



**TABLE OF CONTENTS**

<u>PARAGRAPH</u>	<u>PAGE</u>
Title Page.....	1
Table of Contents .....	2
Referenced Contract Provisions .....	4
I. Acronyms .....	4
II. Alteration of Terms .....	5
III. Assignment of Debts.....	5
IV. Compliance .....	5
V. Confidentiality.....	11
<del>V.</del> VI. Conflict of Interest .....	11
<del>VI.</del> VII. Cost Report.....	12
<del>VII.</del> VIII. Debarment and Suspension Certification .....	14
IX. Delegation, Assignment and Subcontracts.....	14
<del>VIII.</del> X. Dispute Resolution .....	16
<del>IX.</del> XI. Employee Eligibility Verification .....	16
<del>X.</del> XII. Equipment .....	17
<del>XI.</del> XIII. Facilities, Payments and Services.....	18
<del>XII.</del> XIV. Indemnification and Insurance .....	18
<del>XIII.</del> XV. Inspections and Audits .....	23
<del>XIV.</del> XVI. Licenses and Laws .....	23
<del>XV.</del> XVII. Literature, Advertisements, and Social Media.....	25
<del>XVI.</del> XVIII. Maximum Obligation .....	26
<del>XVII.</del> XIX. Minimum Wage Laws .....	26
<del>XVIII.</del> XX. Nondiscrimination.....	26
<del>XIX.</del> XXI. Notices.....	28
<del>XX.</del> XXII. Notification of Death .....	29
XXIII. Notification Of Public Events And Meetings .....	30
<del>XXI.</del> XXIV. Patient’s Rights .....	30
<del>XXII.</del> XXV. Records Management and Maintenance.....	30
<del>XXIII.</del> XXVI. Research and Publication .....	34
<del>XXIV.</del> XXVII. Revenue.....	34
<del>XXV.</del> XXVIII. Severability .....	34
<del>XXVI.</del> XXIX. Special Provisions .....	34
<del>XXVII.</del> XXX. Status of Contractor.....	36
<del>XXVIII.</del> XXXI. Term.....	36
<del>XXIX.</del> XXXII. Termination .....	36
<del>XXX.</del> XXXIII. Third Party Beneficiary .....	38

1	<del>XXXI</del> .XXXIV. Waiver of Default or Breach.....	38
2	Signature Page.....	39

**CONTENTS**

**EXHIBIT A**

**PAGE**

7	I. Common Terms and Definitions .....	1
8	II. Payments .....	3
9	III. Records.....	4
10	IV. Reports.....	5
11	V. Services .....	5
12	VI. Staffing .....	12

**EXHIBIT B**

15	I. Business Associate Contract.....	1
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**EXHIBIT C**

18	I. Personal Information Privacy and Security Contract.....	1
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**REFERENCED CONTRACT PROVISIONS**

**Term:** July 1, 2017 through June 30, 2020

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

Period Two means the period from July 1, 2018 through June 30, 2019

Period Three means the period from July 1, 2019 through June 30, 2020

Period Four means the period from July 1, 2020 through June 30, 2021

**Maximum Obligation:**

Period One Maximum Obligation: \$ 508,140

Period Two Maximum Obligation: 483,954

Period Three Maximum Obligation: 898,954

Period Four Maximum Obligation: 898,954

TOTAL MAXIMUM OBLIGATION: ~~\$1,891,048~~ \$2,790,002

**Basis for Reimbursement:** Negotiated Rate

**Payment Method:** Monthly In Arrears

**CONTRACTOR DUNS Number:** 04-690-7267

**CONTRACTOR TAX ID Number:** 95-4168437

**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: Western Pacific Re-Hab  
4544 San Fernando Road; Suite 202  
Glendale, CA 91204  
Mark R. Hickman  
mark@westpacmed.com

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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:

4	A. ARRA	American Recovery and Reinvestment Act
5	B. ASRS	Alcohol and Drug Programs Reporting System
6	C. CalOMS	California Outcomes Measurement System
7	D. CAP	Corrective Action Plan
8	E. CCC	California Civil Code
9	F. CCR	California Code of Regulations
10	G. CEO	County Executive Office
11	H. CFDA	Catalog of Federal Domestic Assistance
12	I. CFR	Code of Federal Regulations
13	J. CHPP	COUNTY HIPAA Policies and Procedures
14	K. CHS	Correctional Health Services
15	L. COI	Certificate of Insurance
16	M. DATAR	Drug Abuse Treatment Access Report
17	N. D/MC	Drug/Medi-Cal
18	O. DHCS	Department of Health Care Services
19	P. DPFS	Drug Program Fiscal Systems
20	Q. DRS	Designated Record Set
21	R. ePHI	Electronic Protected Health Information
22	S. GAAP	Generally Accepted Accounting Principles
23	T. HCA	Health Care Agency
24	U. HHS	Health and Human Services
25	V. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
26		Law 104-191
27	W. HSC	California Health and Safety Code
28	X. IRIS	Integrated Record and Information System
29	Y. ISO	Insurance Services Office
30	Z. MHP	Mental Health Plan
31	AA. NIATx	Network Improvement of Addiction Treatment
32	AB. OCJS	Orange County Jail System
33	AC. OCPD	Orange County Probation Department
34	AD. OCR	Office for Civil Rights
35	AE. OCSD	Orange County Sheriff's Department
36	AF. OIG	Office of Inspector General
37	AG. OMB	Office of Management and Budget

1	AH. OPM	Federal Office of Personnel Management
2	AI. PA DSS	Payment Application Data Security Standard
3	AJ. PC	State of California Penal Code
4	AK. PCI DSS	Payment Card Industry Data Security Standard
5	AL. PHI	Protected Health Information
6	AM. PII	Personally Identifiable Information
7	AN. PRA	Public Record Act
8	AO. SIR	Self-Insured Retention
9	AP. HITECH Act	Health Information Technology for Economic and Clinical
10		Health Act, Public Law 111-005
11	AQ. USC	United States Code
12	AR. WIC	State of California Welfare and Institutions Code

## **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. COMPLIANCE PROGRAM - 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.

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

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

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

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

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

35 5. Upon written confirmation from ADMINISTRATOR's Compliance Officer that the  
36 CONTRACTOR's compliance program, code of conduct and any Compliance related policies and  
37 procedures contain all required elements, CONTRACTOR shall ensure that all Covered Individuals

1 relative to this Agreement are made aware of CONTRACTOR's compliance program, code of conduct,  
 2 related policies and procedures and contact information for the ADMINISTRATOR's Compliance  
 3 Program.

4 ~~— B. SANCTION SCREENING — CONTRACTOR shall screen all Covered Individuals employed or~~  
 5 ~~retained to provide services related to this Agreement semi annually to ensure that they are not~~  
 6 ~~designated as Ineligible Persons, as pursuant to this Agreement. Screening shall be conducted against~~  
 7 ~~the General Services Administration's Excluded Parties List System or System for Award Management,~~  
 8 ~~the Health and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and~~  
 9 ~~the California Medi-Cal Suspended and Ineligible Provider List and/or any other list or system as~~  
 10 ~~identified by the ADMINISTRATOR.~~

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

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

23 ~~—— a. is currently excluded, suspended, debarred or otherwise ineligible to participate in~~  
 24 ~~federal and state health care programs; or~~

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

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

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

37 ~~—— 5. Covered Individuals shall be required to disclose to CONTRACTOR immediately any~~

1 ~~debarment, exclusion or other event that makes the Covered Individual an Ineligible Person.~~  
 2 ~~CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual providing~~  
 3 ~~services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an~~  
 4 ~~Ineligible Person.~~

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

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

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

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

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

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

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

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

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

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

28 C. GENERAL COMPLIANCE TRAINING – ADMINISTRATOR shall make General  
 29 Compliance Training available to Covered Individuals.

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

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

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

37 4. ADMINISTRATOR will track training completion while CONTRACTOR shall provide

1 | copies of training certification upon request.

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

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

8 |             1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered  
9 | Individuals relative to this Agreement.

