

1 in addressing the Breach and consequences thereof, including costs of investigation, notification,
2 remediation, documentation or other costs associated with addressing the Breach.

3 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

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

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

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

13 1) The Disclosure is required by law; or

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

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

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

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

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

28 H. PROHIBITED USES AND DISCLOSURES

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

34 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI
35 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
36 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by
37 42 USC § 17935(d)(2).

1 I. OBLIGATIONS OF COUNTY

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

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

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

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

13 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

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

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1 EXHIBIT C
 2 TO AGREEMENT FOR PROVISION OF
 3 RECOVERY EDUCATION INSTITUTE SERVICES
 4 BETWEEN
 5 COUNTY OF ORANGE
 6 AND
 7 PACIFIC CLINICS
 8 JULY 1, 2016 THROUGH JUNE 30, 2018
 9

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

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

13 A. DEFINITIONS

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

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

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

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

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

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

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

30 8. "PI" shall have the meaning given to such term in CCC § 1798.3(a).

31 9. "Required by law" means a mandate contained in law that compels an entity to make a use
 32 or disclosure of PI or PII that is enforceable in a court of law. This includes, but is not limited to, court
 33 orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental
 34 or tribal inspector general, or an administrative body authorized to require the production of information,
 35 and a civil or an authorized investigative demand. It also includes Medicare conditions of participation
 36 with respect to health care providers participating in the program, and statutes or regulations that require
 37 //

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

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

6 B. TERMS OF AGREEMENT

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

11 2. Responsibilities of CONTRACTOR

12 CONTRACTOR agrees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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