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

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

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

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

19 |         E. MEDICAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

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

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

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

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

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

36 |         F. Failure to comply with the obligations stated in this Paragraph IV (COMPLIANCE) shall  
37 | constitute a breach of the Agreement on the part of CONTRACTOR and ground for COUNTY to

1 terminate the Agreement. Unless the circumstances require a sooner period of cure, CONTRACTOR  
 2 shall have thirty (30) calendar days from the date of the written notice of default to cure any defaults  
 3 grounded on this Paragraph IV (COMPLIANCE) prior to ADMINISTRATOR's right to terminate this  
 4 Agreement on the basis of such default.

## 5 6 **V. CONFIDENTIALITY**

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

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

18 C. CONTRACTOR shall have in effect a system to protect patient records from inappropriate  
 19 disclosure in connection with activity funded under this Agreement. This system shall include  
 20 provisions for employee education on the confidentiality requirements, and the fact that disciplinary  
 21 action may occur upon inappropriate disclosure. CONTRACTOR agrees to implement administrative,  
 22 physical, and technical safeguards that reasonably and appropriately protect the confidentiality,  
 23 integrity, and availability of all confidential information that it creates, receives, maintains or transmits.  
 24 CONTRACTOR shall provide ADMINISTRATOR with information concerning such safeguards.

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

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

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

## 32 33 **“VI. CONFLICT OF INTEREST**

34 CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions  
 35 that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation  
 36 shall apply to CONTRACTOR's employees, agents, and subcontractors associated with the provision of  
 37 goods and services provided under this Agreement. CONTRACTOR's efforts shall include, but not be

1 limited to establishing rules and procedures preventing its employees, agents, and subcontractors from  
 2 providing or offering gifts, entertainment, payments, loans or other considerations which could be  
 3 deemed to influence or appear to influence COUNTY staff or elected officers in the performance of  
 4 their duties.”

## 5

## 6 **VII. COST REPORT**

7 A. CONTRACTOR shall submit separate Cost Reports for Period One, Period two, and Period  
 8 Three, or for a portion thereof, to COUNTY no later than forty-five (45) calendar days following the  
 9 period for which they are prepared or termination of this Agreement. CONTRACTOR shall prepare the  
 10 Cost Report in accordance with all applicable federal, state and COUNTY requirements, GAAP and the  
 11 Special Provisions Paragraph of this Agreement. CONTRACTOR shall allocate direct and indirect  
 12 costs to and between programs, cost centers, services, and funding sources in accordance with such  
 13 requirements and consistent with prudent business practice, which costs and allocations shall be  
 14 supported by source documentation maintained by CONTRACTOR, and available at any time to  
 15 ADMINISTRATOR upon reasonable notice.

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

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

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

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

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

35 B. The individual and/or consolidated Cost Report prepared for each period shall be the final  
 36 financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis  
 37 for final settlement to CONTRACTOR for that period. CONTRACTOR shall document that costs are

1 reasonable and allowable and directly or indirectly related to the services to be provided hereunder. The  
2 Cost Report shall be the final financial record for subsequent audits, if any.

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

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

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

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

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

34  
35 Signed \_\_\_\_\_  
36 Name \_\_\_\_\_  
37 Title \_\_\_\_\_

Date \_\_\_\_\_"

**VIII. DEBARMENT AND SUSPENSION CERTIFICATION**

A. CONTRACTOR certifies that it and its principals:

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

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

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

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

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

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

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

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

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

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

1. If CONTRACTOR is a nonprofit organization, any change from a nonprofit corporation to

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

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

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

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

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

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

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

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

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

37 4. This provision shall not be applicable to service agreements usually and customarily

1 entered into by CONTRACTOR to obtain or arrange for supplies, technical support, and professional  
2 services provided by consultants.

### 4 **"X. DISPUTE RESOLUTION**

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

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

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

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

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

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

### 34 **XI. EMPLOYEE ELIGIBILITY VERIFICATION**

35 CONTRACTOR warrants that it shall fully comply with all federal and state statutes and  
36 regulations regarding the employment of aliens and others and to ensure that employees, subcontractors,  
37 and forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees,

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

## 6 7 **XII. EQUIPMENT**

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

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

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

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

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

37 F. CONTRACTOR must report any loss or theft of Equipment in accordance with the procedure

1 approved by ADMINISTRATOR and the Notices Paragraph of this Agreement. In addition,  
 2 CONTRACTOR must complete and submit to ADMINISTRATOR a notification form when items of  
 3 Equipment are moved from one location to another or returned to COUNTY as surplus.

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

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

10 I. The total cost of all Equipment purchases shall not exceed \$50,000 annually.

### 11 **XIII. FACILITIES, PAYMENTS AND SERVICES**

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

18 B. In the event that CONTRACTOR is unable to provide the services, staffing, facilities, or  
 19 supplies as required, ADMINISTRATOR may, at its sole discretion, reduce the Maximum Obligation  
 20 for the appropriate Period as well as the Total Maximum Obligation. The reduction to the Maximum  
 21 Obligation for the appropriate Period as well as the Total Maximum Obligation shall be in an amount  
 22 proportionate to the number of days in which CONTRACTOR was determined to be unable to provide  
 23 services, staffing, facilities or supplies.  
 24

### 25 **XIV. INDEMNIFICATION AND INSURANCE**

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

36 B. Prior to the provision of services under this Agreement, CONTRACTOR agrees to purchase all  
 37 required insurance at CONTRACTOR's expense, including all endorsements required herein, necessary

1 to satisfy COUNTY that the insurance provisions of this Agreement have been complied with.  
 2 CONTRACTOR agrees to keep such insurance coverage, Certificates of Insurance, and endorsements  
 3 on deposit with COUNTY during the entire term of this Agreement. In addition, all subcontractors  
 4 performing work on behalf of CONTRACTOR pursuant to this Agreement shall obtain insurance  
 5 subject to the same terms and conditions as set forth herein for CONTRACTOR.

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

15 ~~— D. All SIRs and deductibles shall be clearly stated on the COI. If no SIRs or deductibles apply,  
 16 indicate this on the COI with a zero (0) by the appropriate line of coverage. Any SIR or deductible in an  
 17 amount in excess of \$50,000 (\$5,000 for automobile liability) shall specifically be approved by the  
 18 CEO/Office of Risk Management upon review of CONTRACTOR's current audited financial report. If  
 19 CONTRACTOR's SIR is approved, CONTRACTOR, in addition to, and without limitation of, any  
 20 other indemnity provision(s) in this Agreement, agrees to all of the following:~~

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

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

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

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

35 1. In addition to the duty to indemnify and hold the COUNTY harmless against any and all  
 36 liability, claim, demand or suit resulting from CONTRACTOR's, its agents, employee's or  
 37 subcontractor's performance of this Agreement, CONTRACTOR shall defend the COUNTY at its sole

1 cost and expense with counsel approved by Board of Supervisors against same; and

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

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

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

11 F. QUALIFIED INSURER

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

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

20 G. The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum  
 21 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 \$1,000,000 aggregate

2  
3 Sexual Misconduct Liability

\$1,000,000 per occurrence

4  
5 H. REQUIRED COVERAGE FORMS

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

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

10 I. REQUIRED ENDORSEMENTS

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

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

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

20 2. The Network Security and Privacy Liability policy shall contain the following  
21 endorsements which shall accompany the Certificate of Insurance:

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

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

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

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

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

1 Agreement.

2 M. If CONTRACTOR's Professional Liability and/or Network Security & Privacy Liability are  
3 "Claims Made" policy(ies), CONTRACTOR shall agree to maintain coverage for two (2) years  
4 following the completion of the Agreement.

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

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

11 P. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If  
12 CONTRACTOR does not deposit copies of acceptable COIs and endorsements with COUNTY  
13 incorporating such changes within thirty (30) calendar days of receipt of such notice, such failure shall  
14 constitute a breach of CONTRACTOR's obligation hereunder and ground for termination of this  
15 Agreement by COUNTY.

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

19 R. SUBMISSION OF INSURANCE DOCUMENTS

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

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

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

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

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

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

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

## 7 **XV. INSPECTIONS AND AUDITS**

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

18 //

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

23 C. CONTRACTOR shall not be subject to disallowances as the result of audits of the cost of  
24 services.

## 26 **XVI. LICENSES AND LAWS**

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

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

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

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

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

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

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

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

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

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

- 22 1. 21 CFR, Chapter 2, Part 1300 through 1399, Drug Enforcement Administration.
- 23 2. 21 USC §§355, and 505, Manufacture of Drugs.
- 24 3. 21 USC §§812, 823, and 958, Controlled Substances.
- 25 4. 21 USC 300x-27(a) and 300y-11.
- 26 5. 42 CFR, Public Health, Part 8 – Certification of Opioid Treatment Programs.
- 27 6. ARRA of 2009.
- 28 7. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.
- 29 8. CCR Title 9, Division 4, Chapter 4, Subchapters 1 through 6, Narcotic Treatment Programs.
- 30 9. D/MC Billing Manual (March 23, 2010).
- 31 10. D/MC Certification Standards for Substance Abuse Clinics, July 2004.
- 32 11. Federal Medicare Cost reimbursement principles and cost reporting standards.
- 33 12. HSC, §§11758.40 through 11758.47, Medi-Cal Drug Treatment Program.
- 34 13. HSC, §§11839 through 11839.22, Narcotic Treatment Programs.
- 35 14. HSC, §11876, Narcotic Treatment Programs (inspections).
- 36 15. Orange County Medi-Cal Mental Health Managed Care Plan.
- 37 16. Short Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case

1 Management.

- 2 17. Short-Doyle/Medi-Cal Modifications/Revisions for the Rehabilitation Option and Targeted  
3 Case Management Manual, including DMH Letter 94-14, dated July 7, 1994, DMH Letter  
4 No. 95-04, dated July 27, 1995, DMH Letter 96-03, dated August 13, 1996.
- 5 18. State of California-Health and Human Services Agency, Department of Health Care  
6 Services, Mental Health Services Division (MHSD), Medi-Cal Billing Manual, October  
7 2013
- 8 19. Title 22, CCR, §51009, Confidentiality of Records.
- 9 20. US Department of Justice, Drug Enforcement Administration.
- 10 21. Trafficking Victims Protection Act of 2000, specifically section 106(g) of the Trafficking  
11 Victims Protection Act of 2000 (22 U.S.C. 7104(g)) as amended by section 1702.

12  
13 **XVII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

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

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

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

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

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

37

**XVIII. MAXIMUM OBLIGATION**

1  
2 A. The Total Maximum Obligation of COUNTY for services provided in accordance with this  
3 Agreement, and the separate Maximum Obligations for each period under this Agreement, are as  
4 specified in the Referenced Contract Provisions of this Agreement, except as allowed for in  
5 Subparagraph B. below.

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

**XIX. MINIMUM WAGE LAWS**

8  
9  
10 A. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and  
11 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the  
12 federal or California Minimum Wage to all its employees that directly or indirectly provide services  
13 pursuant to this Agreement, in any manner whatsoever. CONTRACTOR shall require and verify that  
14 all its contractors or other persons providing services pursuant to this Agreement on behalf of  
15 CONTRACTOR also pay their employees no less than the greater of the federal or California Minimum  
16 Wage.

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

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

**XX. NONDISCRIMINATION****A. EMPLOYMENT**

24  
25  
26  
27 1. During the term of this Agreement, CONTRACTOR and its Covered Individuals shall not  
28 unlawfully discriminate against any employee or applicant for employment because of his/her race,  
29 religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition,  
30 genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual  
31 orientation, or military and veteran status. Additionally, during the term of this Agreement,  
32 CONTRACTOR and its Covered Individuals shall require in its subcontracts that subcontractors shall  
33 not 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 condition,  
35 genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual  
36 orientation, or military and veteran status.

37 2. CONTRACTOR and its Covered Individuals shall not discriminate against employees or

1 applicants for employment in the areas of employment, promotion, demotion or transfer; recruitment or  
 2 recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection  
 3 for training, including apprenticeship.

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

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

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

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

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

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

1 others receiving any service or benefit.

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

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

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

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

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

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

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

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

### 32 **XXI. NOTICES**

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

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

1 by ADMINISTRATOR;

2 2. When faxed, transmission confirmed;

3 3. When sent by Email; or

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

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

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

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

## 16 **XXII. NOTIFICATION OF DEATH**

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

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

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

### 27 2. WRITTEN NOTIFICATION

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

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

35 C. If there are any questions regarding the cause of death of any person served pursuant to this  
36 Agreement who was diagnosed with a terminal illness, or if there are any unusual circumstances related  
37

1 to the death, CONTRACTOR shall immediately notify ADMINISTRATOR in accordance with this  
2 Notification of Death Paragraph.

3  
4 **“XXIII. PATIENT’S RIGHTS**

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

9 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have an  
10 internal grievance process approved by ADMINISTRATOR, to which the beneficiary shall have access.

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

14 2. Title IX Rights Advocacy. This process may be initiated by a Client who registers a  
15 statutory rights violation or a denial or abuse complaint with the County Patients’ Rights Office. The  
16 Patients’ Rights office shall investigate the complaint, and Title IX grievance procedures shall apply,  
17 which involve ADMINISTRATOR’S Director of Behavioral Health Care and the State Patients’ Rights  
18 Office.

19 C. The Parties agree that Clients have recourse to initiate an expression of dissatisfaction to  
20 CONTRACTOR, appeal to the County Patients’ Rights Office, file a grievance, and file a Title IX  
21 complaint. The Patients’ Advocate shall advise and assist the Client, investigate the cause of the  
22 grievance, and attempt to resolve the matter

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

25  
26 **XXIV. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

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

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

34  
35 **XXV. RECORDS MANAGEMENT AND MAINTENANCE**

36 ~~A. CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term~~  
37 ~~of this Agreement, prepare, maintain and manage records appropriate to the services provided and in~~

1 ~~accordance with this Agreement and all applicable requirements, which include but are not limited to:~~

2 ~~1. California Code of Regulations Title 22, §§70751(c), 71551(c), 73543(a), 74731(d),~~  
 3 ~~75055(a), 75343(a), and 77143(a).~~

4 ~~2. State of California, Department of Health Care Services ASRS Manual.~~

5 ~~3. State of California, Department of Health Care Services DPFS Manual.~~

6 ~~4. California Health and Safety Code §123145.~~

7 ~~5. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(e) and (j).~~

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

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

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

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

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

25 ~~1. The medical records and billing records about individuals maintained by or for a covered~~  
 26 ~~health care provider;~~

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

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

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

33 ~~1. Have documents readily available within forty eight (48) hour notice of a scheduled audit~~  
 34 ~~or site visit.~~

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

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

1 requested.

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

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

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

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

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

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

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

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

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. CONTRACTOR shall mitigate to the  
 32 extent practicable, the known harmful effect of any use or disclosure of PHI made in violation of federal  
 33 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 D. CONTRACTOR shall retain all financial records for a minimum of ten (10) years from the

1 termination of the contract, unless a longer period is required due to legal proceedings such as litigations  
2 and/or settlement of claims.

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

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

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

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

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

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

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

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

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

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

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

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

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

1  
2 **XXVI. RESEARCH AND PUBLICATION**

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

6  
7 **XXVII. REVENUE**

8 A. CLIENT FEES – CONTRACTOR shall charge a fee to Clients to whom services are provided  
9 pursuant to this Agreement, their estates and responsible relatives, in accordance with the fee system  
10 designated by ADMINISTRATOR. This fee shall be based upon the person's ability to pay for services,  
11 but it shall not exceed the actual cost of services provided. No person shall be denied services because  
12 of an inability to pay.

13 B. THIRD-PARTY REVENUE – CONTRACTOR shall make every reasonable effort to obtain all  
14 available third-party reimbursement for which persons served pursuant to this Agreement may be  
15 eligible. Charges to insurance carriers shall be on the basis of CONTRACTOR's usual and customary  
16 charges.

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

23  
24 **XXVIII. SEVERABILITY**

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

30  
31 **XXIX. SPECIAL PROVISIONS**

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

- 34 1. Making cash payments to intended recipients of services through this Agreement.  
35 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications  
36 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on  
37 use of appropriated funds to influence certain federal contracting and financial transactions).

- 1 3. Fundraising.
- 2 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
- 3 CONTRACTOR's staff, volunteers, or members of the Board of Directors or governing body.
- 4 5. Reimbursement of CONTRACTOR's members of the Board of Directors or governing
- 5 body for expenses or services.
- 6 6. Making personal loans to CONTRACTOR's staff, volunteers, interns, consultants,
- 7 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized
- 8 agent, or making salary advances or giving bonuses to CONTRACTOR's staff.
- 9 7. Paying an individual salary or compensation for services at a rate in excess of the current
- 10 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary
- 11 Schedule may be found at [www.opm.gov](http://www.opm.gov).
- 12 8. Severance pay for separating employees.
- 13 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building
- 14 codes and obtaining all necessary building permits for any associated construction.
- 15 10. Purchasing or improving land, including constructing or permanently improving any
- 16 building or facility, except for tenant improvements.
- 17 11. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal
- 18 funds (matching).
- 19 12. Contracting or subcontracting with any entity other than an individual or nonprofit entity.
- 20 13. Producing any information that promotes responsible use, if the use is unlawful, of drugs or
- 21 alcohol.
- 22 14. Promoting the legalization of any drug or other substance included in Schedule 1 of the
- 23 Controlled Substance Act (21 USC 812).
- 24 15. Distributing or aiding in the distribution of sterile needles or syringes for the hypodermic
- 25 injection of any illegal drug.
- 26 16. Assisting, promoting, or deterring union organizing.
- 27 17. Providing inpatient hospital services or purchasing major medical equipment.
- 28 B. Unless otherwise specified in advance and in writing by ADMINISTRATOR, CONTRACTOR
- 29 shall not use the funds provided by means of this Agreement for the following purposes:
- 30 1. Funding travel or training (excluding mileage or parking).
- 31 2. Making phone calls outside of the local area unless documented to be directly for the
- 32 purpose of Client care.
- 33 3. Payment for grant writing, consultants, certified public accounting, or legal services.
- 34 4. Purchase of artwork or other items that are for decorative purposes and do not directly
- 35 contribute to the quality of services to be provided pursuant to this Agreement.
- 36 5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
- 37 CONTRACTOR's Clients

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

### 5 6 **XXX. STATUS OF CONTRACTOR**

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

### 18 19 **XXXI. TERM**

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

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

### 28 29 **XXXII. TERMINATION**

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

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

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

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

#### 15 D. CONTINGENT FUNDING

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

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

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

- 31 1. Comply with termination instructions provided by ADMINISTRATOR in a manner which
- 32 is consistent with recognized standards of quality care and prudent business practice.
- 33 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract
- 34 performance during the remaining contract term.
- 35 3. Until the date of termination, continue to provide the same level of service required by this
- 36 Agreement.
- 37 4. If Clients are to be transferred to another facility for services, furnish ADMINISTRATOR,

1 upon request, all Client information and records deemed necessary by ADMINISTRATOR to effect an  
2 orderly transfer.

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

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

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

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

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

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

21  
22 **XXXIII. THIRD PARTY BENEFICIARY**

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

26  
27 **XXXIV. WAIVER OF DEFAULT OR BREACH**

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

33 //  
34 //  
35 //  
36 //  
37 //

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

3  
4  
5 WESTERN PACIFIC RE-HAB  
6

7  
8 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
9

10 TITLE: \_\_\_\_\_  
11  
12  
13

14  
15 COUNTY OF ORANGE  
16

17  
18 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
19

20 HEALTH CARE AGENCY  
21  
22  
23

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

28 BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
29

30 DEPUTY  
31  
32  
33  
34

35 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the  
36 President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer  
37 or any Assistant Treasurer. If the contract is signed by one (1) authorized individual only, a copy of the corporate resolution  
signature alone is required by ADMINISTRATOR.

EXHIBIT A  
 TO AGREEMENT FOR PROVISION OF  
 NARCOTIC REPLACEMENT THERAPY TREATMENT SERVICES  
 WITH  
 WESTERN PACIFIC RE-HAB  
 JULY 1, 2017 THROUGH JUNE 30, 2020

**I. COMMON TERMS AND DEFINITIONS**

A. AB109 Services are for those Clients deemed eligible by California Department of Corrections and Rehabilitation and/or OCPD. Clients in AB 109 Services are those who have received sentencing for a felony or misdemeanor that is non-violent, non-sexual, and non-serious.

B. CalOMS is a statewide Client based data collection and outcomes measurement system as required by the state to effectively manage and improve the provision of alcohol and other drug services at the state, COUNTY, and provider levels.

C. Counselor means a staff member who is registered or certified by one of the state approved Counseling Certification programs or who is a registered intern or licensed by the Board of Behavioral Sciences. A Counselor must remain in good standing with the certification or licensing process.

D. Diagnosis means the identification of the nature of the Client's substance use disorder. When formulating the diagnosis of a Client, the CONTRACTOR shall use the diagnosis codes and axes as specified in the most current edition of the DSM published by the American Psychiatric Association. The Contractor shall record all DSM diagnoses on all IRIS documents and in the Client files as appropriate.

E. Dose means the administration of a specific amount of Methadone, or any other medication as approved by ADMINISTRATOR, prescribed by a physician for the Client's care along with medical care and individual and/or group counseling.

F. Dual Diagnosed Client means a Client having co-occurring mental illness and substance abuse diagnosis, irrespective of which is the primary diagnosis.

G. Family Counseling means a face-to-face contact between a Counselor and members of a Client's family or significant other. The Client may or may not be present.

H. Gatekeeper means ADMINISTRATOR staff responsible for all initial referrals to CONTRACTOR for Methadone, or other medication as approved by ADMINISTRATOR, maintenance treatment or detoxification therapy.

I. Group Counseling means a face-to-face contact between a Counselor and each Client involved in a group counseling session. A group session is a ninety (90) minute session with more than one (1) person in an encounter with a Counselor.

J. Individual Counseling means a face-to-face contact, between a Counselor and an individual Client resulting in a record of therapeutic experience in a Client's chart. An individual session is with

1 one (1) Client in an encounter with a Counselor.

2 K. Intake means the initial face-to-face meeting between a Client and CONTRACTOR staff in  
3 which specific information about the Client is gathered including the ability to pay and standard  
4 admission forms pursuant to the Agreement, post Gatekeeper approval.

5 L. IRIS means a collection of applications and data bases that serve the needs of programs within  
6 HCA and includes functionality such as registration and scheduling, laboratory information system,  
7 billing and reporting capabilities, compliance with regulatory requirements, electronic medical records  
8 and other relevant information.

9 M. Linkage means connecting Clients to ancillary services such as outpatient treatment and  
10 supportive services which may include self-help groups, social services, rehabilitation services,  
11 vocational services, job training services or other appropriate services.

12 N. Maintenance Client means a male or female aged 18 and over residing in COUNTY who has a  
13 primary problem of opiate addiction and is currently recovering through Narcotic Replacement  
14 Maintenance Therapy.

15 O. Medical Director means the physician licensed to practice medicine in California who is  
16 responsible for medical services provided by CONTRACTOR.

17 P. Medical Necessity means the decision by Contractor's Medical Director that a Client meets  
18 admission criteria and continuing care justification pursuant to CCR, Title 22 and Title 9, Section  
19 10270.

20 Q. Narcotic Replacement Maintenance Therapy means the medically supervised use of an opiate  
21 agonist medication to provide a means whereby the patient may be rehabilitated from opiate substance  
22 use disorders.

23 R. Narcotic Replacement Detoxification means narcotic therapy used in decreasing medically  
24 determined dosage levels for a period of not more than twenty-one (21) calendar days, to reduce or  
25 eliminate opiate addiction.

26 S. Client means a male or female aged 18 and over residing in the COUNTY who has a primary  
27 problem of opiate addiction and also qualifies for admission as per Title 9 and contractual eligibility  
28 requirements.

29 T. Program Protocol means the written program description, goals, objectives, and policies  
30 established by CONTRACTOR for Methadone, Suboxone or other medication as approved by  
31 ADMINISTRATOR, therapy program provided pursuant to the Agreement.

32 U. Ryan White Funding means specific funding for Clients with HIV disease as may be awarded  
33 by the COUNTY HIV Planning Council.

34 V. Screening means the process by which the program obtains information about the individual  
35 seeking admission for Methadone, Suboxone or other medication as approved by ADMINISTRATOR,  
36 therapy services.

37 //

1 W. Token means the security device which allows an individual user to access the HCA computer  
2 based IRIS.

3 X. Unit of Service means a calendar month of treatment services at a Narcotic Treatment Program  
4 provided pursuant to Title 22 and Title 9. Dosing and counseling services may be provided on the same  
5 day to a single Client.

## 7 **II. PAYMENTS**

8 A. BASIS FOR REIMBURSEMENT – As compensation to CONTRACTOR for services provided  
9 pursuant to the Agreement, COUNTY shall pay CONTRACTOR monthly in arrears at the following all-  
10 inclusive rates of reimbursement: \$17.38 daily per Maintenance Client served at CONTRACTOR's  
11 facility, \$12.00 per dose for Detoxification Clients at CONTRACTOR's facility, \$22.50 daily per  
12 participant for Suboxone services provided 365 days a year for seven (7) days a week, and \$26.07 per  
13 dose for Maintenance Clients at the jail and other locations as approved by ADMINISTRATOR;  
14 however, the total of monthly payments to CONTRACTOR shall not exceed COUNTY's Maximum  
15 Obligation set forth in the Referenced Contract Provisions of the Agreement and provided further, that  
16 CONTRACTOR's costs are allowable pursuant to applicable COUNTY, federal and state regulations.  
17 Non-compliance will require the completion of a CAP by CONTRACTOR. If CAPs are not completed  
18 within timeframes approved by ADMINISTRATOR, payments may be reduced accordingly.

19 B. COUNTY shall pay CONTRACTOR monthly, in arrears. CONTRACTOR's invoice shall be  
20 on an approved invoice form, approved or supplied by ADMINISTRATOR, and provide such  
21 information as is required by ADMINISTRATOR.

22 C. CONTRACTOR's invoices are due the tenth (10th) day of the month. Invoices received after  
23 the due date may not be paid within the same month.

24 D. All billings to COUNTY shall be supported by supporting documentation that clearly show  
25 CONTRACTOR is entitled to compensation as a result of and in the performance of duties for  
26 COUNTY.

27 E. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply  
28 with any provision of the Agreement or is not in compliance with federal, state or COUNTY regulations  
29 governing the provision of contracted services.

30 F. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration  
31 and/or termination of the Agreement, except as may otherwise be provided for under the Agreement.

32 G. In conjunction with Payments Paragraph, Subparagraph A, Units of Service shall not be entered  
33 in the IRIS system for services not rendered. If information has been entered, corrections will be made  
34 within ten (10) business days from notification of ADMINISTRATOR.

35 H. The Agreement includes federal funds paid to CONTRACTOR. The CFDA number(s) and  
36 associated information for federal funds paid through the Agreement are specified below:

37 //

1 CFDA Year: 2013

2 CFDA#: 93.959

3 Program Title: Block Grants for Prevention and Treatment of Substance Abuse

4 Federal Agency: Department of Health Care Services

5 Award Name: Negotiated Net Amount/Drug Medi-Cal Contract

6  
7 I. CONTRACTOR may be required to have an audit conducted in accordance with federal OMB  
8 Circular A-133. CONTRACTOR shall be responsible for complying with any federal audit  
9 requirements within the reporting period specified by OMB Circular A-133.

10 J. ADMINISTRATOR may revise the CFDA information listed above, and shall notify  
11 CONTRACTOR in writing of said revisions.

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

### 14 **III. RECORDS**

15  
16 A. CLIENT RECORDS – CONTRACTOR shall maintain adequate records in accordance with the  
17 ADMINISTRATOR Alcohol and Drug Abuse Services Guidelines on each individual Client in  
18 sufficient detail to permit an evaluation of services, which shall include, but need not be limited to  
19 unless otherwise approved by ADMINISTRATOR:

- 20 1. ADMINISTRATOR's Treatment Authorization Form
- 21 2. Substance abuse history
- 22 3. Case Manager's name and telephone number
- 23 4. Tuberculosis clearance
- 24 5. Emergency notification information
- 25 6. Record of any funds collected from, or on behalf of, the Client
- 26 7. Treatment Plan

27 B. FINANCIAL RECORDS – CONTRACTOR shall prepare and maintain accurate and complete  
28 financial records of its costs and operating expenses. Such records shall reflect the actual costs of the  
29 type of service for which payment is claimed in accordance with generally accepted accounting  
30 principles, the ASRS Manual.

31 1. Any apportionment of or distribution of costs, including indirect costs, to or between  
32 programs or cost centers of CONTRACTOR shall be documented, and shall be made in accordance with  
33 generally accepted principles, the ASRS Manual, and the DPFS Manual.

34 2. CONTRACTOR shall account for funds provided through the Agreement separately from  
35 other funds, and maintain a clear audit trail for the expenditure of funds.

36 3. The Client eligibility determination and fee charged to and collected from Clients, together  
37 with a record of all billings rendered and revenues received from any source, on behalf of Clients treated

1 pursuant to the Agreement, must be reflected in CONTRACTOR's financial records.

2 C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
3 Records Paragraph of this Exhibit A to the Agreement.

#### 4 5 **IV. REPORTS**

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

7 1. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR,  
8 including information required and on a form approved or provided by ADMINISTRATOR, in  
9 conjunction with the billing described in the Payments paragraph of this Exhibit A of the Agreement.  
10 These monthly programmatic reports should be received by ADMINISTRATOR no later than the tenth  
11 (10th) business day of the month following the report month.

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

17 B. MONTHLY IRIS – CONTRACTOR shall input all CalOMS data for the preceding month no  
18 later than the fifth (5th) calendar day of the month following the report month. CONTRACTOR shall  
19 correct and submit all errors from the CalOMS Feedback and Error Report within seven (7) calendar  
20 days of receipt of the report. CalOMS discharges shall be entered no later than seven (7) calendar days  
21 after Client's discharge.

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

25 D. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports, as required by  
26 ADMINISTRATOR, concerning CONTRACTOR's activities as they affect the services hereunder.  
27 ADMINISTRATOR will be specific as to the nature of information requested.

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

#### 30 31 **V. SERVICES**

32 A. CONTRACTOR shall operate a licensed accredited and certified alcohol and drug abuse  
33 Narcotic Replacement Therapy program, in accordance with the standards established by COUNTY and  
34 under Title 9, Division 4, Chapter 4 of the CCR by the State of California, DHCS, and shall administer  
35 or dispense Methadone, Soboxone or other medication as approved by ADMINISTRATOR, as a  
36 maintenance substitute narcotic drug or for detoxification for Clients who are dependent on heroin or  
37 //

1 other morphine-like drugs at the following locations unless otherwise approved in advance and in  
2 writing by ADMINISTRATOR:

3	4	5	6
	218 Commonwealth Ave.	10751 Dale Street	275 Victoria Street, Suite 1H
	Fullerton, CA	Stanton, CA	Costa Mesa, CA 92627”

7 B. PERSONS TO BE SERVED – CONTRACTOR shall provide services to Maintenance Clients  
8 who are eligible for services. Maintenance Clients are considered eligible for services if they are  
9 indigent or earning up to 200% of poverty level; including those who are disabled, have HIV and/or  
10 Hepatitis C, or are pregnant, and those identified in Services Paragraph, subparagraph M., three hundred  
11 sixty-five (365) days per year. In addition to the above, program eligibility shall be determined as per  
12 Title 9 section 10270 for Maintenance and Detoxification Clients. Detoxification services shall be  
13 provided, to those Clients that are indigent or earning up to 200% of poverty level or as approved by  
14 ADMINISTRATOR. Detoxification therapy shall not include pregnant women. In addition,  
15 CONTRACTOR shall provide maintenance and detoxification services to persons eighteen (18) and  
16 over earning up to 200% of poverty level and/or eligible for AB109 via referral from OC Probation  
17 Department assessment staff. Other eligibility may be determined by ADMINISTRATOR.

18 1. CONTRACTOR shall provide individual case management, treatment planning, crisis  
19 intervention, discharge planning, medication handling and dispensing, and related services as required  
20 by federal, state, and COUNTY rules and regulations.

21 2. CONTRACTOR’s program must include an introduction to appropriate self-help structured  
22 support programs as approved by ADMINISTRATOR.

23 C. INTAKE/ASSESSMENT – Before admitting an applicant to Detoxification or Maintenance  
24 therapy, the Medical Director shall determine medical Necessity by either conducting a medical  
25 evaluation or documenting the review in agreement with a medical evaluation conducted by the  
26 physician’s designee. Within seven (7) calendar days of admission, CONTRACTOR shall provide a  
27 standardized, comprehensive risk and needs assessment on each Maintenance Client to assess alcohol  
28 and drug abuse history, family history, mental and emotional status, educational and vocational  
29 background, as well as daily living skills, stress management, literacy, employment, education and  
30 money management. Assessment tools may include Addiction Severity Index, or any other assessment  
31 tool, as approved by ADMINISTRATOR. The content of Client records shall follow Title 9, Section  
32 10165 and all requirements specified by this Agreement.

33 D. PROGRAM ORIENTATION – CONTRACTOR shall, within seventy-two (72) hours of  
34 Client’s admission into the program, provide an overview of the program. The program orientation  
35 shall be documented in the Client’s file, and shall include, but not be limited to:

- 36 1. Overview of program structure and schedules;
- 37 2. Program rules and regulations;

- 1 3. Effects of medication used in Narcotic Replacement Therapy and adverse effects of abrupt  
 2 withdrawal;
- 3 4. Policies regarding Client fees;
- 4 5. Client rights and responsibilities;
- 5 6. Assignment of a counselor;
- 6 7. Staff code of conduct;
- 7 8. Confidentiality Statement, and how release of information is permitted in accordance with  
 8 42 CFR Part 2 and 45 CFR (HIPAA);
- 9 9. Agreements needed to exchange appropriate information within the network of consultants  
 10 and linkage agencies in accordance with HIPAA regulations and 42 CFR Part 2; and Title 9, Division 4,  
 11 Chapter 4, Section 10290; and
- 12 10. Continuing care services.

13 E. TREATMENT PLAN

14 1. CONTRACTOR shall, within twenty-eight (28) calendar days of initiation of Narcotic  
 15 Replacement Therapy for a Maintenance Client, have a registered, certified, and/or licensed Counselor  
 16 develop an individual treatment plan with each Client per Title 9, Section 10305 which shall include:

17 a. Goals, based on identified needs, to be achieved by the Client with estimated target  
 18 dates for attainment in accordance with the following:

19 1) Short-term goals which are estimated to require eighty-nine (89) calendar days or  
 20 less for Client to achieve;

21 2) Long-term goals which are estimated to require a specified time exceeding ninety  
 22 (90) calendar days for Client to achieve;

23 b. Specific behavioral tasks the Client must accomplish to complete each short-term and  
 24 long-term goal;

25 c. A description of the type and frequency of counseling services to be provided to the  
 26 Client;

27 d. An effective date based on the day the Counselor signed the initial treatment plan;

28 e. The Supervising Counselor shall review the initial maintenance treatment plan, along  
 29 with the needs assessment, and all updated maintenance treatment plans within fourteen (14) calendar  
 30 days from the effective dates and shall countersign these documents to signify concurrence with the  
 31 findings; and

32 f. Medical Director or Designee will review the needs assessment, and sign the initial and  
 33 all updated treatment plans within fourteen (14) days of Counselor's signature.

34 2. CONTRACTOR's registered, certified, and/or licensed Counselor shall evaluate and update  
 35 the Client's treatment plan whenever necessary, or at a minimum once every three (3) months from the  
 36 date of initiation of Narcotic Replacement Therapy. The updated treatment plan shall include:

37 //

1 a. A summary of the Client's progress or lack of progress toward each goal identified in  
2 the initial treatment plan;

3 b. New goals and behavioral tasks for any newly identified needs, and related changes in  
4 the type and frequency of counseling services.

5 3. CONTRACTOR shall develop an individualized treatment plan for each Client undergoing  
6 detoxification including:

7 a. Provision to educate the Client on illicit drug addictions and how to deal with them;

8 b. Provision for furnishing services to the Client as needed when Detoxification is  
9 completed;

10 c. Required treatment services and the role of the Client to achieve stated goals; and

11 d. The type and frequency of scheduled counseling services.

12 F. COUNSELING – Upon completion of the initial treatment plan, CONTRACTOR shall arrange  
13 for Client to receive a minimum of fifty (50) minutes of counseling services per calendar month for  
14 Maintenance, and two (2) twenty-five (25) minute counseling sessions within the 21-day period for  
15 Detoxification, in accordance with the following requirements:

16 1. Program staff member conducting the session must be a Counselor;

17 2. The session must be conducted in a private setting in accordance with all applicable federal,  
18 state, and COUNTY regulations regarding confidentiality; and

19 3. The format of the counseling session shall be an Individual session, with face-to-face  
20 discussion with the Client, on a one-on-one basis, on issues identified in the Client's treatment plan.  
21 Counselor shall document this session in Client's file.

22 G. CONTINUATION OF TREATMENT – CONTRACTOR shall provide justification for  
23 treatment to Clients who have been on Methadone, Suboxone, or other medication as approved by  
24 ADMINISTRATOR, maintenance for a period of two (2) years, and annually thereafter. Justification  
25 shall be provided by the Medical Director and noted in Clients files. CONTRACTOR shall ensure that  
26 no Maintenance Client is enrolled for more than one (1) year from admission date on COUNTY funding  
27 and that no Detoxification Client is enrolled for more than one (1) detox episode per fiscal year, unless  
28 approved by ADMINISTRATOR. COUNTY funding is designed to be a short-term stabilizer with the  
29 Client progressing to longer-term self- sustainment. Only those Clients with special circumstances will  
30 be allowed to remain on Maintenance funding for up to two (2) years of their admission unless  
31 otherwise approved by ADMINISTRATOR.

32 H. DISCHARGE PLAN/EXIT PLANNING/TERMINATION – CONTRACTOR shall begin  
33 discharge planning immediately after enrollment. CONTRACTOR shall develop a formal exit plan no  
34 later than fourteen (14) calendar days prior to Client's successful completion of the program for a  
35 Maintenance or Detoxification Client. The transition/exit plan shall be completed and signed by  
36 CONTRACTOR and Client. CONTRACTOR shall establish a protocol for scheduled termination of  
37 services and document any discharge via a discharge summary.

- 1           1. The transition/exit plan shall include:
- 2           a. A strategy or strategies to assist the Client in maintaining an alcohol and drug free
- 3 lifestyle;
- 4           b. A continuing treatment exit plan that includes linkage and referral of the Client to
- 5 appropriate services, such as outpatient treatment, other support services such as self-help groups, social
- 6 services, vocational rehabilitation, job training and other services, if needed, and document this in
- 7 Client's chart. The continuing treatment exit plan shall also include the goals identified in the Client's
- 8 treatment plan; and
- 9           c. Referrals to appropriate non-substance abuse resources such as continuing education
- 10 and vocational rehabilitation.
- 11          2. Written criteria for the discharge summary shall include:
- 12          a. Reason for discharge;
- 13          b. Client's achievements while in the Treatment Program such as meeting or progressing
- 14 towards educational or vocational goals;
- 15          c. Description of detoxification episodes or maintenance services and Client progress;
- 16          d. Current alcohol and/or drug usage at discharge;
- 17          e. Vocational and educational achievements;
- 18          f. Any outstanding legal concerns;
- 19          g. Linkages and referrals made;
- 20          h. Client's comments; and
- 21          i. Prognosis.

22          I. PERFORMANCE OUTCOMES – ADMINISTRATOR shall develop and provide

23 CONTRACTOR with performance outcome measure guidelines for the purpose of evaluating the

24 impact or contribution of CONTRACTOR's services on the well-being of the COUNTY Clients being

25 served under the terms of the Agreement. At a minimum, CONTRACTOR shall implement a process

26 improvement project as outlined in the NIATx model, targeting at least one of the following four (4)

27 NIATx aims:

- 28           1. Reduce waiting times
- 29           2. Reduce no-shows
- 30           3. Increase admissions
- 31           4. Increase continuation in treatment

32          J. ADDITIONAL REPORTING – CONTRACTOR shall submit written report to

33 ADMINISTRATOR on a weekly basis, or as arranged by ADMINISTRATOR, for all Clients

34 participating in treatment as part of the Agreement. Report will note all current Clients.

35 ADMINISTRATOR will approve CONTRACTOR's form for report, and determine mode of

36 transmission of said report from the CONTRACTOR to the ADMINISTRATOR.

37 //

1 K. CASE MANAGEMENT – CONTRACTOR shall provide Case Management services which  
 2 include the process of identification, assessment of need, planning, coordination and linking, monitoring  
 3 and continuous evaluation of Clients and of available resources, and advocacy through a process of  
 4 casework activities in order to achieve the best possible resolution of individual needs in the most  
 5 effective way possible.

6 L. REFERRAL AND LINKAGE – CONTRACTOR shall provide effective linkage of a Client to  
 7 other ancillary services to include literacy training, vocational counseling, and other Client services,  
 8 with follow-up to be provided and documented in the Client file to ensure that the Client has contacted  
 9 the referred service provider. Referrals shall also be made for individuals having special needs, such as  
 10 persons living with chronic diseases. Referrals shall be sensitive to the Client's cultural needs.

11 M. ALCOHOL AND/OR DRUG SCREENING – CONTRACTOR shall have a written policy and  
 12 procedure regarding alcohol and/or drug testing at a minimum of one (1) time per month for all  
 13 Maintenance Clients. Clients requiring Detoxification shall be screened for alcohol/illicit drug use at the  
 14 time of admission, prior to completion, and any other time deemed necessary by the attending physician.  
 15 Urine specimen collection shall be observed by same sex staff. This policy shall be approved by  
 16 ADMINISTRATOR. Results of these screenings shall be documented in the Client's file. If any  
 17 Maintenance Client's drug screen results indicate a negative pattern of testing positive for non-opioid  
 18 illegal substances, or narcotic replacement diversion, CONTRACTOR shall list on the Monthly Report,  
 19 the corrective action taken to refocus the Client. The CONTRACTOR shall document this in the  
 20 Client's file. Detoxification Clients that produce positive drug screens for illicit substances during  
 21 detoxification shall be given relapse prevention strategies during counseling sessions or moved to a  
 22 higher level of service such as maintenance dosing, extended detox, with ADMINISTRATOR approval,  
 23 linkages to residential treatment, or ongoing outpatient treatment services for substance use disorders.  
 24 All counseling session discussions and referrals/linkages shall be documented in the Client's file.

#### 25 N. IN CUSTODY SERVICES

26 1. CONTRACTOR shall provide Methadone dosing, or other approved narcotic replacement  
 27 medication, to pregnant women currently on Methadone, or other approved narcotic replacement  
 28 medication, and shall be responsible for coordinating care that includes a process for Methadone dosing, or  
 29 other approved narcotic replacement medication, at the following COUNTY correctional facilities:

30 a. COUNTY's Intake and Release Center; and

31 b. Santa Ana City Jail.

32 2. Additional sites may be added by mutual agreement of ADMINISTRATOR and  
 33 CONTRACTOR.

34 3. Services are to be provided seven (7) calendar days per week, including COUNTY observed  
 35 holidays.

36 4. CONTRACTOR will have staff approved to dispense Methadone, or other approved narcotic  
 37 replacement medication, carry identification this includes at a minimum, the following:

- 1 a. persons name,
- 2 b. picture,
- 3 c. title,
- 4 d. organizational name, and
- 5 e. organizational address.

6 5. CONTRACTOR must submit a list of staff administering Methadone, or other approved  
7 narcotic replacement medication, to COUNTY Sheriff's Department monthly or as any changes occur.

8 6. CONTRACTOR will make every effort possible to ensure that services are provided in a  
9 timely manner to the Clients.

10 7. CONTRACTOR will advise Methadone, or other approved narcotic replacement medication,  
11 treatment programs within a fifty (50)-mile radius of their role in the COUNTY correctional facilities, and  
12 maintain collaboration with these clinics to coordinate care of mutual Clients.

13 8. CONTRACTOR will develop, and submit to ADMINISTRATOR for approval, a policy and  
14 procedure for jail dosing by implementation of the Agreement.

15 9. CONTRACTOR is responsible for all costs incurred for properly disposing all Methadone,  
16 or other approved narcotic replacement medication, that could not be administered to Clients in custody.

17 O. TOKENS – ADMINISTRATOR shall provide CONTRACTOR the necessary number of  
18 Tokens for appropriate individual staff to access the HCA IRIS at no cost to the CONTRACTOR.

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

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

23 3. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following  
24 conditions:

- 25 a. Token of each staff member who no longer supports the Agreement;
- 26 b. Token of each staff member who no longer requires access to the IRIS;
- 27 c. Token of each staff member who leaves employment of CONTRACTOR; or
- 28 d. Token is malfunctioning.

29 4. ADMINISTRATOR shall issue Tokens for CONTRACTOR's staff members who require  
30 access to the IRIS upon initial training or as a replacement for malfunctioning Tokens.

31 5. CONTRACTOR shall reimburse the COUNTY for Tokens lost, stolen, or damaged through  
32 acts of negligence.

33 ~~— P. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the~~  
34 ~~Services Paragraph of this Exhibit A to the Agreement.~~

35 “P. CONTRACTOR shall establish a good neighbor policy, which shall be reviewed and approved  
36 by ADMINISTRATOR on an annual basis. The policy shall include, but not limited to, staff training to  
37 deal with neighbor complaints and staff contact information available to neighboring residents.

1 Q. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the  
 2 Sevices Paragraph of this Exhibit A to the Agreement.”

### 4 **VI. STAFFING**

5 A. CONTRACTOR shall ensure that all clinical staffing, including those providing direct Client  
 6 services, meet the requirements of Title 22 and Title 9 of the CCR as it exists now or may hereafter be  
 7 amended or changed and all standards of the Department of Health Care Services.

8 B. CONTRACTOR shall include bilingual/bicultural services to meet the needs of the population  
 9 to be served under the Agreement. Whenever possible, bilingual/bicultural staff should be retained.

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

17 D. CONTRACTOR shall ensure that administrative staffing is sufficient to support the  
 18 performance of services pursuant to the Agreement.

19 E. CONTRACTOR may augment paid staff with volunteers or part-time student interns.  
 20 CONTRACTOR shall provide supervision to volunteers as specified in the respective job descriptions  
 21 or work contracts.

22 F. STAFF CONDUCT – CONTRACTOR shall establish a written policies and procedures for  
 23 employees, volunteers, interns, and members of the Board of Directors which shall include, but not be  
 24 limited to, standards related to the use of drugs and/or alcohol; staff-Client relationships; prohibition of  
 25 sexual conduct with Clients; prohibition of forging or falsifying documents or drug tests; and real or  
 26 perceived conflict of interest. Situations that may be perceived as a conflict of interest shall be brought  
 27 to the ADMINISTRATOR’s attention prior to the occurrence. Prior to providing any services pursuant  
 28 to the Agreement all employees, volunteers, and interns shall agree in writing to maintain the standards  
 29 set forth in the said policies and procedures. A copy said policies and  
 30 procedures shall be provided to each Client upon admission and shall be posted in writing in a  
 31 prominent place in the treatment facility and updated annually by the Board of Directors.

32 G. CONTRACTOR shall provide pre-employment screening of any staff person providing any  
 33 service pursuant to the Agreement. All new staff, volunteers, and interns shall pass a one-time “live  
 34 scan” fingerprinting background check prior to such staff becoming involved with the Clients.  
 35 CONTRACTOR shall provide copies of the criminal record reviews to ADMINISTRATOR within ten  
 36 (10) calendar days of receiving such reviews. The results of the fingerprinting will be sent directly from  
 37 the Department of Justice to CONTRACTOR. Results must remain in staff file. ADMINISTRATOR

1 may change this approval mechanism at their discretion.

2 1. All staff, prior to hiring, shall meet the following requirements:

3 a. No person shall have been convicted of a sex offense for which the person is required  
4 to register as a sex offender under California Penal Code section 290;

5 b. No person shall have been convicted of an arson offense – Violation of Penal Code  
6 sections 451, 451.1, 451.5, 452, 452.1, 453, 454, or 455;

7 c. No person shall have been convicted of any violent felony as defined in Penal Code  
8 section 667.5, which involve doing bodily harm to another person, for which the staff member was  
9 convicted within five years prior to employment;

10 d. No person shall be on parole or probation, unless approved in advance by  
11 ADMINISTRATOR; and

12 e. No prior employment history of improper conduct, including but not limited to, forging  
13 or falsifying documents or drug tests, sexual assault or sexual harassment, or inappropriate behavior  
14 with staff at another treatment facility.

15 f. No person shall participate in the criminal activities of a criminal street gang and/or  
16 prison gang.

17 2. Exceptions to staffing requirements set forth above, may be requested if CONTRACTOR  
18 deems the decision will benefit the program. Requests for exceptions shall be submitted in writing and  
19 approved in advance by ADMINISTRATOR.

20 H. CONTRACTOR shall provide ongoing training in topics related to alcohol and drug use on an  
21 annual basis including:

22 1. analysis of illicit drug use, the meaning of the analysis results, and procedures to be  
23 followed by CONTRACTOR to alleviate continued use.

24 2. confidentiality requirements.

25 I. All staff providing services shall be licensed and/or certified in accordance with the  
26 requirements and professional guidelines as applicable.

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

29 K. CONTRACTOR's Executive Director or designee shall participate, when requested, in  
30 meetings facilitated by ADMINISTRATOR related to the provision of services pursuant to the  
31 Agreement.

32 L. Any CONTRACTOR staff participating in the delivery of services to Clients shall complete the  
33 Annual Provider Training made available by ADMINISTRATOR. Completion certificates shall be  
34 placed in each personnel file as applicable.

35 M. CONTRACTOR shall not conduct any proselytizing activities, regardless of funding sources,  
36 with respect to any person who has been referred to CONTRACTOR by COUNTY under the terms of  
37 the Agreement. Further, CONTRACTOR agrees that the funds provided hereunder shall not be used to

1 | promote, directly or indirectly, any religion, religious creed or cult, denomination or sectarian  
2 | institution, or religious belief.

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

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1 EXHIBIT B  
 2 TO AGREEMENT FOR PROVISION OF  
 3 NARCOTIC REPLACEMENT THERAPY TREATMENT SERVICES  
 4 BETWEEN  
 5 COUNTY OF ORANGE  
 6 AND  
 7 WESTERN PACIFIC RE-HAB  
 8 JULY 1, 2017 THROUGH JUNE 30, 2020  
 9

10 **I. BUSINESS ASSOCIATE CONTRACT**

11 **A. GENERAL PROVISIONS AND RECITALS**

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

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

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

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

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

32 6. The parties understand that the HIPAA Privacy and Security rules, as defined below in  
 33 Subparagraphs B.9 and B.14, apply to the CONTRACTOR in the same manner as they apply to the  
 34 covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the  
 35 terms of this Business Associate Contract and the applicable standards, implementation specifications,  
 36 and requirements of the Privacy and the Security rules, as they may exist now or be hereafter amended,  
 37 //

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

### 3 B. DEFINITIONS

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

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

#### 10 a. Breach excludes:

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

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

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

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

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

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

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

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

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

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

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

37 //

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

3 7. "Individual" shall have the meaning given to such term under the HIPAA Privacy Rule in  
4 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance  
5 with 45 CFR § 164.502(g).

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

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

11 10. "PHI" shall have the meaning given to such term under the HIPAA regulations in 45 CFR §  
12 160.103.

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

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

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

22 14. "The HIPAA Security Rule" shall mean the Security Standards for the Protection of ePHI at  
23 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

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

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

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

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

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

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

37 //

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

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

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

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

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

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

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

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

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

37 //

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

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

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

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

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

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

37 //

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

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

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

9 D. SECURITY RULE

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

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

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

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

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

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

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

37 //

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

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

7 E. DATA SECURITY REQUIREMENTS

8 1. Personal Controls

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

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

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

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

34 2. Technical Security Controls

35 a. Workstation/Laptop encryption. All workstations and laptops that store PHI COUNTY  
36 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of  
37 //

1 COUNTY either directly or temporarily must be encrypted using a FIPS 140-2 certified algorithm which  
2 is 128bit or higher, such as AES. The encryption solution must be full disk unless approved by the  
3 COUNTY.

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

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

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

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

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

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

37 //

1 Passwords must be changed if revealed or compromised. Passwords must be composed of characters  
2 from at least three (3) of the following four (4) groups from the standard keyboard:

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

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

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

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

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

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

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

37 //

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

### 5 3. Audit Controls

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

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

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

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

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

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

### 32 5. Paper Document Controls

33 a. Supervision of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR  
 34 creates, receives, maintains, or transmits on behalf of COUNTY in paper form shall not be left  
 35 unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means  
 36 that information is not being observed by an employee authorized to access the information. Such PHI  
 37 //

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

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

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

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

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

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

#### 24 F. BREACH DISCOVERY AND NOTIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

18 4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in  
19 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the  
20 COUNTY.

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

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

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

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

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

5 **G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR**

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

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

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

15 1) The Disclosure is required by law; or

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

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

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

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

28 4. CONTRACTOR may use or disclose PHI COUNTY discloses to CONTRACTOR as  
 29 required by law.

30 **H. PROHIBITED USES AND DISCLOSURES**

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

36 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI  
 37 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on

1 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by  
2 42 USC § 17935(d)(2).

3 I. OBLIGATIONS OF COUNTY

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

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

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

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

15 J. BUSINESS ASSOCIATE TERMINATION

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

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

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

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

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

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

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

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

37 //

1 EXHIBIT C  
 2 TO AGREEMENT FOR PROVISION OF  
 3 NARCOTIC REPLACEMENT THERAPY TREATMENT SERVICES  
 4 BETWEEN  
 5 COUNTY OF ORANGE  
 6 AND  
 7 WESTERN PACIFIC RE-HAB  
 8 JULY 1, 2017 THROUGH JUNE 30, 2020  
 9

10 **I. PERSONAL INFORMATION PRIVACY 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 the SSA and CHHS.

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

23 5. "IEA" shall mean the IEA currently in effect between the 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  
10 Agreement provided that such use or disclosure would not violate the CIPA if done by the COUNTY.

### 11 2. Responsibilities of CONTRACTOR

12 CONTRACTOR agrees:

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

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

25 c. Security. CONTRACTOR shall ensure the continuous security of all computerized data  
26 systems containing DHCS PI and PII. CONTRACTOR shall protect paper documents containing DHCS  
27 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 B of the Business Associate Contract, Exhibit C 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 Office of Management and Budget in OMB Circular No. A-130,  
32 Appendix III-Security of Federal Automated Information Systems, which sets forth guidelines for  
33 automated information systems in Federal agencies.

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

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

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

10 e. CONTRACTOR's Agents and Subcontractors. To impose the same restrictions and  
11 conditions set forth in this Personal Information and Security Contract on any subcontractors or other  
12 agents with whom CONTRACTOR subcontracts any activities under the 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 the  
21 COUNTY to the extent necessary to ensure the DHCS's compliance with the applicable terms of the  
22 CIPA including, but not limited to, accounting of disclosures of DHCS PI, correction of errors in DHCS  
23 PI, production of DHCS PI, disclosure of a security Breach involving DHCS PI and notice of such  
24 Breach to the affected individual(s).

25 h. Breaches and Security Incidents. During the term of the 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 beach of unsecured DHCS PI  
28 and PII or security incident in accordance with Subparagraph F, of the Business Associate Contract,  
29 Exhibit C 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.

34 //  
35 //  
36 //  
37 //